



Statement

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ACC WELCOMES DOE REPORT HIGHLIGHTING BENEFITS OF AN ETHANE STORAGE HUB IN APPALACHIAN REGION

WASHINGTON (December 4, 2018) – *The American Chemistry Council (ACC) issued the following statement in response to a [Report to Congress](#) published today by the U.S. Department of Energy (DOE): “Ethane Storage and Distribution Hub in the United States.” The [report](#) highlights the potential for the development of a new ethane hub based on the abundant, low-cost resource from the Marcellus and Utica shale formations.*

“We welcome DOE’s report, which affirms that the Appalachian region could become a major petrochemical and plastic resin-producing zone. Proximity to a world-class supply of feedstocks and to the manufacturing markets of the Midwest and East Coast have already led several companies to announce investment projects, and there is potential for a great deal more. It’s an exciting opportunity for the region and our nation.”

The DOE report projects that growth in domestic feedstock supplies can help the United States boost its share of the global petrochemicals market, with the increased capacity generating \$227 billion in new revenue between 2018 and 2040. It points out that two-thirds of ethane production over the next two decades will come from the Permian Basin in the Southwestern U.S. and the Marcellus and Utica basins in the Appalachian region.

“The right policies will be critical to realizing the opportunity. Policymakers can help by continuing to ensure that natural gas liquids (NGL) storage and distribution projects are eligible for existing private-public financing programs. As Congress and the Administration consider infrastructure modernization legislation, the Appalachian Hub should be a priority. And a timely and efficient regulatory permitting process is essential.

“We’re pleased that DOE included an ACC study in its round-up of reports on the potential for an Appalachian Storage Hub. In May 2017, [ACC published](#) a report showing that the Appalachian region could become a second center of U.S. petrochemical and plastic resin manufacturing, similar to the Gulf Coast. By 2025, the region could see 100,000 permanent new jobs, including 25,700 new chemical and plastic products manufacturing jobs, 43,000 jobs in supplier industries and 32,000 jobs in communities where workers spend their wages.”

In the U.S., chemical companies use NGLs derived from shale gas as key feedstocks. Plentiful supplies are enabling companies from around the world to build new U.S. facilities or



expand production capacity. Since 2010, 333 projects cumulatively valued at \$202 billion have been announced, with just over half of the investment completed or under construction and the rest in the planning phase. Much of the new investment has been concentrated along the Gulf Coast, longtime center of the U.S. chemical industry, with more to come.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a \$526 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for ten percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

