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Via regulations.gov

The Office of Policy and Strategic Planning
Department of Commerce
1401 Constitution Ave. NW, Room 5863
Washington, DC 20230

RE: Construction of Pipelines Using Domestic Steel and Iron;
Docket Number: 1703092527252 01; DOC–2017–0002.

Dear Sir or Madam:

The Williams Companies, Inc. ("Williams") respectfully submits the following comments on the Department of Commerce's Request for Information regarding the construction and maintenance of American pipelines.

Williams owns and operates premier energy infrastructure across the United States. Our operations span the natural gas value chain – from gathering, processing, and interstate transportation of natural gas and natural gas liquids ("NGL") to petrochemical production of ethylene, propylene, and other olefins. With major positions in top U.S. supply basins, Williams owns and operates more than 33,000 miles of pipelines system wide – including the nation's largest volume and fastest growing interstate pipeline – providing natural gas for clean-power generation, industrial, commercial, and residential use. Overall, Williams touches approximately 30% of natural gas transported and/or used in the U.S.

Williams supports the comments submitted by the Joint Trade Associations American Gas Association, American Petroleum Institute, Association of Oil Pipe Lines, GPA Midstream Association, and Interstate Natural Gas Association of America which express a collective desire to strengthen the United States economy and to reinvigorate United States manufacturing. In fact, Williams has been at the forefront of these discussions for years. For example, in 2012, Williams' Chief Executive Officer, Alan Armstrong, exhorted the energy industry and steel industry to forge new bonds – with natural gas as a clean, abundant fuel source for new and retrofitted domestic steel mills to accommodate the growing infrastructure needs of the energy industry. Williams is committed to working with the Administration as it contemplates how best to strengthen American energy infrastructure and how to lower the practical barriers that impede the Administration's objectives. The information below is provided to this end.

I. About The Williams Companies, Inc.

A. Role Regarding United States Pipelines

As more fully described herein, Williams constructs, owns and operates thousands of miles of pipelines in the United States, which are used for the transmission of natural gas, natural gas liquids, crude oil, and other hydrocarbon-based substances.

B. NAICS Code(s)

Williams' activities occur under the following NAICS codes.

- 211112 --- Natural Gas Liquids Extraction
- 213112 --- Support Activities for Oil and Gas Operations
- 325110 --- Petrochemical Manufacturing
- 486110 --- Pipeline Transportation of Crude Oil
- 486210 --- Pipeline Transportation of Natural Gas
- 486910 --- Pipeline Transportation of Refined Petroleum Products
- 493190 --- Other Warehousing and Storage
- 517110 --- Wired Telecommunications Carrier
- 531120 --- Lessors of Non-Residential Buildings
- 523140 --- Commodity Contracts Brokerage
- 236210 --- Industrial Building Construction

C. What types of pipelines does your company operate, construct, manufacture, or distribute?

Williams' business includes interstate natural gas pipelines, including joint project investments, natural gas gathering, treating, processing and compression services; NGL production, fractionation, storage, marketing and transportation; deep-water production handling and crude oil transportation services; and an olefin production business.

More specifically, our interstate gas pipeline businesses consist primarily of Transcontinental Gas Pipe Line ("Transco") and Northwest Pipeline. Our gas pipeline business also holds interests in joint venture interstate and intrastate natural gas pipeline systems including a 50 percent ownership of Gulfstream and a 41 percent interest in Constitution, which is under development. Transco and Northwest Pipeline own and operate a combined total of approximately 13,600 miles of pipelines with a total annual throughput of approximately 4,230 TBtu of natural gas and peak-day delivery capacity of approximately 15.5 MMdth of natural gas.

- Transco is an interstate natural gas transmission company that owns and operates a 9,700-mile natural gas pipeline system, which is regulated by the Federal Energy Regulatory Commission ("FERC"), extending from Texas, Louisiana, Mississippi and the Gulf of Mexico through Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, Pennsylvania and New Jersey to the New York City metropolitan area. The

system serves customers in Texas and 12 southeast and Atlantic seaboard states, including major metropolitan areas in Georgia, North Carolina, Washington, D.C., Maryland, New York, New Jersey, and Pennsylvania.

- Northwest Pipeline is an interstate natural gas transmission company that owns and operates a 3,900-mile natural gas pipeline system, which is regulated by the FERC, extending from the San Juan basin in northwestern New Mexico and southwestern Colorado through Colorado, Utah, Wyoming, Idaho, Oregon, and Washington to a point on the Canadian border near Sumas, Washington. Northwest Pipeline provides services for markets in Washington, Oregon, Idaho, Wyoming, Nevada, Utah, Colorado, New Mexico, California, and Arizona, either directly or indirectly through interconnections with other pipelines.

- Gulfstream is a 745-mile interstate natural gas pipeline system extending from the Mobile Bay area in Alabama to markets in Florida, which has a capacity to transport 1.3 Bcf/d.

D. Where are your operations located?

Williams, founded in 1908, is headquartered in Tulsa, Oklahoma, with other major offices in Salt Lake City, Utah; Houston, Texas; and Pittsburgh, Pennsylvania. Williams operates assets in 35 states across the country.

E. How many employees?

Williams has approximately 5,600 full-time employees.

F. Approximate sales revenue?

In 2016, our revenues were approximately $7.5 billion.

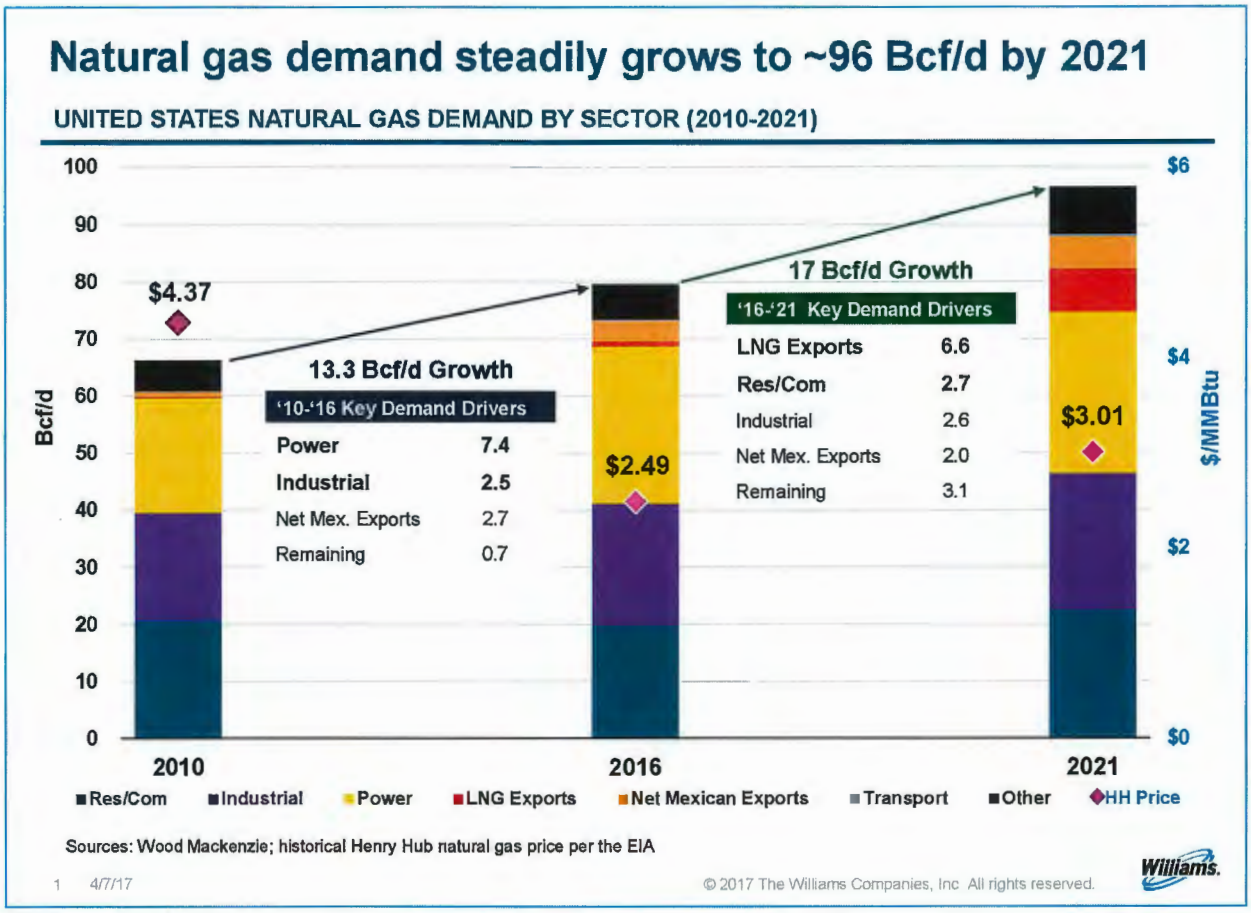
G. Approximately how many miles of pipeline did your company construct, repair, fabricate, or distribute in 2016?

Williams owns approximately 74 percent of Williams Partners L.P., and Williams Partners owns and operates more than 33,000 miles of pipelines system wide – including the nation's largest volume and fastest growing interstate pipeline, Transco – providing natural gas for clean power generation, heating and industrial use. In 2016, Williams installed 250 miles of pipeline.

II. Key Questions

A. In a few sentences, describe your assessment of U.S. pipeline demand (such as miles of pipeline planned for construction) for the next few years.

Just taking natural gas into consideration, the demand in the United States is forecasted to grow from nearly 79 Bcf/d in 2016 to around 96 Bcf/d in 2021, according to Wood Mackenzie. This increased demand will require a corresponding increase in energy infrastructure.



B. To what extent are your companies' pipeline materials sourced domestically? What factors influence this decision (price, quality, supply shortages, pipeline requirements, domestic sourcing requirements, etc.)?

Williams generally request proposals from both domestic and foreign suppliers for new and replacement pipeline materials. All pipeline materials must meet stringent technical specifications associated with their intended use to ensure safety for the public and protect the environment during operations, and in certain instances, withstand the rigor of installation, such as during offshore construction.

Since 2015, most of Williams' purchase orders have been with import manufacturers due to lack of domestic mill availability and lower delivered costs. Bids are evaluated based on a delivered cost at the site, the mill availability to meet our project schedules, and the manufacturers' ability to meet technical specifications for the steel and the finished pipe. Williams ordered approximately 223,000 tons of pipeline in the last two years and 70 percent of these pipe orders were for large diameter (30"- 48") steel pipe.

C. If applicable, please estimate your company's capacity to fabricate pipelines or steel for pipelines. What was your capacity utilization in 2016? If applicable, what factors prevented your company from operating at capacity?

Not applicable.

D. If applicable, please estimate in days or months' supply your existing inventories of pipe. What share of your inventory is fully produced in the United States?

Williams does not have any project inventory like a distributor/supplier would have on hand. However, as we order for projects, Williams acquires and maintains an inventory in storage while waiting on project approvals and construction start. For example, the Atlantic Sunrise project is waiting on pending regulatory approvals and is expecting to soon be under construction. For that project, Williams has over a million feet (152,700 tons) of pipe in storage. Likewise, the Constitution Pipeline project is waiting on pending regulatory approvals. Williams has almost half a million feet (42,800 tons) of pipe for that project in storage. The typical timeline between committing to purchase pipe and receiving the pipe on location is six to twelve months, but can be longer depending upon the complexity of the technical requirements of the pipe specification.

E. To what extent are materials other than iron and steel the primary materials used in your pipelines?

Williams rarely uses pipe materials other than steel.

Williams has steel pipe coated with Fusion Bonded Epoxy (FBE) and depending on the application, the pipe will be coated with Abrasion Resistant Overcoat (ARO) or concrete coating. Both the FBE and ARO are generally done at a facility adjacent to the pipe mill to ensure pipe integrity during transport.

As for associated equipment, Williams does not have specific information on those sources of steel. Our purchase decision criteria for pipeline materials focus on cost, schedule and technical fit for the project. Most valves purchased by us are manufactured overseas, or foreign parts are used when they are assembled in the United States. Williams' understanding is that only one manufacturer produces small diameter ball valves that are completely made in the United States. All other valves have some aspect of their manufacturing and/or assembly that is foreign.

F. To what extent is technology changing the material requirements and construction techniques in the pipeline industry?

Technology is always being reviewed and considered, but natural gas gathering, NGL and interstate transmission pipelines primarily use steel pipe that must meet stringent API standards and other applicable integrity requirements under federal and state law.

G. If applicable, how many permits from a Federal agency are required for pipeline construction or repair? Which Federal agencies require permits and how long does it take to obtain them?

Dozens of permits, authorizations, and consultations are typically required under Federal law for infrastructure projects moving natural gas or liquids. The review processes may involve eight or more federal agencies, including the FERC, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, U.S. Coast Guard, National Oceanic and Atmospheric Administration, Bureau of Land Management, National Park Service, U.S. Fish and Wildlife Service, National Marine Fisheries, the U.S. Forest Service (U.S. Department of Agriculture), the Advisory Council on Historic Preservation and involve dozens of polices, statutes, guidelines and regulations. Using our Atlantic Sunrise Project as an illustrative example, attached is a table showing the major permits, approvals and consultations required for a major interstate natural gas pipeline project.

In addition, under the National Environmental Policy Act, federal agencies (other than EPA) are required to consider the environmental effects of, and alternatives to, all proposals for major federal actions that significantly affect the quality of the human environment. These analyses typically require from several months to well over a year to complete, and they frequently become the basis for litigation intended to stall or block new infrastructure.

A significant number of Williams' projects are linear in nature and cross multiple political and geographic boundaries, which affects the number of Federal agencies involved. For large, interstate pipeline projects, processing our permit applications takes at least 18-24 months; for small interstate projects it takes at least 10-14 months; and for gathering lines within a state it takes approximately 1-6 months. Final approval of a major pipeline project requires several years when taking into consideration the early development phase (approximately one year), the so-called "pre-filing" proceeding for FERC-certificated projects (6-12 months), the formal certificate proceeding at FERC (9-16 months), the post-certificate authorizations to commence construction (1 – 4 months), and the post-certificate litigation that may be required to secure final access to private land for required cultural and other surveys. Major capital deployment decisions for new pipeline infrastructure are substantially inhibited by such lengthy approval proceedings.

Due to increased public involvement, duplicative regulatory requirements and unclear lines of authority among regulators, Williams estimates nearly one year has been added to the federal permitting process for interstate pipelines, as illustrated in the attached Federal Review Process diagram. At the state and local level, Williams also encounters overlapping or uncoordinated requirements (for both interstate and non-interstate projects). For instance, states often require or request the following types of authorizations: state water quality permits, state water encroachment permits, construction storm water permits, multiple state rare, threatened and endangered species (from multiple state agencies), and state, county and local road occupancy and driveway permits. At times there is confusion over requirements within the state, and requirements can duplicate or overlap with federal permitting as well.

H. Please describe in a few sentences how domestic content requirements would affect your operations.

Domestic content requirements have the potential to affect project: (1) timing, (2) cost, (3) financial viability, and (4) technical requirements. Williams' needs for pipeline materials are not currently produced domestically and our understanding is that current and reasonably foreseeable manufacturing capabilities in the United States cannot meet current demand for pipeline materials in the United States. Thus, any sort of requirement to use U.S.-sourced steel or pipeline materials manufactured in the United States has the potential to cancel or delay projects. Ultimately this will cause capacity constraints on the Country's existing pipeline infrastructure, which can limit our customers' ability to meet their growing market demands. Furthermore, to the extent that a domestic content requirement results in higher overall costs, domestic companies may be placed at a disadvantage when competing to serve LNG export markets.

III. Conclusion

Williams appreciates the opportunity to submit comments to the Department of Commerce on this important matter. Williams supports the Administration's objectives but its ultimate success will depend on several factors, perhaps most important being domestic mills' ability to meet demand in the foreseeable future, critical deadlines, and design specifications. Williams looks forward to working with the Administration as it contemplates how best to rejuvenate the American energy economy. Should you have any questions, do not hesitate to contact Cherie Humphries, VP Supply Chain, at 918.573.9560; Judy Neason, Federal Government Affairs Director, at 202.258.2482; or me at 918.573.2000.

Respectfully submitted,

THE WILLIAMS COMPANIES, INC.

Micheal G. Dunn
Chief Operating Officer

Attachments

TABLE 1.5-1

Major Permits, Approvals, and Consultations for the Atlantic Sunrise Project

Agency	Permit/Approval/Consultation	Agency Action	Status
Federal			
FERC	Certificate under section 7(c) of the NGA	Determine whether the Project would be in the public interest, and consider issuing a Certificate	Application filed on March 31, 2015
USACE	Department of the Army permit under section 404 of the CWA	Consider issuing a permit for discharges of dredged or fill material into waters of the United States	Application for Pennsylvania facilities submitted April 9, 2015; permit for Virginia facilities received August 24, 2016
	Department of the Army permit under section 10 of the Rivers and Harbors Act	Consider issuing a permit for structures or work in or affecting navigable waters of the United States	Application for Pennsylvania facilities submitted April 9, 2015; permit for Virginia facilities received August 24, 2016
U.S. Fish and Wildlife Service, Pennsylvania, Chesapeake Bay, Asheville, Raleigh, and South Carolina Field Offices	Section 7 ESA consultation, Biological Opinion	Consider FERC's finding of impact on federally listed and proposed threatened and endangered species and their critical habitat, and provide a Biological Opinion if the action is likely to adversely affect federally listed species or their critical habitat	Ongoing
	MBTA and section 3 of Executive Order 13186	Provide comments regarding project effects on listed migratory birds	Ongoing
	Bald and Golden Eagle Protection Act	Provide comments regarding project effects on bald and golden eagles	Ongoing
National Park Service	Consultation regarding crossing of the Appalachian National Scenic Trail	Consider FERC's finding of impact on the Appalachian National Scenic Trail	Not applicable (Project does not cross National Park Service property)
Interstate Agencies			
Susquehanna River Basin Commission	Water Allocation Permit	Issuance of a Water Allocation Permit for withdrawal of surface water and groundwater	Permit issued September 8, 2016
Pennsylvania			
Pennsylvania Department of Environmental Protection (PADEP), Regional Bureaus of Watershed Management	Clean Water Act 401 Water Quality Certification	Issuance of a section 401 permit for discharge to waters of the United States.	Permit issued April 5, 2016
PADEP, Regional Bureaus of Watershed Management	Chapter 105 Application	Issuance of a Chapter 105 permit for wetlands and water obstructions	Chapman Loop – permit issued April 29, 2016; Unity Loop – application submitted August 7, 2015; Central Penn Line (CPL) North and CPL South – applications submitted August 28, 2015

TABLE 1.5-1 (cont'd)

Major Permits, Approvals, and Consultations for the Atlantic Sunrise Project

Agency	Permit/Approval/Consultation	Agency Action	Status
PADEP, Bureau of Land and Water Conservation, Division of Stormwater Management and Sediment Control	Chapter 102 ESCGP-2 Application	Issuance of a Chapter 102 permit	Compressor Station 517 and Chapman Loop – permits issued on October 9,2015 and April 29, 2016, respectively; Compressor Station 520 and Unity Loop – application submitted August 7, 2015; CPL North and CPL South – applications submitted August 28, 2015
PADEP, Bureau of Water Quality Protection	Clean Water Act Section 402 National Pollutant Discharge Elimination System (NPDES) – Hydrostatic Test Water Discharge Permit/Approval	Issuance of a section 402 and hydrostatic test water discharge permit	CPL North, CPL South, Chapman Loop, and Unity Loop – applications anticipated to be submitted third quarter of 2016 Compressor Stations 605 and 610 – applications anticipated to be submitted fourth quarter of 2016
PADEP, Regional Watershed Management	Submerged Land License Agreement	Issuance of Submerged Land License Agreement	Application anticipated to be submitted fourth quarter of 2016
PADEP, Bureau of Air Quality	Air Quality Request for Determination (RFD)	Air quality determination	Compressor Station 605, Springville and Zick Meter Stations – RFD exclusion approved July 17, 2015 Compressor Station 610 – RFD exclusion approved October 1, 2015 West Diamond Regulator Station – RFD exclusion approved February 8, 2016 River Road Regulator Station – RFD exclusion approved January 20, 2016
	Air Quality Plan Approval (minor)	Approval of Air Quality Plan	Compressor Stations 517 and 520 – application submitted in March 2015
Pennsylvania Fish and Boat Commission	Aid to Navigation Plans	Approval of Aid to Navigation Plans	Applications submitted October 4 and October 10, 2016
	Permit for Use of Explosives in Commonwealth Waters	Issuance of Permit for Use of Explosives in Commonwealth Waters	Application submitted October 10, 2016
	Consultation (rare aquatic and amphibian species)	Provide comments to prevent effects on rare aquatic and amphibian species	Clearance received May 31, 2016 and September 2, 2016
Pennsylvania Department of Transportation	Highway Occupancy Permit	Issuance of a Highway Occupancy Permit for installation of utilities that serve the public	Application anticipated to be submitted third quarter of 2016
Pennsylvania Department of Conservation and Natural Resources	Consultation (rare plant species)	Provide comments to prevent effects on rare species	Clearance received May 27, 2016 and August 31, 2016
	State Park Right-of-Way License	Issuance of State Park Right-of-Way License	Application submitted April 30, 2015

TABLE 1.5-1 (cont'd)

Major Permits, Approvals, and Consultations for the Atlantic Sunrise Project

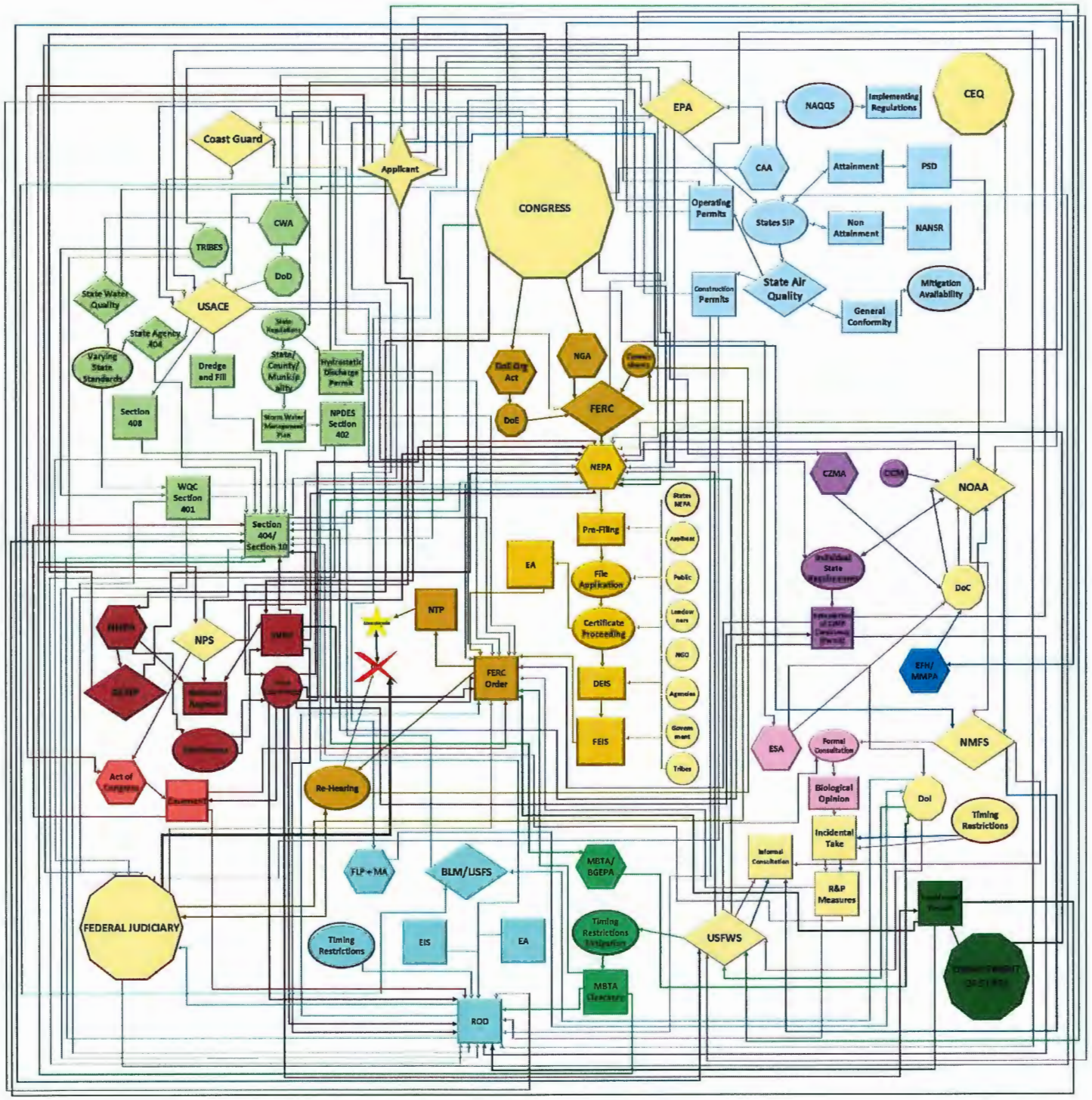
Agency	Permit/Approval/Consultation	Agency Action	Status
Pennsylvania Game Commission	Consultation (rare mammalian and avian species)	Provide comments to prevent effects on rare species	Clearance received June 2, 2016 and September 19, 2016
	State Game Land Right-of-Way License	Issuance of State Game Land Right-of-Way License	License agreements received November 3, 2016
Pennsylvania Historical and Museum Commission, Bureau of Historic Preservation	Section 106, NHPA Consultation	Review and comment on the Project and its effects on historic properties	Consultation initiated in March 2014 and is ongoing
Maryland			
Maryland Department of the Environment	Maryland Joint Permit	Approval of wetland/waterway authorization	Permit received October 13, 2015
	NPDES Hydrostatic Discharge Permit	Issuance of NPDES Hydrostatic Discharge Permit	Application anticipated to be submitted third quarter of 2016
	Rare Species Clearance	Issuance of clearance to prevent effects on rare species	Clearance received May 30, 2014
	Air Permit Change Notice	Issuance of Air Permit Change Notice	Permit received March 17, 2016
Maryland Historical Trust	State Historic Preservation Office (SHPO) Categorical Exclusion	Clearance for SHPO Categorical Exclusion	Clearance received November 12, 2014
Howard County Conservation District	Permit for Stormwater Management Associated with Construction Activity	Issuance of Permit for Stormwater Management Associated with Construction Activity	Permit received December 2, 2015
	Soil Erosion and Sediment Control	Approval of erosion and sediment controls to minimize soil erosion and off-site sedimentation	Application anticipated to be submitted fourth quarter of 2016
Virginia			
Virginia Department of Environmental Quality	Soil Erosion Plans Associated with Construction Activity	Soil Erosion Plans Associated with Construction Activity	Application submitted February 2, 2016
	Virginia Pollutant Discharge Elimination System Hydrostatic Discharge Permit	Issuance of Virginia Pollutant Discharge Elimination System Hydrostatic Discharge Permit	Application anticipated to be submitted fourth quarter of 2016
	CAA Title V 502(b)(10) Notifications	Review of notification of facility changes covered under Title V Permit 502(b)(10)	Determined not applicable
Virginia Department of Conservation and Recreation	Rare Species Clearance	Provide comments to prevent effects on rare species	Consultation initiated April 2014 and is ongoing
Virginia Department of Game and Inland Fisheries	Rare Species Clearance	Provide comments to prevent effects on rare species	Clearance received October 31, 2016
Virginia Department of Historic Resources	Section 106, NHPA Consultation	Review and comment on the Project and its effects on historic properties	Concurrence received November 12, 2014 and December 22, 2015

TABLE 1.5-1 (cont'd)

Major Permits, Approvals, and Consultations for the Atlantic Sunrise Project

Agency	Permit/Approval/Consultation	Agency Action	Status
North Carolina			
North Carolina Department of Environment and Natural Resources (NCDENR), Division of Energy, Land and Mineral Resources	NPDES General Stormwater Construction Notification	Approval of NPDES General Stormwater Construction Notification	Compressor Station 155 – approved April 12, 2016; Compressor Stations 145 and 150 – approved April 21, 2016; Compressor Station 160 – approved June 21, 2016
NCDENR, Division of Air Quality	CAA Title V 502(b)(10) Notifications	Review of notification of facility changes covered under Title V Permit 502(b)(10)	Determined not applicable
North Carolina Wildlife Resources Commission	Rare Species Clearance	Provide comments to prevent effects on rare species	Consultation initiated in April 2014 and is ongoing
North Carolina Department of Cultural Resources	SHPO Categorical Exclusion	SHPO Categorical Exclusion clearance	Clearance received October 23, 2014
South Carolina			
South Carolina Department of Health and Environmental Control	NPDES General Stormwater Construction Notification	Approval of NPDES General Stormwater Construction Notification	Application anticipated to be submitted third quarter of 2016
	NPDES Hydrostatic Discharge Permit	Issuance of NPDES Hydrostatic Discharge Permit	Application anticipated to be submitted fourth quarter of 2016
South Carolina Department of Natural Resource – Natural Heritage Program	Rare Species Clearance	Provide comments to prevent effects on rare species	Consultation initiated in April 2014 and is ongoing
South Carolina Archive and History Center	SHPO Categorical Exclusion	SHPO Categorical Exclusion clearance	Clearance received October 21, 2014

Current Federal Review Process for Interstate Natural Gas Transmission Projects



Opportunities:
- Consistent Application of NEPA
- Define Scope of State-Issued Authorizations Under Federal Law
- Federal & State having duplicate and/or conflicting regulation of the same resource