



## TEXAS PIPELINE ASSOCIATION

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### **Texas Pipeline Industry Study: Significant Economic Impact in Texas** *Midstream Sector Boosts Texas Economies*

**AUSTIN, Texas** –Through ongoing operations and construction in 2013 alone, Texas’ oil and gas pipeline industry provided \$33 billion in economic impact, supported more than 165,000 high-paying jobs, contributed an additional \$18.7 billion in gross state product, and injected \$1.6 billion in state and local government revenues, according to a newly released joint-department study conducted at Texas Tech University, commissioned by the Texas Pipeline Association (TPA).

“Texas’ pipeline industry is a key component of our energy infrastructure and our nation’s ever-growing energy needs,” said Thure Cannon, president of TPA. “And, due to a dramatic increase in the state’s oil and gas production, the demand for additional pipelines is expected to continually increase in the coming years. The communities that are home to pipeline projects are perfectly poised to see economic benefit from the industry in terms of more jobs and increased tax revenue.”

By connecting upstream to downstream, from wells to end users, pipelines play a significant role in value creation and economic sustainability in the state. In turn, this core activity leads to a number of non-core but very critical supply chain activities such as the construction of pipelines, processing plants, meter stations, compressors, fractionators and equipment manufacturing. The second tier benefits of the pipeline industry flow directly into the operations of suppliers, both wholesale and retail, and include real estate and housing, financial services, etc. and provide a positive boost for local economies.

An additional feature of the study is the inclusion of the Texas petroleum engineering and geophysical factors analysis. Due to improved technology in horizontal drilling and multi-stage hydraulic fracturing, well productivity has increased dramatically since 2011 and has led to the current state of heightened production, which has contributed substantial economic benefits to the state. It is important to note, however, that the realization of these benefits depends on a pipeline transportation system that will continue to play a vital role in the future development of the Texas economy.

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“The pipeline industry verifiably underpins the exploration and production industry and its impact on state funds is not only substantially measurable but growing in scale,” said Dr. Bradley Ewing, Texas Tech University professor of energy economics.

Other highlights of the study include:

- Conservative economic estimates conclude that in the period from 2014-2024, the pipeline industry will contribute over \$374 billion in total economic output, sustain 171,000 high-paying jobs annually, contribute over \$212 billion in additional gross state product, and inject \$19.5 billion in state and local government revenues .
- Wells in a confirmed shale play exhibit a repeatable, statistical distribution offering predictable performance in a given geological subset.
- The state of Texas has the greatest rig count of any U.S. state or world region (48 percent of the total rigs running in the U.S. and 25 percent of the total world rig count).

An executive summary of the study, *Current and Future Economic Impacts of the Texas Oil and Gas Pipeline Industry*, may be found online at [www.texaspipelines.com](http://www.texaspipelines.com).

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#### **About Texas Pipeline Association**

The Texas Pipeline Association is the largest state trade association in the country representing solely the interests of the intrastate pipeline network. TPA provides effective advocacy on issues related to pipeline safety, environmental regulations, taxation and legislation and is the primary resource for information regarding the Texas pipeline industry. Member companies work in partnership with state and federal regulatory agencies to ensure full compliance. For more information about TPA, please visit [www.texaspipelines.com](http://www.texaspipelines.com).