

July 24, 2015

The Honorable Lisa Murkowski, Chairman
Energy and Natural Resources Committee
United States Senate
304 Dirksen Senate Building
Washington, DC 20510

The Honorable Maria Cantwell, Ranking Member
Energy and Natural Resources Committee
United States Senate
304 Dirksen Senate Building
Washington, D.C. 20510

Dear Senators Murkowski and Cantwell,

On behalf of the Center for Liquefied Natural Gas, the Natural Gas Supply Association and the Independent Petroleum Association of America, we write to applaud the Senate Energy and Natural Resources Committee for introducing the Energy Policy and Modernization Act of 2015 (EPMA 2015). Specifically, we are encouraged by the inclusion of Section 2201 (Action on applications to export liquefied natural gas) and Section 2202 (Public disclosure of liquefied natural gas export destinations) in the bipartisan legislative proposal. We believe that the passage of this legislation will help to accelerate the creation of a thriving domestic liquefied natural gas (LNG) industry by providing greater certainty to the export permit review process.

By providing for a forty-five day time limit for the issuance of a public interest determination, the bill will ensure that applications to export LNG to non-free trade agreement (NFTA) countries receive a public interest determination in a timely manner. The statutory requirement will provide certainty for LNG project developers, that contingent upon the successful completion of the permitting process may elect to invest billions of dollars in the U.S. economy to construct, operate and maintain liquefaction terminals.

The Department of Energy's NFTA public interest determination is but the final step of a robust regulatory process that includes an extensive environmental review as required by the National Environmental Policy Act (NEPA). For onshore and near shore liquefaction terminals the Natural Gas Act designates the Federal Energy Regulatory Commission (FERC) as the lead agency for the interagency NEPA review. The NEPA review provides multiple opportunities for stakeholder input and requires project developers to comply with numerous statutes including the Clean Air Act and Clean Water Act. The NEPA review can take more than a year to complete and can cost upwards of tens of millions of dollars. EPMA 2015 will codify in statute that an LNG project's commitment to and successful completion of the time and capital-intensive NEPA review will result in a public interest determination by a date certain.

Numerous studies and economic analyses have found that LNG exports will deliver significant benefits to our economy, creating thousands of jobs by stimulating the energy production value chain, generating millions of dollars in tax revenues, helping the United States to reduce its trade deficit, and increasing global energy security by diversifying and deepening sources of supply. Thanks to technological breakthroughs that have unleashed an energy renaissance the United States has become the world's largest natural gas producer and now has the chance to capitalize on this opportunity by exporting LNG. With the newfound abundance of natural gas we can supply affordable energy to domestic markets while realizing the economic benefits of increased participation in the global LNG market. Exporting LNG will extend the benefits of abundant U.S. natural gas supply to our trading partners, fueling the world economy, which will in turn help continue U.S. economic growth and contribute to the reduction of global greenhouse gas emissions.

We appreciate the many hours of hard work that have gone into preparing this important legislation and encourage the Committee to adopt Sections 2201 and 2202 as written.

Please contact us if we can be of assistance.

Sincerely,

Bruce E. Henderson
Chairman
Center for Liquefied Natural Gas

Dena E. Wiggins
President & CEO
Natural Gas Supply Association

Lee O. Fuller
Executive Vice President
Independent Petroleum Association of America

