



**Caterpillar Inc.**

1425 K Street, N.W.  
Suite 400  
Washington, District of Columbia 20005 USA  
Fax: (202) 466-0684

January 24, 2013

### Caterpillar Opposes Efforts To Ban LNG Exports.

As one of America's largest manufacturers and most successful exporters, Caterpillar opposes calls to limit exports of liquified natural gas (LNG).

Some argue that by restricting exports, America would gain a competitive advantage over our international competitors by depressing U.S. natural gas prices while pushing LNG prices higher in other countries. We don't agree.

We believe LNG export restrictions would discourage U.S. energy exploration and economic growth. And the notion of restricting exports would be counterproductive to our ongoing efforts to keep other countries from embracing similar policies. The U.S. has - and should continue - to strenuously oppose export restrictions imposed by other countries as they seek to gain advantage over U.S. manufacturers and farmers by restricting products like rare earth minerals, scrape steel, and food.

We also need to remember the lessons we've learned in the past. When the U.S. has imposed unilateral export bans, usually to influence foreign policy, the result has almost always been costly and counterproductive. The grain embargo against the USSR hurt American farmers while helping those in Canada, Australia, and Argentina. Export restrictions on U.S.-built pipe layers effectively ceded the Russia market to Caterpillar's foreign competitors for two decades.

Instead of export restrictions, we ask that policymakers focus on improving American competitiveness. A better infrastructure, a more competitive corporate tax code, new market-opening trade agreements are what's needed to generate more economic growth.

Caterpillar continues to believe that we compete best in a free trade environment. When trade barriers are removed, we can better meet our worldwide customers' needs and grow more easily. Our suppliers benefit because they can more efficiently satisfy our global sourcing requirements. Our employees benefit from a higher standard of living as they have access to more product choices at lower prices. And most important, trade promotes human understanding and thus a more peaceful world.

Without belaboring the point, Caterpillar strongly rejects calls for limits on LNG exports.

A handwritten signature in black ink, appearing to read "William C. Lane".

William C. Lane  
Director International Governmental Affairs  
Caterpillar