

United States Senate

WASHINGTON, DC 20510

January 23, 2013

The Honorable Stephen Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Chu:

First, thank you for completing and releasing the recent report commissioned by President Obama and conducted for the Department of Energy by the National Economic Research Associates (NERA) group titled “Macroeconomic Impacts of LNG Exports from the United States.” The goal of expanding domestic exports of LNG is not without concerns, such as potential negative impacts on domestic manufacturers and consumers due to changes in the natural gas market. However, it is reassuring to see that this report has concluded that such exports can be achieved in a manner that both protects our domestic manufacturers and benefits our domestic gas producers.

The growth of the natural gas industry drives job creation, increases tax revenues, royalties and supports domestic manufacturing. However, the continued growth of this industry is reliant on steady demand; demand which we believe can responsibly include the export of LNG. We are pleased that the NERA study commissioned by DOE supports this, indicating that the export of LNG will provide economic benefit to our nation.

This economic benefit is inexorably tied to the health of natural gas producers, who account for thousands of jobs and billions of dollars of investment in states like Louisiana, Texas, North Dakota and Montana. A recent study by IHS Global Insight estimated that in 2010, the shale gas industry supported 600,000 jobs. By 2015, the study forecast that shale development will support nearly 870,000 jobs, with that number growing to over 1.6 million by 2035.

This is not to say that the issue of domestic price impact may be ignored. We would note that the Department has indicated that it will ensure that “natural gas exports do not subsequently lead to a reduction in the supply of natural gas needed to meet essential domestic needs.” We believe that our nation will be able to ensure supply reliability while at the same time developing our LNG exports. To this end, the NERA report estimates the total cost to transport gas to an export terminal, liquefy, ship, and then regasify it overseas would ensure that the price of domestic gas will maintain a cushion against rising to a “world price.” We believe that these two

factors ensure that any export of LNG can and will be done in a responsible manner that protects the interests of both domestic producers and consumers.

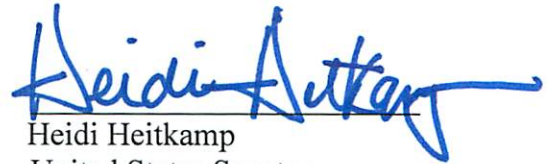
In the wake of the DOE report and the realities of today's natural gas market, we believe now is the time to expand domestic exportation of LNG. We respectfully urge the Administration to advance through the comment period and toward approval of export permits to non-Free Trade Agreement (FTA) countries.

Thank you for taking this request into consideration and we look forward to your response.

Sincerely,



Mary L. Landrieu
United States Senator



Heidi Heitkamp
United States Senator

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