



Powering **Manufacturing**.
Fueling **Jobs**.
Igniting **Growth**.

January 9, 2014

The Honorable Ernest Moniz
Secretary of Energy
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C., 20585

Dear Mr. Secretary:

It is our understanding that the Department of Energy may be on the verge of approving another application to export American natural gas to non-FTA nations. If permitted, it would mark the sixth consecutive approval, meaning that this Administration will have agreed to export nearly 12 percent of domestic natural gas production to nations that do not have a reciprocal free trade agreement with the United States. With all due respect, we are very concerned that exporting such a large volume of this strategic commodity, which is vital to U.S. competitiveness, is contrary to the national interest. We respectfully urge you to reconsider approving any additional export applications until a comprehensive review of the current natural gas market conditions is completed.

America's Energy Advantage continues to believe that exporting this volume of natural gas carries unnecessary risk for job creation, a durable manufacturing recovery and consumer spending in our country by significantly raising prices for consumers and manufacturers. Natural gas prices have already increased by nearly 30 percent since approval of the first LNG export terminal. Approval of the Sempra application would raise the cumulative volume of LNG export capacity to 8.47 Bcf/day, well in excess of the "low export scenario" level identified in the NERA report.

As we noted in our letter of November 8, 2013¹, the 2011 data upon which the Department is relying to justify these export approvals is obsolete. The natural gas marketplace has changed dramatically since the NERA report was issued, and we are concerned that the Department is not considering more recent expert data and analyses that conclusively demonstrate that increased domestic demand, exacerbated by high exports, will increase natural gas prices to levels harmful to the economy. We do not understand why the Department is unwilling to consider the significant amount of new data on demand and current market conditions.

The Administration is pursuing a dangerous policy path that would take the nation to authorized export levels above 8 Bcf/day based on a theoretical model with no actual market validation. Much remains

¹ [America's Energy Advantage letter to Secretary Moniz, Nov. 8, 2013](#)

that we simply do not know with respect to both supply and demand in the natural gas market. What we do know is that it is a dynamic and volatile market that is continually changing. With so much at stake for the economy and U.S. energy security, we should not take chances and gamble with this critical strategic resource.

A renaissance in American manufacturing is underway, powered by abundant supplies of domestic natural gas at affordable prices. The shale gas boom is a job magnet, attracting foreign investment and domestic industries to invest in the United States. American natural gas is directly responsible for the seven consecutive months of growth in the manufacturing sector. To date, more than \$100 billion of investment in over 120 different manufacturing projects have been announced.

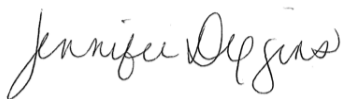
Before the Department of Energy approves yet another application to export this finite strategic commodity to our global competitors, we would respectfully ask for your responses to the following questions:

- Does the Department of Energy believe the global market and the supply and demand forecasts for domestic natural gas have changed since the NERA report which used 2011 data? If not, why not? If so, why hasn't there been a comprehensive review and report based on the current market conditions?
- Higher gas prices will hurt family incomes and threaten America's manufacturing renaissance. How is that in the national public interest?
- Why is the Administration rewarding protectionist nations with this vital strategic commodity that do not provide access to their markets for other U.S. goods?
- Were the Department of Energy to approve all of the pending applications, nearly half of U.S. production could be sent overseas. How much is too much?
- Shouldn't the Department of Energy's predictive models be validated with actual market data and real world impacts before further export applications are granted? If not, why not?

Given the uncertainty, unpredictability and historical volatility of the natural gas market, caution is warranted before irreversible harm is done to the economy. We appreciate your service to our country and your interest in this vital issue, and we would welcome the opportunity to discuss these issues with you in the very near future.

Thank you for your attention.

Sincerely yours,



Jennifer Diggins
Chair
America's Energy Advantage

Cc: Melanie Kenderdine, Director for Energy Policy & Systems Analysis, Department of Energy
Jonathan Levy, Deputy Chief of Staff, Department of Energy
Dan Utech, Deputy Assistant to the President for Energy and Climate Change
Steve Ricchetti, Counselor to the Vice President
Gene Sperling, Director, National Economic Counsel