



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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To Members of the U.S. Senate:

Ukraine Has More Supply Years of Proven Natural Gas Reserves than the U.S.!

The Senator Barrasso Amendment has nothing to do with Ukraine or with supporting our NATO allies, and should be excluded from S. 2124, the “Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014.”

Exporting U.S. natural gas to help our Ukrainian and NATO allies is not a viable option for years to come. There are no export facilities that are ready to ship. Helping them to drill for natural gas is the solution.

According to the U.S. Energy Information Administration (EIA), Ukraine has 39 trillion cubic feet (Tcf) of proved natural gas reserves, and at a 2012 consumption rate of 1.8 Tcf, they have a 21-year supply. This compares favorably to U.S. proven reserves of 318 Tcf, or a 12-year supply at the 2013 consumption rate of 26 Tcf. The problem is that Ukraine only produces 1 Tcf of gas.¹

The old adage of “give a person a fish and feed him for a day or teach him to fish and feed him for a lifetime” still applies. Drilling in Ukraine would create needed jobs, economic growth, and energy independence. Exporting U.S. natural gas simply makes them dependent upon us, rather than Russia.

It seems that some in Congress are determined to changing existing law in order to accelerate exports of natural gas, remove protections for U.S. consumers, and impose the equivalent of a new energy tax.

The DOE has already approved seven applications to export to non-free trade countries, an equivalent of a 15.3 percent increase in demand versus 2013 demand. Congress should take a measured approach to LNG exports and protect the American consumer from the unfair OPEC LNG energy tax.²

Sincerely,

Paul N. Cicio
President

¹ Technically Recoverable Shale Oil and Shale Gas Resources: An Assessment of 137 Shale Formations in Countries Outside the United States, EIA, June 10, 2013,
<http://www.eia.gov/analysis/studies/worldshalegas/>

² IECA comments on Senate Committee on Energy and Natural Resources hearing on March 25, 2014,
http://www.ieca-us.com/wp-content/uploads/03.24.14_ENR_Energy-Exports_Record1.pdf