



## Industrial Energy Consumers of America

*The Voice of the Industrial Energy Consumers*

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March 25, 2014

The Honorable Edward R. Royce  
Chairman  
Committee on Foreign Affairs  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Eliot L. Engel  
Ranking Member  
Committee on Foreign Affairs  
U.S. House of Representatives  
Washington, DC 20515

### ***RE: Hearing on The Geopolitical Potential of the U.S. Energy Boom***

Dear Chairman Royce and Ranking Member Engel:

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

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.<sup>1</sup>

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. All U.S. Department of Energy studies say that increased exports increase domestic prices of natural gas and electricity.

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<sup>1</sup> 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/>

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, farmers and manufacturing sectors.

Sincerely,

Paul N. Cicio  
President

cc: House Committee on Foreign Affairs

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*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 1,500 facilities nationwide, and with more than 1.4 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.*