

United States Senate

WASHINGTON, DC 20510

May 8, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington DC 20500

Dear Mr. President:

We write to express our concern regarding the impact that large-scale exports of natural gas could have on American consumers and businesses.

Families and businesses depend on affordable and reliable supplies of natural gas. This winter many parts of the country faced tight supplies of propane and natural gas and families were left to face high energy bills. During February, Henry Hub natural gas prices more than doubled to over \$8 per million British thermal units and prices in some regions of the country were far higher. Our natural gas inventories are now 55 percent below the five-year average. This winter served as a reminder that high natural gas prices can hurt family budgets and be a drag on our economy.

Taking a longer-term view, the United States has benefited from rising supplies and lower prices for natural gas since 2008. Thanks in part to lower natural gas prices, America's manufacturing sector has created more than 600,000 jobs since 2010. The Boston Consulting Group concluded that affordable natural gas prices could lead to 5 million more manufacturing jobs by the end of the decade. We must ensure that we do not squander what is clearly an American competitive advantage right now for American manufacturers and for the American economy.

Recently, the Department of Energy approved exports of liquefied natural gas from a sixth export facility. This means that total approved exports, combined with existing and approved export pipelines, now exceeds the total amount of gas that is currently used in every single American home and commercial business. This level of exports well exceeds the "high export scenario" referenced by a Department of Energy study in 2012 that indicated prices could increase by up to 54 percent. Price increases of this scale could translate into more than \$60 billion a year in higher energy costs for American consumers and businesses.

Liquefied natural gas shipments to China, India, Japan, South Korea, and other Asian nations account for about 70 percent of the global trade of liquefied natural gas. Based on the contracts U.S. exporters already have in place, Asia would likely be the primary destination of U.S. natural gas exports as well. Natural gas prices in Asia are currently *three to four times higher* than those in the United States. Integration of U.S. and Asian natural gas markets through U.S. exports could lead to further increases in prices for American consumers and businesses, which may fundamentally reverse many of the economic benefits that have led to the current surge in manufacturing job growth in the United States. Large-scale exports of natural gas to Asia could also jeopardize America's goal of achieving energy independence, a goal made more achievable by the recent increase in domestic gas production.

It is imperative, both for American jobs and for the environment, that the Department of Energy continue to consider the public interest and the cumulative impact of potential exports on U.S. consumers and businesses before granting approval of natural gas exports to countries with which the United States does not have a free trade agreement. We ask that you pay close attention to the effects that large-scale natural gas exports could have on businesses, workers, and residential consumers.

Thank you for your attention to this matter.

Sincerely,

Debbie Stabenow

Edward J. Markey

August King

Sheldon Brown

Jerry Bolton

Dianne Feinstein

Elizabeth Warren

Carl Levin

Al Franken

Shirley

Lawrence

Bob Casey

Tom Harkin

Jack Reed

J. A. B.

Richard Blumenthal

Bill Nelson

Patrick Leahy

Jeanne Shaheen

Susan Collins

Jim Donkin

Paul Manchillo

cc: Secretary of Energy Ernest Moniz