

**“Domestic Supply and the Potential Benefits
or Unintended Consequences Caused by
Expansion of Natural Gas Exports”**

Before the Senate Committee on Energy and
Natural Resources

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Three Minute Opening Statement

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Chairman Wyden, Ranking Member Murkowski and members of the Committee, thank you for the opportunity to participate in this important forum.

My name is Paul Cicio and I am the President of the Industrial Energy Consumers of America (IECA), a trade association whose member companies are exclusively from the manufacturing sector, and whose competitiveness is largely dependent upon the price of natural gas and electricity.

IECA companies have combined revenues of \$1.3 trillion, over 1.7 million employees, and have over 1,500 facilities nationwide.

The U.S. industrial sector has benefited greatly from the shale natural gas revolution. This newfound resource has especially brought new life to the energy-intensive industries that use energy to produce “all” of the building block products that are then used by all other manufacturing companies...to produce “their” products. Examples of energy intensive industries include: chemical, plastics, steel, aluminum, paper, glass, and cement.

These industries have announced new capital investments upward of \$100 billion because of the competitive advantage of U.S. natural gas and NGL prices. The next wave of investment will come from our customers, many who are re-shoring to be close to their supplier and reduce their costs as well.

But this opportunity to realize the full economic potential of returning manufacturing to U.S. shores can be lost if we fail to make the far-sighted policy decisions required to continue this new investment.

The consequences of decisions regarding the quantity and timing of LNG exports are of extraordinary importance. What makes these

decisions complex is that once the DOE approves an export terminal for a period of 20 to 30 years, it thrusts enormous risks and uncertainties of the future onto domestic consumers and manufacturers.

Placing this risk on domestic consumers is not acceptable public policy when indeed, it can be avoided. Once an export terminal is approved, there is no putting the genie back in the bottle.

Common sense and economic sense dictates that sound public policy should support LNG exports, to the extent that domestic consumers are not negatively impacted.

Given the stakes for the U.S. economy, we urge that a thoughtful and transparent approach be adopted as follows:

Move forward on exports to nations with free-trade agreements and move forward on exporting gas from Alaska to both FTA and non-FTA countries.

For shipments to non-FTA countries from the lower 48, we believe DOE should implement a rulemaking process to fully identify and develop appropriate criteria to make the public interest determination required by Section 3 of the Natural Gas Act.

With that transparent criteria in place, make the public interest determination on a case-by-case basis with enough time in between each successive export application, to determine whether the public interest, at that time, and in light of exports already then occurring, is best served by granting the next export license.

Thank you.