



PRESS RELEASE

FOR IMMEDIATE RELEASE

July 18, 2012

CONTACT: Marnie Satterfield

(202) 223-1420

msatterfield@ieca-us.org

“Industrial Energy Consumers Trade Group Addresses Shortcomings of Brookings Institution’s U.S. Natural Gas Exports Report”

The Industrial Energy Consumers of America (IECA) offered a detailed response this week to The Brookings Institution’s Hamilton Project report, “A Strategy for U.S. Natural Gas Exports,” by Michael Levi, published on June 13, 2012. IECA’s response addresses serious shortcomings of the report, principally that it:

- Fails to provide a true comparison of the economic benefits of natural gas exports versus using natural gas in value-added manufacturing products;
- Overlooks how critical the manufacturing sector is to the U.S. economy;
- Is based on flawed assumptions; and,
- Presents a misleading narrow view of the impact of excessive natural gas exports on the economy.

“The shale natural gas boom is a great potential gift to the U.S. economy that, if consumed domestically, can support U.S. economic growth for decades to come. Unfortunately, the Brookings report fails to appropriately address the substantial opportunity that plentiful, stable domestic supplies of natural gas offer for revitalizing the U.S. manufacturing sector, which will grow the U.S. economy,” said Paul Cicio, president of IECA. “Without proper consideration of the manufacturing sector and the potential impact excessive U.S. natural gas exports could have on the U.S. economy, the report is incomplete.”

“As with any resource that is critical to America's economic growth, any decision to approve the export of natural gas should include a rigorous analysis of potential impact on the domestic economy and job creation, and place a high priority on the manufacturing sector,” said Cicio, president of IECA. “While IECA is not opposed to exports, we acknowledge that exports are in competition with domestic manufacturing demand. We believe that using natural gas as a fuel and feedstock for producing manufactured goods - creates more economic value and jobs - than exporting it.”

The report also underestimates domestic demand growth, understates the volume of natural gas exports that have been proposed, ignores the tremendous economic opportunity offered by a revitalized U.S. manufacturing sector, and erroneously contends that higher natural gas prices benefit consumers and manufacturers.

Affordable, abundant, natural gas is critical to U.S. manufacturing growth, which can provide high-wage, high-skill jobs over and above those jobs created by natural gas producers. The manufacturing sector uses one-third of all of the natural gas and one-third of all electricity (of which one-third is produced from natural gas) and fuels 12 million manufacturing jobs.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$700 billion in annual sales and with more than 650,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, 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: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.