



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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July 27, 2018

Mr. Max Everett
Chief Information Officer (CIO)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC, 20585

Re: Data Quality Act Request for Correction: U.S. Department of Energy (DOE) Study on Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports, Docket No. 2018-12621

Dear Mr. Everett:

The Industrial Energy Consumers of America (IECA) requests a correction of the U.S. Department of Energy's (DOE) study on "Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports," docket no. 2018-12621. The study uses a proprietary and non-reproducible economic model which violates the Data Quality Act (DQA). IECA seeks other important DQA corrections as well.

The DQA passed through Congress in Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law 106-554, HR 5658)¹ and mandates that agencies ensure "maximizing the quality, objectivity, utility, and integrity of information (included statistical information) disseminated by Federal agencies" to the public.

The DOE's "Final Report to the Office of Management and Budget on Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by the Department of Energy"² sets specific guidelines that must be met for the quality of information to be distributed to the public. Under the DOE guidelines, the study qualifies as "influential," meaning that it may result in an annual effect on the economy of \$100 million or more.

The DQA guidelines, some of which are provided below, provide specific and important definitions. The study fails to meet these DQA standards.

- "Reproducibility: means the capability of being substantially reproduced, subject to an accepted degree of imprecision, and with respect to analytical results, "capable of being substantially reproduced" means that independent analysis of the original

¹ Treasury and General Government Appropriations Act for Fiscal Year 2001(Public Law 106-554)
<https://www.fws.gov/informationquality/section515.html>

² https://www.energy.gov/sites/prod/files/nepapub/nepa_documents/RedDont/G-DOE-67FR62446OMBquality.pdf

or supporting data using identical methods would generate similar analytical results, subject to an acceptable degree of imprecision or error.”

DOE’s own guidelines say, “At minimum, DOE Elements should assure reproducibility for those kinds of original and supporting data according to “commonly accepted scientific, financial, or statistical standards.”

- “Objectivity: means the information is presented in an accurate, clear, complete, and unbiased manner and the substance of the information is accurate, reliable, and unbiased. The guidelines require formal, independent, external peer review.”
- “Integrity: means the information has been secured and protected from unauthorized access or revision, to ensure that the information is not compromised through corruption or falsification.”

1. The DOE study uses a NERA proprietary economic model.

Third party economists have concluded that the results of the study are not reproducible, a requirement of the DQA. For this reason, a correction is necessary. A correction meaning that the study cannot be used for its intended purpose. Or, it must be redone with a non-proprietary economic model.

2. IECA seeks proof of paperwork and DOE decisions that the owner of the model, the peer review panel participants and study contributors fully complied with the DQA.

IECA believes that possibly every one of the individuals/entities involved have or will receive financial benefits from the natural gas and LNG export related industries, with the exception of John Staub of the EIA, and would not be independent in their views. A correction is necessary to comply with DOE DQA guidelines of objectivity and integrity.

IECA requests the documents that were required to be filed by study participants. The DQA guidelines state that “peer reviewers be expected to disclose to agencies prior technical/policy positions they may have taken on the issues at hand, (c) per reviewers be expected to disclose to agencies their sources of personal and institutional funding (private and public sector), and (d) peer reviews be conducted in an open and rigorous manner.”

If you have any questions, please contact me directly at 202-223-1661 or via email at pcicio@ieca-us.org.

Sincerely,

Paul N. Cicio
President

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 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: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, independent oil refining, and cement.

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