



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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October 8, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

RE: "The North American Energy Infrastructure Act" – Discussion Draft

Dear Chairman Upton:

On behalf of the Industrial Energy Consumers of America (IECA), we urge you to remove an anti-consumer provision in the Discussion Draft legislation entitled "The North American Energy Infrastructure Act." Section 4 of the legislation would remove U.S. Department of Energy (DOE) authorization responsibilities for LNG exports, thereby eliminating the public interest determination test that is necessary for consideration of applications for shipments to non-free trade countries. Non-free trade countries discriminate against U.S. manufacturing goods, and shipments of LNG to those countries undermine free trade negotiations. And, it is sound public policy to ensure that domestic consumers are not negatively impacted through higher natural gas and electricity prices.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.2 trillion in annual sales, over 1,500 facilities nationwide, and with more than 1.7 million employees worldwide. IECA membership represents a diverse set of industries including: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, brewing, and cement.

The Natural Gas Act requires that LNG exports receive authorization from the DOE, and that the authorizations must be based on a DOE determination that proposed LNG exports are in the public interest. If the application to ship LNG is requested for a country with which the U.S. has a free trade agreement, the export is presumed to be in the public interest. These requests are being approved by the DOE almost immediately. If the application to export LNG is to countries that do not have a free trade agreement with the U.S., this presumption does not exist and the DOE must complete a public interest determination. Section 4 of the draft bill, would remove this consumer protection requirement.

The public interest determination is more important now than ever before. Domestic demand is rising with explosive growth (+30% by 2016). Because DOE approval of an LNG export application can be for 20-30 years, and because a lot can happen to either domestic consumption or production during that time frame, it is very important that great caution is used in considering an application to export LNG.

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Please support your domestic manufacturers, and all other domestic consumers of natural gas and electricity produced by natural gas, by removing Section 4 from this legislation. We look forward to working with you on this important subject.

Sincerely,

Paul N. Cicio
President