



PRESS RELEASE

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IECA RESPONSE TO HEARING: "GEOPOLITICAL IMPLICATIONS AND MUTUAL BENEFITS OF U.S. LNG EXPORTS"

We urge Congress to stick to their principles, and the statutes that guide LNG exports.

FREE TRADE

Congress should support free trade as a principle, and support the advancement of free trade agreements that provide a level playing field for domestic manufacturing companies. Except for South Korea and Singapore, all of the countries that participated in the hearing do not have free trade agreements with the U.S. Countries that do not have a free trade agreement often discriminate against U.S. manufacturing goods.

Shipping LNG to countries that do not have a free trade agreement, the subject of the hearing, undermines our ability as a country to negotiate free trade agreements. We urge Congress to support U.S. manufacturing.

There is no country in the world that has a more open market to imports than the U.S. Year-to-date the U.S. has imported roughly one trillion dollars of manufacturing goods. It is vitally important that U.S. policy makers secure reciprocal access to other countries' markets.

STATUTES THAT GUIDE LNG EXPORTS

Years ago, Congress rightfully understood that the affordability of natural gas was critically important to the domestic market, and that safeguards were needed as it considered the export of LNG. The Natural Gas Act is very clear that shipments of LNG to countries that have a free trade agreement with the U.S. are assumed to be in the "public interest." All requests of this type are being approved by the DOE. However, for requests to ship LNG to countries that do not have a free trade agreement, the U.S. Department of Energy (DOE) is required to complete a "public interest determination." In short, the DOE is to evaluate the impact on domestic markets before a decision is made to approve or deny a request. This is the law and also sound public policy.

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 LNG exports.

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. 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: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, brewing, and cement.