



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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December 20, 2017

The Honorable Bill Johnson
U.S. House of Representatives
1710 Longworth House Office Building
Washington, DC 20515

Re: Manufacturers Oppose H.R. 4605, the “Unlocking Our Domestic LNG Potential Act”

On behalf of the Industrial Energy Consumers of America (IECA), we are opposed to H.R. 4605, the “Unlocking Our Domestic LNG Potential Act.” The U.S. Department of Energy (DOE) has already given approval to export LNG to free trade agreement (FTA) countries and non-free trade agreement (NFTA) countries equal to 71.2 percent of 2016 U.S. natural gas demand. This is an extraordinarily large volume of exports that by itself would substantially increase natural gas and electricity prices, and damage the U.S. economy and jobs.

The U.S. Energy Information Administration (EIA) is forecasting NYMEX natural gas prices to rise 87 percent by 2020. EIA attributes the price rise in large part due to several LNG export terminals becoming operational. Also, according to the EIA’s Annual Energy Outlook for 2017, cumulative net demand, which includes exports of LNG increasing to 12.1 Bcf/d (currently DOE has already approved 20.6 Bcf/d for shipment to NFTA countries), will consume 56 percent of all technically recoverable natural gas resources in the lower 48 states by 2050.

H.R. 4605 removes prudent and long-standing Natural Gas Act (NGA) consumer protections designed to limit LNG exports to countries with which the U.S. does not have a free trade agreement. Shipping LNG to NFTA countries rewards them for not having a free trade agreement with the U.S. Many NFTA countries subsidize energy to their manufacturing sectors and this results in unfair competition for U.S. manufacturing.

In the long-term, if domestic natural gas prices rise to global levels, the U.S. will have lost its competitive advantage. The incentive to invest in the U.S. would be gone and onshoring would stop. We urge you to not act upon this legislation. Thank you for your consideration.

Sincerely,

Paul N. Cicio
President

cc: House Committee on Energy and Commerce