



RE: In Response to Michael A. Levi, "The Case for Natural Gas Exports" Op-Ed, August 15, 2012 in The New York Times

Better to export manufactured products than natural gas:

The August 15, 2012 op-ed in The New York Times, authored by Michael A. Levi, titled "The Case for Natural Gas Exports," completely misses the mark by conveniently looking at the export issue narrowly. The op-ed overlooks the massive domestic economic implications and jobs of abundant and affordable natural gas if used in the U.S.; the significant growing accumulative domestic demand that is underway; and the dangers of exports increasing U.S. natural gas prices to international levels for every consumer in the country. Using natural gas in manufacturing products and exporting those products is the best way to create jobs and economic growth.

For clarity, prices of natural gas on the NYMEX are trading at about \$2.67 per MMBtu and rise an average of 27% per year to 2020. So, even without exports, prices are going up rapidly. And, as they do, both our natural gas and electricity prices will go up – a double impact for all consumers.

There are now fourteen applications to export natural gas before the U.S. Department of Energy, which account for an equivalent demand of 6.7 Tcf, a 30 percent increase above today's level. That is a very significant increase. For perspective, U.S. demand increased only 4.4 percent from 2000 to 2011. The manufacturing sector has announced projects of \$70 billion in capital investments on the back of low natural gas prices that will increase demand about 3.7 Tcf per year. Electric utilities are engaged in massive coal to natural gas fuel-switching, and truck and bus fleets across the country are switching from diesel to natural gas. Domestic demand is growing rapidly.

As more and more LNG cargos are shipped from the U.S., it increases the potential for domestic natural gas to be priced like crude oil is today, on international demand. It is NOT in the public interest to pay higher natural gas prices when demand for natural gas from the Far East increases.

The shale gas revolution has given U.S. manufacturing our biggest competitive advantage in a generation. Proponents of expediting U.S. natural gas exports tend to focus only on the jobs that can be created on the natural gas well pad, at the expense of the more substantial job growth in the manufacturing value chain that would flow from using natural gas as an affordable raw material and as an energy source. While we do not oppose exports, common sense says that we can create more jobs by using the natural gas domestically and exporting value-added products. This country needs to be thoughtful about maximizing American job creation and our energy diversity.

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