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APGA Opposes NATO LNG Export Legislation

Washington, D.C. (February 5, 2013) – Today, the American Public Gas Association (APGA) sent a letter opposing legislation, the Expedited LNG for American Allies Act of 2013, introduced by Senators Barrasso (R-Wyo.), Cornyn (R-Texas), and Inhofe (R-Okla.) that would provide Free Trade Agreement (FTA) status for exports of natural gas in the form of liquefied natural gas (LNG) to North Atlantic Treaty Organization (NATO) members, Japan, and other countries. To date, the total export capacity that has been applied for is 31.41 Bcf/d and 24.8 Bcf/d to FTA and non-FTA nations, respectively. Given that total marketed natural gas production was approximately 67 Bcf/d in the U.S. in 2011 and based on current marketed production, the total applied-for export capacity would have the effect of increasing the demand for natural gas by nearly 48 percent.

In response to the introduction of the legislation, APGA's President & CEO, Bert Kalisch, stated: "Under the guise of supporting NATO and other allied countries, this legislation broadens the LNG export highway to at least 28 additional countries (and any others determined by the Secretaries of State and Defense) irrespective of any price or employment impacts here in the United States."

"Furthermore, this legislation does not guarantee natural gas exported from the United States will actually be sold to NATO allies, friendly countries, or those countries which depend upon natural gas from Russia or Iran. As we all know, companies which export LNG will sell their natural gas where the price is highest and will not take into consideration the United States' geopolitical interests or those of our allies."

"The consequences of this legislation are clear: higher prices for natural gas and electricity for consumers, reduced employment and wages in almost every sector of the economy, a lost opportunity to address our dependence on foreign oil, and a manufacturing renaissance occurring abroad rather than in the United States. We urge Senators Barrasso, Cornyn, and Inhofe to reconsider and withdraw this legislation."

A copy of these letters can be found at www.apga.org/correspondence.

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APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1000 public gas systems serving more than five million customers. These

public gas utilities are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.