



AMERICAN PUBLIC GAS ASSOCIATION

November 12, 2014

The Honorable Mary Landrieu
Chairman
Senate Energy Committee
Washington, DC 20510

The Honorable Lisa Murkowski
Ranking Member
Senate Energy Committee
Washington, DC 20510

Dear Chairman Landrieu and Ranking Member Murkowski,

On behalf of the American Public Gas Association (APGA), I would like to express our opposition to The Natural Gas Export Certainty Act of 2014 (S. 2638), which is scheduled for vote by the Committee on Energy and Natural Resources on November 13, 2014. This bill would expedite the export of domestically-produced natural gas in the form of liquefied natural gas (LNG) by eviscerating the Department of Energy's (DOE) public interest determination, which ensures that exports of LNG are in the best interests of the nation as a whole, versus any particular influential segment such as energy exporters and producers.

APGA is the national association for publicly-owned natural gas distribution systems. There are currently approximately 1,000 public natural gas systems located in 37 states. Publicly-owned natural gas systems are not-for-profit, retail distribution entities 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.

The use of natural gas is rapidly expanding in almost all sectors of the U.S. economy. For example, natural gas is rapidly displacing coal and is projected by the Energy Information Administration to overtake coal as the primary fuel for electric generation by 2040. Concurrently, natural gas is fueling a renaissance in U.S. manufacturing by creating 500,000 jobs since 2010 and is projected to be responsible for adding another 5 million new jobs by 2020, according to a study by The Boston Consulting Group. In addition, natural gas vehicles (NGVs) continue to increase steadily, adding a new and growing source of demand for America's premium low-emission fossil fuel.

Given the growing domestic importance of natural gas, a thorough public interest review by DOE is essential to ensure the overall health of the U.S. economy. DOE must be allowed to carefully analyze the impact of the export of LNG on U.S. consumers, electricity markets, the manufacturing sector, and NGVs, to name just a few areas that are essential for economic growth. Moreover, DOE must be given sufficient time to ensure that the U.S.'s critical policy

goals—such as enhancing U.S. energy security—are not adversely impacted by the grant of export applications.

Unfortunately, S. 2638 effectively short circuits DOE's review process by setting an arbitrary 45-day deadline from the time an exporter files an application at the Federal Energy Regulatory Commission for DOE to make a public interest determination. Limiting DOE to a 45-day window to analyze an application's impact on the entire U.S. economy and on its critical policies is tantamount to nullifying Section 3(a) of the Natural Gas Act. This legislation turns the DOE public interest determination into little more than a rubber stamp process. Congress should not be picking winners and losers in the U.S. economy, which in this instance means disregarding America's critical policy goals to satisfy the demands of exporters and producers.

Instead of exporting our natural gas, Congress should adopt policies to promote the domestic use of natural gas and to export drilling technologies and techniques to the many foreign countries that have significant natural gas reserves. In doing so, the U.S. can continue to take advantage of the energy revolution brought about by the use of America's premium fossil fuel, natural gas.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with the first name "Bert" and last name "Kalisch" clearly distinguishable.

Bert Kalisch
President & CEO