Let's Get Into the Natural Gas Export Race

By Larry Penley

At this year's Indianapolis 500, the 84-year-old Jim Nabors sang "Back Home Again in Indiana" for the last time, ending a tradition that goes back to 1972. It was a reminder that nothing lasts forever. But one thing remains constant; you can't win the Indy 500 unless you enter the race.

That might seem painfully obvious, but it's a lesson America still has to apply in the fast-track export market for natural gas. Thanks to technological advances in environmentally responsible drilling techniques, America has become an energy superpower, reversing generations of dependence on foreign oil and natural gas.

With clean burning natural gas in high demand globally, America now leads the world in natural gas production. Just last year we overtook Russia and Saudi Arabia, who have traditionally led this field.

We are producing natural gas at twice the rate we are consuming it. And government projections show this pattern could go on for another 50 years, America has the potential to be a leader in the export market, generating new jobs, economic growth and tax revenue at home without depriving domestic customers. All indications are that private investors are lined up to build the export terminals to take natural gas from domestic pipelines and convert it to liquefied natural gas (LNG) for export by ship overseas.

In racing terms, this is like having the fastest Indy car with Ryan Hunter Reay at the wheel while remaining on the sidelines for the Indy 500. Likewise, the US is on the sidelines; we have yet to enter the international export race. The U.S. Department of Energy's sluggish approval process for natural gas export permits is, in effect, a yellow flag on the track. This is especially true for permits to export to countries that do not have free trade agreements with the U.S., and that includes all but a handful of countries in the world.

Federal controls were first introduced for gas exports back in 1938. Those controls didn't matter as much when America was a minor player in natural gas production. But those days are history; federal controls are now a bottleneck that restricts the US economy. In just the years from 2005 to 2012, U.S. natural gas production increased by 33 percent. Expert geologists and engineers tell us the U.S. is sitting on some 2.3 trillion cubic feet of natural gas, but we remain all but strangers to the export market.

For a nation with a perennial balance of payments deficit, restrictions on exports are unacceptable. Hoosier natural gas that is sold in China could be financing educational opportunities in Hammond or economic development in Gary. Indiana has a major stake in seeing the U.S. get into this lucrative market. Overall, easing export restrictions is calculated to create 1.7 million permanent jobs nationwide.

Legislation, already moving through the U.S. Congress, would pave the way for this kind of progress. "The Domestic Prosperity and Global Freedom Act," H.R. 6, would slash the outdated regulations now associated with natural gas exports and give the Department of Energy 90 days to approve or decline permits for LNG export terminals, and that would be a major step away from the historic bottleneck.

So what can Hoosiers do to assure Indiana's natural gas resources are used to fuel the economic comeback? For starters, elected representatives in Congress need to know that Indiana doesn't want to sit on the side-lines.

Tell Rep. Peter Visclosky and Senators Dan Coats and Joe Donnelly that The Domestic Prosperity and Global Freedom Act is important for the economy at home and nationwide. Let them know you want to see the process for approving natural gas exports expedited. Encourage them to help make H.R. 6 the law of the land. It's time to get America into this global race while we create jobs and bring economic growth back to Indiana.

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