

<http://thehill.com/blogs/congress-blog/energy-environment/200701-obama-administration-is-last-man-standing-on-lng>

Obama administration is last man standing on LNG exports

The Hill, March 13, 2014

The crisis in Ukraine has fueled mounting pressure on the White House to take action on liquefied natural gas (LNG) exports. But when given the opportunity to show leadership on expediting LNG exports, the White House deflected, with press secretary Jay Carney simply stating, “The Department of Energy has regulatory authority over liquefied natural gas exports.”

The Department of Energy (DOE) determines whether LNG export license applications are “in the public interest” and approves them on a “case-by-case” basis. A *Wall Street Journal* [editorial](#) aptly remarked that “‘case by case’... is the bureaucratic term for forever.”

Indeed, more than 20 export license applications are pending at the DOE, with the longest application sitting in the queue for over 800 days.

The best that Energy Secretary Ernest Moniz could do last week was [say](#) that he “would welcome consultation” with Congress on changing the LNG export approval process. Needless to say, that had folks who follow this issue scratching their heads.

That’s because 34 Senators and 110 Representatives already signed a [bipartisan letter](#) to the secretary last summer in support of expediting the LNG export approval process:

“We are writing to encourage you to continue to review and make decisions on the remaining applications in an expeditious manner. The world is hungry for U.S. natural gas, and the geopolitical implications of LNG exports are tremendous... Additionally, we recognize the benefits that expanded production of natural gas, especially from shale gas, in recent years has provided for important sectors of our domestic economy.”

Thus far, consultation seems to have been a one-way street. Strong bipartisan calls for action abound. Democratic Senator Mark Udall [introduced](#) legislation last week calling for the U.S. to strengthen strategic partnerships abroad through expedited approval of natural gas export licenses. And Republican Senator Rand Paul has been [arguing](#) for the U.S. to remove obstacles to exporting LNG.

With such wide-ranging support from both sides of the aisle, exporting LNG is clearly not a political issue. Why, then, is the Administration holding back?

For one thing, Dow Chemical, which is very close to the Obama Administration, has [actively lobbied](#) to limit LNG exports, out of misplaced fear that exports will raise the domestic price of gas and dilute their competitive cost advantage compared to the rest of the world. Study after study, including [a new one](#) from NERA Economic Consulting, shows that there is “no support” for this concern.

Opponents of exporting LNG have recently trotted out a new, myopic argument – that because it will take so long for LNG export projects to come on-line, it's pointless to accept the argument that U.S. gas can be a helpful geopolitical tool. Yet, if the DOE had expedited the approval process years ago, we would not be in the predicament that we find ourselves in today.

The free market is best positioned to sort out which LNG projects will see the light of day. Many proposed projects will fall victim to permitting delays, financing issues, and other factors; not all in the queue will be built.

Let's not allow more time to waste in a bureaucratic morass. Ukraine is unlikely to be the last time we witness a crisis where U.S. energy exports could be beneficial. The time is ripe for the U.S. to make necessary changes to our export policies so both our citizens and allies are able to benefit from our strategic advantage in the future.

Recent support for exporting LNG has extended well beyond Congress. Notably, three national editorial boards have endorsed speeding up the LNG export process. Against the backdrop of the Ukraine crisis, [The New York Times](#), [The Washington Post](#), and [The Wall Street Journal](#) all published editorials last week calling on the U.S. government to expedite LNG exports.

President Obama and Secretary Moniz need to exercise leadership and take action. The current geopolitical circumstances make it even more pressing for the U.S. to expedite pending LNG export license applications. It is time to cut the red tape and let the free market decide the future of American LNG exports.

Thorning is senior vice president and chief economist with the American Council for Capital Formation and director of research for its public policy think tank. She is also director of the Act On LNG Campaign (www.actonlng.org).