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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

Freeport LNG Expansion, L.P. and)
FLNG Liquefaction, LLC)

FE Docket No. 11-161-LNG

**MOTION TO INTERVENE AND PROTEST OF GULF COAST
ENVIRONMENTAL LABOR COALITION**

On February 13, 2012, the United States Department of Energy (“DOE”), Office of Fossil Energy, issued a notice regarding an application filed on December 19, 2011, by Freeport LNG Expansion, L.P., and FLNG Liquefaction, LLC (collectively, “FLEX”), pursuant to section 3(a) of the Natural Gas Act (“NGA”), as amended, requesting long-term, multi-contract authorization to export domestically produced liquefied natural gas (“LNG”) to any country (1) with which the United States does not have a free trade agreement (“FTA”) requiring national treatment for trade in natural gas, (2) which has developed or in the future develops the capacity to import LNG via ocean-going carrier, and (3) with which trade is not prohibited by U.S. law or policy. 77 Fed. Reg. 7568 (February 13, 2012). In accordance with 10 C.F.R. §§ 590.303(d) and 590.304(e) of the Administrative Procedures with respect to the Import and Export of Natural Gas, the Gulf Coast Environmental Labor Coalition (“GCELC”) moves to intervene and file this protest in the above-captioned proceeding. In support of this motion and protest, GCELC states as follows:

I. NOTICES AND COMMUNICATION

All correspondence, communications, pleadings, and other documents relating to the above-referenced application of FLEX, should be served on and addressed to the following on behalf of the GCELC:

Joseph M. Santarella Jr.
Susan J. Eckert

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II. STATEMENT OF INTEREST

GCELC is a nonprofit Section 501(c)(3) corporation incorporated under the laws of the State of Louisiana on November 10, 2010, and is headquartered in Metairie, Louisiana.¹ GCELC seeks to ensure a balance between rapid population growth, labor interests and the preservation of the natural environment in the Gulf Coast region. GCELC provides a voice for workers and unions to engage their neighbors and public officials on pressing environmental issues such as the proposed FLEX Project. GCELC seeks to unite labor leaders, union members, environmental activists and other concerned local citizens in the Gulf Coast region to fight for good jobs, a clean environment, and a green economy in furtherance of the laudable goals of the Blue/Green Alliance. GCELC consists of twenty-five different local labor unions and their constituent members totaling approximately 27,000 members throughout Louisiana, Mississippi, Texas and Oklahoma. At least one hundred and thirty-four (134) individual members and their families reside, work and/or recreate in Brazoria County, Texas, within close proximity of the proposed FLEX Project and will be directly affected by decisions of the DOE, Office of Fossil Energy with regard to the proposed FLEX Project. GCELC and its members have considerable interest in the protection and preservation of the Gulf Coast and Texas as a sustainable region balancing economic, social and environmental concerns.

¹ The Louisiana Secretary of State's public website reflects the corporate filings of GCELC and its officers and directors demonstrating GCELC's presence and incorporation in Louisiana.
<http://www.sos.louisiana.gov/tabid/819/Default.aspx>.

No other party in the proceeding will be able to adequately address and protect these interests. Accordingly, GCELC has a direct and substantial interest in the outcome of the FLEX application pending before DOE, Office of Fossil Energy.

III. PROTEST

GCELC protests the issuance of a long-term, multi-contract authorization for the proposed FLEX project to export domestically produced LNG in an amount up to the equivalent of 511 Billion cubic feet (Bcf) of natural gas per year, which averages to 1.4 Bcf per day (Bcf/d), over a 25-year period from the Freeport LNG Terminal on Quintana Island near Freeport, Texas, to any country (1) with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas, (2) which has developed or in the future develops the capacity to import LNG via ocean-going carrier, and (3) with which trade is not prohibited by U.S. law or policy as premature.

As noted in the recent Congressional Report prepared by Representative Edward J. Markey's staff entitled "Drill Here, Sell There, Pay More" at 1:

The United States faces a critical decision about whether to export natural gas following the rapid expansion of domestic production in recent years. The Department of Energy has already approved one export application and is currently considering eight others. If these applications are approved and the companies export at full capacity, the United States could soon be exporting more than 20 percent of current consumption. **The Energy Information Administration has estimated that exporting even less natural gas than what is currently under consideration could raise domestic prices 24 to 54 percent, which would substantially increase energy bills for American consumers and could potentially have catastrophic impacts on U.S. manufacturing.** (Emphasis supplied).²

This Congressional Report further provides:

² http://democrats.naturalresources.house.gov/sites/democrats.naturalresources.house.gov/files/content/files/2012-03-01_RPT_NGReport.pdf, which is incorporated herein by reference.

In examining energy markets and the impacts of higher natural gas prices, the House Natural Resources Democratic Staff found that:

- This decision represents an important deliberative step that ensures deeper consideration will be given to the ramifications of energy exporting. Unlike the oil market, **natural gas prices are not determined on a global market. Natural gas prices in Europe and Asia are 3 to 7 times higher than in the United States. This provides the American economy with a competitive advantage in the manufacture of energy-intensive goods.**
- From 2000 to 2008, the price of natural gas rose more than 400 percent, and was a major contributor to the U.S. manufacturing sector losing 3.7 million jobs. While larger macroeconomic forces were also at work during this period, it is clear that the cost of natural gas for industries like steel, plastics, chemicals, paper, glass, fertilizer, cement, and refining is a very significant determinant in whether facilities are sited domestically or overseas. **Keeping American natural gas resources in America and keeping prices low will support a more diversified domestic economy and provide greater domestic job benefits than pursuing an export strategy.**
- Keeping natural gas resources at home will allow greater amounts of natural gas to be used in the domestic electric power and transportation sectors. **Greater natural gas utilization in these sectors could lead directly to a 1.2 million barrel per day reduction in foreign oil imports and a 9 percent reduction in coal consumption by 2035, which would measurably enhance America's national, economic, and environmental security.** (Emphasis supplied).³

In light of these concerns, Representative Markey posed a number of questions regarding DOE's review of LNG export applications in a letter to Secretary Steven Chu dated January 4, 2012.⁴ In response, Christopher Smith, DOE Deputy Assistant Secretary for Oil and Natural

³ *Id.* at 1-2.

⁴ http://democrats.naturalresources.house.gov/sites/democrats.naturalresources.house.gov/files/content/files/2012-01-04_LTR_ExportingNaturalGas.pdf.

Gas, wrote in a letter to Representative Markey dated February 24, 2012, DOE indicated that a two-part independent study had been commissioned by DOE to evaluate and address “the cumulative impact of Sabine Pass and additional future LNG export authorizations” on the public interest.⁵ According to the DOE Deputy Assistant Secretary Smith’s letter, the first part of the study has been completed by the Energy Information Administration (“EIA”) and is available on the EIA website.⁶ However, the EIA study entitled “Effect of Increased Natural Gas Exports on Domestic Energy Markets as requested by the Office of Fossil Energy (January 19, 2012) at 3 explicitly states:

Macroeconomic results have not been included in the analysis because energy exports are not explicitly represented in the NEMS macroeconomic module. (Emphasis supplied.).

According to the DOE Deputy Assistant Secretary Smith’s letter, the second part of the study, which will primarily evaluate the macroeconomic impacts on the United States economy raised by Representative Markey via sixteen (16) hypothetical case studies, was not completed at the time of his letter.⁷ DOE Deputy Assistant Secretary Smith further states at 4:

When completed, the study will provide certain insights about (1) the potential impact of additional natural gas exports on domestic energy consumption, production, and prices; (2) the cumulative impact on the U.S. economy, including the effect on gross domestic product, job creation, balance of trade; and (3) the impact on the U.S. manufacturing sector (especially energy-intensive manufacturing industries).

We anticipate the study will be completed by this spring. We are mindful of the need for prompt action in each of the non-FTA export proceedings before us. **We are equally mindful that a sound evidentiary record is essential to reach a reasoned**

⁵ “Drill Here, Sell There, Pay More,” Appendix 1 at 3.

⁶ http://www.eia.gov/analysis/requests/fe/pdf/fe_lng.pdf, which is incorporated herein by reference.

⁷ The second part of the DOE study does not appear to be completed or publicly available at the time of the filing of this motion to intervene based on review of the DOE website. Nor was counsel for GCELC able to locate any notice from DOE announcing the release or availability of the second part of the DOE study.

decision in these proceedings. As such, DOE will not issue a final order addressing the pending applications to export LNG to non-FTA countries until the full study has been completed and the Department has had an opportunity to review the results. (Emphasis supplied.)

GCELC applauds DOE's efforts to reach a reasoned decision on applications for authorization to export LNG to non-FTA countries including the FLEX application at issue. However, GCELC asserts that the public also should be provided an opportunity to review the second part of the DOE study evaluating macroeconomic impacts of LNG export on the United States economy to ensure meaningful public participation in the instant matter particularly in light of the potential profound implications for the United States economy.

DOE has a duty to ensure that the FLEX application seeking broad export authority to non-FTA countries is not inconsistent with the public interest pursuant to NGA section 3(a).⁸ The granting of the FLEX application for authority to export domestically produced LNG for a term of twenty-five (25) years prior to the public's opportunity to review the second part of the DOE study is inconsistent with the public interest. The FLEX application should be denied at this time unless the public is provided with an opportunity to comment on the FLEX application after reviewing the DOE study. GCELC, therefore, respectfully requests that procedures be provided to allow for the submission of additional written comments by the intervenors and other interested members of the public as referenced by the DOE public notice at 77 Fed. Reg. 7568, 7571 (February 13, 2012) upon completion of the DOE study.

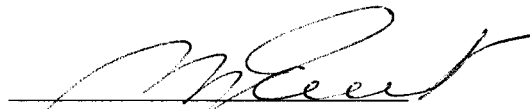
IV. CONCLUSION

WHEREFORE, GCELC respectfully requests that DOE, Office of Fossil Energy: (1) grant GCELC's motion to intervene in this proceeding providing GCELC with full rights to

⁸ 15 U.S.C. § 717b(a).

participate as a party; and (2) deny as inconsistent with the public interest the FLEX application at this time or provide a procedure for the submission of additional written comments on the FLEX application by intervenors and other interested members of the public upon completion of the DOE study evaluating the macroeconomic impacts of LNG export on the United States economy.

Respectfully submitted,



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Counsel for GCELC

Dated: April 13, 2012

CERTIFICATE OF SERVICE

Pursuant to 10 C.F.R. § 590.107(b), I hereby certify that I have this 13th day of April, 2012, served the foregoing document upon the applicant and on the DOE, Office of Fossil Energy for inclusion in the FE docket in the proceeding.



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CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE

Pursuant to 10 C.F.R. § 590.103(b), undersigned counsel hereby certifies that she is a duly authorized representative of the Gulf Coast Environmental Labor Coalition (GCELC), who is authorized to sign and file with the Department of Energy, Office of Fossil Energy, on behalf of the GCELC, the foregoing document and in the above-captioned proceeding.

Dated this 13th day of April, 2012.



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Counsel for GCELC

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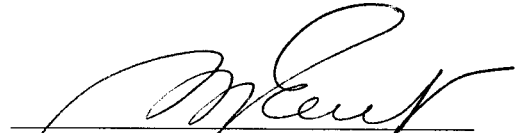
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VERIFICATION

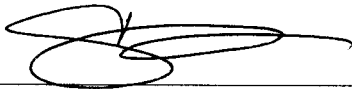
Pursuant to 10 C.F.R. § 590.103(b), Susan J. Eckert, being duly sworn, affirms that she is authorized to execute this verification as the duly authorized representative of the Gulf Coast Environmental Labor Coalition (GCELC), and she has read the foregoing document, and that all facts stated herein are true and correct to the best of her knowledge, information and belief.

Dated this 13th day of April, 2012.



Susan J. Eckert
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Subscribed and sworn to before me this 13th day of April, 2012



Notary Public

My Commission Expires: 1/14/2015

CARRIE DENHAM
Notary Public
State of Colorado

County of Douglas