From: <u>Gina Strine</u> on behalf of <u>Matthew Baker</u>

To: <u>LNGStudy</u>

Cc: "donald.e.houser@dom.com"

Subject: 2012 LNG Export Study

Date: Friday, January 04, 2013 3:35:46 PM

Attachments: Obama Letter LNG from PA State Reps 010313.pdf

January 4, 2013

Dear Secretary Chu,

I am writing to submit public comments regarding the Department of Energy's macroeconomic study of liquefied natural gas (LNG) exports. As you know, the analysis concluded that, "In all the scenarios analyzed in this study, NERA found that the U.S. would experience net economic benefits from increased LNG exports." I agree with this analysis. As a State Representative from the heart of the Marcellus shale formation, I know first-hand about the transformative impact natural resource development can have on our economy. Exporting part of our abundant natural gas resources as LNG is a strategically important and positive step that we should pursue. Now that the Department of Energy (DOE) has released its study on the macroeconomic impacts of LNG exports, I believe it is imperative that your department quickly approve all pending export applications for non-free trade agreement countries.

As further evidence of the strong endorsement for LNG exports in Pennsylvania shale gas country I am attaching a letter sent by myself and my colleagues to President Obama. The letter indicates that state government officials on the front lines of the natural gas boom understand and support the unique opportunity we have to become an LNG exporter. The United States must take advantage of all the benefits – economic, geopolitical, and environmental – that exporting LNG would bring to our country.

Sincerely,

Matthew E. Baker State Representative Pennsylvania 68th District

[Attachment – Letter to President Obama]

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December 18, 2012

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The Honorable Barack Obama President of the United States The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear President Obama:

Liquefied natural gas (LNG) presents a significant opportunity for our country. Many states and regions are now enjoying the benefits of their own natural gas production, and thanks to technological advances, the United States has enough natural gas to meet American consumer demand. However, natural gas production is outpacing demand and the surplus of natural gas has depressed prices for producers, making drilling operations unprofitable. As a result, the number of rigs drilling for natural gas today is at its lowest point in 16 years. In Pennsylvania, the number of drill rigs boring wells dropped from 115 to 70 rigs in one year. In Bradford County, Pennsylvania, which has more Marcellus Shale wells that anywhere else in the state, only 14 wells were drilled this June, compared to 45 in June of 2011. Selling LNG into the global marketplace is not only necessary for businesses, but would create more American jobs, increase demand, and spur more production without significantly impacting domestic prices.

The natural gas industry is helping reverse economic downturns in many regions of the country and could continue to revive once declining industries. According to the U.S. International Trade Administration, each \$1 billion of exports will result in more than 6,000 new jobs. These jobs would be at LNG facilities and throughout the value chain, including the steel industry, turbine manufacturing, construction and more. Additionally, each LNG export terminal will generate millions of dollars in new tax revenue for the federal, state and local governments. In Australia, where the country is developing their LNG export plans with the support of their government, it is estimated that more than 2 percent of GDP will be tied to LNG exports after 2016.

In addition to producing significant economic benefits here at home, LNG exporting will have a significant positive impact on the U.S. trade balance. Selling natural gas could help countries coping with serious energy challenges diversify their natural gas supplies and allow more money to flow into the United States. Furthermore, because natural gas has roughly half the carbon dioxide emissions as coal when burned for electricity, by exporting LNG, the United

States will be providing the world with increased access to a cleaner and more reliable source of energy.

We urge you to take the steps necessary to expedite the approval process for the export of LNG. Building the energy infrastructure necessary to allow market-based exports of liquefied natural gas will not only add stability to the energy production cycle in our region, it will create more American jobs, help reverse economic downturns, and continue reviving once declining industries. Thank you for your time and attention to this important matter.

Sincerely,

Honorable Matthew E. Baker Chairman – Health Committee

Honorable Ron Marsico

Chairman – Judiciary Committee

Honorable Paul Clymer

Chairman – Education Committee

Honorable Kathy Rapp

Honorable R. Lee James

Honorable Ron Miller

Chairman – Environmental & Energy

Committee

Honorable Dick Hese

Chairman – Transportation Committee

Honorable Jerry Stern

Chairman – Tourism & Recreational

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Honorable Donna Oberlander