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From: [Greg Kohn](#)
To: [LNGStudy](#)
Subject: LNG study
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Attachments: [LNG Export Comment Template.doc](#)

Please accept this letter of support for the LNG Study. Thank you.

Greg Kohn
Chairman
Billings, Montana Chamber of Commerce.

Thank you for allowing me to comment on the U.S. Department of Energy (DOE) NERA LNG study. My name is Greg Kohn, and I am the current Chairman of the Billings, Montana Chamber of Commerce. I support of the DOE NERA LNG Export Study because I believe that allowing exports of LNG will increase our nation's economic and national security.

LNG Exports result in Economic Benefits

The NERA Study concludes that allowing LNG exports will benefit our economy: "the U.S. was projected to gain net economic benefits from allowing LNG exports. Moreover, for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased."

- Exporting some of America's abundant natural gas to global markets is a major opportunity for the U.S., and generates investment and jobs.
- Exports would also attract capital from outside the U.S. to domestic energy infrastructure projects, particularly construction of the liquefaction facilities needed to convert gas into LNG. "If this capital originates from sources outside the U.S., it will represent another form of wealth transfer into the U.S.," the report concluded.
- Exports would also improve the nation's balance of trade. Overseas sales of LNG would result in a "wealth transfer" into the U.S. Over the last 10 years, the U.S. has run an annual average trade deficit of over one-half trillion dollars (2011 US trade deficit -\$560 billion).
- NERA concludes, "the average annual increase in revenues from LNG exports ranges from about \$2.6 billion to almost \$32.9 billion". The additional gas production associated with exports would also generate billions of dollars annually in much needed federal and state government revenue.

LNG Exports Increase U.S. Gross Domestic Product (GDP)

NERA also concludes, "GDP also increases as a result of LNG exports. The most dramatic changes are in the short term, when investment in liquefaction capacity adds to export revenues and tolling charges to grow GDP." Additionally, an America's Natural Gas Alliance (ANGA) report on the economic impacts of shale gas estimates approximately 32,000 total jobs are supported throughout the economy for every 1 billion cubic feet per day of shale gas production.

- LNG exports will not only drive additional production, but also support thousands of additional jobs in engineering, manufacturing, construction, and operation of the export infrastructure, as well as others indirectly along the equipment supply chain.
- The report concludes that "the benefits that come from export expansion more than outweigh the losses from reduced capital and wage income to U.S. consumers, and hence LNG exports have net economic benefits in spite of higher natural gas prices. This is exactly the outcome that economic theory describes when barriers to trade are removed."
- The opening of new markets will lead to some increase in the price of domestic natural gas, but NERA found the increases would be modest. The level of increase is likely to be held

down by competition between U.S. suppliers and foreign competitors operating in the overseas markets and by buyer resistance.

U.S. Produces Enough Natural Gas to Meet both Domestic and Export Needs

The NERA Study uses production data to support the LNG exports are from the Energy Information Administration's (EIA) 2011 World Energy Outlook, published in 2010. Based on EIA's latest Annual Energy Outlook (AEO) 2013 Early Release report, natural gas production levels are 15% higher. This is important to note, because even greater amounts of natural gas would be available not only to meet export needs, but also available to meet domestic demand.

- For domestic natural gas producers, LNG exports "provide an opportunity...to realize additional profits by selling incremental volumes of natural gas."

LNG Exports are Good for U.S. Trade Relations

NERA assumes that allies, such as Japan would continue to rely upon LNG to meet their natural gas demand. Selling natural gas helps close allies like Japan, a country coping with serious energy challenges, while generating economic benefits here at home.

The DOE NERA LNG Export Study has concluded that there will be benefits that will positively affect our economy, and therefore, I ask that the DOE approve the LNG Export applications currently under consideration.