

From: [Holland, Luke \(Inhofe\)](#)
To: [LNGStudy](#)
Subject: Comment Letter from Senator Inhofe
Date: Wednesday, January 23, 2013 1:56:54 PM
Attachments: [2013.01.23 Comment Letter to Secretary Chu on NERA Nat Gas Study.pdf](#)

Dear DOE:

Attached is Senator Inhofe's comment letter on the NERA LNG Study. Please let me know if you have any questions.

Thank you,

Luke

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January 23, 2013

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

I am writing to thank you for commissioning and making available the third-party National Economic Research Associates Economic Consulting (NERA) report, which provides a better understanding of how U.S. Liquefied Natural Gas ("LNG") exports provide positive benefits to the public interest, assist the expansion of domestic energy production, improve the competitiveness of a beleaguered manufacturing sector, and improve the national economy as a whole. Moreover, I am pleased that the Department of Energy (DOE) has recognized the importance of a streamlined process that more effectively and accurately evaluates the public benefits of 15 pending LNG export applications – the evaluation and approval of which will greatly benefit the United States economy.

Our nation is enjoying a boom in domestic energy production, and Oklahoma has been a leading force in this shift. Largely made possible by the safe, widespread, and expanded use of hydraulic fracturing and horizontal drilling, oil and gas producers are now able to unlock resources previously believed to be off limits. Just a few years ago, the nation was preparing to become a major importer of natural gas; today, the United States is on a path to energy independence in this generation.

The missed economic opportunities of the nation's current energy dependence are astounding. In 2012, the United States sent \$300 billion overseas to purchase oil and gas necessary to fuel the economy. The United States fails to create wealth, jobs, and long-term economic growth by missing the opportunity to invest in and harness the economic potential of the undeveloped natural energy resources that exist domestically. With energy independence, the nation will be investing that same \$300 billion in places like Oklahoma instead of spending it in foreign countries in the Middle East. In addition, with energy independence, the United States can look to benefit from the export of domestic energy products, further compounding the economic impact of domestic investment.

Oklahoma is already seeing the benefits of expanded oil and gas production. With the state unemployment rate hovering around 5 percent, it is more than two full percentage points lower than the national average. Oil and gas production directly employs more than 70,000 Oklahomans and contributes at least \$26 billion to the state economy. Expanding domestic production and achieving energy independence in Oklahoma and other states will provide additional direct jobs and contribute more to the state economy, as well as provide countless indirect benefits to the transportation, construction, manufacturing, and service sectors of the economy.

Unfortunately, there are significant obstacles preventing the United States from achieving energy independence within a generation. Many are avoidable, including substantial impediments imposed by the Administration. The Administration has successfully used a flawed regulatory process to limit energy exploration and production on federal lands, and is overreaching in efforts to regulate hydraulic fracturing at the federal level--despite the fact that states have an excellent track record of regulating the practice of hydraulic fracturing since its first use in Duncan, Oklahoma, in 1949.

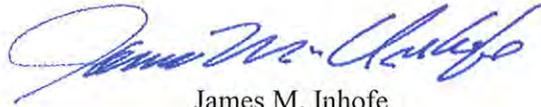
Increased investment in expanding oil and gas production, particularly natural gas, absent a national energy policy that seeks to meet the overwhelming global demand, endangers the future of our domestic

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market and risks public and private investment in future energy exploration and production activities. Approving existing pending permits to export LNG not only addresses the potential for oversupply, but provides a valuable export product. Misguided economic theories and obsolete protectionist energy policies that limit natural gas exports will cause direct harm to the private sector's willingness to invest in at-risk resources for further energy exploration and production activities--ultimately, hindering this nation's path to achieve energy independence in this generation.

I urge you to stand behind the thorough and credible research done by NERA confirming the positive impact of natural gas exports on the American economy. I urge you to weigh heavily the affirmative conclusions of the NERA study and move as expeditiously as possible to approve LNG export applications pending your review. This action will immediately provide direct jobs and economic growth to Oklahoma and the nation as a whole.

Sincerely,



James M. Inhofe
United States Senator