



State of New Mexico

Susana Martinez
Governor

January 22, 2013

The Honorable Steven Chu
Secretary, Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Secretary Chu:

As governors representing different regions of the country, we have witnessed the natural gas supply revolution that is transforming our states and the nation. This surge in clean, domestic, affordable energy is stimulating local economies, creating millions of jobs, and enabling new opportunities for our nation. But the opportunity could be greater and the impact more far-reaching. We are writing you today regarding the importance of liquefied natural gas (LNG) exports and creating a free and open marketplace for U.S. energy supplies.

First, we were pleased with the long-awaited December release of the report conducted for the Department of Energy (DOE) entitled "Macroeconomic Impacts of LNG Exports from the United States." As our states recognize, we were pleased to see the report concluded that each LNG export scenario the study reviewed resulted in "net economic benefits" for the United States. The report also found that while additional exports could impact domestic natural gas prices, any increases would be offset by U.S. economic benefits.

Moreover, enabling global markets to access U.S. natural gas supplies will help restore transparency to what has become an artificially depressed and geographically constrained energy marketplace. According to the EIA, crude oil and natural gas have traded at a price ratio of approximately 9:1 for the past five years. Yet, in 2009, the relative price for these commodities began to depart dramatically, at periods exceeding a ratio of 35:1. This departure comes because of a growth in supplies that has outpaced domestic demand, but which is unable to be sold freely into a global marketplace. However, with supplies more than sufficient to meet domestic needs, we can find no

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justification for why mineral owners in our states should not have the opportunity to sell their product into a market that offers a true price for its actual value.

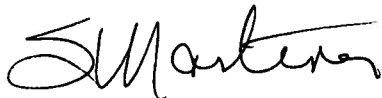
The construction and operation of LNG export terminals and increased exploration and production activity will support thousands, if not many times that, of jobs and billions in investment at a time when such a free-market stimulus is so desperately needed. Assuredly, this means growth in domestic GDP and an opportunity to restore our international balance of trade. We cannot afford for this to become another "missed opportunity."

The global opportunity U.S. natural gas supplies could also have in delivering greater geopolitical stability and national security cannot be overlooked. Stabilizing world energy markets with U.S. natural gas supplies could help free global economies from being forced to rely primarily on Russia or OPEC for energy needs.

To date, one LNG terminal at Sabine Pass in Louisiana has been approved to sell natural gas overseas while more than 10 other projects remain pending. As our nation's governors, we strongly urge you to move forward in considering and approving these pending projects and completing the economic study your department is undertaking.

Thus, with the recent long-awaited release of the DOE report, we respectfully urge you to advance without delay through the comment period and approval of the pending export project permits. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Susana Martinez". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Susana Martinez
Governor