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**To:** [LNGStudy](#)  
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On behalf of the Japan-U.S. Business Council,  
this is to submit its comment with regards to the 2012 LNG Export Study.

Thank you for your time and kind consideration.

Best Regards,

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## The Japan-U.S. Business Council's Comment on the 2012 LNG Export Study

January 23, 2013

The Japan-U.S. Business Council (JUBC) is a Japanese business organization comprised of about 70 major Japanese companies that export to, invest in, and operate in the United States. JUBC seeks to further promote U.S.-Japan economic relations and cooperation in the Asia-Pacific region.

JUBC is submitting this Public Comment with regards to the 2012 LNG Export Study.

In light of the high uncertainty regarding the costs and stability of electricity supply in Japan in the aftermath of the Great East Japan Earthquake and the tragic accident at the Fukushima Dai-Ichi Nuclear Power Plant, securing a stable energy supply at economically feasible costs is a critical pillar of Japan's economic growth strategy. This is vital not only to maintain and expand domestic industries and employment but also to offer a more attractive business environment to the U.S. and other foreign corporations operating in Japan.

In order to help meet the growing need for thermal electricity generation, demand for LNG has increased dramatically in Japan. With the discovery of vast amounts of shale gas, and enhanced technological capacity to recover it, the United States has seen a huge expansion in the production of natural gas. This situation has created a tremendous opportunity for the United States and Japan to expand energy cooperation through the export of U.S.-produced LNG to Japan.

If Japan is able to import relatively inexpensive U.S.-produced LNG, it will be possible to put the brakes on the hike in thermal electricity generation costs, and to curtail price increases for domestic electricity. On the other hand, although many LNG receiving and storage facilities have been constructed in the U.S., much of their capacity is not fully utilized. The diversion of these facilities to liquefaction and exporting facilities might offer numerous benefits to the U.S. such as investment promotion, employment creation, and improvement of the trade balance.

To date, licenses have been granted to U.S. companies to export U.S.-produced LNG

to several countries with which United States has free trade agreements, but not to Japan. As we emphasize in the Joint Statement adopted in the 49th U.S.-Japan Business Conference held in Tokyo in November 2012, JUBC's firm position is that whether or not countries have a free trade agreement with the U.S. should not be a precondition for approving U.S. LNG exports. The U.S.-Japan Business Council (USJBC), the U.S. counterpart of JUBC, fully supports this position. Japan is a vital ally and economic partner of the United States, and on this basis, should be eligible to receive U.S. LNG.

Taking the opportunity of NERA's publication of a report concluding that "the U.S. is projected to gain net economic benefits from allowing LNG exports", JUBC urges the U.S. government to swiftly approve licenses to export U.S.-produced LNG to Japan.

As the strengthening of the U.S. and Japan alliance is now a top priority for the two countries, such cooperation would not only enhance Japan's energy security and U.S.-Japan economic partnership, but would also contribute to the stability and prosperity of the Asia-Pacific region.