

From: [Ann Adair](#)
To: [LNGStudy](#)
Subject: Comments on LNG Export Permiit study
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Attached please find my comments in support of approving LNG export permits.
Thank you for your time.

To whom it may concern:

Thank you for allowing me to comment on the U.S. Department of Energy (DOE) NERA LNG study. My name is Dr. Ann Adair, and I am an assistant professor of Economics at Rocky Mountain College. 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."

- When one looks at the multiplier effects, the increased production and exportation of LNG will provide a substantial economic engine for the US economy, at a time when these are desperately needed. These jobs will be in the production sectors and the transportation sectors and the indirect job creation will affect many other sectors of the economy. There will be substantial regional benefits from an expansion of LNG production and exportation. These are not low paying jobs but are sustainable good paying jobs. A recent HIS-CERA report estimates that an additional 3 jobs are created for every new job in oil and natural gas production.
- Exports would also improve the nation's balance of trade. The improvement in our trade balance will remove some of the downward pressure on our economy. A leveling of the trade imbalance will provide more domestic opportunities and lead to greater tax revenues from increased profitability of businesses.
- The expansion of the LNG industry will provide an opportunity to raise additional tax revenues for state and local governments as well as the federal government.
- 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." As when any restricted market is originally opened, an adjustment period will occur during which higher prices will likely occur. However, as more competition is created and greater profitability exists within that industry, more production efficiencies will be utilized and the prices will move back toward the lower levels.

The NERA Study uses production data to support the LNG exports that 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. An expansion of this market will lead to more incentive for firms to pursue this market and expansion in supply would be expected to increase at a faster rate. As the availability and utilization of LNG grows so will the production of it.

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. Since this is a product that the US has a comparative advantage in producing and exporting, we can provide a consistent, stable supply to other countries.

The DOE NERA LNG Export Study has concluded that there will be benefits that will positively affect our economy. It is my belief that these benefits will outweigh any adverse impacts and will provide a sustainable, source of jobs and revenues which will lead to an improvement in general economic conditions in the US. I urge the DOE to approve the LNG Export applications currently under consideration.

Sincerely,

Ann Adair, PhD.