United States Senate
WASHINGTON, DC 20510

July 9, 2013

The Honorable Ernest Moniz
Secretary of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Moniz:

Thank you for your department's recent approval of the second permit to export Liquefied Natural Gas (LNG) to non-Free Trade Agreement countries. We are writing to encourage you to continue to review and make decisions on the remaining applications in an expeditious manner.

The world is hungry for U.S. natural gas, and the geopolitical implications of LNG exports are tremendous. To bolster their own energy and national security profiles, nations around the world are seeking opportunities to diversify their energy supplies. For the first time, the United States is being recognized as one of their options. Responsible development of natural gas can benefit the environment and our international priorities.

This shift can pay both economic and political dividends. The international community is working diligently to reduce its reliance on Iranian energy supplies. The availability of U.S. LNG exports can help curtail the need for Iranian energy. Similarly, we can also provide secure LNG supplies to longstanding allies and strategic partners in Europe and Japan. One certainty in the marketplace is that nations need energy to fuel their economies. The only question is where they will get that energy. If the U.S. does not aggressively market LNG abroad, many of these nations may have no choice but to purchase energy from Iran or other nations that are not aligned with our own national interests.

While LNG export terminals do take years to develop and build, many planned facilities have already advanced negotiations toward long-term sales agreements with international consumers. Long-term sales agreements are essential for project developers to secure the financing they need to construct LNG terminals, but no funding arrangement will be finalized until the Department of Energy (DOE) approves a project's permit application. Other facilities already have the ability to import LNG and are simply waiting for approval to build export capabilities. We have heard that DOE is planning to consider the remaining permit applications in six to eight week intervals. Currently, twenty export applications remain in the queue. On this timeline, DOE may not rule on the final application until two years from now. By then, the private financing and market opportunities making these projects attractive may have dissipated, and foreign customers will be forced to turn to other suppliers to secure their energy needs.

As the final December 2012 NERA Economic Consulting study commissioned at the request of DOE shows, LNG exports will have a net positive impact on the domestic economy. In fact, many prospective natural gas production activities have been placed on hold out of concern that future demand forecasts are insufficient to support additional production. If more demand comes online through LNG exports, producers will be able to create jobs and economic growth through new manufacturing,

construction, and production activities. Further, LNG exports will facilitate a tremendous transfer of wealth from abroad directly into the U.S. economy. Additionally, we recognize the benefits that expanded production of natural gas, especially from shale gas, in recent years has provided for important sectors of our domestic economy. We do not expect that to change because the costs to liquefy and ship natural gas abroad provide a substantial discount for domestic consumers and a competitive advantage for industrial users.

We appreciate the attention you have already given this topic since your confirmation. However, we are concerned that the timeline for considering these applications may jeopardize our ability to retain a competitive position against other natural gas exporting nations who are also working diligently to export LNG. The fact is there is a global race for market share underway. American competitors have been at a disadvantage for the past year and a half because DOE has delayed action on pending applications. We are hopeful and optimistic that DOE will now pursue a winning strategy that allows the U.S. to compete effectively in this global market. Given this knowledge, will you consider increasing the speed at which you make decisions on these applications? Will you also consider evaluating multiple permit applications during the next rounds of consideration? Further, will you consider prioritizing the projects that have clearly established they are commercially viable?

Again, we very much appreciate your department's recent approval of the Freeport LNG project in Texas and look forward to your response to these questions.

Sincerely,

James M. Inhofe

Mark Begich

Jim Risch

Chris Coons

Tom Cohen

Tim Kaine

Roy Blunt

Mark R Warner

Pat Toomey

Tom Udall

John Hoeven

James E. Risch

Saxby Chambliss

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Mark Udall

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Mitch McConnell

Pat Roberts

Orrin Hatch

John Boozman

Claire McCaskill

Ron Johnson

John Cornyn

Dianne Feinstein