

LNG Export Licensing Freeze Endangers Jobs, our Allies, our Climate and American Energy Security

February 8, 2024

The President
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

The recently announced Department of Energy freeze on consideration of U.S. LNG export license applications is ill-advised and should be rescinded.

With the stroke of a pen, this action threatens the jobs of countless American working men and women, kills opportunities for small businesses in the energy infrastructure supply chain, handicaps access to capital needed to begin construction of already-licensed LNG export facilities, and signals the abandonment of our energy supply commitments to allies in their quest to eliminate dangerous dependence on adversaries; thus ceding, for no gain, the tremendous geopolitical advantages offered by our natural gas abundance.

This action also casts doubt on reliable long-term access to America's affordable and abundant natural gas by importing countries seeking to transition away from higher-emitting fuels for power generation in order to meet their commitments to reduce carbon emissions. Rather than continuing to rely on those fuels in the absence of American LNG, they will turn to other LNG exporting countries. Thus, this new policy threatens to cede our now-growing global LNG market share to competitor exporting nations, many of which produce their natural gas and process their LNG under far fewer environmental controls and protections. It must be remembered that because of America's transition from higher-emitting fuels to natural gas for power generation, our carbon emissions have declined more than those of any other major economy.

The Department of Energy (DOE) pause on processing export applications not only freezes out investment commitments for the seven proposed terminals with export licenses pending at DOE, but also sends a strong signal to the financial community of significantly heightened permitting risk for the seven more terminals already licensed but not yet financed or under construction, based on the risk that any new rules stemming from the DOE study would be applied retroactively to existing licenses. Five more already-licensed terminals now under construction also face the same unknown risk of stranded investment.

The recent ascendance of American natural gas exports from effectively zero as recently as eight years ago to our current position as the world's leading LNG exporter has driven tremendous innovation up and down the natural gas supply chain. This has led to lower costs to consumers in the domestic market, and to significant reductions in greenhouse gas emissions during production, transmission and processing. Any policy that reduces or eliminates further growth opportunities from exports will dampen investment in innovation.

Coincident with the tremendous growth of US LNG exports from nearly zero eight years ago to about thirteen billion cubic feet per day now, there has been no concurrent correlation to

increased domestic natural gas prices, which fluctuate on supply and demand conditions, and are today roughly equal in nominal dollars to 2016 prices. This is a testament to the remarkable growth in productivity by America's natural gas producers and transporters.

The undersigned organizations represent the workers and businesses of the energy infrastructure supply chain. Our members comprise the vast swath of the American economy that supplies construction, equipment, materials and services to all-of-the-above energy infrastructure, from production to transmission to processing to consumption to export facilities. Their labor and investments are responsible for the incredible abundance of reliable, affordable energy that powers and supplies our daily lives but is too often taken for granted. Their jobs, prosperity and economic contributions to their communities depend on sound Federal policies that encourage investment in energy infrastructure.

We urge immediate approval of all pending LNG export licenses, together with rescission of the order pausing the processing of applications for LNG export licenses by the Department of Energy.

Sincerely,



Energy Equipment & Infrastructure Alliance



American Pipeline Contractors Association



Associated General Contractors of America





GPSA Midstream Suppliers



National Utility Contractors Association



Pipe Line Contractors Association



CC: Jennifer Granholm, Secretary of Energy
Members of the United States House of Representatives
Members of the United States Senate