



January 10, 2013

U.S. Department of Energy (FE-34),
Office of Natural Gas Regulatory Activities,
Office of Fossil Energy, Forrestal Building,
Room 3E-042,
1000 Independence Avenue SW.,
Washington, DC 20585

Re: Initial Comments - LNG Export Study

Dear Secretary Chu:

Building on our meaningful discussions last February in Pittsburgh, I write to you -- on behalf of our more than 300 member companies from across the broad natural gas supply chain -- in support of your department moving forward with approval of all pending liquefied natural gas (LNG) export applications for non-free trade agreement countries.

As you know, the safe, tightly-regulated development of clean-burning natural gas from the Marcellus Shale -- considered to be potentially the world's second largest natural gas field -- continues to play an increasingly important role in meeting our nation's growing energy demands.

Indeed, the Marcellus Shale now represents 26 percent of the nation's overall shale production, according to the U.S. Energy Information Administration (EIA). And as EIA has reported, U.S. CO2 emissions are now at a 20-year low, due principally to the expanded use of natural gas.

At the same time, and in line with President Obama's goals, this responsible, effectively regulated development continues to be a powerful source of private sector job creation. The Pennsylvania Department of Labor & Industry reports that more than 243,000 jobs in the Commonwealth are tied to the natural gas industry.

Our industry is absolutely committed to finding more ways to leverage these abundant clean-burning resources, through expanded electricity generation as well as in meeting our nation's transportation needs. Likewise, producers and service companies are increasingly using natural gas to power drilling and completion operations, which is both an environmental and economic winner.

We do, however, recognize that we live in an interconnected global economy, and that common sense natural gas export policies, as the recent U.S. Department of Energy (DOE) analysis determines, could be a major economic boost for our nation, which is still struggling with millions of Americans out of work.

Straightforward, objective analysis -- including DOE's recently published research conducted by NERA -- underscores the fact that the "U.S. would experience net economic benefits from increased LNG exports," which, of course, is also in line with President Obama's established export objectives.

Beyond the clear economic benefits associated with American LNG exports -- more jobs, tax revenue, economic activity, consumer savings and a reduction in our nation's trade imbalance -- the national security and global environmental benefits are also compelling.

A recent report from the National Intelligence Council of the Office of the Director of National Intelligence (ODMI), in fact, accurately defines shale gas development as "an energy game-changer" for our country, noting that "the U.S. will have sufficient natural gas to meet domestic needs and generate potential global exports for decades to come."

And in June, Kandeh Yumkella, co-head of the U.N.'s Sustainable Energy for All Initiative, reinforced that fact that shale gas "should play a major role in cutting greenhouse gases, protecting forests and improving the health and living standards of the world's poor."

We agree with these assessments, as well as your thoughtful characterization that shale gas development "can be done in an environmentally responsible way."

American shale gas development represents a truly historic opportunity for our nation. Moving forward with the timely permitting of LNG exports to our nation's allies and global trading partners will lead to more American job creation, economic growth, a reduction in our trade imbalance, and cleaner air - all of which is in the public interest.



Kathryn Z. Klaber, CEO
Marcellus Shale Coalition