

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy & Power
Markup of H.R. 6, “The Domestic Prosperity and Global Freedom Act”
April 8, 2014

(As Prepared for Delivery)

Today, we begin the markup of H.R. 6, “The Domestic Prosperity and Global Freedom Act,” to expedite the approvals of LNG exports. This subcommittee has probably never been better prepared for a markup than for this one. Over the past year, we have held several hearings discussing LNG exports, and conducted a forum in which we heard from the representatives of 11 foreign nations that would like to import natural gas from the U.S. We also published a white paper detailing the geopolitical and domestic economic benefits of LNG exports. And most of this activity took place before the current Ukraine crisis, which has only strengthened the case for H.R. 6. I would like to thank my friend and colleague Cory Gardner for sponsoring this important and timely bill, and I urge all of you to join me in supporting it.

The news on America’s natural gas reserves is almost too good to be true. Up until just a few years ago, the consensus among energy experts was that America was running out of natural gas and that we would have to import increasing amounts to meet domestic needs. But thanks to American breakthroughs in hydraulic fracturing and horizontal drilling, we are now producing vast amounts of gas once thought too difficult to reach. And I might add that we are doing it with one hand tied behind our backs – the Obama administration has kept most federal lands off limits to energy production, and thus the natural gas revolution has occurred almost exclusively on state and privately-owned lands.

The good news will only get better. According to projections from the Energy Information Administration, our natural gas output will rise another 56 percent by the year 2040, easily providing for our domestic needs at modest prices while leaving ample room for exports. American natural gas is well positioned to join American coal as two sources of energy capable of supporting additional domestic jobs through a robust export market.

And the world needs our natural gas. The 11 nations we heard from directly at our forum, as well as many other allies and trading partners, do not have sufficient domestic supplies to meet demand. Worse yet, several have to rely on imports from nations they would rather not have to deal with – nations like Russia that use their natural gas as a political weapon against those dependent on them. These nations made clear that they would strongly prefer to buy their natural gas from us. And, commitments from the US to build LNG export facilities would send a strong signal to Russia that America is competing in the market, providing leverage to those countries seeking to negotiate new long-term contracts.

Thus, the stage is set for America to engage in mutually beneficial trade in LNG. But as is so often the case, Washington stands in the way of the sensible use of domestic energy. Each natural gas export application must go through a lengthy bureaucratic process at DOE, and the criteria used by the agency are far from clear. As it now stands, the majority of export applications are still waiting to be approved, and at the current pace most will remain in line for a number of years.

Simply put, LNG exports do not warrant the extreme caution that DOE is exhibiting, and the delays are costing jobs and allowing Russia to continue bullying its neighbors.

H.R. 6 greatly reduces the delays in the LNG application process and sends a clear message that America is going to be a participant in natural gas markets. And that would be very good news for the American economy and for our energy-importing friends around the world. I urge all members to support this bill.

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