

Congress of the United States
Washington, DC 20515

June 29, 2012

The Honorable Steven Chu
Secretary
Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Chu,

Due to American ingenuity and remarkable advances in applied technologies, our nation today is blessed with an enormous amount of recoverable natural gas. As you know, a large portion of recoverable natural gas is found in shale formations throughout the United States. As Members of Congress from states that overlay the Marcellus and Utica Shales, we urge you to move forward with the approval process for companies seeking to break into the global marketplace for liquefied natural gas (LNG).

The booming natural gas industry is helping to reverse economic downturns in many regions of the country, while the lower prices that this abundance of natural gas has brought is serving to revive once declining industries. Tens of thousands of Americans are now back at work, in every level of the supply chain, supporting their families, paying their mortgages, and helping their communities recover from a terrible recession. In Youngstown, Ohio, a new \$650 million steel mill is rising which will make the pipe used in drilling, while employing 350 new workers. In Natrium, West Virginia, 400 construction workers are on site building a new plant that will process the gas after it is removed from the ground. In Beaver County, Pennsylvania, Shell has announced initial plans to build an ethane "cracker" that will result in thousands of construction jobs and expanded manufacturing opportunities.

However, despite these exciting developments, the number of rigs drilling for natural gas today is at its lowest point in 13 years. Production is outpacing demand and depressing prices below the break-even point for some producers. As a result, many drillers are pulling back or moving their rigs to the oil fields. If demand does not increase, the economic benefits we are beginning to see will soon be gone.

One answer to the growing supply and demand imbalance is to allow American producers to capture a share of a growing global LNG market. The United States has the supply, the technological capability, and the workforce to accomplish this. There is, in fact, a global race already underway. Governments in Australia and Canada, for example, are rushing to support

their producers' and LNG terminal developers' efforts to lock in customers and get facilities built that will allow them to sell gas overseas.

Meanwhile, in the U.S., the approval process for companies wishing to expand their market overseas is stalled. We are aware that the Department is conducting a macro-economic study of the potential impacts of exporting natural gas. However, that study was supposed to have been completed by the end of the first quarter of 2012 and it still appears to be months away from completion.

We are also aware that the Department, in its order authorizing the Sabine Pass project, stated that it intends to monitor market conditions so that "natural gas exports do not subsequently lead to a reduction in the supply of natural gas needed to meet essential domestic needs." We encourage the Department's careful monitoring of market conditions so that U.S. manufacturers continue to experience the benefits of the competitive advantage provided by affordable, domestic natural gas.

We urge you bring a renewed sense of urgency to the approval process. Several years from now a portion of a gas or electric bill being paid by a customer in Japan or Europe could find its way into the paycheck of a worker right here in the United States. Alternatively, it could go to a worker in Australia or Qatar if our businesses are prevented from competing.

We urge you to take the steps necessary to expedite the approval process in order to support U.S. producers and their workers.

Sincerely,

Bill Johnson OH-6

Tim Ryan

Jean Schmitz

Michael R. Lujan

Shelley Moore Capito

L C Fattoorette

Steve Abbott

Rich Raball

Steve Bues

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MSP

Ken E. Jones

[Signature]

Bill Shuster

Mike Doyle

Steve Costello

Lou Barletta

Jason Altmire

Pat Tibben

Bob Gill

Amil B. M^{re}