

**Opening Statement: “Importing Energy, Exporting Jobs.
Can it be Reversed?”**

Senate Energy and Natural Resources Committee

U.S. Senator Mary L. Landrieu, chair

March 25, 2014

As delivered:

Good morning everyone. Thank the members for attending and thank our witnesses for being apart of this important hearing. It’s my pleasure to bring the Energy Committee to an opening session this morning on the subject of natural gas. Our title: “Importing Energy, Exporting Jobs. Can it be Reversed?” I just want to say, Sen. Murkowski is on her way. She’s in a very important meeting and we expect her momentarily, and looking forward to her opening statement. I want to thank Sen. Wyden, my dear friend and former leader of this committee for his leadership and his support, Former Chairman of this committee. I look forward to working with him and all members of this committee on both sides of the aisle.

Not quite a decade ago, members of this committee attended numerous meetings in this same room to consider the 2005 Energy

Policy Act. At that time, we discussed at length the need to *import* more Liquefied Natural Gas to meet our growing energy demands. Thanks to an extraordinary and swift advances in technology to locate, capture and produce natural gas, today this committee will discuss the expanded opportunities to export LNG and the possibilities to create high-paying jobs in America and support our Allies in Europe and budding democracies across the world.

When President George W. Bush signed EPACT in August 2005, the price of natural gas was averaging \$9.53 per thousand cubic feet. By October of that year, the average price rose to \$13 and continued to rise in December of that year to \$15.

These high prices forced chemical manufacturers to close up their factories and head overseas. This affected many states, not just Louisiana, Michigan, and other industrial states around the country. And they did so in droves.

The fact that less than 10 years later, we are in a four year period of domestic gas prices at \$5 or less is stunning. With only a long term favorable outlook ahead of us

Because of that price reduction and stabilization, Methanex, the world's largest producer of methanol, is literally breaking down a factory piece-by-piece in Chile and shipping it back to Geismar, Louisiana, where it originally was. What caused this reversal of fortune? And what game changing technologies were involved? And what action should this committee and the U.S. take given this new set of data and facts?

New discoveries in oil and gas have fortified our national economy in the last few years, buffering us from an even deeper recession – which I believe would have occurred-- and providing new, high-paying jobs for thousands of Americans.

Nowhere is this more evident than in my home state of Louisiana and all along the Gulf Coast – America's energy coast! According to a 2013 study by David Dismukes at LSU, over 200,000 jobs will be created by new unconventional production in Louisiana alone by 2019. This is not considering the other jobs in other states around the country. It is quite promising.

And the oil and gas industry supports over 300,000 jobs in Louisiana, and has been a major factor in securing below average unemployment for the last 5 years, and for states such as North Dakota, that have had increased ongoing production, such as Colorado, etc.

A recent LSU report estimated that from 2012 – 2018, approximately \$47 billion of private sector investment will be made in new and existing plants and projects in Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis Parishes – parishes that people on this committee have probably never heard of and people in America have never heard of either. But these are real places with real people, a 100 miles stretch of I-10, between Lafayette and Lake Charles, Louisiana! That investment is expected to create more than 37,000 new jobs—high-paying jobs.

In America, LNG exports will not only drive continued investment in domestic production and create jobs, they are also a powerful geopolitical tool, particularly in light of Russia's illegal aggression in Ukraine. The events in Ukraine have shown that Russia President Putin

is intent on using his monopoly on energy supplies to pressure our allies in Europe to advance his economic and philosophical agenda.

Last week, Russia sanctioned nine officials. I was one of them. Being sanctioned by President Putin is a badge of honor for me and the people I represent. And it has only encouraged me to re double my efforts to increase domestic energy production here in the United States and make the U.S. a global leader in energy exports. America can and should be an energy superpower in all aspects of conventional and advanced sources of energy including new alternative fuels and alternative energy sources.

We all know real competition in real open markets drives efficiency and lowers prices for everyone.

The last thing Putin and his cronies wants is competition from the United States of America in the energy race. Tyrants and dictators throughout history have had many reasons to fear revolutions, and this U.S. energy revolution is one they should all keep their eyes on! I look forward to playing a role to bring energy security and independence to America and it democratic allies around the world, to advance freedom

of speech, freedom of religion and yes the freedom of the press, as well as a new promise to hold leaders accountable for what they do. Today's hearing is part of this effort.

Far too often, when faced with complex and difficult challenges, we stand still unsure and hesitant, moving in every different direction. I can assure you that will not be the case in this committee under my leadership. We will do our part to use our domestic production of gas, oil, advanced coal technologies, alternative fuel technologies and exciting renewables to meet our energy needs at home. We will also break the stranglehold of the tyrants and oppressors who use their energy stockpiles to crush the hopes and promise of freedom and democracy for all people, particularly women and girls.

We have a great panel of experts assembled here today and I look forward to hearing from them about how we can achieve these goals.