

Chairman Wyden Opening Statement

Natural Gas Roundtable on Supply and Exports 5-21-13

Today, we are going to tackle a subject of great interest in our country, and that is the potential exporting of our country's energy resources. Some will assert that this is unquestionably a good thing, that the energy trade could reduce our trade deficits, improve relationships with our allies and provide a further boost to a recovering economy. Others are going to assert that unfettered exports, with little to no consideration of broader economic and regional concerns, could lead to the United States "exporting its advantage."

My own view is that our country should not be wedded to this either/or choice between no exports and no limits on exports. Done right, there ought to be a way to get the trade benefits to exporters and our trading partners while maintaining the domestic economic and energy security benefits to our country.

The shale boom has come at an extremely fortuitous time for America. It is providing many of our manufacturers an opportunity to re-import jobs that had moved away. This is a once-in-a-lifetime opportunity for our nation's economy at a time when millions of our people are hurting economically. It is also producing a growing, thriving domestic oil and gas industry, creating jobs across the country and reducing our nation's dependence on imported energy. In short, we are now in a position of strength.

Now I also chair the Finance Subcommittee on International Trade. There, I have supported every major trade agreement in my time in Congress, so undoubtedly there are going to be questions about why I have wanted to deliberate carefully over the issue of energy exports. Here is why in a nutshell: energy is different. It is not the same as blueberries. For example, safe, reliable energy has long been regarded strategically as vital to our national security. In my home state, we are crazy in love with our blueberries, but we have never said that blueberries are a key part of America's national security arsenal. So energy is different.

In addition, right now the future of America's natural gas is uniquely intertwined with America's overall economic future. To make things and grow things in America, our country needs affordable energy. There are manufacturers who want to bring jobs back to our country, as long as they can depend on low-cost natural gas. Congress ought to enact policies to ensure that that is the case. As I mentioned in our first forum, the increased use of natural gas generation also addresses concerns about the intermittent availability of renewable energy and with sensible natural gas policies I believe we are going to start seeing renewable energy play a bigger role in baseload power in America- and that will be a good thing as well.

Right now, it appears the best projections believe our country will export in the range of 6 to 8 billion cubic feet per day of natural gas by 2020, with only moderate impact on prices. If that turns to be the case, it seems to me practically everybody will end up happy. But the Energy Department shouldn't only

bank on things happening the way we want – it's important to take into account the possibility that things may not go according to that script.

And experience on this issue tells us that we ought to be a bit more careful. For example, in my home state it wasn't very long ago that there were community meetings about IMPORTING natural gas, where things got so heated up people had to be escorted out by Sheriff's deputies.

Now, just a few years later, we're seeing some of the very same fights and some of the very same stories about EXPORTING natural gas.

While billions of dollars were spent constructing natural gas import terminals around the country the analysts and all the smart people who look at these matters suddenly changed their minds.

The Energy Information Administration estimated in 2007 that America would be importing more and more natural gas every year. In fact, it wasn't until just last year that that agency, which is really the objective policy agency in the debate about trends-- finally started predicting that our country would have enough natural gas to send it overseas.

Given these kinds of dramatic changes in just a short period of time it seems to me that it just makes sense to take a look at some of the underlying policy issues that ought to be driving this discussion now. For example the current application process for approval of export terminals may not properly reflect these larger economic challenges I've described. I am not convinced that that application process is right for the times. So we will be very interested in your views with respect to that and other policy questions. Our forbearers might have had the foundations of energy export policy correct for their times. My own sense is the specifics of that policy are due for re-evaluation at this unique time in our nation's history.

Finally, as I indicated last week, following the approval of a second LNG terminal, I'm pleased the Energy Department has assured us that Secretary Moniz will be reviewing DOE's studies on the effects of exports once he is sworn in and that further export determinations will be informed by Dr. Moniz' analysis. That, in my view, is an encouraging start, a thoughtful and measured approach.