



Opening Statement
Full Committee Hearing on U.S. LNG Exports to Europe
Chairman Lisa Murkowski
September 13, 2018

Good morning, the Committee will come to order.

As we meet here this morning, everyone's focused on weather, and what is coming our way, concerned about the impact of Hurricane Florence on the east coast – particularly North and South Carolina and closer to Virginia. We've watched very attentively over these past few days, it was characterized as a monster storm, the likes of which we haven't experienced in 60 years. It has since been downgraded to a Category 2, but we all know that you still keep a very, very watchful eye, because a dangerous storm can cause significant damage.

There is no doubt that we will see power outages resulting from downed transmission and distribution lines, as well as flooding. The question is how long will people be without power and how quickly will the grid system be back up and running?

This committee has spent a fair amount of time following this situation in the aftermath of Puerto Rico and the U.S. Virgin Islands, and a year later you still have some folks that are still struggling. So as Florence proceeds, know that we're going to be monitoring closely. The utility industry has already mobilized its mutual assistance program, deploying workers from other parts of the country in advance of the storm so that restoration work can start as quickly as possible. I understand that FEMA is also ready to assist.

Next Thursday, the Committee was planning to hold an oversight hearing on 'blackstart' capabilities, which is the process for returning energy to the power grid after a system-wide blackout. Unfortunately, we've had to postpone this hearing due our schedule here in the Senate. When it is rescheduled, we'll be able to examine system restorations plans in the utility industry in the wake of Hurricane Florence.

But, today's hearing is not about hurricanes, it is not about blackouts, it is focused on the role of the United States in exporting Liquefied Natural Gas – LNG – in meeting Europe's growing energy demand.

Europe is now the biggest importer of natural gas in the world. The continent consumes close to 15 percent of the world's gas, but holds only two percent of the reserves. And Europe's reliance on the natural gas resource is increasing as its coal-fired power plants are phased out and nuclear plants are placed out of service.

Russia, we know, continues to be the main supplier of much-needed natural gas to European nations. But, as we've seen too often, Russia has used this energy resource as a geopolitical weapon, cutting off supplies to Ukraine in 2006 and 2009, and halting deliveries to Europe. Recent disputes between those two nations only highlight Europe's vulnerability given its dependence on Russian gas.

But with the abundance of our domestic natural gas supplies, the United States is poised to change that equation. Through technological advancements, the U.S. has emerged as the largest gas producing nation in the world, and is fast becoming a global leader in LNG exports. According to IEA, gas imports to Europe are expected to rise almost 20 percent by 2040. Our nation is well-positioned then to assist our allies in diversifying their energy supplies and achieving a level of energy security.

As we examine these global issues today, we are joined by a very impressive panel of experts, we appreciate that. Our witnesses this morning are appearing on behalf of the Department of Energy, ClearView Energy Partners, the Atlantic Council, the Manhattan Institute, and Public Citizen. I am interested in their thoughts on the economic and geopolitical implications of a stronger U.S.–EU energy relationship, as well as what actions may be needed to maximize the benefits of LNG exports to our nation and our allies.

So with that, I turn to Senator Cantwell for your opening remarks this morning.

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