



Opening Statement
Hearing on Evolving Global Natural Gas Markets
Chairman Lisa Murkowski
July 11, 2019

Good morning, everyone. The committee will come to order as we meet to examine evolving global natural gas markets, the increasingly important role of U.S. liquefied natural gas, as well as the competitive outlook for our LNG.

American natural gas production has literally changed the game- we say that a lot around here about that, but its been a game changer. Our production has soared to levels many never even thought possible and that was just about a decade ago. This, in turn, is boosting our economy as well as our national security. It is providing a long-term, low-cost, low-emission source of energy for our manufacturers and residential consumers alike. And we have such a massive resource base that we can send substantial volumes abroad.

We are now leading the world in natural gas production, and hopefully soon, we will also lead in exports. Global demand for LNG, we know, is increasing. More U.S. LNG export facilities are coming online and more of our friends and allies around the world are building import facilities. For the first time since the 1950s, we are now a net exporter of this abundant resource, and our production is driving the formation of a global spot market for natural gas. Again, the dynamic around natural gas, around LNG, is just extraordinary.

The consensus among experts is that LNG will continue to be a major driver of demand growth well into the next decade, from developed countries in Europe to fast-growing economies like India. A few of those experts are with us on today's panel. They're here to tell us what is driving these trends, where they may be headed, and how U.S. LNG fits into the equation.

We know we are dealing with a very very competitive global market –what I have referred to as a “narrowing window” of opportunity. I use this term quite frequently and seems I have been using it for a long period of time but it is, I believe, a narrow window of opportunity to establish leadership in the global gas trade – so I hope we're going to hear ideas on how to make our exports even more competitive.

I'm particularly excited coming from Alaska about the role that my state can play. The Federal Energy Regulatory Commission (FERC) just released the draft environmental impact statement (EIS) for the Alaska LNG project, has great opportunity to move some tremendous reserves of conventional gas on the North Slope to market. It's a pretty important milestone in the federal permitting process, and we continue to recognize that Alaska's gas is a remarkable resource that will add to the energy security of the U.S. and our allies.

As we look at our growing exports, we should also look at ways that the U.S. can support imports by other countries to advance both our economic and our security interests.

I've started to do that, so today members will see at their seat here a new white paper that we are releasing this morning we've entitled it "With Powers So Disposed," this references a quote from President George Washington's farewell address.

So quite a few years back but you're at a point in time when President Washington could never have envisioned super-cooled methane molecules being shipped around the globe in giant tankers, but he did foresee that the American government would have to work to open opportunities for its businesses with other nations in a way that promotes both market forces as well as our national interests.

The paper effectively lays out a framework to strengthen America's geopolitical posture by sharpening our tools of economic statecraft. I think we're very uniquely positioned here in the Congress to provide a level of strategic direction to federal departments and agencies that are operating in this area. Just one example, as the Export-Import Bank, it's nearing the sunset of its current authorization in September, this framework that you have in front of you is certainly going to guide my participation in that discussion.

This report for those sitting out there, reports is now available on our committee website, and I would be happy to refer you to energy.senate.gov. Stay tuned for more. And as this conversation proceeds, we are going to have an uptake of interest in these with this very important matters. I want to thank our witnesses for coming today. I look forward to their testimony, as well as their insight on this very very important topic.

Ranking Member Manchin?

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