

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.**

***Hearing on “Politics Over People: How Biden’s LNG Export Ban Threatens America’s
Energy and Economic Security”***

February 6, 2024

Today’s hearing will look at the Biden Administration’s recent action to ensure that exports of liquified natural gas, or LNG, benefit all Americans. This is a commonsense action. Before we send our energy resources abroad, it is only right that we first confirm doing so is in the American people’s best interests – not our competitors. We should examine the impacts of LNG exports on energy prices, global greenhouse gas emissions, and environmental justice communities. China is also a leading destination for American LNG and that deserves scrutiny.

The President’s action is not in China’s interests. If you oppose China, you should favor the President’s action. Furthermore, the law requires the Department of Energy to determine that LNG exports to non-Free Trade Agreement countries are in the public interest before approving them. The Natural Gas Act is crystal clear in this regard, and the Biden Administration’s actions are designed to ensure that the Department of Energy is following the law.

After all, the LNG market is completely different in the United States now than it was six years ago. Back in 2018, there were only two operating LNG export terminals in the United States, for a combined capacity of 4.8 billion cubic feet per day. Now, there are seven operating facilities with the ability to export triple that amount, and DOE has already approved enough export permits to triple our LNG exports again.

Today the United States is also far and away the largest natural gas producer in the world. We alone account for 25 percent of the entire world’s production every day, outproducing the next two biggest producers combined. If we are evaluating whether LNG exports are in the public interest in 2024, we should be using 2024 data and analysis to make that determination.

There are a lot of reasons why the law does not allow for unfettered exports of LNG without review. The first reason is that LNG exports can drive up energy prices for American consumers. Two years ago, we saw natural gas prices here at home triple to levels not seen since 2008, all because of Putin’s invasion of Ukraine, and the subsequent European energy crisis. According to one estimate, the price increases due to American LNG exports cost Americans more than \$100 billion over 16 months. This alone is a perfect example of why the DOE review is necessary.

The DOE’s examination is also necessary considering that a huge amount of our nation’s LNG exports go to China. In 2021, China was the second-most popular destination for American LNG exports. Republicans say they are tough on China, but in their pursuit of unlimited LNG exports, they are not only increasing prices on American consumers but providing cheap natural gas to fuel China’s industrial economy. That is contrary to American interests.

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Finally, DOE must examine the impacts of LNG exports on greenhouse gas emissions and on frontline environmental justice communities. Expanding LNG export infrastructure could drastically increase greenhouse gas emissions, and it is unclear if LNG exports are cleaner than other fossil fuels once you properly account for methane leakage during liquefaction. These are questions that DOE must answer.

Studies also show that communities located near oil and gas facilities face serious adverse negative health impacts, including increased rates of asthma, lung cancer, and premature deaths. We cannot ignore these impacts, and DOE must include them in any new public interest test so that we can better protect these communities in the future.

We're likely to hear a lot of misinformation from the Republican majority today, so let me set the record straight. This pause will not change the current export flows of LNG to Europe. It will not affect the LNG facilities currently under construction, or the facilities that are already approved and have yet to begin construction. If DOE never approved another permit, our LNG exports could still triple from now until the end of the decade – and that's more than enough to ensure Europe gets all the gas it needs.

It is also ironic that Republicans are voicing concern for Europeans when they have refused to provide support to our Ukrainian allies as they continue to suffer from a barbaric invasion by Putin. Well over a majority of Committee Republicans opposed the Ukraine aid package when it came up for a vote. Instead, House Republicans continue to do the bidding of their corporate polluter friends – pushing H.R. 1130, legislation that would remove all public interest determinations from LNG exports. It's just another example of Republicans putting polluters over people.

The Biden Administration is rightfully taking a different approach – making sure any additional LNG exports benefit the American people. This action builds on the Administration's commitment to lowering energy costs for Americans and protecting them from corporate polluters' practice of putting profits over people.

Thank you, and with that I yield back.