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6 POLITICS OVER PEOPLE: HOW BIDEN'S LNG EXPORT BAN

7 THREATENS AMERICA'S ENERGY AND ECONOMIC SECURITY

8 TUESDAY, FEBRUARY 6, 2024

9 House of Representatives,

10 Subcommittee on Energy, Climate, and Grid Security,

11 Committee on Energy and Commerce,

12 Washington, D.C.

13

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15 The Subcommittee met, pursuant to call, at 10:04 a.m. in

16 Room 2123, Rayburn House Office Building, Hon. Jeff Duncan

17 [Chairman of the Subcommittee], presiding.

18 Present: Representatives Duncan, Latta, Guthrie,

19 Griffith, Bucshon, Walberg, Palmer, Curtis, Lesko, Pence,

20 Armstrong, Weber, Balderson, Pfluger, Rodgers (ex officio);

21 DeGette, Peters, Fletcher, Matsui, Tonko, Veasey, Kuster,

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22 Schrier, Castor, Sarbanes, Cardenas, and Pallone (ex
23 officio).

24 Also present: Representatives Allen, Carter, Joyce,
25 Miller-Meeks; and Barragan.

26 Staff Present: Kate Arey, Digital Director; Sarah
27 Burke, Deputy Staff Director; David Burns, Professional Staff
28 Member; Marjorie Connell, Director of Archives; Nick Crocker,
29 Senior Advisor and Director of Coalitions; Sydney Greene,
30 Director of Operations; Rebecca Hagigh, Executive Assistant;
31 Nate Hodson, Staff Director; Tara Hupman, Chief Counsel;
32 Daniel Kelly, Press Assistant; Patrick Kelly, Staff
33 Assistant; Sean Kelly, Press Secretary; Alex Khlopin, Staff
34 Assistant; Peter Kielty, General Counsel; Emily King, Member
35 Services Director; Elise Krekorian, Counsel; Mary Martin,
36 Chief Counsel; Brandon Mooney, Deputy Chief Counsel; Kaitlyn
37 Peterson, Clerk; Karli Plucker, Director of Operations
38 (shared staff); Carla Rafael, Senior Staff Assistant; Peter
39 Spencer, Senior Professional Staff Member; Michael Taggart,
40 Policy Director; Dray Thorne, Director of Information
41 Technology; Waverly Gordon, Minority Deputy Staff Director
42 and General Counsel; Brian Hall, Minority Energy Fellow;

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43 Kristopher Pittard, Minority Professional Staff Member; Emma
44 Roehrig, Minority Staff Assistant; Kylea Rogers, Minority
45 Policy Analyst; Tuley Wright, Minority Staff Director,
46 Energy, Climate and Grid Security; and Jessica Zhao, Minority
47 Intern.

48

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49 *Mr. Duncan. The Subcommittee on Energy, Climate, and
50 Grid Security will now come to order.

51 The chair will now recognize himself for five minutes
52 for an opening statement.

53 I want to thank you all for being here today, and
54 welcome to the Energy, Climate, and Grid Security
55 Subcommittee hearing titled, "Politics Over People: How
56 Biden's LNG Export Ban Threatens America's Energy and
57 Economic Security.''

58 Ignoring science and heeding the loudest of his
59 political base, President Biden recently moved to ban exports
60 of U.S. liquefied natural gas, or LNG, and he did this over
61 the best interest of the American people. Less than two
62 weeks ago the Biden Administration announced that it would
63 impose an indefinite ban on the issuance of LNG export
64 permits to non-free-trade-agreement countries where it
65 conducts _ while it conducts a review to consider the climate
66 impacts of natural gas.

67 The Biden Administration did not issue an executive
68 order or request Congress to enact legislation, but instead
69 issued this major policy shift through a fact sheet and a

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70 press release. The announcement indicates no endpoint or a
71 timeline for this indefinite pause.

72 We invited the Department of Energy to testify, but they
73 declined to send anyone to this hearing. They left America
74 and communities throughout Louisiana and Texas with many
75 unanswered questions and unrecognized concerns.

76 I am thankful, however, we will get to hear from
77 witnesses who can speak to the benefits of U.S. LNG and how
78 the ban on LNG exports will harm the American economy, our
79 energy security, and our national security.

80 LNG exports strengthen energy security, create jobs,
81 decrease energy prices here at home, and lower emissions
82 globally. U.S. LNG exports could support up to 452,000
83 additional American jobs and add up to \$73 billion to the
84 U.S. economy by 2040. They can also create billions of
85 dollars in revenues for Federal, state, and local
86 governments.

87 In addition to undercutting our domestic energy
88 industry, President Biden's decision is a gift to Vladimir
89 Putin. Global demand for natural gas is expected to increase
90 46 percent by 2050, and our European and Asian allies, who

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91 want to do business with the United States, will now look to
92 Qatar, Russia, and Iran to meet their growing energy needs.
93 The Biden Administration's energy policy has been a handout
94 to our adversaries.

95 The happiest person when Biden took office was Vladimir
96 Putin. He knew he could continue to exploit the stranglehold
97 the well-funded radical climate lobby has on this
98 Administration. These radical environmentalists don't seem
99 to care about the economic and environmental benefits of
100 exporting U.S. gas has, especially to countries desperate to
101 escape energy poverty.

102 Under current law, any person wishing to import or
103 export U.S. natural gas must first obtain approval from FERC
104 to construct and operate an LNG facility. This requires
105 applicants to complete an environmental and safety review.
106 After FERC issues the certification, DOE conducts a public
107 interest review of the project. DOE is required to do this
108 for all exports going to non-free-trade-agreement countries.
109 DOE is required to grant the export application, unless it is
110 found that the proposed exportation and importation of LNG is
111 not in the public interest.

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112 Congress intended the public interest requirement to
113 consider economic factors when it originally enacted the
114 Natural Gas Act. The Biden Administration has weaponized
115 this review in order to pursue climate objectives.
116 Ironically, Biden and the environmental radicals are going to
117 achieve the opposite because a ban of U.S. LNG exports will
118 increase global emissions.

119 Republicans have a solution. My colleague, Congressman
120 Pfluger, recently introduced H.R. 7176, the Unlocking Our
121 Domestic LNG Potential Act. This is a bill formerly led by
122 representative Bill Johnson. This bill would lift all DOE
123 restrictions on the import and export of natural gas. Export
124 facilities would still have to receive certification from
125 FERC, but DOE would no longer be able to halt exports based
126 on this Administration's weaponized public interest test.

127 DOE has consistently found that U.S. LNG exports serve
128 the public interest because they contribute positive economic
129 benefits and strengthen energy security for the American
130 people. These exports also have the potential to reduce
131 global greenhouse gas emissions. Mr. Pfluger's bill is a
132 solution to pushing back on yet another awful Biden energy

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133 policy, and I urge all my colleagues to support that effort.

134 [The prepared statement of Mr. Duncan follows:]

135

136 *****COMMITTEE INSERT*****

137

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138 *Mr. Duncan. So I look forward to hearing from all of
139 our witnesses today, hearing all the member questions and
140 answers, and I will now recognize member _ the Ranking Member
141 DeGette for five minutes for an opening statement.

142 *Ms. DeGette. Thank you, Mr. Chairman.

143 The United States leads the world in both the production
144 and exportation of liquefied natural gas, also known as LNG.
145 According to the Department of Energy, the U.S. harnesses
146 enough LNG energy capacity to export 14 billion cubic feet
147 per day. Based on FERC's latest report, there are enough LNG
148 facilities under construction that are fully permitted to
149 nearly double our current export capacity and enough
150 facilities that have not yet started construction, but are
151 fully approved by both DOE and FERC to more than triple our
152 current export capacity over the next decade.

153 These efforts will keep the U.S. on track to lead the
154 world in LNG exports for years to come. Each proposed LNG
155 export facility must undergo a rigorous permitting process
156 outlined by the Natural Gas Act, beginning with FERC and
157 ending with DOE. Applicants must obtain authorization from
158 FERC to construct and operate a proposed LNG facility. Once

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159 approved by FERC, DOE considers whether the proposed export
160 of natural gas is consistent with public interest.

161 It is important to note that DOE is required to grant
162 the application unless it is found to be inconsistent with
163 public interest, so this sets a high burden of proof for
164 denying a project.

165 So many people may be curious as to what defines the
166 "public interest." It is a purposefully broad phrase, and
167 it encompasses both economic and environmental
168 considerations. It is imperative for DOE to include
169 pertinent factors like domestic energy prices, greenhouse gas
170 emissions, and impacts on communities that have been hit
171 hardest by pollution throughout our history when considering
172 how a project will affect our nation.

173 As everybody here knows, this past month the Biden
174 Administration announced a temporary pause on pending
175 approvals of new LNG exports. This pause was announced to
176 fulfill the Administration's duty to protect America's
177 interests under the Natural Gas Act, and to allow DOE to
178 update its underlying analysis for LNG authorizations,
179 analysis which was last updated in 2018 when the U.S. was

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180 exporting only one third of the capacity that we have today.
181 Now, that was pre-COVID, and the impact of the pandemic on
182 our economy and communities must be taken into consideration.

183 The fact that our nation's production has ramped up so
184 quickly must be considered, especially since the U.S.
185 currently has enough approved capacity to fulfill the world's
186 energy needs in the short and medium terms. Continuously
187 increasing LNG exports without updating guidelines to account
188 for new information is a fundamentally unserious proposal.
189 The Administration's pause will allow them to update guidance
190 to make sure we are not approving additional LNG exports to
191 support other countries at the cost of Americans back home.
192 This is responsible policy-making.

193 In short, this pause will allow the Biden Administration
194 to better assess what future projects actually are in the
195 public interest, while taking into account every aspect of
196 these projects, including, critically, the emissions and
197 pollution they create.

198 The majority is attempting to rebrand this temporary
199 pause as a "ban on issuing LNG export permits," which is
200 false, and I am sure we are going to have _ I am going to

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201 have to repeat that over and over again today. So let me
202 repeat it right now. The majority is attempting to rebrand
203 this temporary pause as a "ban on issuing LNG export
204 permits," which is simply not true. Their plan is to give
205 full authority over LNG exports to FERC, and completely cut
206 out any consideration of the public interest.

207 I find it frustrating that the majority has labeled this
208 temporary pause as harmful to American interests, when
209 unfettered production of LNG and the pollution that comes
210 with it is what will harm our communities, both in the short
211 and in the long term.

212 The Biden Administration's temporary pause only directly
213 impacts 6 projects that have been approved by FERC and are
214 pending at DOE, 6 projects when we are already on track to
215 increase production by 200 percent in the next decade.

216 So these harmful mischaracterizations of the
217 Administration's action omit so many important facts it is
218 just simply hard not to be cynical about the purpose of this
219 hearing. And so I think we should get serious here in
220 Congress.

221 [The prepared statement of Ms. DeGette follows:]

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222

223 *****COMMITTEE INSERT*****

224

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225 *Ms. DeGette. I yield back.

226 *Mr. Duncan. The chair will now recognize the chair of
227 the full committee, Chair Rodgers, for five minutes for an
228 opening statement.

229 *The Chair. Good morning. The U.S. is blessed with
230 tremendous natural resources which we have been able to
231 harness as a result of free markets and an entrepreneurial
232 spirit that is uniquely American. We have harnessed the
233 power of nuclear energy, electrified millions of rural
234 Americans' homes with clean hydropower, and ushered in the
235 shale revolution which unleashed clean natural gas.

236 As a result of this, America is the number-one producer
237 and exporter of liquefied natural gas in the world. This has
238 helped us shift markets and bolster our own energy security
239 and that of our allies away from adversaries like Russia and
240 Iran, and has enabled the U.S. to reduce emissions more than
241 any other nation both at home and abroad. Leadership
242 matters. American leadership matters.

243 Rather than celebrating this legacy, President Biden is
244 heeding the calls, as he puts it, of radical environmental
245 activists who are intent on shutting down American energy.

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246 The President's recent decision to impose a moratorium on new
247 permits for clean U.S. natural gas exports is the latest
248 example of his Administration putting politics over people.
249 The Administration has made its intentions clear. This is
250 not a pause, as they claimed. This is a ban.

251 The Administration is ignoring the fact that natural gas
252 continues to create millions of new jobs, bring manufacturing
253 back to the U.S., and provide _ and revitalize our
254 communities across the country. In 2022 in Pennsylvania
255 alone, the natural gas industry supported \$41.4 billion in
256 economic activity, the shale gas development supported over
257 120,000 jobs. And these are _ there are similar experiences
258 in states and communities across the country.

259 President Biden's LNG export ban will end these benefits
260 for local economies, kill American jobs, and increase energy
261 prices for people across the board. It will send
262 manufacturing overseas, increase our dangerous dependence
263 upon China, and discourage investment in future American
264 energy production.

265 This ban is not only bad for our country, it is bad for
266 our allies. The U.S. LNG has been the lifeline to Europe

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267 ever since Russia's invasion of Ukraine. It has helped
268 reduce natural gas prices in Europe by over 83 percent since
269 2002 levels following Russia's invasion. In December 2023
270 alone, 61 percent of U.S. LNG exports went to Europe, keeping
271 their homes heated, their businesses running, and their
272 lights on.

273 And it has also helped them reduce emissions. Not only
274 is U.S. LNG more than 40 percent cleaner than Russian natural
275 gas, it is a better option for power generation than other
276 alternatives currently being used.

277 U.S. exports spurred our European allies to quickly
278 invest in new LNG import facilities in order to further wean
279 themselves off of Russian natural gas. This decision to ban
280 exports is a gift to Putin, and we all know Putin is using
281 energy as a weapon. This is giving the Russians greater
282 leverage over our allies, while further funding their evil
283 activities including the aggression against the Ukrainian
284 people. It will destabilize Europe's energy market and
285 signal to our allies that we are no longer a dependable
286 partner.

287 From day one President Biden has mobilized bureaucrats

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288 across the Federal Government to force an energy transition
289 on Americans. From efforts like the Clean Power Plan 2.0,
290 which will force states to change fundamentally how they
291 generate electricity and raise costs across the board to
292 electric vehicle mandates that force Americans to buy
293 electric vehicles _ more expensive, less reliable
294 alternatives, this Administration's rush-to-green agenda is
295 shutting down American energy production, driving up costs to
296 consumers, costing people their jobs, and making us more
297 reliant on China and our allies more dependent upon Russia.

298 America's abundant energy resources are critical to our
299 economic and national security. Instead of shutting down
300 American energy, we must ensure energy security for us and
301 our allies. President Biden's keep-it-in-the-ground policies
302 are unsustainable, and they are harming America's future.
303 Only by standing up for American values of free market
304 competition, innovation, and environmental stewardship can we
305 protect our future.

306 Today's hearing will give all the members an opportunity
307 to hear from some perspectives that are currently being
308 intentionally left out of the conversation, and we will hear

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309 about important solutions like H.R. 7176 led by
310 Representative Pfluger, which will immediately end the Biden
311 Administration's ban on LNG exports.

312 The President must stop putting politics over people.
313 He must reverse this reckless decision and stop the attacks
314 on American energy independence.

315 [The prepared statement of The Chair follows:]

316

317 *****COMMITTEE INSERT*****

318

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319 *The Chair. With that I yield back.

320 *Mr. Duncan. The gentlelady yields back, and I now
321 recognize the ranking member of the full committee, Mr.
322 Pallone, for five minutes.

323 *Mr. Pallone. Thank you, Mr. Chairman.

324 Today's hearing will look at the Biden Administration's
325 recent action to ensure that exports of liquefied natural
326 gas, or LNG, benefit all Americans. This is a common-sense
327 action.

328 Before we send our energy resources abroad, it is only
329 right that we first confirm doing so is in the American
330 people's best interest, not the interests of our competitors.
331 We should examine the impacts of LNG exports on energy
332 prices, global greenhouse gas emissions, and environmental
333 justice communities. China is also a leading destination for
334 American LNG, and that deserves scrutiny. The President's
335 action is not in China's interest. If you oppose China, you
336 should favor the President's action.

337 Furthermore, the law requires the Department of Energy
338 to determine that LNG exports to non-free-trade-agreement
339 countries are in the public interest before approving them.

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340 The Natural Gas Act is crystal clear in this regard, and the
341 Biden Administration's actions are designed to ensure that
342 the Department of Energy is following the law.

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

351 Today the United States is also far and away the largest
352 natural gas producer in the world. We alone account for 25
353 percent of the entire world's production every day, out-
354 producing the next two biggest producers combined. If we are
355 evaluating whether LNG exports are in the public interest in
356 2024, we should be using 2024 data and analysis to make that
357 determination.

358 There are a lot of reasons why the law does not allow
359 for unfettered exports of LNG without review. The first
360 reason is that LNG exports can drive up energy prices for

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361 American consumers. Two years ago we saw natural gas prices
362 here at home tripled to levels not seen since 2008, all
363 because of Putin's invasion of Ukraine and the subsequent
364 European energy crisis. According to one estimate, the price
365 increases due to American LNG exports cost Americans more
366 than \$100 billion over 16 months. This alone is a perfect
367 example of why the DOE review is necessary.

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

376 Finally, DOE must examine the impacts of LNG exports on
377 greenhouse gas emissions and on front-line environmental
378 justice communities. Expanding LNG export infrastructure
379 could drastically increase greenhouse gas emissions, and it
380 is unclear if LNG exports are cleaner than other fossil
381 fuels, once you properly account for methane leakage during

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382 liquefaction. And these are questions that DOE must also
383 answer.

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

390 Now, we are likely to hear a lot of misinformation from
391 the Republican majority today. So let me set the record
392 straight. This pause will not change the current export flow
393 of LNG to Europe. It will not affect the LNG facilities
394 currently under construction or the facilities that are
395 already approved and have yet to begin construction. If the
396 Department of Energy never approved another permit, our LNG
397 exports could still triple from now until the end of the
398 decade, and that is more than enough to ensure that Europe
399 gets all the gas it needs.

400 It is also ironic that Republicans are voicing concern
401 for Europeans when they have refused to provide support to
402 our Ukrainian allies as they continue to suffer from a

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403 barbaric invasion by Putin. Well over a majority of
404 committee Republicans opposed the Ukraine aid package when it
405 came up for a vote. Instead, House Republicans continue to
406 do the bidding of their corporate polluter friends, pushing
407 H.R. 1130, legislation that would remove all public interest
408 determinations from LNG exports. It is just another example
409 of Republicans putting polluters over people.

410 The Biden Administration is rightfully taking a
411 different approach, making sure any additional LNG exports
412 benefit the American people, and this action builds on the
413 Administration's commitment to lowering energy costs for
414 Americans and protecting them from corporate polluters, the
415 practice of corporate polluters of putting profits over
416 people.

417

418

419 [The prepared statement of Mr. Pallone follows:]

420

421 *****COMMITTEE INSERT*****

422

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423 *Mr. Pallone. So thank you again, Mr. Chairman, and I
424 yield back.

425 *Mr. Duncan. The gentleman yields back, and that
426 concludes the members' opening statements.

427 The chair would like to remind members that, pursuant to
428 the committee rules, all members' opening statements will be
429 made part of the record.

430 We will now move into the witness testimony, and we want
431 to thank all of our witnesses for being here and taking time
432 to testify before this subcommittee.

433 Each witness will have the opportunity to give an
434 opening statement, followed by a round of questions from
435 members.

436 There are some lights in front of you: green, red _
437 green, yellow, red. It is kind of self-explanatory. It gets
438 to red, you need to wrap up. If not, I will start gaveling,
439 and then you will need to wrap up.

440 Our witnesses for today: Mr. Toby Rice, president and
441 CEO of EQT Corporation; Mr. Eric Cormier from southwest
442 Louisiana, senior vice president of entrepreneurship and
443 strategic initiatives with the Southwest Louisiana Chamber of

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444 Economic Development Alliance _ and I want to applaud
445 Louisiana for electing Jeff Landry, a former colleague, as
446 your new governor, I look forward to good things in
447 Louisiana; and Ms. _ is it Gillian or Jillian?

448 *Ms. Giannetti. Gillian.

449 *Mr. Duncan. Gillian Giannetti, senior attorney with
450 the Natural Resources Defense Council.

451 And lastly, Brigham McCown, senior fellow and director
452 of initiative on American energy security at the Hudson
453 Institute.

454 So we appreciate you being here today. I will now
455 recognize Mr. Rice for a five-minute opening statement.

456

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457 STATEMENT OF TOBY Z. RICE, PRESIDENT AND CEO, EQT
458 CORPORATION; ERIC CORMIER, SENIOR VICE PRESIDENT OF
459 ENTREPRENEURSHIP AND STRATEGIC INITIATIVES, SOUTHWEST
460 LOUISIANA CHAMBER ECONOMIC DEVELOPMENT ALLIANCE; GILLIAN
461 GIANNETTI, SENIOR ATTORNEY, NATURAL RESOURCES DEFENSE
462 COUNCIL; AND BRIGHAM MCCOWN, SENIOR FELLOW AND DIRECTOR,
463 INITIATIVE ON AMERICAN ENERGY SECURITY, HUDSON INSTITUTE

464

465 STATEMENT OF TOBY Z. RICE

466

467 *Mr. Rice. Chair Duncan, Ranking Member DeGette, and
468 members of the subcommittee, thank you for inviting me to
469 participate in today's hearing. My name is Toby Rice. I am
470 the president and CEO of EQT, America's largest natural gas
471 producer.

472 You know, I find myself in disbelief that I am seated in
473 front of Congress today responding to a moratorium on
474 authorizations of U.S. LNG exports less than two years after
475 this industry literally kept the lights on in Europe
476 following Russia's invasion on Ukraine. That alone should be
477 the end of the discussion.

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478 And for those of you that say Europe today is in the
479 clear, it is worth noting that this is the second time I had
480 to defend against calls to curtail us LNG arguments on both
481 climate and cost impact. The first time was a letter I sent
482 to Secretary Granholm just eight days before Russia's
483 invasion of Ukraine.

484 That U.S. LNG saved Europe is just the latest in a long
485 list of monumental achievements by the U.S. natural gas
486 industry. It wasn't too long ago that our country was
487 importing natural gas. Today, thanks to the shale
488 revolution, our country finds itself in a position of energy
489 and dependance, power, and wealth, as opposed to relying on
490 Russia, Iran, or Qatar for our natural gas needs. Thanks to
491 the shale gas revolution, we have had so much abundance that
492 we have been able to power our allies in Europe and Southeast
493 Asia, fostering trade and geopolitical alliances through the
494 export of LNG.

495 And thanks to the shale gas revolution, over the last
496 two decades not only has the U.S. had the lowest energy costs
497 in the world, resulting in one of the strongest economies in
498 the world, it has led the world in emissions reduction. The

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499 shale gas revolution single handedly contributed to over 60
500 percent of the emissions reduction in the United States since
501 the turn of the century by doing one simple thing:
502 displacing coal with natural gas.

503 The announcement from the Biden Administration has sent
504 shock waves across both sides of the Capitol and both sides
505 of the aisle. You see both Republicans and Democrats, in a
506 welcomed moment of bipartisanship, urgently calling for the
507 Biden Administration to undo this decision, a decision that
508 will undoubtedly have short, medium, and long-term impacts on
509 our allies and our climate.

510 Let's call this what it is. The Biden Administration's
511 decision was pure politics. The moratorium was made under
512 the guise of updated research and a claim that we needed
513 updated studies on the environmental and economic impact of
514 U.S. LNG. But we all know what it really is, and that is an
515 election-year stall designed to garner votes. The Biden
516 Administration is touting the moratorium as a win for
517 climate. In reality, it is significantly a blow backwards
518 towards climate.

519 As anyone that has taken the time to look at the data

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520 knows, we are hitting all-time highs for global emissions
521 year over year. And outside of the United States nearly half
522 of these emissions are coming from international coal. Over
523 the last two decades it has become clear that the fastest,
524 most impactful way to address this problem is to replace
525 international coal with domestic natural gas. But still
526 there are those who say, "What is the big deal? We are still
527 the largest producer of natural gas, we are the largest
528 exporter of LNG. Is it not enough?'"

529 Well, let me ask you this question. Is replacing only
530 seven percent of the world's largest source of emissions
531 enough? Not to me. And I think a lot of our friends pushing
532 for climate solutions would agree. Now is not the time to
533 slow down LNG. Now is the time to accelerate it.

534 This is not to say that this industry is giving itself a
535 free pass. We are doing everything we can to continue to
536 provide Americans and our allies with abundant, affordable,
537 reliable, and particularly cleaner energy. Take EQT, for
538 example. Since 2019 we have cut our methane intensity by
539 roughly 70 percent, and by the end of this year we expect to
540 be the first traditional energy company of scale in the world

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541 to achieve net zero on a scope 1 and scope 2 basis. It is
542 this gas, not Russia's gas, not Iran's gas, and not Chinese
543 coal that the Administration is seeking to block from
544 entering global markets.

545 The markets work. And if our cleaner, more affordable,
546 more reliable gas is taken out of that market, it is Russia,
547 Iran, and Chinese coal that will benefit, not the climate.
548 And this gas is not the government's. It is owned by
549 companies like mine and millions of American citizens. Since
550 2020 the gas that my company sold has resulted in billions of
551 dollars being paid directly to landowners and in rural
552 Appalachia and in the form of state taxes. That money has
553 funded family farms, schools, hospitals, roads, and community
554 foundations in Pennsylvania, West Virginia, and Ohio, all for
555 simply allowing us to provide the cleanest form of
556 traditional energy in the world.

557 We are fortunate to live in a country that is blessed
558 with abundant resources, a country that has a top-of-the-line
559 workforce, and the ingenuity of the American people. We are
560 privileged to be able to argue over our energy mix and the
561 weighting of various energy sources over others, but this is

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562 not the case for so many outside our borders. We have the
563 opportunity to provide energy security to the globe and to
564 show how other countries can eventually follow our footsteps
565 in reducing emissions. This is what the United States does.
566 We lead.

567 Let's stop playing politics with energy. Let's follow
568 the data. And instead of pausing LNG, let's unleash it.

569 [The prepared statement of Mr. Rice follows:]

570

571 *****COMMITTEE INSERT*****

572

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573 *Mr. Duncan. The gentleman yields back. I will now
574 recognize Mr. Cormier for five minutes.
575

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

576 STATEMENT OF ERIC CORMIER

577

578 *Mr. Cormier. To the honorable members of the committee
579 I want to offer greetings from the residents and business
580 community of southwest Louisiana. Again, my name is Eric
581 Cormier. I am senior vice president of entrepreneurship and
582 strategic initiatives for our agency.

583 Southwest Louisiana comprises five parishes _ Allen,
584 Beauregard, Calcasieu, Cameron, and Jeff Davis _ for a total
585 of 301,978 people. I want to tell you more about us, but
586 time does not permit. Today I am here to offer insights from
587 our Chamber of Southwest Louisiana perspective regarding the
588 Biden Administration's decision to pause decisions related to
589 the export of liquefied natural gas to non-free-trade-
590 agreement countries, pending a Department of Energy review of
591 project evaluation policy.

592 On January 26, 2024, when the Administration announced
593 its decision, my cell phone rang quite a bit. It was members
594 of our regional Main Street calling. Small business owners
595 were panicking. These folks have built business plans for
596 the expected final investment decisions for Venture Global

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597 CP2, Commonwealth LNG, Magnolia LNG, and Lake Charles LNG,
598 representing 28.5 billion in projected projects. If those
599 companies are able to make a final investment decision, we
600 are looking at 7,200 permanent and temporary jobs,
601 construction up to 25,000 employees, and 500 million in labor
602 costs. That is old-fashioned American business that trickles
603 down to Main Street.

604 LNG has been part of the southwest Louisiana economic
605 tapestry since 1981, when Trunkline LNG imported natural gas
606 for regasification from Algeria. Due to the shale revolution
607 and Federal policy changes, America decided to allow
608 companies to readily export this natural resource to the
609 world market. That process started in 2016. As a result,
610 the Lake Charles MSA, which is Calcasieu and Cameron
611 parishes, has become a strategic area of LNG expansion and
612 investment due to our region's extensive pipeline system, the
613 Calcasieu River Ship Channel, workforce, and a strong
614 community connection to industry going back to the early
615 1900s.

616 Today Cheniere, Sabine Pass LNG, Sempra, Cameron LNG,
617 and Venture Global Pass _ Calcasieu Pass are exporting this

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618 important product on the world market. According to the Lake
619 Erie Industry Alliance, those three companies combine for a
620 total of \$34 billion in investment in our region, which
621 created over 3,000 direct jobs, 16,000 construction jobs, 1.2
622 billion in labor costs, and \$1 billion gross domestic
623 product. That is important because in 2020 and 2021 we
624 suffered COVID, Hurricane Laura, Hurricane Delta, Winter
625 Storm Uri, along with a major flooding event which resulted,
626 for instance, in Laura, \$17 billion in damages, 44,000 homes
627 damaged by Laura and Delta, and an unemployment rate hit at
628 14.1 percent just in September 2020.

629 Louisiana economist doctor Lawrence Scott stated that
630 Lake Charles has the distinction of having the worst COVID
631 recovery in the nine MSAs in the state. As of July 2023, the
632 MSA had recovered only 45 percent of the post-2019 losses.
633 By the way, Dr. Scott noted that Lake Charles's MSA was the
634 fastest growing between 2012 and 2018 for a city of our size.
635 That is when our industrial base really got really burning
636 going, and LNG was the biggest factor.

637 Regularly, our community members and business
638 stakeholders ask Chamber of southwest Louisiana members,

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639 "When are those final investment decisions going to be
640 made?" Why? Because they have their businesses on the
641 line. They have made those business plans. I have had
642 parents call me. Their kids are going to McNeese State and
643 SOWELA Community _ Technical Community College, and they are
644 asking, "Can my kid get that LNG job," because we have
645 worked with them to develop that workforce.

646 So just so you know, southwest Louisiana is in the early
647 stages of a clean energy future. Right now our office is
648 working with our governmental partners, developers, and
649 innovators to pave the way for solar, wind, and hydrogen
650 energy development. Yet we are not there yet. Natural gas
651 is the gap filler to alternative forms of clean energy.

652 The Chamber of Southwest Louisiana adamantly disagrees
653 with the Biden Administration's decision to indefinitely
654 pause LNG projects going forward. This decision has
655 unintended consequences which impact our community. Main
656 Street is upset and scared. We want to move forward and
657 progress. Thank you for your time.

658 [The prepared statement of Mr. Cormier follows:]

659

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660 *****COMMITTEE INSERT*****

661

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

662 *Mr. Duncan. I thank the gentleman, and I now just want
663 to recognize former United States Senator Mary Landrieu from
664 the great State of Louisiana attending.

665 Thanks for your leadership on this issue.

666 [Applause.]

667 *Mr. Duncan. I will now go to Ms. Giannetti for five
668 minutes.

669

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670 STATEMENT OF GILLIAN GIANNETTI

671

672 *Ms. Giannetti. Thank you, Chair Duncan, Ranking Member
673 DeGette, and members of the subcommittee. My name is Gillian
674 Giannetti, and I am a senior attorney for the sustainable
675 FERC project at the Natural Resources Defense Council.

676 I specialize in natural gas law. Before I joined NRDC I
677 was an oil and gas attorney in private practice representing
678 the LNG industry. I started my career as a public school
679 teacher at East Saint John High School in Reserve, Louisiana.
680 Reserve is located in the heart of Cancer Alley and the
681 fossil fuel industry. A disproportionate number of my
682 students had asthma and other respiratory conditions. I care
683 deeply about the Gulf, its culture, and its ecosystem.

684 Today I will discuss the Biden Administration's
685 important but moderate January 26, 2024 decision to pause the
686 Department of Energy's reviews for some liquefied natural gas
687 exports. I would like to explain what this policy is, what
688 it isn't, and why this pause is an important, common-sense
689 measure that all Americans should support.

690 The relevant law here is the Natural Gas Act. Under the

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691 Natural Gas Act, LNG exports are treated differently
692 depending on whether the U.S. has a free trade agreement with
693 the destination country that addresses natural gas.
694 Countries with such an agreement are called FTA countries and
695 the rest NFTA countries. DOE must approve all gas exports to
696 FTA countries, period. And nothing in the Administration's
697 January 26 announcement changes that. All current and future
698 FTA exports are unaffected by the pause.

699 The pause also does not affect any current LNG exports,
700 whether FTA or NFTA, or any project that DOE has already
701 approved. These projects alone are expected to double the
702 U.S.'s LNG export capacity by 2027.

703 And the pause has zero effect on the Federal Energy
704 Regulatory Commission's authority to review applications to
705 build new natural gas export terminals or pipelines.

706 Instead, the Administration's pause relates exclusively
707 to prospective gas exports to NFTA countries. Under the
708 Natural Gas Act, DOE must evaluate whether a proposed gas
709 export is consistent with the public interest. If
710 consistent, they must be approved, and if not they must be
711 denied. DOE has never found a proposed NFTA gas export to be

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712 inconsistent with the public interest.

713 And that brings us to the reason for the pause. Put
714 simply, DOE's tools for assessing whether future gas exports
715 are consistent with the public interest are both obsolete and
716 inapplicable.

717 First, DOE has never published guidelines for evaluating
718 the public interest for LNG exports. Never. In 1984 the
719 Reagan Administration published guidelines for LNG imports,
720 but this is the closest the DOE has come to speaking on the
721 subject, even though the U.S. is now the world's leading LNG
722 exporter. Trying to assess 2024 LNG exports based on
723 guidelines written for 1984 LNG imports is like trying to
724 stream Netflix over a Betamax.

725 Second, the studies DOE relies on need revision.
726 Although these studies date to 2018 and 2019, LNG exports
727 have increased by nearly 200 percent since then, and these
728 studies also include outdated analyses of the domestic
729 pricing, consumer, and climate impacts of LNG exports. The
730 Administration's January 26 pause enables DOE to update these
731 updated tools, receive public comment, and avoid issuing
732 decisions that are legally unsound.

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733 In other words, the Administration's pause puts the
734 horse back in front of the cart. To that end, the pause
735 wisely does not prescribe, recommend, or pre-determine what
736 the final analysis will look like, nor does it prematurely
737 declare a position on any pending application.

738 Remember, this action does not pause any current LNG
739 exports, any already approved LNG exports, or any future FTA
740 exports, and yet it represents the boldest action that any
741 administration has ever taken to ensure that DOE is properly
742 assessing the impacts of exporting LNG on the U.S. public
743 interest.

744 In short, the January 26 pause is a common-sense move
745 that both respects our allies and puts the U.S. public
746 interest front and center. And that is exactly what the
747 Natural Gas Act demands.

748 Thank you.

749 [The prepared statement of Ms. Giannetti follows:]

750

751 *****COMMITTEE INSERT*****

752

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753 *Mr. Duncan. The gentlelady yields back. I will now go
754 to Mr. McCown for five minutes.
755

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756 STATEMENT OF BRIGHAM MCCOWN

757

758 *Mr. McCown. Chairman Duncan, Ranking Member DeGette,
759 members of the subcommittee, thank you for the opportunity to
760 appear before you this morning.

761 In addition to Hudson, I also serve as a professor at
762 Miami University in Ohio, and I have spent nearly three
763 decades on active and active reserve duty as a naval officer
764 and naval aviator. And I have also held multiple senior
765 appointments in the executive branch, working directly for
766 cabinet members from both parties. The views I express today
767 are mine, and do not resent _ represent any other entity.

768 We are experiencing significant geopolitical risks
769 emanating across multiple theaters of operation. These
770 strategic challenges seek to undermine our democratic values
771 by those actors with significant control and influence over
772 energy resources.

773 America has long provided the tools, equipment, and
774 resources that make freedom possible. The arsenal of
775 democracy wasn't just about our innovation, our industrial
776 base, or agricultural industry. These have always been

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777 certainly very important, but the glue for these efforts has
778 always been American energy, which, for example, supplied our
779 allies with 85 percent of all the oil and gas used during
780 World War II.

781 International events have brought into sharp focus the
782 intrinsic relationship between energy, economics, and
783 national security. It has also highlighted the degree to
784 which an important American strategic asset, abundant energy
785 resources, has been undermined by dramatic shifts in U.S.
786 policy, which have often failed to consider such decisions'
787 full and long-term implications.

788 Last year marked the 50th anniversary of the Arab oil
789 embargo, reminding us of the short-lived past energy policies
790 that gave away our energy independence and the resulting
791 dependencies that remained for decades.

792 We are also reminded of the short-sighted energy
793 policies as Europe struggled following Russia's invasion of
794 Ukraine. Last month natural gas spot prices for EU countries
795 averaged \$9.56 per million BTUs. Lower but still impactful
796 as Europe's economic competitiveness and deindustrialization
797 caused by these high energy prices continues. That said,

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798 Europe fares far better off than it would have been absent
799 American LNG. By contrast, yesterday's U.S. Henry Hub price
800 stood at \$2.26 per million BTUs.

801 Europe should not be allowed to recede into the
802 background. Energy security highlights the need for a
803 comprehensive approach and a stable policy environment
804 coupled with innovation, technology, and international
805 cooperation. Our allies would like to be able to have energy
806 security, as well.

807 It has also highlighted the degree to which a strategic
808 American asset has come to the rescue. Energy security, of
809 course, is the ability to ensure the uninterrupted
810 availability of reliable and affordable energy for
811 consumption. It encompasses not only the supply of energy
812 resources, but the resiliency of the energy infrastructure
813 and the ability of a country to meet its current and future
814 projected energy demands while also dealing with emergencies,
815 natural disasters, geopolitical tensions, and other issues
816 that could disrupt supplies.

817 This, in turn, requires a predictable and stable policy
818 environment. Some have suggested that Europe or our other

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819 allies have enough LNG. Still, it is prudent to note that
820 our rather stoic allies have expressed real frustration with
821 this decision, which for them directly undermines the very
822 definition of energy security.

823 Energy requirements in Europe, Japan, and elsewhere are
824 expected to increase, not decrease. Additional LNG supplies
825 required to continue lowering prices for Europe so they can
826 become competitive again. Every Russian molecule that we
827 remove reduces the money and the ability of the Kremlin to
828 wage war. The need for redundancy to account for planned
829 outages and other unforeseen events cannot be overlooked.
830 The concern that America is seen as using energy as a policy
831 weapon in global trade is real, and that an unreliable
832 America pushes buyers and purchasers of LNG to other
833 suppliers or, in the absence of availability, revert to
834 higher emitting sources.

835 The factors I just mentioned are not theoretical, but
836 highly probable should this de facto ban not be reversed.
837 Energy policies don't exist in isolation. They are not in a
838 vacuum. They are inextricably linked to domestic and foreign
839 policy principles.

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840 Finally, the very premise of the Administration's
841 decision seems counterintuitive, given the plethora of
842 scholarly research on the subject to date.

843 Thank you, and I look forward to addressing your
844 questions.

845 [The prepared statement of Mr. McCown follows:]

846

847 *****COMMITTEE INSERT*****

848

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849 *Mr. Duncan. I thank you each for your testimony, and
850 we will now move into the question-and-answer portion of the
851 hearing, and I will begin the questioning and recognize
852 myself for five minutes.

853 Australia, Bahrain, Canada, Chile, Colombia, Costa Rica,
854 Dominican Republic, El Salvador, Guatemala, Honduras, Israel,
855 Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama,
856 Peru, Singapore, and the USMCA, those are the countries we
857 have free trade agreements with. What is missing from that
858 list is the Czech Republic and Poland, and a lot of other
859 Eastern European countries that are _ historically been
860 reliant upon Vladimir Putin and Russia for gas and energy in
861 general. Also, Japan and Taiwan and others around the world
862 that are looking to the United States to help them provide a
863 clean, stable supply of energy to meet their growing needs
864 and their energy security needs.

865 I mentioned Poland and Czech Republic. In one year's
866 time they built a pipeline from Norway after Putin invaded
867 Ukraine. One year, a pipeline from Norway to provide natural
868 gas to Poland. Imagine if we could do that in the United
869 States of America to deliver gas to our communities and to

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870 export terminals to help our friends and allies around the
871 world.

872 What signal does this send from the Biden Administration
873 to the world? The signal I think it sends is we don't care
874 about your energy security. We have never manipulated
875 natural gas or any energy source for political gain like
876 Vladimir Putin has by manipulating the spigot for European
877 countries to influence political policy there. They faced a
878 reality check when Putin invaded Ukraine. They need to meet
879 the energy needs of their constituents and their citizens,
880 and they have looked west to the United States of America
881 because they have always known they could count on us to
882 provide their needs in the energy sector when called upon.

883 I want to start by entering in the record a letter
884 opposing President Biden's LNG export ban signed by 152
885 Republican Members of Congress. I coauthored this letter
886 with Chair Rodgers, the Speaker of the House, House
887 leadership. This letter expresses opposition to the DOE's
888 ban on LNG export.

889 So without objection, so ordered.

890 [The information follows:]

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892 *****COMMITTEE INSERT*****

893

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894 *Mr. Duncan. There is bipartisan outrage over President
895 Biden's election year stunt. The President received a
896 similar letter from House Democrats by our colleagues on this
897 committee, and I commend them for that.

898 As our letter states, this decision is economically and
899 strategically dangerous and unnecessary. Under both Democrat
900 and Republican administrations the DOE has consistently found
901 that U.S. LNG exports serve the public interest because they
902 contribute positive economic benefits and strengthen energy
903 security for the American people, and they also have the
904 potential to reduce greenhouse gas emissions.

905 Mr. Rice, how does this announcement impact American
906 energy workers, including in Pennsylvania?

907 And what signal does this send to investors and job
908 creators?

909 *Mr. Rice. Well, it is certainly not helpful, and it is
910 actually destructive. You know, these facilities require
911 billions of dollars of investments to make happen. And any
912 sign that there is going to be political force introduced
913 into market forces is going to make it very difficult to
914 invest.

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915 You can look at what we are doing in our company and the
916 impact this has for our communities. You know, natural gas
917 exports represent about 15 percent of the production. I
918 think it is really important for everybody to understand this
919 production only exists to meet market demands, and exports
920 are that market demand. So you could make an argument that,
921 of the billion dollars of royalties that we pay directly to
922 our landowners in Ohio, West Virginia, and Pennsylvania,
923 about 15 percent of those royalties are directly attributable
924 towards meeting LNG exports, so \$150 million directly going
925 to our landowner payments.

926 These are big deals to the people that we have in
927 Pennsylvania, on top of all of the jobs that we talk about.

928 *Mr. Duncan. Thank you for that. This latest move to
929 ban exports is part of a broader campaign to undercut
930 American energy production.

931 Following the announcement, the Sierra Club executive
932 director stated, "The Biden Administration is listening to
933 the calls to break America's reliance on dirty fossil
934 fuels.'"

935 Another example of this is the campaign by radical

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936 environmentalists to block pipelines. This especially hurts
937 states like South Carolina, where I represent. Our
938 population growth is outpacing our energy supply, and we need
939 to expand our infrastructure to deliver affordable natural
940 gas from the Marcellus.

941 Or from Louisiana and Texas, both the Atlantic Coast and
942 Mount Valley pipelines face these challenges which ultimately
943 ended up in the cancellation of the ACP.

944 How do you view these politically-driven decisions, Mr.
945 Rice, to ban exports and ban pipelines?

946 *Mr. Rice. I think the biggest concern with the pause
947 on the LNG exports is that this is the start of the playbook
948 to block American energy infrastructure, and this playbook
949 has been used successfully to block pipelines. And that has
950 been incredibly destructive and caused rampantly high,
951 unnecessarily high energy prices in America. Sowing doubts,
952 concerns, fear has translated _ is the first step. Calling
953 for unnecessary studies is the second step.

954 Ultimately, this just leads to more delay tactics, and
955 you can see the result of what has happened in pipelines. We
956 have blocked almost seven BCF a day's worth of pipelines that

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957 would deliver gas to places that you just mentioned, and as a
958 result you have got bizarre situations like in Boston. They
959 are paying \$30 for their natural gas when we are producing
960 that same natural gas in Pennsylvania for a price of \$3. The
961 only way you can explain those high prices is the lack of
962 pipeline infrastructure.

963 And the biggest issue that I see in this whole equation
964 comes down to accountability. Who is accountable for these
965 higher energy prices? When energy prices are high in Boston,
966 guess who gets the letter from Senators about the high energy
967 prices? I do, not the person that was responsible for
968 blocking that pipeline infrastructure.

969 So I think one of the important elements here that we
970 need to bring in is we need to bring more accountability on
971 these decisions that are being made.

972 *Mr. Duncan. Thank you for that. My time has expired.
973 I will have some additional questions we will submit for you
974 guys to answer.

975 [The information follows:]

976

977 *****COMMITTEE INSERT*****

978

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979 *Mr. Duncan. I now recognize the ranking member, Ms.
980 DeGette, for five minutes.

981 *Ms. DeGette. Well, I can't help but _ sitting here
982 thinking that the silly season has begun because my
983 colleagues on the other side of the aisle are very, very,
984 very concerned what is going to happen in the areas around
985 Ukraine, and in that part of the world, and places where we
986 don't have treaties. And if we can't supply the energy,
987 these are the self-same people who are about to walk down to
988 the U.S. House of Representatives floor later this afternoon
989 and vote for an aid package that doesn't include aid for
990 Ukraine. And Ukraine is under continuous threat from Russia
991 every single day.

992 So I would suggest that we get serious. And if we want
993 to support democracy in that region, including energy
994 supports from the United States, that we get together in a
995 bipartisan way and we support not only aid to Israel, which I
996 support, not only humanitarian aid around the world, but also
997 aid to Ukraine. The best thing we can do to support
998 democracy in that region is to support that aid, and also to
999 support continuing U.S. LNG exports and other energy exports

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1000 to that area.

1001 And I am getting sick of this because it is campaign
1002 season but we are talking about real lives and we are talking
1003 about international democracy right here today.

1004 I am going to ask you, Ms. Giannetti, a couple of
1005 questions. I said this in my opening statement, that the
1006 majority is going to keep talking about a ban on issuing LNG
1007 export permits. And lo, it was true. The chairman mentioned
1008 that about three or four times in his questions just now. So
1009 I am going to ask you, is the Biden Administration's pause
1010 some sort of a ban on LNG exports?

1011 *Ms. Giannetti. Thank you for the question,
1012 Congresswoman. No, it is not.

1013 *Ms. DeGette. And can you confirm that this pause will
1014 have no impact on the LNG export facilities that are
1015 currently operating?

1016 *Ms. Giannetti. That is correct.

1017 *Ms. DeGette. And can you confirm this will have no
1018 impact on the LNG export facilities that are currently under
1019 construction?

1020 *Ms. Giannetti. That is correct, or ones that are not

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1021 yet under construction that are already with their DOE
1022 authorizations.

1023 *Ms. DeGette. Right. And can you _ and I think this is
1024 what you are referring to _ can you confirm that this will
1025 have no impact on the LNG export facilities that are not
1026 under any construction, but are fully permitted?

1027 *Ms. Giannetti. That is correct.

1028 *Ms. DeGette. And finally, just so we can get a sense
1029 of the numbers here, given the amount of permits DOE has
1030 issued, can you confirm that we could triple U.S. LNG exports
1031 without issuing a single new permit?

1032 *Ms. Giannetti. That is correct. We are on track to
1033 double our exports by 2027 and triple into the early parts of
1034 the 2030s without any new authorizations.

1035 *Ms. DeGette. Thank you.

1036 Now, Mr. McCown, I just want to ask you about the
1037 significant geopolitical risks that are emanating across
1038 multiple theaters of operation that you talk about in your
1039 written testimony. And you also mention if we don't give aid
1040 to Ukraine, aside from the energy issue, this is going to
1041 continually destabilize American interests in that region,

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1042 isn't that correct?

1043 *Mr. McCown. Ranking Member DeGette, I agree with you
1044 on that.

1045 *Ms. DeGette. Thank you.

1046 Mr. Chairman, I yield back.

1047 *Mr. Duncan. The gentlelady yields back. I now
1048 recognize the chair of the full committee, Mrs. Rodgers, for
1049 five minutes.

1050 *The Chair. Thank you, Mr. Chairman.

1051 Mr. McCown, America's security and prosperity is my
1052 number-one priority as chair of the Energy and Commerce
1053 Committee. The world is entering a period of increasing
1054 conflict and unrest. We have seen global supply chains grind
1055 to a halt as a result of the COVID pandemic. Russia's war on
1056 Ukraine has dealt a major blow to Europe's economic and
1057 energy security. Hamas terrorists brutally attacked Israel,
1058 and Iran-backed militias are spreading violence throughout
1059 the Middle East. Through all of this, American energy has
1060 supported our economy and provided a lifeline to our allies
1061 in Europe and around the world.

1062 We know dictators like Putin use energy as a weapon, so

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1063 it is deeply troubling for the Administration to voluntarily
1064 disarm the U.S. and our allies with policies like these. So
1065 my question is President Biden's political LNG export ban is
1066 dangerous and shortsighted _ at least that is what I believe.
1067 Do you agree that this decision puts America's security and
1068 prosperity at risk?

1069 *Mr. McCown. Chair Rodgers, yes, I do, and I think we
1070 have to keep this in context, that every LNG facility that
1071 has been permitted will not necessarily ever get built. So
1072 we can't count on that, number one. This is a private market
1073 economy. Some projects succeed, others fail.

1074 Second, it sends a terrible signal to our allies. I
1075 mentioned during my opening that gas prices are still highly
1076 elevated in Europe. They need more supply to bring that
1077 down.

1078 And we can't forget about our Asian allies, Japan and
1079 others, given the instability in the South China Sea that
1080 require raw materials from outside.

1081 So if we want to study, make additional studies, great,
1082 but let's not make decisions until those studies have come
1083 out.

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1084 And we all make mistakes. And I hope that we can
1085 convince the Biden Administration to reverse course and not
1086 gloat, but yet it is the wrong call.

1087 *The Chair. Thank you. As a follow-up, you mentioned
1088 the impact on our allies. I really see this as a gift to our
1089 adversaries: Putin, Iran. So would you speak to what the
1090 impact will be if America withdraws from global energy
1091 markets?

1092 *Mr. McCown. Yes, if America becomes unreliable _ and
1093 even this decision calls into question our continued
1094 reliability _ countries will seek other options, other more
1095 stable options so as to not have their eggs in one basket.

1096 We should keep in mind that the Qataris have _ along
1097 with the Iranians, share the largest natural gas reserve in
1098 the world. And so that point is not lost on me, and that we
1099 produce LNG in a more responsible, more environmentally clean
1100 manner than any other country in the world.

1101 *The Chair. Yes, yes. The reason that America leads
1102 the world in bringing down carbon emissions is because of
1103 natural gas. And it has _ and we have done that more than
1104 any other nation in the world. So it really begs the

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1105 question: What is President Biden doing and why? Why is he
1106 imposing this natural gas export ban?

1107 Mr. Rice, U.S. LNG exports delivered to Europe are 41
1108 percent cleaner than Russian gas. The science is clear on
1109 this. Can you set the record straight on the environmental
1110 benefits of natural gas?

1111 *Mr. Rice. Well, very simply, on a scope 3 basis,
1112 natural gas is between 40 to 50 percent cleaner than
1113 combusting coal, which is the largest source of emissions on
1114 the planet. You know, the numbers that you cited,
1115 specifically on the emissions associated with making our
1116 product, are really centered on the biggest environmental
1117 issue we have on our industry today, which is methane
1118 emissions.

1119 And I will tell you what I told Secretary Granholm 24
1120 months ago. If you are concerned about methane emissions,
1121 keep the target there because our industry is going to knock
1122 methane emissions out of the park. This is why it is
1123 important. We cannot let the emissions associated with
1124 making our product overshadow the emission reduction benefits
1125 when people use our product.

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1126 As an example, at EQT our carbon footprint is about
1127 350,000 tons. That is the emissions it takes for us to run
1128 our operations to create _ produce our natural gas. That
1129 includes methane emissions. But that amount of operations is
1130 going to produce an amount of product, when put on the world
1131 stage to replace foreign coal, is going to have an emissions
1132 reduction benefit of over 150 million tons.

1133 *The Chair. Thank you.

1134 *Mr. Rice. So a 350,000-ton benefit _

1135 *The Chair. Yes.

1136 *Mr. Rice. _ for a 150-million benefit.

1137 *The Chair. Thank you, thank you. So it is clearly not
1138 about reducing carbon emissions. The Department of Energy
1139 has already conducted numerous studies also about the
1140 economic benefits, the life cycle of greenhouse gas
1141 emissions.

1142 So the Obama Administration and the Trump Administration
1143 did not stop issuing permits when they were conducting their
1144 reviews. What signal does this send for President Biden to
1145 reverse trade policy in an election year?

1146 *Mr. Rice. I think it sends a message that the U.S. is

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1147 willing to override market forces with political force, and I
1148 think that is a very dangerous _ I think it is very dangerous
1149 to set that precedent.

1150 *The Chair. Thank you.

1151 Thank you, I yield back.

1152 *Mr. Duncan. The gentlelady yields back. I now
1153 recognize the ranking member of the full committee, Mr.
1154 Pallone, for five minutes.

1155 *Mr. Pallone. Thank you, Mr. Chairman. I just have to
1156 say I just don't understand this Republican line that
1157 limiting LNG exports helps China. It is just the opposite.
1158 It may cripple China's industrial output, but I am frankly
1159 fine with that. Bring the manufacturing back to the United
1160 States. Isn't that what we should be striving to accomplish?

1161 In any case, when Congress wrote the Natural Gas Act it
1162 was clear in requiring that the government find that exports
1163 of natural gas be in the public interest before allowing
1164 them. Republicans have pushed to automatically assume that
1165 all gas exports are in the public interest, allowing gas to
1166 flow based on what most benefits fossil fuel companies,
1167 rather than what benefits everyday Americans. So let me _ my

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1168 question are of Ms. Giannetti.

1169 Can you discuss why Congress originally required this
1170 public interest determination for LNG exports to non-free-
1171 trade-agreement nations?

1172 And can you talk about why making sure that
1173 determination is thorough and defensible is so important, if
1174 you will?

1175 *Ms. Giannetti. Thank you, Congressman.

1176 The public interest standard actually dates to the
1177 1880s, with state statutes affecting railroad permitting.
1178 For as long as we have been permitting infrastructure in this
1179 country we have understood that it is important to look at a
1180 holistic group of factors in evaluating whether that decision
1181 is correct. Going back to that time, environmental impacts
1182 were part of the consideration, for example, looking at the
1183 view shed or impact of infrastructure on a beach. That
1184 standard and understanding was universally understood in the
1185 1930s, and is part of the reason why this Congress rightfully
1186 copied it into the Natural Gas Act.

1187 *Mr. Pallone. Thank you. Now, just a few years ago we
1188 saw proof that LNG exports have a clear impact on consumer

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1189 prices when domestic natural gas prices dropped by 10 percent
1190 in the wake of an explosion at the Freeport LNG export
1191 facility, and then when they increased again once that
1192 facility was restarted.

1193 So Ms. Giannetti, can you discuss the impacts that LNG
1194 exports have on consumer prices, and how those impacts must
1195 be accounted for in any public interest determination?

1196 *Ms. Giannetti. Natural gas is like any other
1197 commodity, where ebbs and flows of supply and demand affect
1198 the price. And when the Freeport terminal had its explosion,
1199 went offline, eventually, actually, prices dropped
1200 domestically by 25 percent. They then went back up once the
1201 Freeport terminal went back online.

1202 There is demonstrated evidence time and again that when
1203 there is more gas being exported overseas, that domestic
1204 pocketbooks are affected. And in fact, there was a study
1205 even that came out last night that said if all of the
1206 facilities that are affected by the pause were built, that it
1207 could raise domestic U.S. consumers' gas prices by up to 14
1208 percent.

1209 *Mr. Pallone. And then finally, I wanted to note that,

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1210 despite what the majority says, it is not clear that American
1211 LNG exports are always displacing coal in other countries,
1212 and therefore reducing emissions. So can you discuss the
1213 climate impacts of increased LNG exports?

1214 Why is it critical for DOE to have the most up-to-date
1215 research on methane emissions from American LNG facilities,
1216 pipelines, and producers as it makes a public interest
1217 determination, if you will?

1218 *Ms. Giannetti. With respect to the relationship
1219 between LNG and coal, Europe is actually an instructive
1220 example. Most of the gas that is going to Europe is being
1221 used to heat homes, which does not use coal for that kind of
1222 electricity.

1223 Additionally, when we are looking at Asia, Japan is not
1224 looking to build any coal power plants or anything of that
1225 nature. This is not in their system. It is not being
1226 affected by the decision of LNG one way or the other.

1227 In terms of the climate impacts of LNG, it is a potent
1228 fossil fuel. It is methane. It has an extremely powerful
1229 GHG impact, and there are impacts across the entire value
1230 chain from the extraction of gas, transportation,

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1231 liquefaction, regasification, and eventual burning.

1232 *Mr. Pallone. Thank you. I will just, you know,
1233 conclude.

1234 I really don't understand my colleagues on the other
1235 side. It is almost as if they are afraid that if China
1236 doesn't get enough energy resources, that that is going to
1237 hurt their industrial impact and their ability to manufacture
1238 goods. Frankly, I could care less. I would almost prefer _
1239 I would prefer if their industrial impact _ input is reduced,
1240 and there is an incentive to manufacture here as opposed to
1241 in China. It seems to me that is exactly what we are trying
1242 to do here. We want to do more manufacturing here and less
1243 there.

1244 But thank you, Mr. Chairman, I yield back.

1245 *Mr. Duncan. The gentleman yields back. I now go to
1246 Ohio's Mr. Latta for five minutes.

1247 *Mr. Latta. Thank you, Mr. Chairman, and thank you to
1248 our witnesses for being with us today. This is a really
1249 important topic not only for our country, but for my
1250 district.

1251 In the 5th district of Ohio we have 86,000 manufacturing

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1252 jobs. And, you know, if we don't have affordable energy, we
1253 can't compete. And what has made this country great in the
1254 last several years is our ability to produce this natural gas
1255 that makes our companies out there being able to _ and make
1256 what they got to make.

1257 There is an article that was in the _ or editorial that
1258 was in the Wall Street Journal the other day, and I would
1259 like to get, Mr. McCown and Mr. Rice, your opinion on this.
1260 This is what it says _ and I am not going to read the whole
1261 article: "The White House says the pause will only affect a
1262 handful of projects that are currently seeking Energy
1263 Department permits, but this is dishonest. It will also
1264 freeze about a half-dozen projects seeking FERC approvals,
1265 and could halt another dozen or so that may have been
1266 permitted by previous presidents. That is because the Energy
1267 Department in December announced that projects not yet
1268 operating will have to reapply for permits, and it has been
1269 seven years since they were authorized, so projects in the
1270 works could get deep-sixed, even if they have billions of
1271 dollars committed in capital and contractual agreements with
1272 customers.' '

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1273 Mr. McCown, your thoughts?

1274 *Mr. McCown. Thank you very much. My understanding is
1275 that there is a shelf life on the permit of seven years, and
1276 then you have to go back through the process. But I will
1277 defer to Mr. Rice on that.

1278 But I think what is clear from this is that the policy
1279 is cloaked in this pause. A pause is something I do before
1280 answering your question. It is a very short period of time.
1281 This is not a pause, this is a ban. And I don't think we are
1282 going to see the pause end until after the presidential
1283 election. And so I wish they would just call it what it is.
1284 It is imparting environmental goals into stopping a very
1285 successful industry.

1286 *Mr. Latta. Thank you.

1287 Mr. Rice?

1288 *Mr. Rice. Yes, I mean, after listening to some of
1289 these questions and some of the answers here, I mean, the
1290 question that I have is, if this isn't a _ if this is just a
1291 pause, why do we _ and doesn't impact any of the markets, why
1292 do we even have to do this? Why do we have to send this
1293 signal that America is going to play games with the energy

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1294 security of our allies?

1295 Again, I think this is a signal that is going to chill
1296 investments, and it is _ I was in Europe last week, and we
1297 have to have many conversations that _ to reassure our allies
1298 that America will be able to _ they will be able to depend on
1299 America to deliver the energy security that they have relied
1300 on in the past.

1301 *Mr. Latta. Let me follow up, Mr. Rice. What happens
1302 to these companies that might be _ and as the Wall Street
1303 Journal said, might get deep-sixed? What happens to these
1304 companies out there and their ability in the future to
1305 produce natural gas?

1306 *Mr. Rice. Well, I will tell you the playbook on
1307 pipelines, which I think is trying to be played here on the
1308 LNG front, ultimately these delays, stalls ultimately
1309 increase the cost of these energy projects with the hope that
1310 these projects never get funded, never get built. This is
1311 exactly what happens with pipelines, and we need to prevent
1312 that from happening again because blocking energy
1313 infrastructure in this country is the thing that has crippled
1314 our energy security not only here in America, but preventing

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1315 us from providing more energy security to our allies.

1316 *Mr. Latta. Well, let me ask you this. Let's go down
1317 the stream a little bit. What happens to the companies that
1318 produce the pipe and the equipment? Do they stay in business
1319 if they don't have anybody out there drilling?

1320 *Mr. Rice. Well, you _ without these projects, these
1321 companies do not exist.

1322 We have seen billions and billions of dollars be
1323 destroyed because of the environmental activism that have
1324 blocked pipelines, which are the safest way to move energy
1325 around this country. And so, you know, just look at MVP as
1326 an example. It took an act of Congress to get a pipeline
1327 built in this country. Like, people ask me am I excited
1328 about MVP getting passed by Congress. It is exciting for one
1329 second until you realize we are in a country where it takes
1330 an act of Congress to get a piece of energy infrastructure
1331 built in this country. Americans should be shaking their
1332 heads at that, and looking for a fix.

1333 *Mr. Latta. Mr. McCown, you know, do you think and
1334 believe that we have enough sufficient natural gas to supply
1335 not only our domestic needs and keep prices low while also

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1336 meeting the growing demand that is out there, not only in
1337 this country but around the world?

1338 *Mr. McCown. Yes, sir, we absolutely do, and the bottom
1339 line is there are short-term price fluctuation swings as
1340 markets realign. But the trend line for our own domestic
1341 pricing is continuing downward while we are continuing to
1342 export more. There is not a direct _ it is an _ it is not a
1343 direct relationship, so it is not costing American consumers.

1344 *Mr. Latta. Well, thank you very much.

1345 Mr. Chairman, if I may, I would like to ask unanimous
1346 consent to submit for the record the Wall Street Journal
1347 article from February the 4th of this year for the record.

1348 *Mr. Duncan. So without objection, so ordered.

1349 [The information follows:]

1350

1351 *****COMMITTEE INSERT*****

1352

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1353 *Mr. Latta. Thank you, I yield back.

1354 *Mr. Duncan. The gentleman yields back. The chair will
1355 now go to the gentleman from California, Mr. Peters, for five
1356 minutes.

1357 *Mr. Peters. Thank you, Mr. Chairman. I do have to say
1358 I certainly think that the ranking member pointed out _ made
1359 an important point when she noted that people will be anti-
1360 Putin in this room, and then go down to the other building
1361 and vote for Putin. And I think it is _ it makes it really
1362 hard to comprehend.

1363 But anyway, I _ and that is where this place is. I have
1364 never seen it in a worse spot. And here you are, having to
1365 deal with us. So I appreciate you being here today. I think
1366 that the controversy stems from a wider issue that we have
1367 struggled to grapple with, at least on our side of the aisle,
1368 which is what is the role that natural gas and LNG play in
1369 the resource mix in the short and medium term and in the long
1370 term as we seek to decarbonize quickly, as efficiently as
1371 possible.

1372 Our goal is to eliminate or minimize the harmful
1373 emissions of methane and other pollutants into our atmosphere

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1374 in order to stop the current pace of warming and avoid the
1375 worst impacts of climate change. But it is clear that
1376 natural gas is not going anywhere anytime soon and, in my
1377 view, natural gas and LNG.

1378 Mr. Rice, you made the only case to me in my office
1379 about what we are going to do about powering up the rest of
1380 the world that doesn't involve coal. And I am concerned. I
1381 think we all ought to be _ what we really ought to be
1382 concerned about is pulling lignite out of the ground and
1383 burning it for, you know, the developing world.

1384 And so I would like someone to come up with a better
1385 case than yours, but I have not heard from the nuclear
1386 industry. I have not quite heard how renewables are going to
1387 cover this by themselves. So I take it seriously. And, you
1388 know, we need _ we have to keep our lights on and our allies'
1389 lights on while displacing dirty and expensive generation.

1390 But my focus is on emissions, and whether we are really
1391 reducing emissions of harmful pollutants, including methane,
1392 through a significant increase in LNG exports. And I think
1393 that does mean looking at the life cycle from production to
1394 transport to liquefaction and to shipping, and I think it is

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1395 reasonable for us and the Biden Administration to examine
1396 those impacts, and I think that is right.

1397 Now, I take your point about whether it is a pause or a
1398 ban. I don't believe that limiting supply is how you create
1399 an energy policy. I mean, we fight over pipeline by pipeline
1400 and we win these _ so we win these battles over a pipeline.
1401 What good does that do? It doesn't really change the mix.
1402 And if we don't export to Europe, they are going to buy from
1403 Russia. It is not like they are not going to use fossil
1404 fuels.

1405 So I think it is just a little bit more ambiguous than
1406 both sides are saying. But let me just drive at one point,
1407 Mr. Rice. You were quoting tons of emissions. Are you
1408 putting methane and carbon dioxide in the same bucket?

1409 *Mr. Rice. Yes, that would include the CO2 equivalent.
1410 So you would convert methane into a CO2 equivalent and _

1411 *Mr. Peters. So you are giving credit to the much more
1412 harmful impact in the short run that methane has on global
1413 warming.

1414 *Mr. Rice. By taking a factor of, I think it is, 84
1415 times for the methane emissions, yes.

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1416 *Mr. Peters. All right. And I ask Ms. Giannetti, is
1417 that fair?

1418 What is wrong with that? What is wrong? What is he
1419 getting wrong on that, in terms of looking at displacing
1420 dirtier gas or even coal? Why is he not right?

1421 *Ms. Giannetti. Thank you for the question,
1422 Congressman.

1423 You know, one of the key questions that we need to
1424 analyze is the net effects of LNG export on our overall
1425 carbon footprint. There are pros and cons, depending on
1426 where we are looking at and what countries we are talking
1427 about.

1428 *Mr. Peters. I think we _ I completely agree on that.
1429 Just to put a fine point on it, if he is displacing dirtier
1430 gas and coal with cleaner gas, is that not _ is that _ what
1431 is the objection to that? Or do you think that is not true?

1432 *Ms. Giannetti. When we are looking at displacement,
1433 the methods of U.S. extraction vary from company to company.

1434 *Mr. Peters. Yes.

1435 *Ms. Giannetti. Even within the U.S. value chain we
1436 have deep concerns about methane leakage _

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1437 *Mr. Peters. Right.

1438 *Ms. Giannetti. _ and the impacts that that can have on
1439 the overall carbon footprint. But, you know, to go back to
1440 something that might _

1441 *Mr. Peters. Do you think he is not accounting for that
1442 in his calculations?

1443 *Ms. Giannetti. Pardon?

1444 *Mr. Peters. Do you think he is not accounting for that
1445 leakage in his calculations?

1446 *Ms. Giannetti. I think that, you know, candidly, I am
1447 not familiar with all of the data that Mr. Rice is talking
1448 about.

1449 *Mr. Peters. Yes.

1450 *Ms. Giannetti. But I do think that in our analyses at
1451 DOE we do not currently _ DOE does not currently do that.

1452 And, you know, to go back to a comment that Mr. McCown
1453 said earlier, you know, he said let's do the studies and
1454 let's make sure that we are not making decisions until those
1455 studies are out. That is exactly what the Department is
1456 doing through this decision.

1457 *Mr. Peters. Well, okay, we are going to run out of

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1458 time. But it would be interesting to actually have you guys
1459 have a conversation.

1460 Mr. Rice, what is _ why is _ do you think she is not
1461 correct?

1462 *Mr. Rice. Yes, so we get a question a lot: Why do we
1463 need LNG? We have got other solutions like solar. We have
1464 got wind. Why do we even need LNG? The biggest
1465 misconception, I think, is that people don't really
1466 understand how much energy demand there is in this world.

1467 *Mr. Peters. Yes.

1468 *Mr. Rice. I don't blame them. That is a big thing to
1469 get your head wrapped around. But the reality is this: when
1470 solar and wind cannot meet the world's demand for energy, the
1471 world is going to use coal.

1472 *Mr. Peters. All right, I am sorry, we are getting away
1473 from the finer point I was trying to make, but anyway, I
1474 appreciate it.

1475 Mr. Chairman, my time is expired, I yield back.

1476 *Mr. Duncan. I thank the gentleman and I will go to
1477 Kentucky's Mr. Guthrie for five minutes.

1478 *Mr. Guthrie. Thank you. I apologize, there is two

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1479 hearings going on for our full subcommittee hearings. I have
1480 been upstairs with FDA and foreign inspections, which are
1481 important for our drug supply chain. But this is also
1482 critically important.

1483 And I just want to talk about _ we are in the middle of
1484 debate on Ukraine funding and what is moving forward here in
1485 the House and the Senate. And I was in a meeting, and it was
1486 _ all I can say, really _ a major European ally. And it was
1487 someone who certainly spoke for the government, left of
1488 center, who said in the meeting to a group of Members of
1489 Congress that, "If you want peace, produce gas.'" That was a
1490 quote.

1491 And someone, one of my colleagues, immediately said,
1492 "Well, we understand all of the terminals in Europe are full.
1493 So even if we produce more LNG, you wouldn't be able to
1494 receive it.'"

1495 And this person said, "Well, sell it elsewhere, sell it
1496 the Pacific, I don't care, I just need the price to come
1497 down.'" That is what he said. That is a direct quote from
1498 somebody who spoke _ certainly spoke for a government of a
1499 major, major ally in Europe.

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1500 And it really struck me that the high price of natural
1501 gas or energy funds Putin's army, literally funds his army,
1502 and we are sitting here debating about sending money to
1503 Ukraine to fight the army we are funding because we don't
1504 produce enough gas.

1505 And so, if you look at just the policy _ if you look at
1506 _ if you are in the Biden White House, and you are looking at
1507 I want to restrict exports of LNG, which will raise the
1508 price, at the same time asking our _ charging taxpayers,
1509 hard-working taxpayers to fund _ and I am for our friends in
1510 Ukraine, I want _ destroying Putin's army in Ukraine is a
1511 thing that would be good for America without American men and
1512 women doing it.

1513 And so Mr. McCown, I would like to ask you if you would
1514 comment on that, just the national security implications of
1515 not exporting liquid natural gas.

1516 *Mr. McCown. Yes, Representative Guthrie, thank you.
1517 Thank you very much for that question.

1518 Yes, you know, the world is going to get its LNG from
1519 somewhere. And if not from us, it is going to be from other,
1520 less stable, less reliable partners like Russia. Russia

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1521 has _

1522 *Mr. Guthrie. But even if they don't get it from
1523 Russia, the price goes up.

1524 *Mr. McCown. Correct.

1525 *Mr. Guthrie. So when Russia sells it to somebody other
1526 than our European friends, they are getting money.

1527 *Mr. McCown. Yes. And choking off Russia's cash to
1528 fund its war effort through decreasing the molecules they are
1529 able to place on the market is very important.

1530 *Mr. Guthrie. Mr. Rice, would you like to comment?

1531 *Mr. Rice. Yes, I would just like to talk about how big
1532 this opportunity is that we have in the United States. I
1533 mean, just real high level.

1534 We have studied this. We have a resource that would
1535 allow us to be able to support quadrupling our LNG exports to
1536 about 60 BCF a day. To put that in perspective _ and that
1537 would imply a \$4 gas price here in the United States, putting
1538 it on the doorstep of Europe for a cost of less than \$12.60.
1539 Sixty BCF a day does not mean a lot to the normal person, but
1540 from an energy security perspective, sixty BCF a day is the
1541 energy equivalent of adding ten million barrels a day, which

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1542 is going to be a decarbonizing force to the world stage.

1543 The United States has the opportunity to essentially add
1544 a Saudi Arabia of clean energy to the world stage. Think
1545 about the amount of peace, prosperity, and influence that can
1546 bring from America to the world. It is world-changingly
1547 impactful is what we have here in the U.S.

1548 *Mr. Guthrie. So what would that do to the Russian or
1549 Putin's government's ability to wage war?

1550 *Mr. Rice. Well, it certainly would replace their
1551 influence in Europe. And if you want to mitigate the
1552 influence of petro-dictators _ because guess what, Putin is
1553 not the only bad actor on the world stage we need to worry
1554 about _ bring more energy into the world, lower the cost of
1555 energy. You lower the dollars that they are able to get from
1556 their selling energy.

1557 So again, I mean, there are so many benefits of how LNG
1558 can actually increase the security of our allies and also the
1559 _ influence the security of Americans _

1560 *Mr. Guthrie. But you would agree with the comment of
1561 this European person that said if you want peace, produce
1562 gas.

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1563 *Mr. Rice. A hundred percent.

1564 *Mr. Guthrie. Thank you. I want to switch really
1565 quickly to Mr. Cormier.

1566 Is that how you say it correctly? I would like to
1567 briefly _ so I am pivoting to you _ would you like _ would
1568 you comment on how this decision will impact jobs here at
1569 home and communities like those in southeast Louisiana?

1570 *Mr. Cormier. When these announcements are made, your
1571 universities, your small business people, it is a very
1572 interrelated and intermingled type of marketplace. So when a
1573 decision is made, you have folks who come down, we talk about
1574 building jobs, we talk about linking supply chain, we talk
1575 about connecting people from jobs to small business.

1576 And one of the things that is really impressive in our
1577 part of the world, southeast Texas is our _ like our cousins
1578 over there, right, with the Sabine River. So when we sneeze,
1579 they sneeze, we all catch a cold. So what is really
1580 important is that you have this intermingling of culture,
1581 people, and a mindset and in _ for really, really important,
1582 I want the committee to understand _ southeast Texas and
1583 southwest Louisiana are still rebuilding from natural

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1584 disasters that increased _ what do I want to say _ it
1585 impacted how much people have lost. We have lost houses. We
1586 have lost job opportunities that have been _ had to move
1587 because people had to move out.

1588 So we are trying to build this thing back up, and LNG is
1589 a very, very, very important part of this piece. We are
1590 talking billions in money _

1591 *Mr. Guthrie. Thanks.

1592 *Mr. Cormier. _ and in job opportunities.

1593 *Mr. Guthrie. I appreciate it. My time has gone over,
1594 so I will yield back.

1595 *Mr. Duncan. The gentleman's time has expired. I will
1596 now go to Ms. Matsui for five minutes.

1597 *Ms. Matsui. Thank you very much, Mr. Chairman, and
1598 thank you for all the witnesses for being here today.

1599 Natural gas has been hailed as a bridge fuel replacing
1600 coal and providing backup power for renewables as we
1601 transition to 100 percent clean electricity. However, the
1602 value of natural gas as a bridge fuel is premised on the
1603 belief that gas is cleaner than coal and that the reliance on
1604 gas will be short-lived, with clean energy largely replacing

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1605 natural gas by 2050.

1606 Burning natural gas emits roughly half the amount of CO2
1607 that burning coal emits. However, if natural gas is released
1608 directly into the atmosphere and not burned, it becomes a
1609 very significant driver of global warming. This means that
1610 the value of natural gas as a replacement for coal depends on
1611 how much gas leaks directly into the atmosphere.

1612 Ms. Giannetti, can you describe where natural gas leaks
1613 occur across the supply chain, and how prevalent these leaks
1614 are?

1615 *Ms. Giannetti. Thank you, Congresswoman.

1616 So the problem of gas leaks is a significant aspect of
1617 the question of the carbon intensity of gas and LNG. And
1618 unfortunately, they have been found to happen across the
1619 supply chain from the original extraction to transportation
1620 both via pipeline and via ship and actual regasification and
1621 use.

1622 *Ms. Matsui. Okay. Do we really know how much methane
1623 is leaking into the atmosphere across the United States?

1624 *Ms. Giannetti. No, which is part of the reason why we
1625 need to update our studies to consider that.

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1626 *Ms. Matsui. Taking into account about these methane
1627 leaks, is there a point at which natural gas becomes worse
1628 for the planet than coal?

1629 *Ms. Giannetti. If you take in even minor gas leaks,
1630 the carbon footprint of gas can actually be worse than coal.

1631 But additionally, we are also looking at a bit of a
1632 misnomer here, because it is questionable at best, especially
1633 looking at Europe, whether gas is even displacing coal.

1634 *Ms. Matsui. Okay. Sending natural gas to Europe and
1635 Asia by ship requires the gas to be super cold and liquefied
1636 before being regasified at the destination. This is an
1637 energy-intensive process and also creates new opportunities
1638 for leakage.

1639 Ms. Giannetti, accounting for all of these processes,
1640 how does the emissions impact of liquefied natural gas
1641 compare to coal?

1642 *Ms. Giannetti. The climate impacts of the entire LNG
1643 value chain are enormous and need to be considered when
1644 factored into a public interest assessment, and they
1645 currently are not.

1646 *Ms. Matsui. Okay. Clearly, the climate impact of

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1647 natural gas depends on the degree of leakage. This is a
1648 solvable problem, though. The Inflation Reduction Act
1649 established a pollution fee for methane and provided funding
1650 to help detect leaks and reduce emissions. And in December
1651 the Biden Administration finalized a rule requiring oil and
1652 gas companies to detect and fix leaks and reduce intentional
1653 flaring. However, some in the oil and gas industry wants to
1654 repeal this methane fee and roll back the recent rule on
1655 methane leaks.

1656 Ms. Giannetti, what would you say to those who claim
1657 natural gas is reducing emissions but refuse to address
1658 methane leaks?

1659 *Ms. Giannetti. If we want to take climate change
1660 seriously and have a real discussion about the impact of
1661 natural gas on that discussion, we cannot do so without
1662 focusing on methane leaks and trying to eliminate them to the
1663 maximum extent possible.

1664 *Ms. Matsui. Okay. Even if LNG had lower lifestyle
1665 emissions and we knew it was replacing coal, the
1666 International Energy Agency has found that the current build-
1667 out of LNG export infrastructure is not compatible with the

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1668 Paris Agreement goal of limiting global warming to 1.5
1669 degrees Celsius.

1670 Ms. Giannetti, can you describe how U.S. LNG export
1671 capacity compares to expected LNG demand if countries meet
1672 their Paris Agreement targets?

1673 *Ms. Giannetti. Currently we are meeting Europe's
1674 demand. In fact, Europe has gas storage of 96 percent, which
1675 is some of the highest storage that it has ever had.

1676 Additionally, we expect our European allies to continue
1677 to transition away from gas as it revitalizes its system and
1678 improves energy efficiency. Accordingly, most studies
1679 strongly suggest that the LNG that we produce today and that
1680 we will produce tomorrow, with this pause having no effect on
1681 them, will more than supply the European need.

1682 *Ms. Matsui. So what would you say to the oil and gas
1683 industry about the future return on investment for new LNG
1684 export facilities?

1685 *Ms. Giannetti. Given that these facilities can last up
1686 to 40 years, it is an extremely risky investment to build LNG
1687 facilities in the 2030s.

1688 *Ms. Matsui. So you are saying there would be stranded

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1689 assets?

1690 *Ms. Giannetti. It is high risk of stranded assets.

1691 Yes, Congresswoman.

1692 *Ms. Matsui. Okay, thank you, and I yield back.

1693 *Mr. Duncan. The gentlelady yields back. I will now go
1694 to Indiana's Dr. Bucshon for five minutes.

1695 *Mr. Bucshon. Thank you, Mr. Chairman. I don't know
1696 what to say. It is like we are in two different universes.

1697 Look, I support an all-of-the-above energy strategy. I
1698 think we should pursue everything. Honestly, I really do.

1699 I also support Ukraine funding, as the vast majority of
1700 Republicans do. We also support, though, securing our
1701 southern border and preventing people from 160 different
1702 countries, including known terrorists, from coming across the
1703 southern border. And until this Administration tries to
1704 address that and we can get our colleagues on the other side
1705 of the aisle to realize that, we are going to be at a
1706 crossroads here. So it is a false narrative we don't support
1707 Ukraine. We do. We also support the people that we
1708 represent. It is a representative republic, and the people
1709 are telling me that they want to do both.

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1710 Look, an indefinite pause is a ban. Make no mistake
1711 about it. And it is going to be lifted. It is going to be
1712 lifted in November of this year, after November 5 or,
1713 honestly, on January 20 in 2025. This is about politics, and
1714 everybody in this room knows it.

1715 Thanks to American innovation and energy technologies,
1716 the United States is the world's largest producer of natural
1717 gas and exporter of LNG. A lot of this has been said. All
1718 the good questions have been asked, unfortunately. American
1719 LNG is a critical asset that not only keeps our energy sector
1720 secure and competitive, but also helps reduce global
1721 emissions, as has been described, and the global dependence
1722 on energy and its _ our dependence on global energy from
1723 adversarial nations, Russia.

1724 I have been in Japan recently. I have been in Poland
1725 recently in the last year. All you have to do is talk to
1726 people offline when you are not at some conference, sitting
1727 at the table, and just stand on the side and talk to people.
1728 And you want to talk about uncertainty amongst our allies?
1729 They are in a full-blown panic over this type of energy
1730 reaction in the United States for politics. I mean, that is

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1731 not my opinion. I just hear that from those folks.

1732 U.S. energy sources are some of the cleanest in the
1733 world. We take the cleanest natural gas in the world out of
1734 global market _ I mean, trying to say that _ trying to twist
1735 this around and in some way say that natural gas is dirtier
1736 than coal from China _ I am talking about coal from China and
1737 the way they produce it _ is just _ I can't understand how
1738 that could happen.

1739 I mean, geopolitically, this decision by the White House
1740 is just foolish economically, also. So for Mr. Rice and Mr.
1741 McCown, again, I know you have said this, but, I mean, our
1742 allies around the world are going to turn to Russia, China,
1743 and Iran for natural gas if we don't produce it, and Qatar.

1744 *Mr. Rice. Congressman, it is important to realize that
1745 two-thirds of the world's natural gas is contained in four
1746 countries: Qatar, Iran, Russia, and the United States. So
1747 if _ who is going to provide the energy security to the
1748 world? If the United States doesn't do it, it should not be
1749 Russia, it should not be Iran. Qatar, a little bit small.
1750 It has to be the United States to provide this energy
1751 security to the world.

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1752 *Mr. Bucshon. Talk about the geopolitics also on this.

1753 *Mr. McCown. Sure. I was just going to mention _

1754 *Mr. Bucshon. A lot of that.

1755 *Mr. McCown. We have letters from the Chamber, from
1756 Business Europe that have gone to the Administration, from
1757 the Asia Natural Gas and Energy Association, from Japan, from
1758 others, from Euro Gas. They are all aghast, literally, with
1759 what is going on.

1760 *Mr. Bucshon. Yes.

1761 *Mr. McCown. It is a problem. And from the
1762 geopolitical implications _ and by the way, it is not just
1763 coal, right? It is fuel oil, it is wood, it is other things
1764 that are being burned that are equally as worse. And Europe
1765 does burn all those things.

1766 But from a geopolitical standpoint, yes, there are only
1767 a few countries that do this. But they are going to go to
1768 the Qataris, they are going to go to others because for their
1769 energy security they require regulatory certainty and
1770 stability _

1771 *Mr. Bucshon. Correct.

1772 *Mr. McCown. _ as well.

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1773 *Mr. Bucshon. Let me just say this. When we were in
1774 Eastern _ I was in Eastern Europe about a year ago. Do you
1775 realize that the Russians _ Russian propaganda in those
1776 countries is at a fever pitch, probably Cold War era or more?

1777 What are they saying? "Your government is causing you
1778 higher energy costs because they refuse to buy our natural
1779 gas that is cheaper than American natural gas.'" And guess
1780 what is happening? There are protests in those countries
1781 from people who live in those countries who happen to be
1782 communists. And they remember when the countries were
1783 Eastern Bloc. And their governments are under tremendous
1784 pressure to open up the spigot from Russia into their
1785 countries. If America backs away, they will be forced to do
1786 it. And guess what? It fuels Putin's war machine.

1787 I yield back.

1788 *Mr. Duncan. The gentleman yields back. I will now go
1789 to my friend, Mr. Tonko, for five minutes.

1790 *Mr. Tonko. Thank you, Mr. Chair. The question is to
1791 Ms. Giannetti.

1792 Will DOE's announcement impact approval of LNG exports
1793 to countries that have a free trade agreement with the United

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1794 States?

1795 *Ms. Giannetti. No, Congressman. And the repeated
1796 references to this action as a ban, as a fan of The Princess
1797 Bride, makes me think of Inigo Montoya. They keep saying the
1798 word "ban," but I don't think they know what it means.

1799 *Mr. Tonko. Thank you. Well, clearly, we are exporting
1800 record levels of LNG with even more capacity in the pipeline.
1801 If the Biden Administration is trying to ban LNG exports,
1802 they are not doing a very good job, and that is because this
1803 is not a ban or a de facto ban, either. It is an
1804 acknowledgment that export approvals have grown tremendously
1805 in recent years, meaning an increasing share of total U.S.
1806 production is being earmarked for export.

1807 I believe the responsible course of action is to take a
1808 breath and see if additional exports would continue to be in
1809 the public interest. And that should, of course, include an
1810 updated understanding of the impacts on U.S. consumers, the
1811 economy, the environment, and communities that host these
1812 facilities, amongst other factors.

1813 So Ms. Giannetti, also I want to clear something here
1814 that I have heard repeated by some of my colleagues across

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1815 the aisle with suggestions that they are making. Given that
1816 the pause has no short or even medium-term impact on LNG
1817 exports, will there be a near-term impact on the price Russia
1818 gets for the gas today?

1819 *Ms. Giannetti. This pause has zero effect on all
1820 current LNG exports and all LNG exports that have already
1821 been approved by the Department of Energy, so it would be
1822 highly unlikely for there to be any of those effects.

1823 *Mr. Tonko. And I would also ask about the myth-versus-
1824 fact document issued by the majority yesterday which stated
1825 increasing LNG exports will also encourage investments in
1826 other industries like manufacturing, which will help ensure
1827 that we beat China. And honestly, I am having a hard time
1828 making sense of this.

1829 So, Ms. Giannetti, do we currently export LNG to China?

1830 *Ms. Giannetti. Yes.

1831 *Mr. Tonko. And with recent contracts should we expect
1832 the volume of exports to China to increase in the future?

1833 *Ms. Giannetti. Yes, China is the single largest
1834 identifier _ purchaser of future natural gas, totaling almost
1835 14 percent.

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1836 *Mr. Tonko. And what could LNG be used for in China?
1837 Is it potentially a lower cost input for China's
1838 manufacturing sector?

1839 *Ms. Giannetti. It could. Yes, Congressman.

1840 *Mr. Tonko. So, Ms. Giannetti, are there risks that
1841 unfettered LNG exports to China could undermine a potential
1842 advantage of American manufacturers?

1843 *Ms. Giannetti. Yes.

1844 *Mr. Tonko. So time and time again we have heard
1845 Republicans on this committee state their concerns about
1846 China leading in some strategic manufacturing sectors. And
1847 without an updated understanding of LNG exports' impacts, we
1848 could be further disadvantaging domestic companies.

1849 Personally, I believe we should be supporting U.S.
1850 manufacturers trying to compete for these industries of the
1851 future, as we have done in items like the Inflation Reduction
1852 Act, the CHIPS and Science Act, and the Infrastructure
1853 Investment and Jobs Act.

1854 Trying to determine what is in the public interest is
1855 complicated, but we know it does not just mean what is good
1856 for fossil fuel executives. So I applaud the Administration

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1857 for taking the time to do this review and get it right.

1858 There is a lot of documentation that I think would serve us
1859 well as we move forward with the pause.

1860 So with that I thank you, Mr. Chair, and I yield back.

1861 *Mr. Curtis. [Presiding] Thank you. The gentleman
1862 yields. The chair recognizes Mr. Walberg.

1863 *Mr. Walberg. Thank you, Mr. Chair, and I must say
1864 something initially here. It does bother me a bit to hear us
1865 challenged on this side of the aisle in not supporting
1866 Ukraine, when in fact we do support Ukraine. We have shown
1867 that in our votes. We also support securing our border,
1868 which is an awfully important thing. I would say to my
1869 Democrat colleagues that if you support our border we could
1870 join you in supporting Ukraine and the both.

1871 *Voice. Will the gentleman yield? I have got an idea.

1872 *Mr. Walberg. I don't have time right now, and you know
1873 I don't state that angrily. But the bottom line, I am sick
1874 of hearing us not supporting Ukraine. And we do support
1875 that, and have supported _ you support the border, and we
1876 will join together, I guess, in supporting Ukraine, as well.

1877 Last week I met with several delegations from around the

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1878 world. They were here for the National Prayer Breakfast. I
1879 will have to pray to get released from my anger right now.
1880 But in talking with them, they were here for the
1881 international portion of that prayer breakfast. A number of
1882 them expressed worry, literal worry and concern about
1883 President Biden's decision to indefinitely ban U.S. LNG
1884 exports and what it means for their energy, their security,
1885 their economy.

1886 And I have got to say, with all due respect, uncertainty
1887 breeds insecurity. Uncertainty breeds insecurity, and that
1888 is not good for this time and place in our world. Energy
1889 security is national security, plain and simple. The Biden
1890 Administration is turning their backs on our friends and
1891 allies abroad, not to mention American consumers and
1892 communities in order to secure a few political points on
1893 their left flank. And this is what that is all about.

1894 Mr. McCown, it seems short-sighted to me to upend an
1895 entire industry that millions depend on to appease
1896 environmental activists on TikTok. How important is policy
1897 stability for the global energy market, and what are the
1898 long-term national security consequences of this type of

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1899 rapid policy shift?

1900 *Mr. McCown. Yes, thank you very much for that
1901 question. They can be significant.

1902 Far too often we make policy decisions in the short term
1903 without fully understanding the medium and long-term
1904 implications for these decisions. Private markets abhor
1905 risk. Capital deployment abhors risk. When you make these
1906 changes, when you are in the middle of the football game and
1907 the rules change, that translates to unacceptable risk. That
1908 then keeps capital on the sidelines, it keeps people from
1909 investing, it has people calling into question the regulatory
1910 regime, the regulatory certainty that is absolutely and
1911 fundamentally required in this and other areas.

1912 *Mr. Walberg. Thank you, Mr. McCown. I will leave it
1913 there.

1914 Secretary Granholm has indicated that there will be
1915 exceptions to the White House's policy in the case of
1916 national _ and I quote _ "national security emergencies,"
1917 and their fact sheet claims that we will still be able to
1918 supply essential LNG to our allies in the near term. Are
1919 these exceptions and assurances sufficient to address global

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1920 energy needs, Mr. McCown, from the Energy Secretary?

1921 *Mr. McCown. No, they are not. I mean, you know,
1922 frankly, the damage has already been done. The way to undo
1923 this damage is to admit that it was premature and reverse
1924 course, and I would like to see that, and that would be my
1925 recommendation to the Administration.

1926 And at the same time, I think we could avoid gloating
1927 and say, okay, we all make mistakes, got it. You can pursue
1928 your studies, but upending the private market economy like
1929 this is terrible not only for America, but for our standing
1930 in the world.

1931 The ability _ just a year and a half ago Secretary
1932 Blinken was saying, "You can count on America, you can count
1933 on America's LNG," and here we are.

1934 *Mr. Walberg. Yes, thank you.

1935 Mr. Cormier, are you hearing concerns like this from
1936 companies in your community? And what is the impact?

1937 *Mr. Cormier. What we are hearing is constant panic,
1938 simply because folks have built their plans for the future to
1939 hire people, to build restaurants, to build apartment
1940 complexes and housing. So it is a trickle-down effect. So

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1941 folks are on standstill.

1942 *Mr. Walberg. And they have contracts, right?

1943 *Mr. Cormier. They have contracts. I know of someone
1944 right now who has worked on a project for over 12 years,
1945 because it takes that much time to make these type of
1946 projects move forward. Friday morning he called me and said,
1947 "What am I supposed to do?"

1948 And I had to sit and tell him, "Be patient, we are
1949 working on it."

1950 *Mr. Walberg. And do I have to renew and go through the
1951 whole process again? It is frustrating to see that _ this
1952 take place, and I hope we wake up to it.

1953 I yield back.

1954 *Mr. Duncan. [Presiding] The gentleman yields back. I
1955 now go to Ms. Kuster for five minutes.

1956 *Ms. Kuster. Thank you, Mr. Chairman.

1957 I want to make clear for the record, Mr. Walberg, I
1958 would ask unanimous consent to enter into the record today
1959 the New York Times, "Biden to Make Case for Immigration and
1960 Ukraine Aid Bill. The President is expected to plead with
1961 Congress to pass a bill marrying an immigration crackdown to

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1962 delivering emergency aid to Ukraine and Israel. Republicans
1963 have turned against the plan, likely dooming its chances.''

1964 I ask unanimous consent.

1965 *Mr. Duncan. Without objection.

1966 [The information follows:]

1967

1968 *****COMMITTEE INSERT*****

1969

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1970 *Mr. Walberg. We have sent them the plan already. Act
1971 on it.

1972 *Ms. Kuster. We are just waiting for it to come to the
1973 floor. It is your Speaker that refuses to bring it up.

1974 At the outset I want to commend the Biden Administration
1975 for its recent decision to pause new liquid natural gas
1976 export authorizations until it can evaluate if those LNG
1977 export authorizations are _ and I quote _ "in the public
1978 interest.''

1979 Today the United States is the world's largest exporter
1980 of LNG. And between now and 2027 the United States is set to
1981 nearly double its LNG export capacity.

1982 One point I want to emphasize in this hearing is that
1983 LNG exports have a significant cost to American consumers.
1984 As Ms. Giannetti's testimony notes, over a 16-month period
1985 from September 2021 through December 2022, LNG exports cost
1986 U.S. consumers more than \$100 billion. This study is part of
1987 a growing body of evidence that demonstrates LNG exports
1988 increased domestic gas prices, driving up the cost of
1989 cooking, heating, and electricity for U.S. consumers and
1990 businesses.

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1991 Ms. Giannetti, my first question is for you. How does
1992 the Administration's announcement protect Americans from
1993 foreign gas buyers?

1994 *Ms. Giannetti. The Administration's announcement
1995 allows it to be able to revise outdated and obsolete studies
1996 that do not factor in U.S. consumer impacts to make sure that
1997 those very real and serious impacts are being evaluated in
1998 determining whether a project is in the public interest.

1999 *Ms. Kuster. Thank you. I want to put an even sharper
2000 point on your answer. Natural gas is the largest source of
2001 fuel for electricity generation in New England. When natural
2002 gas prices go up so does the price of our electricity.

2003 My next question again to you. I hope you can keep the
2004 answer brief. If the U.S. builds more natural gas export
2005 capacity, will electricity prices in New England increase as
2006 a result?

2007 *Ms. Giannetti. All of the evidence suggests that yes,
2008 it would.

2009 *Ms. Kuster. And I also want to talk about the economic
2010 reality of who truly benefits from LNG exports. As an
2011 illustrative example, Cheniere Energy, one of America's

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2012 largest LNG exporters.

2013 In February 2016 Cheniere was the first American company
2014 to export LNG. At that point in time its stock price was \$30
2015 per share. And today, with LNG exports at record-high
2016 levels, Cheniere stock is trading near an all-time high of
2017 \$160 per share. While the market should reward innovation,
2018 risk-taking, and business acumen, lawmakers should be
2019 vigilant about who benefits from LNG exports and who pays the
2020 price, my constituents.

2021 Ms. Giannetti, do big fossil fuel companies like
2022 Cheniere benefit from increased natural gas exports, while
2023 Americans, particularly in New England, pay more for
2024 electricity?

2025 *Ms. Giannetti. Exporting natural gas is a very
2026 profitable business for companies like Cheniere.
2027 Unfortunately, it can have a very disproportionate impact on
2028 gas-reliant consumers in the United States, particularly low-
2029 income.

2030 *Ms. Kuster. I represent my constituents who suffer
2031 from high energy prices, and I am proud that President Biden
2032 is putting electricity customers in New Hampshire ahead of

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2033 the interests of big fossil fuel companies and their share
2034 prices.

2035 And with that I yield back.

2036 *Mr. Duncan. The gentlelady yields back. I will now go
2037 to Mr. Palmer _ no, Mr. Curtis for five minutes.

2038 *Mr. Curtis. Thank you, Mr. Chairman.

2039 Mr. McCown _ and I hope I am pronouncing that correctly
2040 _ I had an experience to travel to COP this year, and before
2041 I went I noticed with great interest the delegate from
2042 Germany had circulated a letter that some of our members in
2043 the House and Senate signed that would ban these LNG exports.
2044 So imagine my interest when I found myself in a room with
2045 her, and heard her explaining how grateful she was that they
2046 had been able to move off Russian natural gas to U.S. natural
2047 gas. And I, of course, raised my hand and I said, "Can you
2048 help me understand why you don't want to allow others to do
2049 that?'" And she didn't have a good answer.

2050 And I am just curious, from your perspective, why is it
2051 that it is okay for Germany to brag about doing that, but
2052 then insist that others not have that opportunity?

2053 *Mr. McCown. Yes, that is a very good question, Vice

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2054 Chair Curtis.

2055 You know, Germany has always pursued their own version
2056 of Germany-first policy when it comes to energy, and has for
2057 decades. They have decoupled geopolitical decisions with
2058 economic decisions. And, you know, I have had the CEO of one
2059 of Germany's largest utility companies say, "We didn't think
2060 we needed to worry about energy security. We didn't think it
2061 mattered.'"

2062 But there is this duplicity of thought in Germany that
2063 is inconsistent across what others do.

2064 *Mr. Curtis. Can I ask you? I have _ this is only just
2065 speculation on my part, but I have thought perhaps _ are
2066 there greenhouse gas emissions more today than there were
2067 before they started down this road?

2068 *Mr. McCown. They are. And, you know, the United
2069 States has reduced its GHG emissions.

2070 *Mr. Curtis. Dramatically.

2071 *Mr. McCown. Dramatically through the shale revolution,
2072 whereas EU countries and Germany, in particular has spent
2073 billions, if not trillions of public money _

2074 *Mr. Curtis. Yes.

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2075 *Mr. McCown. _ with other EU countries, and have not
2076 significantly _

2077 *Mr. Curtis. I would love to just hear more, but we are
2078 so limited on time _

2079 *Mr. McCown. Sure.

2080 *Mr. Curtis. _ I am going to move us forward.

2081 Mr. Rice, can we discuss this concept a little bit?

2082 Sometimes it feels to me like people hate fossil fuels more
2083 than they hate emissions. And as we talk about this
2084 cleanliness issue, it is my impression _ and I have actually
2085 said it, and so tell me if I am wrong _ that we do produce it
2086 cleaner here than Russia, and not just by a little bit.

2087 Can you talk about that, and also this feeling like it
2088 is more important to kill fossil fuels than it is to kill
2089 emissions?

2090 *Mr. Rice. Yes, sure. So, yes, I can confirm that the
2091 energy that we produce here in America is the cleanest in the
2092 world. There is a lot of steps that EQT, America's largest
2093 natural gas producer, is taking that will actually bring the
2094 much-needed transparency because we agree with our colleagues
2095 here from the NRDC. We need to take care of methane

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2096 emissions, and we need to showcase that to the world.

2097 *Mr. Curtis. Yes.

2098 *Mr. Rice. I am encouraged that the work _ because I
2099 was at COP, as well. And we heard climate leaders speak,
2100 specifically Climate Envoy John Kerry, saying that we have a
2101 choice. Either eliminate fossil fuels or capture the
2102 emissions. That was a positive step for me. And
2103 fortunately, this industry is hearing the world's call for
2104 cleaner energy.

2105 *Mr. Curtis. So would you agree with this statement,
2106 that we can keep energy prices low, that we can keep energy
2107 reliable, we can not just be energy independent but energy
2108 dominant, and reduce emissions?

2109 *Mr. Rice. Yes, and we could look at the track record
2110 of success that the American oil and gas industry has laid.

2111 Keep in mind, 20 years ago we were in a situation where
2112 we were energy dependent. We were thinking about importing
2113 gas. What happened? We cracked the code on shale. Amazing
2114 innovation. And now we have turned America into an energy
2115 powerhouse. We have made the energy we produce in this
2116 country cheaper, more reliable. We hear the world's call for

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2117 cleaner energy. And we have _ are shifting that innovation
2118 towards making the energy _

2119 *Mr. Curtis. Thank you.

2120 *Mr. Rice. _ we produce cleaner.

2121 *Mr. Curtis. Thank you.

2122 Mr. Cormier, I represent a part of my district that is
2123 oil and gas. It is rural Utah. They often feel like we
2124 don't just demonize fossil fuels, we demonize the people. Is
2125 that something that you can connect with and have any
2126 experience with?

2127 And by the way, these are the same people who helped us
2128 win World War II, who make sure that when we go over to the
2129 light switch it flips on, and that we keep our homes at 70
2130 degrees.

2131 *Mr. Cormier. There is a sense of pride that the
2132 workers and the folks that live in our area have about being
2133 home to producing America's cleanest energy. In fact, we
2134 have worked on actually branding ourselves as the clean
2135 energy capital of the world, especially here in America. So
2136 when our folks get up in the morning _ we are a hard-working
2137 people, like a rural area _

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2138 *Mr. Curtis. Yes.

2139 *Mr. Cormier. _ that is what we do, and _

2140 *Mr. Curtis. And I am out of time, but I would love to
2141 just go on. Maybe we should initiate some sister city
2142 relationships because my people are just like that, right,
2143 hard-working, good people.

2144 *Mr. Cormier. We will switch and give you some boudin
2145 and some crawfish etouffee.

2146 *Mr. Curtis. All right, I regret I am out of time.
2147 Thank you, Mr. Chairman, I yield.

2148 *Mr. Duncan. I will now go to Ms. Schrier, Dr. Schrier,
2149 for five minutes.

2150 *Ms. Schrier. Thank you, Chair Duncan, and thank you to
2151 the witnesses who are here today.

2152 I would first just like to re-emphasize that my
2153 Republican colleagues are generating outrage based on what
2154 is, at best, a misunderstanding of facts. We are talking
2155 about a pause in permitting, not a ban.

2156 More than 14 billion cubic feet of liquefied natural gas
2157 is being produced every day, and more than twice of that
2158 capacity is already permitted, and DOE has already approved

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2159 over 3 times our current export capacity. That is a whole
2160 lot of methane to meet near-term, even medium-term demand.

2161 So what this order does do is pause the permitting of
2162 new and pending LNG export applications, and calls for a
2163 study to determine the climate and economic impacts of LNG
2164 exports as elements of the public interest, which has not
2165 been clarified. Since DOE has last examined the analysis of
2166 public interest, LNG exports have tripled.

2167 And as our tools and research for tracking life-cycle
2168 emissions continues to advance, our emissions accounting
2169 looks grimmer and grimmer. Some studies even show that total
2170 greenhouse gas emissions of natural gas are worse than coal.
2171 So it is important that we take a step back while we are
2172 already miles ahead in LNG export capacity, and fully
2173 understand the environmental and economic impacts as elements
2174 of the public interest.

2175 This is also a really good opportunity _ as I am
2176 focusing on emissions, it is a good opportunity to set the
2177 record straight on some of my colleagues' comments that the
2178 U.S. has decreased carbon emissions more than anywhere in the
2179 world because of this transition to methane. But carbon does

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2180 not include methane, and methane is a more potent greenhouse
2181 gas. So the comment is really quite misleading, as leaks,
2182 even small leaks, will have a more detrimental impact.

2183 Ms. Giannetti, I would like to ask you about what we
2184 know about how leaks contribute to the life-cycle emissions
2185 of natural gas, of methane, and what does the latest evidence
2186 tell us about emissions in greenhouse or _ and warming?

2187 *Ms. Giannetti. Thank you for the question,
2188 Congresswoman.

2189 Leaks can offset any potential benefits of LNG, and make
2190 it actually as bad as coal, if not worse. And unfortunately,
2191 we see leaks all along the value chain, from initial
2192 extraction to transportation and use.

2193 *Ms. Schrier. And we have been able to detect more of
2194 those leaks with recent technology, acknowledging that there
2195 are more of them.

2196 Now, as of 2023, we are the largest LNG exporter in the
2197 world. So pause or no pause, we should be doing everything
2198 in our power to reduce domestic life-cycle emissions in our
2199 existing natural gas infrastructure. And I was proud to pass
2200 the Methane Emissions Reductions Program, and I am glad to

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2201 see the EPA announce a new rule to curb methane emissions
2202 from this sector.

2203 It is important to note, I think, as many of my
2204 colleagues have pointed out, that the U.S. can only impact
2205 leaks at home, and not abroad. Can you talk about both the
2206 values of the initiatives we have taken here in the U.S., and
2207 perhaps about what we need to think about as we consider the
2208 entire supply chain, and where those leaks might happen, even
2209 though they might not happen in the U.S.?

2210 *Ms. Giannetti. There are critical measures that we
2211 have started to take and that we need to continue to take to
2212 improve the efficiency and reduce leakage domestically.

2213 Unfortunately, as you mentioned, Congresswoman, it is
2214 impossible for us to regulate those leakage rates abroad,
2215 which can contribute significantly to the overall carbon
2216 footprint of LNG export. And of course, because air is
2217 transparent, the air that is polluted from those leakage
2218 rates overseas does affect us here in the United States, as
2219 well.

2220 *Ms. Schrier. Thank you. So I just wanted to emphasize
2221 that we are talking about emissions, and we are talking about

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2222 greenhouse gases and climate change and emission-free
2223 options, whether it is nuclear, hydropower, solar, wind.
2224 They need to be more of a larger energy mix, and we should
2225 encourage other countries to move toward that path, as well.

2226 And we do need to be mindful about energy security and
2227 not turn off sources as we _ until we have developed new
2228 ones, but there is no urgency, and this pause seems
2229 appropriate to me.

2230 Thank you, and I yield back.

2231 *Mr. Duncan. I thank the gentlelady and I now go to Mr.
2232 Palmer from Alabama for five minutes.

2233 *Mr. Palmer. Thank you, Mr. Chairman. I would just
2234 like to respond in regard to whether or not this is a pause
2235 or a ban.

2236 It takes years to get permits for an LNG facility.
2237 There are billions of dollars in capital investment involved.
2238 And what is really happening here is this Administration
2239 understands that. They don't understand a whole lot about
2240 science, but they understand a whole lot about politics and
2241 permitting. And I think they are deliberately creating
2242 uncertainty about permit approval.

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2243 I mean, the Department of Energy in December announced
2244 that the projects not yet operational will have to reapply
2245 for their permits if their permit was approved more than
2246 seven years ago. That is billions of dollars in investments
2247 that could go down the drain. But they have created
2248 uncertainty in order to stifle investment and to discourage
2249 foreign governments from entering into contracts with
2250 companies that might not be able to provide the product.

2251 So in regard to whether it is a pause or a ban, it is a
2252 ban.

2253 I want to ask _ point out a couple of things. One, we
2254 probably saved countless numbers of lives in Europe over the
2255 last couple of years because we have been able to provide
2256 LNG. Even with that said, because of the move to renewables
2257 in Europe and their and their reliance on Russian gas, 68,000
2258 Europeans died last winter in what was a relatively mild
2259 winter because they couldn't afford to adequately heat their
2260 homes. These were people with cardiovascular respiratory
2261 issues. And I have repeated this time and time again, it
2262 gets no response from the other side. The same thing has
2263 happened in the UK.

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2264 But what I want to get into is, Mr. McCown, in your
2265 testimony you made the comment about this being a national
2266 security issue. I think it is, it absolutely is. You even
2267 mentioned something that doesn't get mentioned around here
2268 very often, that America is the arsenal of democracy. I
2269 think a significant part of that arsenal is our enormous
2270 energy capacity to aid our allies and emerging economies.

2271 Would you like to comment on that briefly?

2272 *Mr. McCown. Yes, thank you very much. It is, and, you
2273 know, we have always been the supplier. I mentioned that _ I
2274 mentioned earlier today that we supplied most of the oil and
2275 gas used during World War II.

2276 You know, we export a lot of things that is very
2277 helpful, and we do it in an environmentally friendly way. We
2278 are more highly regulated than almost any other country in
2279 the world. And we do it safely. And by removing that, what
2280 we are going to see is increases in emissions from around the
2281 world, not decreases. And I think it is something we have to
2282 take very seriously.

2283 *Mr. Palmer. But you also understand that China is an
2284 adversary. And I have told people this many times: the war

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2285 in Ukraine didn't create the energy crisis, it exposed it.
2286 And the thing that everybody should learn from that is that
2287 no nation should be reliant on an adversarial nation for
2288 something as critical to its economy and its national
2289 security as energy.

2290 You see what is happening right now, is that you have
2291 got a number of non-governmental organizations and non-profit
2292 groups pushing for an energy transition in the United States,
2293 and they did the same thing in Europe, being funded by
2294 Russian and Chinese dollars. And _

2295 *Mr. McCown. Yes, that is true. And, you know, the
2296 transition is not an overnight occurrence.

2297 I think we all agree we want clean, cheap, affordable,
2298 and responsible fuel sources. The issue of pushing a
2299 premature transition upends our economic and national
2300 security. We need a _ I am an all-of-the-above kind of guy,
2301 but we need a responsible pathway toward net zero.

2302 *Mr. Palmer. Well, I worked for two international
2303 engineering companies, did everything from environmental
2304 systems to refuse to energy to aerospace. And there are some
2305 fundamental physics involved in an energy transition that

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2306 that apparently my colleagues across the aisle do not
2307 understand. We are not going to get to net zero by 2050
2308 under any scenario. It is not possible. What we will do is
2309 wreak unimaginable destruction on the American economy.

2310 And going back to the _ what has happened in Europe, in
2311 the UK, in 2008 they wanted to be the model for shifting to
2312 renewables. They wanted to be that _ set the model for
2313 Europe. Well, in terms of peacetime economic growth, their
2314 growth is the slowest since 1780. That is not a _ that is
2315 not 1980 or 1880, that is 1780, the year before Yorktown.
2316 And that is where we are heading.

2317 And just one _ Mr. Chairman, just one point here.
2318 Venture Global's Gulf Coast CP2 would supply about 5 percent
2319 of the world's LNG by 2026. That would have a bigger impact
2320 on the U.S. economy than any green energy project. It would
2321 produce about \$600 billion in revenue over the lifespan of
2322 the project, thousands of jobs, and reduce greenhouse
2323 emissions by 140 million tons a year. I cannot imagine for
2324 the life of me why we have got groups funded by Chinese money
2325 and Russian money that _ they are really about reducing
2326 emissions, when _ I am really concerned that it is really

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2327 about a threat to our national security.

2328 With that, Mr. Chairman, I would yield back.

2329 *Mr. Duncan. The gentleman yields back. Before I
2330 recognize the next person I want to ask you to help me
2331 welcome a Special Olympics medalist, a good friend of mine,
2332 Rachel Lewis in the back of the room. Rachel is here for a
2333 Special Olympics Advocacy Day.

2334 [Applause.]

2335 *Mr. Duncan. Welcome, Rachel.

2336 I will now recognize Mr. Sarbanes for five minutes.

2337 *Mr. Sarbanes. It is not fair, Mr. Chairman. I have to
2338 follow Rachel now.

2339 [Laughter.]

2340 *Mr. Sarbanes. But welcome.

2341 LNG terminals impacted communities in which they are
2342 located. We have heard about economic opportunity, as well,
2343 of course, as communities that use the LNG that passes
2344 through them. But there is a lot of ways in which
2345 communities are impacted. There is jobs, there is the
2346 environmental impacts and other things that need to be
2347 considered.

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2348 And DOE's pause and considering pending LNG export
2349 permits is not going to affect current operations at places
2350 like Cove Point LNG terminal, which is just south of my
2351 district in Maryland, but it will allow the Department,
2352 rightly, to reassess the economic and environmental analysis
2353 it uses to better determine if future LNG exports will be a
2354 net benefit, a net benefit considering everything to all
2355 affected communities _ in other words, if they are in the
2356 public interest. And certainly, one critical measure of
2357 whether LNG exports are in the public interest is if these
2358 exports help or, conversely, harm our efforts to meet our
2359 local domestic and international policy goals such as our
2360 climate commitments.

2361 Two asides quickly. One is the notion that it is _ this
2362 is politics to have this pause where DOE is trying to bring
2363 more things into the picture, I think, is unfair. I mean, we
2364 are at the beginning of the second year of a two-year term
2365 that Members of Congress serve in. If we are going to have
2366 to swear off the whole second year of our two-year terms in
2367 terms of being able to take steps or endorse or support this
2368 kind of agency activity because we are in a campaign year,

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2369 and therefore it is political, we are losing half of our
2370 capacity to do our jobs as Members of Congress and as people
2371 in these responsible Federal agencies.

2372 So I take the Administration at its word that it is just
2373 trying to incorporate broader perspective into the way these
2374 decisions are being made. And frankly, it is a sign of the
2375 maturing or the maturity of the industry, too, that you would
2376 have a pause. I mean, this LNG industry has been moving
2377 forward pell-mell, to their credit, with a lot of benefits
2378 associated with it. There is tremendous capacity in the
2379 permits that already exist that aren't being interrupted
2380 here. To say let's pause and examine all of the kind of
2381 externalities and other factors that need to go into this,
2382 that is _ in some ways, that is a nod to the industry that we
2383 understand you are here to stay, in many respects, and
2384 therefore these other factors need to be considered. So I
2385 don't view it as an attack on the industry, frankly.

2386 The State of Maryland has a climate pollution reduction
2387 plan that targets net zero emissions by 2045. As we know,
2388 the Biden Administration's greenhouse gas reduction target
2389 aims to have nationwide emission levels by 2030 relative to

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2390 2005 levels. At COP 28 in Dubai, the U.S. and nearly 200
2391 other countries committed to transitioning away from fossil
2392 fuels and cutting methane emissions.

2393 Ms. Giannetti, can you please explain how U.S. LNG
2394 exports impact our ability to meet these climate targets at
2395 all levels?

2396 How do you anticipate, if you do, that the Biden
2397 Administration's pause will have a positive impact on our
2398 work to meet these policy goals, both at home and abroad?

2399 And again, we are trying to get to these goals because
2400 they mean something, and we understand the implications of
2401 not getting there. And there is lots of industries, not just
2402 the LNG industry, that are needing to be brought into that
2403 broader way of thinking here. So if you could, speak to
2404 whether you think the pause can positively impact the
2405 progress we are trying to make towards these larger goals.

2406 *Ms. Giannetti. The pause is a critical step to
2407 ensuring that the criteria we are using when evaluating far
2408 future LNG exports incorporate the known climate and economic
2409 impacts of those exports. If all proposed projects were
2410 built, the U.S. would overshoot its climate targets by 41

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2411 percent, and 67 members of European parliaments have actually
2412 written a letter congratulating the Biden Administration on
2413 this pause, and specifically stating that they do not want to
2414 be used as a pawn by the fossil fuel industry to continue to
2415 build exports that are not going to be used for their daily
2416 security needs.

2417 *Mr. Sarbanes. Thanks very much.

2418 I yield back, Mr. Chair.

2419 *Mr. Duncan. The gentleman yields back. I will now go
2420 to Mrs. Lesko from Arizona for five minutes.

2421 *Mrs. Lesko. Thank you, Mr. Chairman. I have to say I
2422 have a lot of eye rolling going on over here, so I apologize.

2423 I have to deal with bad decisions this Administration
2424 makes on a daily basis, but stopping the progress of building
2425 U.S. LNG terminals is just simply an irrational decision. I
2426 cannot imagine a worse conceived idea that is more
2427 detrimental to reducing worldwide greenhouse gas emissions,
2428 and it also decreases world energy security and U.S. national
2429 security.

2430 President Biden claims he wants to reduce emissions.

2431 Banning LNG exports does the opposite. Let's start off with

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2432 some facts from Biden's own Department of Energy, his own
2433 Department of Energy.

2434 The U.S. has been the world leader in lowering carbon
2435 emissions. How did we do it? Primarily by substituting
2436 natural gas for coal power generation. We reduced our power
2437 sector emissions by 36 percent, over a billion metric tons of
2438 CO2. By 2050, worldwide coal consumption will increase _
2439 increase _ from 8 billion tons to 9 billion tons, an increase
2440 of over 1 billion tons. If the Biden Administration would do
2441 the smart thing and increase LNG exports to Europe, India,
2442 and Asia we can help them reduce their coal consumption by
2443 the same percent, which would be 3 billion metric tons, and
2444 reduce CO2 emissions many billions of tons.

2445 It is a common-sense and easy task to substitute U.S.
2446 natural gas for Russian natural gas that continues to flow to
2447 our allies in NATO and the EU. Russian natural gas exported
2448 to Europe has a life-cycle emissions profile 41 percent
2449 higher than U.S. LNG exported to Europe. If the European
2450 Union switched all of their natural gas imports to 2021 _ in
2451 2021 from Russia to the U.S., emissions would have been
2452 reduced over 218 million tons over the course of its life

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2453 cycle.

2454 Biden has waged a war on American energy, while ignoring
2455 the fact that even his own Energy Information Agency has said
2456 global demand for energy will increase by 50 percent between
2457 now and 2050. Embracing cleaner U.S. technology, U.S.
2458 resources, and free market principles is what allowed the
2459 U.S. to reduce emissions while ensuring reliable and
2460 affordable energy. President Biden and his Administration
2461 have consistently opposed American energy development.
2462 Rather than restricting domestic energy and mineral
2463 production, we need to unlock American resources to provide
2464 energy security here at home and for our allies abroad.

2465 Mr. Rice, this so-called pause was a political decision
2466 taken by DOE. Given that DOE has now politicized a process
2467 that is clearly in our national interest, and FERC is
2468 supposed to be an _ independent, and not subject to pressure
2469 from the White House or the Department of Energy, do you
2470 think this committee should consider revoking DOE's review
2471 for these projects and give sole authority to FERC?

2472 *Mr. Rice. I would defer to you all on what you think
2473 is best, but I would give this perspective for you to

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2474 consider.

2475 The pipeline cancellations that have taken place in this
2476 country and the pushback has obviously shown that there is a
2477 sign, there is a need for us to take actions to reform the
2478 permitting process. And hopefully, we can get it right
2479 because without it we are on the brink of an energy _ another
2480 energy crisis.

2481 *Mrs. Lesko. Thank you, Mr. Rice.

2482 Mr. McCown, Mr. Pallone earlier said exporting more LNG
2483 from the United States will help China. Can you give your
2484 thoughts on that comment?

2485 *Mr. McCown. Yes. Well, with China building a coal-
2486 fired power plant every other _ sorry, a couple a week, it is
2487 hard to see how that is the case.

2488 And what is curious to me is if we care about emissions,
2489 we should be talking about China and India a whole lot more,
2490 and less to the United States. But U.S. LNG abroad is
2491 reducing greenhouse gas emissions through substitution of not
2492 only coal, but other even higher-intensity burning products.

2493 *Mrs. Lesko. Thank you. And Mr. McCown, I have been
2494 told Germany is very upset that we are doing this so-called

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2495 pause on LNG permits because, quite frankly, they were
2496 promised by the Biden Administration that we were going to
2497 help them if they got rid of Russian national gas. Is that
2498 what you understand, and what are your thoughts on that?

2499 *Mr. McCown. That is what I understand, as well. And
2500 let's remember that Germany runs on natural gas, not
2501 renewables just yet.

2502 *Mrs. Lesko. Thank you very much.

2503 And I yield back.

2504 *Mr. Duncan. The gentlelady yields back. I will now go
2505 to Mr. Cardenas for five minutes.

2506 *Mr. Cardenas. Thank you, Chairman Duncan and Ranking
2507 Member DeGette for holding this important hearing, and I
2508 appreciate the opinions of the witnesses and you sharing your
2509 expertise with us.

2510 Under the Natural Gas Act, Congress required the
2511 Department of Energy to ensure that LNG shipments to non-
2512 free-trade-agreement countries are in the public's interest.
2513 This requirement was intended to put Americans and the
2514 communities we represent first. However, guidance on how the
2515 Department makes the determination on what is in the public's

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2516 interest has not been reviewed in over 40 years. Not only
2517 that, but the data that the Department has been using in its
2518 analysis is outdated and inadequate.

2519 The Administration's recent pause on LNG exports is an
2520 opportunity for the Department to conduct a long-overdue
2521 analysis to better reflect updated climate and economic
2522 realities that face our nation and the world. As a result,
2523 this process will allow for a more accurate determination on
2524 what is in Americans' best interest, including the people who
2525 will be most affected by these consequences.

2526 Ms. Giannetti, we know that LNG terminals burden the
2527 communities that host them. This has been made clear by
2528 science, Federal court decisions, and what we have heard
2529 directly from communities. In your testimony you said that
2530 the LNG exports have critical environmental justice impacts
2531 that DOE does not currently analyze. Can you explain how the
2532 DOE currently considers the short and long-term impacts of
2533 LNG exports on frontline communities, if at all?

2534 And even if the DOE doesn't currently consider them, can
2535 you talk about the impacts that these LNG terminals have on
2536 frontline communities?

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2537 *Ms. Giannetti. Thank you, Congressman.

2538 The Department of Energy does not consider environmental
2539 justice impacts of LNG export to date. That is part of the
2540 reason why it is important to update the criteria by which we
2541 do a public interest assessment.

2542 LNG can have a significant impact on environmental
2543 justice. The terminals are, by and large, built in
2544 communities that are disproportionately minority communities
2545 and lower income. It can cause issues with asthma,
2546 respiratory illnesses, and release of toxic compounds into
2547 the air, and these impacts have extremely serious effects
2548 that can compromise the vitality and economic security of the
2549 regions that are directly affected.

2550 Environmental justice is one of the most important
2551 issues that we need to look at today, and unfortunately, the
2552 Department currently doesn't do that.

2553 *Mr. Cardenas. Thank you very much, Ms. Giannetti. How
2554 will the Administration's pause enable the DOE to better
2555 incorporate environmental justice impacts into its decisions?

2556 And why is this reassessment potentially a big step
2557 forward for environmental justice?

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2558 *Ms. Giannetti. The pause enables the Department to not
2559 only work with scientific studies and with the national labs,
2560 but also to solicit feedback from community members that are
2561 affected by LNG development to ensure that we are properly
2562 accounting the disproportionate impact on environmental
2563 justice communities.

2564 *Mr. Cardenas. Thank you. Unfortunately, throughout
2565 this Congress, Republicans have built upon a decade-long
2566 effort to remove public interest determinations from LNG
2567 exports. If Republicans were successful in their efforts,
2568 only FERC would need to approve LNG export terminals.

2569 Can you talk about why this would be concerning, given
2570 FERC's recent history of ignoring climate and environmental
2571 justice impacts in its certificates under the Natural Gas
2572 Act?

2573 *Ms. Giannetti. Thank you, Congressman.

2574 I will first note that FERC is also subject to the
2575 public interest determination under the Natural Gas Act. So
2576 FERC also is required to look at all elements of the public
2577 interest in determining whether a project should be approved.
2578 Therefore, the concerns about whether the public interest is

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2579 properly being assessed affect both the Department and FERC.

2580 To date, FERC has failed to properly account for the
2581 climate, economic, and environmental justice impacts of LNG
2582 infrastructure. There are some reasons to potentially be
2583 hopeful that that could change, but so far we haven't
2584 actually seen anything happen.

2585 *Mr. Cardenas. Well, thank you. One of the original
2586 reasons why I ran for office almost 30 years ago was because
2587 I grew up in a neighborhood where all of the dump sites in
2588 Los Angeles were on my side of town, and the power plants to
2589 this day still exist on my side of town.

2590 But it is really interesting. Though that trash and
2591 that energy goes to all towns, all sides of the towns in my
2592 community, but yet on the west side of Los Angeles you don't
2593 find these facilities. Yet we service all of them. So
2594 equity is very important, and these reviews are very
2595 important, too.

2596 With that, my time having expired, I yield back, Mr.
2597 Chairman.

2598 *Mr. Duncan. The gentleman yields back. I will now go
2599 to the gentleman from Houston, Texas, where they know how to

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2600 export energy, Mr. Weber, for five minutes.

2601 *Mr. Weber. Thank you, Mr. Chairman. Before I get
2602 started I wanted to ask unanimous consent. I have four
2603 letters from Port Arthur, Texas, which, as you know, is west
2604 Louisiana. Mr. Cormier? You bet. And they are from the
2605 Chamber of Commerce, the county judge, the President of Lamar
2606 College, and also from _ I am sorry, Port Arthur Chamber of
2607 Commerce, Lamar State College, Mayor of Port Arthur, and from
2608 the county judge _ to enter them into the record.

2609 *Mr. Duncan. Without objection, so ordered.

2610 [The information follows:]

2611

2612 *****COMMITTEE INSERT*****

2613

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2614 *Mr. Weber. Thank you.

2615 Mr. Cormier, I want to come to you. I am a little put
2616 out with you. You offered to give somebody boudin and
2617 crawfish etouffee, but you didn't say nothing about gumbo.

2618 [Laughter.]

2619 *Mr. Cormier. You want a chicken and sausage, or shrimp
2620 and crab?

2621 *Mr. Weber. Well, both. All three of them. Well, my
2622 bride of 47 years grew up in a little town called Nederland
2623 over there by Beaumont. So we watched southeast Texas _ or
2624 southwest Louisiana, if you will _ you said if one of us
2625 sneezes, the other catches cold. We appreciate what you all
2626 are doing.

2627 Port Arthur has been the victim of a blight. And so
2628 what is happening with Sempra Energy and others _ not just
2629 Sempra, but others in Port Arthur, Texas _ southeast Texas,
2630 as we call it, is actually helping with the community,
2631 helping rebuild the community, that city.

2632 You know, I have got the four coastal counties of Texas
2633 starting at the Louisiana border, going down the south _ down
2634 the curve of Texas. We produce _ we have seven ports, more

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2635 than any other Member of Congress, some have four. We
2636 produce 65 percent of the nation's jet fuel, 80 percent of
2637 the nation's military grade fuel. Energy for us is a big,
2638 big deal.

2639 I am going to say real quick, Ms. Giannetti, if I can,
2640 if in fact the LNG is capable of helping to lower greenhouse
2641 gas emissions in the world, that would be a good thing. Yes
2642 or no, it would be a good thing if it does it?

2643 *Ms. Giannetti. One of the reasons why we need to
2644 properly reassess our tools _

2645 *Mr. Weber. That is _

2646 *Ms. Giannetti. _ is to be able to evaluate the impact
2647 of LNG _

2648 *Mr. Weber. Either LNG does a good job of reducing
2649 versus _ when you are talking about coal, you are talking
2650 about oil, you are talking about other things, LNG helps
2651 reduce greenhouse gas emissions. I got to move on, I am
2652 short of time.

2653 Back to you, Mr. Cormier. Can you elaborate on the
2654 jobs, from your vantage point, both direct and indirect, the
2655 tax revenues and all that these LNG exports _ by the way, I

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2656 didn't say, we have two LNG plants in our district. We have
2657 Freeport LNG and we have _ I mean, sorry, we have Golden Pass
2658 LNG, Sempra on the boards. And as you know, Cheniere is
2659 right across the road from the Sabine-Neches waterway, and
2660 Sabine-Neches Navigation District has a contract to export
2661 their LNG out. So we in Texas are responsible for a lot of
2662 that.

2663 Tell us about the direct _ both the direct and indirect
2664 impact on jobs, the tax revenues, and all that these LNG
2665 export facilities bring home. Tell us about that.

2666 *Mr. Cormier. This is directly from McNeese State
2667 University's H.C. Drew Center for Economic Development. In
2668 terms of completed and operating LNG facilities, construction
2669 resulted in impacts of almost 17,000 jobs, over 1.2 billion
2670 in labor income, almost 1.5 billion in real GDP. Operations
2671 resulted in annual impacts of over 3,000 jobs, almost 350
2672 million in labor income, and over 1 billion in real GDP.

2673 In terms of the announced LNG facilities, construction
2674 will result in impacts of over 25,000 jobs, almost 2 billion
2675 in labor income, over 2 billion in real GDP, and operations
2676 would result in almost 4,000 jobs, almost 440 million in

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2677 labor income, and over 1.3 billion in real GDP.

2678 That is the numbers that we have locally.

2679 *Mr. Weber. And that says a whole lot that we are doing
2680 a good job just creating jobs. It is reducing greenhouse gas
2681 emissions, whether some here want to admit that or not.

2682 Mr. McCown, I am going to jump over to you. In your
2683 testimony you laid the path forward for counties that rely on
2684 us LNG if this export ban remains. And this is an election
2685 year, and let's make no _ it is funny that our friends across
2686 the aisle want to talk about we are making it a political
2687 thing for whether it is Ukraine funding and blah, blah, blah.
2688 This is an election year.

2689 Can you speak to the environmental benefits that U.S.
2690 LNG provides, especially as it compares to producers
2691 worldwide?

2692 I have got about 35, 40 seconds.

2693 *Mr. McCown. Yes, absolutely. I mean, it significantly
2694 reduces greenhouse gas emissions.

2695 And we talk a lot about coal, which is about a 50
2696 percent emission reduction. But when we talk about fuel oil,
2697 wood, other things, it is _

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2698 *Mr. Weber. Dung.

2699 *Mr. McCown. I wasn't going to say it, but yes.

2700 *Mr. Weber. Yes.

2701 *Mr. McCown. Absolutely.

2702 *Mr. Weber. Well, and we appreciate that. And let's
2703 see, in the last 19 seconds, Mr. Rice, energy security is
2704 national security. What are you doing to help with it? You
2705 got 10 seconds.

2706 *Mr. Rice. We are promoting the Unleash U.S. LNG, I
2707 think, is calling that out as the biggest green initiative on
2708 the planet, which it is, to make sure that everybody
2709 understands the key to lowering global emissions and
2710 increasing energy security is the same answer.

2711 *Mr. Weber. I appreciate what you do.

2712 Mr. Chairman, I yield back.

2713 *Mr. Duncan. The gentleman yields back. We will stay
2714 in Texas and go to Mrs. Fletcher for five minutes.

2715 *Mrs. Fletcher. Thank you so much, Mr. Chairman, and
2716 thanks to our witnesses for your insights today. This issue
2717 is important, and I am glad that we are having this hearing.

2718 Obviously, sitting through all of this hearing I have a

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2719 lot to say, but only five minutes to do it, so I am going to
2720 be quick and be on time.

2721 Look, I agree with a lot of the comments that have been
2722 made today about the benefits of U.S. LNG. And those of us
2723 in Houston, which I am proud to represent, and all along the
2724 Gulf Coast have a lot to say about them.

2725 I have also heard several things that I disagree with
2726 today, and I am going to first take a minute to disagree with
2727 what we heard from Chairwoman McMorris Rodgers and others and
2728 the very title of this hearing, that last week's announcement
2729 from the Biden Administration is an export ban. It is not.
2730 Several people have made that observation today, too. But as
2731 we know, it is a temporary pause on the approval of export
2732 permits at DOE while it reviews and updates its public
2733 interest determination process.

2734 I think Ms. Giannetti explained the process very well in
2735 her testimony. So thank you for that very clear explanation
2736 of what is involved.

2737 But certainly, what we have seen is that this pause has
2738 caused concern and uncertainty in industry and in
2739 communities, and I think this is really an opportunity for us

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2740 to focus on that, but I think that it is really not helpful
2741 to our efforts to call it a ban, because then we are not
2742 talking about what is really happening and we are not talking
2743 about what we should do next.

2744 As I see it, this is an opportunity to address what I
2745 see are the three principal issues that are driving this that
2746 have been raised as concerns today: climate, cost, and
2747 communities. Those are the three things that I think we are
2748 talking about.

2749 I think it is also an opportunity to address some of the
2750 issues and get the market in order, addressing issues of
2751 supply, ensuring confidence of our European allies and
2752 others, and enforcing our existing permits. So as I said, I
2753 disagree with the framing.

2754 I also disagree with some of the things we have heard
2755 today about costs for consumers and the effects of LNG on
2756 domestic prices. A 2012 report from the Obama Administration
2757 found that U.S. economic welfare consistently increases as
2758 the volume of natural gas exports increases, and that
2759 includes scenarios on which there are unlimited exports. So
2760 I think that is really important to note when we are talking

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2761 about costs for consumers.

2762 Since 2016, when LNG exports began in earnest, the Henry
2763 Hub natural gas spot price has remained stable, and it is an
2764 average of \$2.5 per million BTU. So we simply have not seen
2765 a domestic price impact at this point, and I think that that
2766 is an important part of our conversation.

2767 I am hopeful that DOE, in its review of the data, will
2768 reach these same findings that multiple administrations in
2769 both parties have found, that exporting LNG is in the public
2770 interest.

2771 LNG exports, as we have discussed today, really ensure a
2772 future that is marked by affordable, accessible, reliable,
2773 and sustainable energy that promotes global stability at a
2774 moment when we desperately need it, and advances the energy
2775 transition. And these are things that we are very focused on
2776 in Houston. Houston is the energy capital of the world. We
2777 touch every part of what is going on in LNG and in other
2778 areas.

2779 And so, while we have touched on it already, I really do
2780 think it bears repeating that it has only been eight years
2781 since the United States began exporting LNG, and we have

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2782 become the world's top exporter of natural gas. And the
2783 growth that we have seen from the shale revolution really has
2784 powered our economy and increased our national security. And
2785 it is not just ours, as we know, it is critical for our
2786 allies' security. There has been a lot of discussion about
2787 impacts in Europe and the impacts in Ukraine, in particular.

2788 And I want to associate myself with the comments of our
2789 Ranking Member DeGette on the issues facing Ukraine in this
2790 moment, and the importance of American leadership both in
2791 energy exports, as well as in securing aid to our allies and
2792 partners in Europe.

2793 I also will note that this is why I introduced the
2794 American Gas for Allies Act in the last Congress, which would
2795 extend the automatic public interest determination to
2796 countries where we don't have a free trade agreement, but we
2797 would include NATO members, and I really hope this committee
2798 will consider it if we can.

2799 But I don't have a lot of time left for my questions, so
2800 I am going to submit them for the record.

2801 [The information follows:]

2802

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2803 *****COMMITTEE INSERT*****

2804

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2805 *Mrs. Fletcher. But as I said, I really see these three
2806 pillars of the challenges in front of us, and one of the ones
2807 that I really want to focus on is the impact on communities.
2808 There is a lot of work we can do here.

2809 Just because we have cleaner American natural gas that
2810 is more competitive on the world market doesn't mean that our
2811 work to reduce emissions and safeguard our communities where
2812 that gas is exported from or developed is complete. We
2813 really need to engage and make sure that communities
2814 neighboring these facilities are confident that their needs
2815 are being met, that their concerns are being addressed in the
2816 permitting process. And I think there is an opportunity here
2817 to do that.

2818 And so I am going to submit questions for the record,
2819 Ms. Giannetti, and also, Mr. Cormier, I specifically want to
2820 address them to you. I have a couple of others that I will
2821 send to you all, but I do really appreciate hearing from you
2822 all today, and I appreciate the time.

2823 Mr. Chairman, thank you, and I yield back.

2824 *Mr. Duncan. The gentlelady yields back. I will now go
2825 to Ohio's Mr. Balderson for five minutes.

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2826 Oh, hold on, hold on, Troy. Okay, Mr. Balderson is
2827 recognized for five minutes. You fine with that?

2828 Okay, Mr. Griffith is recognized for five minutes.
2829 Let's go.

2830 *Mr. Griffith. All right, sorry. As I think Ms.
2831 DeGette said earlier, she parachuted into my hearing, I have
2832 now parachuted into your hearing, and I apologize to all of
2833 you for not having been here the whole time, but I have been
2834 upstairs, along with others in another subcommittee hearing.

2835 So Mr. Rice, my colleague mentioned that it is _ that
2836 what the White House position was of last week or the last 10
2837 days or so was not a ban, but merely a pause as they study
2838 things. But am I not correct that the world is looking to
2839 the U.S. for more and more natural gas to supplant other
2840 natural gas providers, or just to supplant other fuels?

2841 *Mr. Rice. Yes. I mean, regardless of whether you call
2842 it a pause, a ban, it has a chilling impact on investors. It
2843 has a chilling impact on our ability to get these projects
2844 built, and it has not stopped the desire for more energy from
2845 the United States.

2846 Just yesterday the UK signed up for a 3 million-ton-per-

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2847 annum deal with Venture Global on the CP2 facility. So all
2848 it has done is create a lot of confusion in the marketplace
2849 and, quite frankly, is appearing to be not necessary.

2850 *Mr. Griffith. And doesn't that confusion lead to an
2851 instability in the reliance on American natural gas?

2852 *Mr. Rice. I mean, confusion is going to cause people
2853 that have expected to _ the security from the United States
2854 to look elsewhere. And it is a lost opportunity for us, and
2855 something that _ we are going to have to reassure our allies
2856 that we are here to help provide energy security, because
2857 your energy security is our energy security.

2858 *Mr. Griffith. And if they start looking elsewhere
2859 because we have instability or we are not reliable to provide
2860 them not only what we are currently giving them, but
2861 additional natural gas, what choices do they have, other than
2862 us or Russia? I mean, I know there is a couple of small
2863 actors, but _

2864 *Mr. Rice. Yes.

2865 *Mr. Griffith. Aren't we the big actors, the United
2866 States and Russia?

2867 *Mr. Rice. I mean, the United States is the largest,

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2868 but we do need to understand we do not control the market.
2869 There are other options, and some of these options may not be
2870 as friendly to the United States as we would like. Russia,
2871 Iran are two other large producers of gas that have a lot of
2872 potential.

2873 And the other big alternative that people can run into
2874 is foreign coal. So whether we have an energy security issue
2875 or we start having a emissions rising, I mean, that is what
2876 is happening. If the United States does not supply this LNG,
2877 that means there is going to be more coal.

2878 *Mr. Griffith. So if we get a request from India and we
2879 can't provide it, they will burn their coal, which is not
2880 nearly as clean as the coal in my district. Isn't that true?

2881 *Mr. Rice. That is absolutely correct, and I think that
2882 is the biggest thing that people need to understand. Less
2883 LNG means more coal. Less LNG does not mean more renewables,
2884 it simply means more coal and higher emissions.

2885 *Mr. Griffith. Now, we talked about how, when we
2886 started _ and we had an example here in Congress _ when we
2887 started exporting oil again, the prices didn't go up. My
2888 colleague from Texas just talked about how people worried

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2889 when we started exporting LNG that, you know, our prices
2890 would go up, and they have been relatively stable.

2891 But if we don't export, do you think prices might go up,
2892 as opposed to the reverse, which most people would think is
2893 that if we export more prices would go up, but in reality
2894 that instability in the market stops exploration, or stops
2895 new wells from being committed to and, therefore, doesn't
2896 that actually have the inverse effect?

2897 *Mr. Rice. Yes. Let me give you an example. I mean,
2898 it is real simple for me. Exports mean surplus, and surplus
2899 means lower volatility protection from price shocks.

2900 Listen, the world is energy short. And as you have seen
2901 what happened in _ with Russia and Ukraine and Europe's
2902 energy security had trickle impacts over to us in the United
2903 States. So what happens around the world is going to impact
2904 us.

2905 How do we protect ourselves? More exports, create more
2906 surplus here in America. And exports are the only reason for
2907 us to create that surplus.

2908 How can this help us respond to high prices? Right now,
2909 by the time I push the button on my desk to add rigs to go

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2910 out and add _ if I see a price signal, it takes 18 months to
2911 go and make sure that production hits the market to help
2912 relieve prices. In an unleashed U.S. LNG scenario, where
2913 that production is flowing through our pipelines to supply an
2914 export market, we can divert that production and respond to
2915 that price signal in 18 hours. That is how we keep prices
2916 low from everybody, and protect Americans from really the big
2917 problem, which is the really volatile price shocks. Exports
2918 are going to be the key to providing the surplus and keeping
2919 energy secure here for Americans.

2920 *Mr. Griffith. I appreciate you being here today, and I
2921 yield back. Thank you.

2922 *Mr. Duncan. The gentleman yields back. I now go to
2923 Mr. Veasey from Texas for five minutes.

2924 *Mr. Veasey. Mr. Chair, thank you very much, and I want
2925 to thank the panel for being here today.

2926 As you know, these discussions that we have around
2927 energy become very contentious. I like to compare them _ as
2928 a lifelong Fort Worth native, I could almost compare them to
2929 the same sort of tension that we see every _ twice a year,
2930 when the Eagles and the Cowboys play each other. It is

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2931 almost like that sort of black and white. But we know that
2932 it is really not that black and white, that this is a very
2933 complicated story, that is not an easy story. For many, the
2934 way that it is presented to the media and to organizations
2935 and what have you, it is presented as easy, simple, binary,
2936 black-and-white choices. But this is some complicated stuff.

2937 And, you know, I have been a proponent of LNG exports
2938 because I do think that they hold significant benefits for
2939 the U.S., our economy, our energy security. And in addition
2940 to our energy security, our efforts to combat climate change,
2941 because the energy security piece and the climate change
2942 piece go hand in hand, you absolutely cannot separate them,
2943 they go hand in hand.

2944 And so I hope that we can move the needle more in that
2945 direction, and start moving the discussion more in that
2946 direction. We have a long way to go, obviously, but it is
2947 something that I think the world needs to start embracing.
2948 That is one of the reasons why I led a letter with my
2949 Democratic colleagues to urge the White House to refocus
2950 policies that support continued LNG exports.

2951 And while we are here today we cannot forget that we are

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2952 making great investments to reduce methane emissions from oil
2953 _ from the oil and gas sectors, as well. The IRA provided
2954 1.5 billion for grants, rebates, contracts, loans to support
2955 emission monitoring and methane reduction efforts. This is
2956 coupled with the proposed Waste Emissions Charge and Subpart
2957 W revisions from EPA aimed at getting a real empirical
2958 emission data.

2959 And all of this suggests that, along with the incentives
2960 for other forms of cleaner energy passed in the IRA, we
2961 should consider environmental benefits of U.S. gas production
2962 and exports to already be a part of the strong geopolitical
2963 and domestic reasons for greater gas production in the near
2964 term. And so I hope that the Administration pauses, but I am
2965 confident that this ensuing study will demonstrate the clear
2966 merits of LNG exports.

2967 And I wanted to ask Ms. Giannetti, what happens after a
2968 company receives an export license? Is there a significant
2969 regulation or oversight once someone has received a license
2970 to ensure that all exporters are abiding by the terms set
2971 forth in the license or contracts?

2972 *Ms. Giannetti. Thank you for the question,

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2973 Congressman.

2974 Typically, in an approval from the Federal Energy
2975 Regulatory Commission, there will be a variety of
2976 expectations and requirements that the LNG terminal is
2977 expected to meet.

2978 *Mr. Veasey. Okay. I wanted to ask Toby Rice.

2979 You stated in your 2022 10-K filing that you do not
2980 believe that EQT will be subject to EPA's waste emission
2981 charge. Now that EPA has released its proposal, do you still
2982 believe that to be the case?

2983 And if so, can you elaborate on how EQT is going to meet
2984 that 0.2 percent threshold?

2985 *Mr. Rice. Specifically what regulation are you talking
2986 about again?

2987 *Mr. Veasey. It is the EQT and the 10-K filing. It
2988 says that EQT will not be subject to EPA's waste _

2989 *Mr. Rice. Sure.

2990 *Mr. Veasey. _ emission charge.

2991 *Mr. Rice. Sure. Yes, so EQT, the reason why we won't
2992 be subject to a penalty is because our methane emissions will
2993 be so much better from a performance perspective than the

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2994 limit set by the EPA.

2995 For perspective, you know, we have reduced our methane
2996 emissions by 70 percent in just the last 18 months. We did
2997 it quickly, cost effectively, and our methane emissions are
2998 going to be about 10 times better performing than the EPA
2999 limits. It shows you the power of this modern _

3000 *Mr. Veasey. Let me ask you this.

3001 *Mr. Rice. _ development.

3002 *Mr. Veasey. Okay, and let me ask you this real quick,
3003 before _ while I still have a couple of seconds left. Even
3004 if you are not subject to the charge, do you support EPA's
3005 Methane Emissions Reduction Program, including the Waste
3006 Emissions Charge, Subpart W revisions, and the reporting
3007 requirements?

3008 *Mr. Rice. EQT has been supportive of methane
3009 regulation and refreshing that.

3010 *Mr. Veasey. Thank you very much.

3011 Thank you, Mr. Chairman.

3012 *Mr. Duncan. The gentleman yields back. I will now go
3013 to Mr. Balderson for five minutes.

3014 *Mr. Balderson. Thank you, Mr. Chairman. Thank you for

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3015 having this hearing today, and thank all of you from the
3016 panel for being here today.

3017 Mr. McCown, I do have to say I have three _ or two _
3018 RedHawks in my office. Glad to see someone from Miami
3019 University of Ohio here. So thank you for being here.

3020 Mr. Rice, thank you for being here today. You mentioned
3021 that over the past few years EQT has averaged nearly \$1
3022 billion in payments to Ohio, West Virginia, Pennsylvania
3023 landowners. Is that correct?

3024 *Mr. Rice. That is correct.

3025 *Mr. Balderson. Thank you. If the ban on LNG exports
3026 remains in place, how would the impact the benefits _ how
3027 will that impact the benefits that those communities are
3028 seeing from natural gas production?

3029 *Mr. Rice. It would be _ would mean a reduction in
3030 those royalty payments, specifically because the _ we would
3031 not have the need to produce more to fill the export demand.

3032 *Mr. Balderson. Thank you.

3033 Mr. Cormier, thank you for being here, sir. Would you
3034 like to add anything on how this ban would impact communities
3035 in Louisiana?

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3036 *Mr. Cormier. It impacts business decisions, whether
3037 from the LNG companies, but everyone else under that. Again,
3038 I want to reemphasize business decisions are made by people
3039 planning with certain degrees of expectation.

3040 Lastly, what I would like to do, I would invite the
3041 whole committee to Lake Charles, Louisiana, Cameron Parish so
3042 you can see exactly the impact, the positive impact, the
3043 things that are going on in our community as we build from
3044 the disasters that we have dealt with, along with how this
3045 industry is very important in making us become stronger
3046 because we are a strong people and we like working and making
3047 things happen and moving forward.

3048 *Mr. Balderson. Thank you. I have seen the impacts of
3049 the shale revolution firsthand. It has been an absolute game
3050 changer in Appalachia, Ohio.

3051 Mr. Rice, thank you. I am well aware of what you have
3052 done in southeastern and eastern Ohio. And just recently,
3053 the Muskingum Watershed Conservancy District, which covers
3054 most of my congressional district, released a report showing
3055 revenues from Utica shale leases have raised the region's
3056 economy by nearly \$1 billion. When I look at the lifeline

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3057 that natural gas has given my district and the Appalachia,
3058 Ohio, it makes the Biden Administration's decision even more
3059 puzzling.

3060 Mr. Rice and Mr. McCown _ I will go with Mr. Rice first
3061 _ I understand that a new major Russian LNG export facility
3062 is scheduled to come online this year. At the same time,
3063 Iran is hoping to complete a new LNG export facility next
3064 year. Is that correct, Mr. Rice?

3065 *Mr. Rice. There are multiple LNG facilities across the
3066 entire world that we, the United States, is competing with.

3067 *Mr. Balderson. Okay.

3068 Mr. McCown, in 2022, 64 percent of the U.S. LNG exports
3069 went to Europe, and last year only 10 percent of Europe's
3070 natural gas needs were met by domestic productions.

3071 I apologize, this is for Mr. Rice. Mr. Rice, despite
3072 increased U.S. LNG exports to Europe in recent years, is
3073 Europe still burning Russian LNG and Russian national gas
3074 delivered by pipelines?

3075 *Mr. Rice. Russia still is consuming _ sorry, Europe is
3076 still consuming Russian energy.

3077 *Mr. Balderson. Did you want to add anything to that,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3078 Mr. McCown?

3079 *Mr. McCown. No, that is completely accurate. So
3080 Russia is still getting money out of Europe to conduct its
3081 war activities in Ukraine.

3082 *Mr. Balderson. Thank you. Do either of you think _
3083 Mr. Rice and Mr. McCown, do either of you think it is in
3084 America's best interest for Europe to continue relying on
3085 Russia to meet its energy needs?

3086 Mr. McCown, I think you just answered it, but is that _

3087 *Mr. McCown. Yes.

3088 *Mr. Balderson. _ correct?

3089 *Mr. McCown. No, it is _ of course, it is not.

3090 *Mr. Balderson. Thank you.

3091 Mr. Rice?

3092 *Mr. Rice. I would say that, ultimately, it is up to
3093 Europe to determine where they need to get their energy from.
3094 But as we have seen, they prefer American resources. And
3095 America has the ability, the resource to replace Russian
3096 energy on the world market when it _ when we are talking
3097 about natural gas.

3098 *Mr. Balderson. Okay, I will just go with one more

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3099 question.

3100 Mr. Rice, you mentioned that EQT has cut methane
3101 intensity by roughly 70 percent since 2019. Can you discuss
3102 specifically _ we talked a little bit about it from the last
3103 question _ what steps your company has taken to reduce
3104 methane emissions and enhance operational efficiencies?

3105 *Mr. Rice. Sure. I will be very brief.

3106 Number one, massive operational efficiencies from being
3107 able to drill faster, that has happened across the entire
3108 industry. You see we used to run 2,000 rigs, now we are
3109 having record productions with just 600 rigs.

3110 The second thing is pinpointing _ is electrifying the
3111 oil field, replacing diesel equipment with natural gas
3112 equipment.

3113 The third thing is replacing pneumatic devices for
3114 natural gas as the biggest source of equipment. For methane
3115 emissions we have pulled all 9,000 of those out in less than
3116 18 months for a cost of less than \$10 per ton.

3117 It is important to understand that these opportunities
3118 that we are doing at EQT to lower our methane emissions are
3119 available for other natural gas operators, and we are working

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3120 open source with operators to showcase the world that methane
3121 emissions will be knocked out of the park.

3122 *Mr. Balderson. Thank you for what you have been doing,
3123 and thank you, everybody, for being here.

3124 Mr. Chairman, I yield back.

3125 *Mr. Duncan. The gentleman yields back, and I will now
3126 go to the gentlelady from Florida that both imports and
3127 exports natural gas, Ms. Castor.

3128 *Ms. Castor. Thank you, Mr. Chairman. You know, it has
3129 only been since 2016 that Congress authorized the export of
3130 fossil gas. It has grown exponentially. It has had some
3131 positive benefit of displacing dirty coal, but I think now,
3132 looking out to the future, as the estimates are that the
3133 exports could double, it is an appropriate time for the
3134 Administration to take a hard look on the _ what the impacts
3135 are going to be.

3136 Is it going to continue to raise prices on my folks back
3137 home? Because my neighbors in the Tampa Bay area, we are
3138 being socked. Our electric bills, primarily tied to gas, are
3139 out of sight. Is it going to create additional environmental
3140 risks for the people of the Gulf Coast?

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3141 What does it mean for our national security? I am sure
3142 that unfettered exports are great news for gas companies.
3143 They will benefit. But really, what impact does it have on
3144 American families and on our national security and pollution?
3145 And especially as we know that a lot of these exports go to
3146 China _ I serve on the select committee on kind of
3147 confronting the Chinese Communist Party. Is this going to
3148 fuel what they are doing right now?

3149 Ms. Giannetti, do U.S. LNG companies send a significant
3150 amount of their product to China?

3151 *Ms. Giannetti. Yes. Currently, China ranks around
3152 seventh in overall, but in terms of future LNG exports, it is
3153 the single largest identified consumer, amounting to up to 14
3154 percent.

3155 *Ms. Castor. It is interesting that so many seem so
3156 eager to fuel Chinese industry without weighing potential
3157 energy and national security risks.

3158 And Ms. Giannetti, how do the _ how does the LNG boom
3159 impact energy bills for American families?

3160 And do you think the massive growth of exports has
3161 contributed to U.S. inflation by raising energy costs for

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3162 American families?

3163 *Ms. Giannetti. Energy costs are one of the most
3164 important things for American pocketbooks. And as we have
3165 seen, when there is a increase in exports it has a
3166 disproportionate impact on gas-reliant energy consumers and
3167 raises energy bills. So it has a negative impact on the U.S.
3168 public interest and the U.S. economy.

3169 *Ms. Castor. And I have one study in front of me that
3170 found that gas exports cost U.S. consumers \$100 billion over
3171 a 16-month period.

3172 But I go back to what I hear from my neighbors in the
3173 Tampa Bay area every day. Because we are not tapping lower-
3174 cost, cheaper energies like solar power, they have been
3175 overly reliant on gas and it has been an enormous drag on
3176 their economic well-being. The electric bills are out of
3177 sight because we are tied to gas. It is too volatile.

3178 Also, I want to emphasize that the Biden Administration
3179 closely considered Europe's energy security in making this
3180 decision, which followed a letter January 25 from over 60
3181 members of the EU Parliament in support of taking a look at
3182 this. The letter clearly states that Europe should not be

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3183 used as an excuse to expand LNG exports that threaten our
3184 shared climate and have dire impacts on U.S. communities.

3185 Do you think it is important to consider our other
3186 policy-makers overseas?

3187 *Ms. Giannetti. Certainly, Congresswoman, and that is
3188 part of the reason why this is an extremely measured, common-
3189 sense announcement from the Administration, because it has
3190 zero effect on current LNG exports or already-approved LNG
3191 exports, the ones that are going to Europe.

3192 *Ms. Castor. And didn't recently at the Conference of
3193 Parties all countries on the planet agree that it was time to
3194 transition away from fossil fuels?

3195 *Ms. Giannetti. Yes, at COP 28.

3196 *Ms. Castor. And part of the reason is because _ that
3197 there are significant burdens on many communities across the
3198 country. So many of the communities along the Gulf Coast
3199 have long carried the burden of these dirty industries.

3200 Do communities along the Gulf Coast benefit from rising
3201 exports to countries like China, or are there significant
3202 environmental risks associated with expansion of LNG export
3203 terminals?

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3204 *Ms. Giannetti. As a former resident of Gulf
3205 communities in Louisiana, Texas, and Florida, I have seen
3206 firsthand the impacts of energy expansion on the energy
3207 security and climate security of the Gulf.

3208 It is super important that we focus on the impact of
3209 these projects on Americans, both in terms of their
3210 pocketbooks, but also in terms of their overall energy and
3211 climate security. And the Administration's pause will enable
3212 us to do that.

3213 *Ms. Castor. I wholeheartedly agree, and I compliment
3214 the Administration for their willingness to take this look at
3215 our national security, affordability, and the incredible
3216 environmental impacts of what is going on.

3217 Thank you, and I yield back.

3218 *Mr. Duncan. The gentlelady yields back. I will now go
3219 to Mr. Pfluger from Texas for five minutes.

3220 *Mr. Pfluger. Thank you, Mr. Chairman. I am proud to
3221 sponsor the bill that would push back on the Administration.

3222 Let me read you a quote from September 6, 2019: "Kiddo,
3223 I want you to look at my eyes. I guarantee you, I guarantee
3224 you we are going to end fossil fuels.'" That was candidate

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3225 Joe Biden. And to hear my colleagues on the other side of
3226 the aisle say this is not a ban, give me a break. The
3227 Administration has used every weapon available for three
3228 years, and this is the latest, but this is the most
3229 egregious.

3230 Let's talk about the impact. And by the way, for our
3231 Democrat witness, I do agree it is measured. I actually say
3232 it is calculated. It is very calculated. This decision is
3233 very calculated. So let's just talk about the impact of what
3234 this will do to not only our domestic production and our
3235 country, our economy, but to the geopolitical scene, and I
3236 will start with Mr. Rice.

3237 Thank you for your testimony today. Has time been used
3238 as a weapon both previously, and is this another use of that?

3239 And what is the impact to EQT, what is the impact to
3240 your buyers? Tell us the story that you are facing.

3241 *Mr. Rice. Yes, I mean, this is the playbook. It is
3242 delay, introduce uncertainty. And the playbook has been
3243 proven to be incredibly impactful and incredibly effective.

3244 Pipeline cancellations are probably one of the most
3245 destructive forces that are causing energy prices to be

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3246 extremely erratic. And unfortunately, we are starting to see
3247 the beginning of that playbook on the LNG industry.

3248 *Mr. Pfluger. For Mr. McCown, talk about the
3249 geopolitical impacts. How does this affect our national
3250 security?

3251 And by the way, it has been said that this doesn't
3252 impact FTA countries. Well, there is 195-plus countries in
3253 the world, and only 14 of them are FTA. So let's just make
3254 that point, that that is 7 percent of the countries. And the
3255 rest of them _ and I will get to a question for Ms.
3256 Giannetti, but talk to us about geopolitical and national
3257 security impacts.

3258 *Mr. McCown. Yes, well, it undermines that. I mean, it
3259 undermines American credibility both from the reassurances
3260 that were just recently given to countries. But more
3261 importantly than that, it potentially deprives our allies and
3262 friends of fuel sources they need for their own energy
3263 security.

3264 And if I may, real quickly, this _ we study things to
3265 death, right? That is how you get rid of things. And so
3266 fool me once, fool me twice. KXL, DAPL, MVP. It is a little

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3267 hard to take the Administration at its word right now.

3268 *Mr. Pfluger. I take them at their word when President
3269 Biden, before he was President, said he was going to kill
3270 fossil fuels. That is exactly what he intended to do, and
3271 this is the playbook.

3272 I will talk to Mr. Cormier. It has been mentioned,
3273 environmental justice. Some of the colleagues on the other
3274 side of the aisle talked about it, but they have concerns.
3275 What is your perspective on what LNG and what the
3276 opportunities in some of these export facilities and plants,
3277 you know, like the Commonwealth project has for your
3278 community?

3279 *Mr. Cormier. When you look at the FERC map _ and this
3280 is something I think is very important, that is why I would
3281 love to have our agency host the committee _ these LNG plants
3282 or LNG facilities are not anywhere near folks that are spoken
3283 of as being impacted. I am from what you would call North
3284 Lake Charles, which is the urban part of Lake Charles, born
3285 and raised there. There is no industrial facility anywhere
3286 in our community.

3287 These facilities on the coast _ granted, Cameron Parish,

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3288 you have 230 people in Cameron proper. Cameron is a very
3289 small place, a very important place, historically part of
3290 Louisiana's culture. Hackberry has about 1,000 folks where
3291 Cameron LNG is at. Cheniere, right across you have Port
3292 Arthur right over the Sabine River. These impacts that we
3293 are talking about, especially when it comes to these _ the
3294 populations that is being focused on, it is not in their
3295 backyard.

3296 *Mr. Pfluger. Thank you.

3297 Ms. Giannetti, what percentage of the Louisiana grid is
3298 serviced by LNG?

3299 *Ms. Giannetti. What percentage of the Louisiana _

3300 *Mr. Pfluger. Electrical grid.

3301 *Ms. Giannetti. I do not know the answer to that.

3302 *Mr. Pfluger. Fifty-plus percent. So these are the
3303 people that we are worried about, all of us are worried
3304 about.

3305 So what I want to ask you is, if the law says that they
3306 must approve, as your testimony states, why is DOE stalling?

3307 We go from a 90-day approval process during the Obama
3308 Administration to an average of 60 days during the Trump

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3309 Administration, to an average of 365-plus days during this
3310 Administration. But yet you say that that they must approve,
3311 as your testimony states. Why are they stalling?

3312 *Ms. Giannetti. What I said, Congressman, is that DOE
3313 is required to approve FTA authorizations. It is not only
3314 within its right, but it is actually in the legal requirement
3315 for it to do a public interest assessment for an NFTA.

3316 *Mr. Pfluger. I think what we know is what candidate
3317 Biden said, was he wanted to kill fossil fuels. And he is
3318 making good on that promise. And we are going to stand in
3319 the gap to push back on a really egregious bad decision.
3320 That is why I am proud to sponsor 7176 to push back on this
3321 Administration and to strengthen our country's energy
3322 security because we know it is national security.

3323 Mr. Chairman, I yield back.

3324 *Mr. Duncan. The gentleman yields back. I now go to
3325 Mr. Pence from Indiana for five minutes.

3326 *Mr. Pence. Thank you, Chairman Duncan and Ranking
3327 Member DeGette, and thank you to the witnesses for being here
3328 today.

3329 The Biden Administration's ban on exports of LNG is

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3330 another misguided decision to add to their disastrous and
3331 anti-American energy track record. By banning further LNG
3332 exports, this Administration makes it clear that they favor
3333 radical environmentalists over Hoosiers and all Americans.

3334 American LNG exports are critical to our nation's energy
3335 security, and this decision plainly shows that President
3336 Biden and his Administration lacks a competent understanding
3337 of global energy markets. This action could severely impact
3338 necessary investment in international gas infrastructure over
3339 the next decade and beyond. Businesses need certainty that
3340 they can produce, distribute, and sell their products.

3341 In the three years since Biden took office, this
3342 Administration has made it more difficult to produce energy,
3343 nearly impossible to distribute, and now have taken steps to
3344 ban the sale of American products abroad. Unfortunately,
3345 decisions affecting natural gas production and distribution
3346 affect long-term investments and could take years to be fully
3347 realized. And this is in an industry that has spent over 100
3348 years delivering energy where it needs to be, when it needs
3349 to be, and in an affordable way.

3350 Mr. Rice, my question is for you. I spent my career

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3351 distributing petroleum products across the country. As you
3352 well know, the gas supplies underneath your feet, Marcellus,
3353 are only worth your ability to deliver it to end users and
3354 monetize that. Your testimony talks about the infrastructure
3355 inefficiencies that are borne onto the consumer. How have
3356 decisions by this Administration, including efforts to ban
3357 LNG exports, impacted investment in the distribution chain,
3358 and how does that affect the consumer?

3359 *Mr. Rice. To have an environment where over, I would
3360 say, almost 10 percent of the pipeline capacity of projects
3361 would be canceled, to have an environment where it requires
3362 an act of Congress to get a pipeline built, ask yourself
3363 which pipeline company is actually _ what is it going to take
3364 to actually step out and invest in another project?

3365 It is going to take a whole heck of a lot, and so it has
3366 been absolutely chilling. And unfortunately, the approach
3367 that is _ if we are taking that same approach with
3368 infrastructure in the form of LNG, it is going to have the
3369 same end result, and it is going to be unnecessarily high
3370 energy costs, and it is going to be a lost opportunity for
3371 our communities in this country.

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3372 *Mr. Pence. And the delay is going to be costly for
3373 your company, and you are just going to have to get your
3374 investment back. Is that correct?

3375 *Mr. Rice. That is correct, and that means that we are
3376 not going to be able to share this amazing, decarbonizing
3377 resource that we have, that we are blessed with, with the
3378 world. And what that means is that the world is going to
3379 continue to use more coal, emissions are going to continue to
3380 skyrocket, and we are going to sit here maybe happy that we
3381 stopped energy infrastructure in this country, but we have
3382 done nothing to meet our objective to lower global emissions.
3383 We have done nothing to provide energy security to the world
3384 and Americans as long as we don't get smart about getting
3385 back to building things in this country.

3386 *Mr. Pence. Okay, thank you, Mr. Rice.

3387 *Mr. Duncan. Will the gentleman yield?

3388 *Mr. Pence. I am going to yield the balance of my time
3389 to _

3390 *Mr. Duncan. Will the gentleman yield?

3391 *Mr. Pence. _ Mr. Armstrong.

3392 *Mr. Duncan. You are next. Can I get it?

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3393 *Mr. Armstrong. Yes.

3394 *Mr. Duncan. Yes, just for a couple of seconds. I
3395 thank the gentleman.

3396 You know, American energy, energy production, delivery,
3397 utilization, and export means jobs. We have heard a lot
3398 about social justice and whatnot. I can tell you Mr. Cormier
3399 understands this in Lake Charles and southwestern Louisiana.
3400 But I have traveled from Lafayette to Houma to Thibodaux down
3401 to Port Fourchon, a four-lane highway on both sides of the
3402 road, business after business after business after business
3403 after business supports what goes on onshore and offshore,
3404 people going to jobs in the energy sector.

3405 But guess what? Those companies support the YMCA and
3406 the United Way and the Chambers of Commerce, and they eat at
3407 the local restaurants, they tip the waitresses, and they
3408 tithe at their churches. Jobs, that is what the energy
3409 sector provides. And this policy shuts down export terminals
3410 and the ability of energy producers to help change global
3411 emissions and support our allies around the world. That is
3412 what it means. But jobs here at home is more important to
3413 me.

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3414 I yield to Mr. Armstrong.

3415 *Mr. Armstrong. Thank you. I just have a really quick
3416 question, because it has been brought up a couple times. We
3417 are talking about this EU letter, parliament letter that was
3418 signed, by my understanding, if not _ most, if not all of the
3419 people who signed that, are actual communists. Mr. McCown,
3420 are you aware of this letter?

3421 *Mr. McCown. I am aware that at least some of the
3422 signatories are members of the Communist Party, members of
3423 the Green Party, other far left parties in Europe.

3424 You know, this is very instructive, though, because
3425 whether _ I thought it was 76, but maybe it is 67. Whatever
3426 it is, there are 705 members of Parliament. So obviously, a
3427 decision didn't go over very well.

3428 *Mr. Duncan. The gentleman's time has expired, I will
3429 now recognize Mr. Armstrong for five minutes.

3430 *Mr. Armstrong. Thank you, Mr. Chairman.

3431 I serve on committees that get a little more heated, and
3432 we are here, and I have a hard time, but _ with some of this.
3433 But I just want to be clear. Environmental justice is not a
3434 policy position. It is a buzzword that you can use at a

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3435 cocktail party at MIT or in Manhattan or Minneapolis. And
3436 you know how I know that? Because there is no environmental
3437 justice to the 14-year-old slave going into a cobalt mine in
3438 the Democratic Republic of the Congo. There is no
3439 environmental justice to the Uyghur community that is
3440 building these solar panels, because we disallow the ability
3441 to do the mining for these products at home.

3442 Environmental justice is the emotional hook to drive up
3443 the cost of traditionally cheap and reliable energy, combined
3444 with how we continue to create the Federal subsidy market in
3445 order to reset the American energy production.

3446 And I don't know where the environmental justice is in
3447 communities like Beulah and Hazen and Washburn and Underwood
3448 in North Dakota if Representatives Pallone and Peters have
3449 their way and we shut down lignite energy production in North
3450 Dakota, particularly when we have EPA primacy and are working
3451 on some of the most advanced carbon capture technology in the
3452 world.

3453 And I sure as heck don't know where the environmental
3454 justice is in western North Dakota when it is 70 degrees
3455 below zero and the heat goes off because the wind isn't

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3456 blowing and the sun isn't shining, and we have become far too
3457 reliable on intermittent power.

3458 But the Biden Administration recently decided to take _
3459 place a temporary pause on pending decisions to export
3460 liquefied natural gas. We have heard the Administration
3461 claims that this pause is to reevaluate the current economic
3462 environmental analysis DOE uses to underpin its LNG export
3463 authorizations.

3464 And the natural gas that is relied on by our allies in
3465 Europe _ and I would talk _ if I have time, Mr. Rice, I am
3466 going to talk about not just displacing natural gas with
3467 coal, but these infrastructure projects all across the world
3468 are being built out right now, and we are sending signals
3469 that are saying that our LNG is not going to be available,
3470 and they are going to get it from somewhere else, often times
3471 from people who are no longer _ are not necessarily friends
3472 and allies of the United States.

3473 But whatever the new criteria is and used to evaluate
3474 CP2 would be expected to be applied to the other 16 proposed
3475 natural gas terminals that are awaiting approval. This will
3476 have major impacts on domestic LNG production. CP2 alone

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3477 would export up to 20 million tons of natural gas per year,
3478 increasing the current amount of exported American gas by
3479 about 20 percent.

3480 And earlier we had some of my colleagues on the other
3481 side of the aisle talk about the maturity of this decision.
3482 In advance of announcing this major policy change with huge
3483 international national security and economic impacts, the
3484 White House took a meeting with a man named Alex Harris.
3485 According to the New York Times, Mr. Harris is a 25-year-old
3486 Colorado social media influencer who has led a TikTok and
3487 Instagram campaign aimed at urging young voters demand that
3488 Mr. Biden reject the project.

3489 He is also the creator of a popular YouTube video
3490 entitled, "How I Live in My Car Full Time," where he has
3491 described how to live full-time in a 2015 Subaru Outback SUV.

3492 I ask unanimous consent to introduce a New York Times
3493 article, Daily Caller article, and the home page of this
3494 man's YouTube channel.

3495 And I can't believe I am talking about this while we are
3496 talking about LNG exports and national security.

3497 In fact, his social media work has gotten the attention

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3498 of Ali Zaidi and John Podesta, senior advisors to Mr. Biden
3499 on climate policy, and helped influence that decision.

3500 Mr. Harris, according to his LinkedIn, is primarily a
3501 professional photographer who apparently, again, lives in his
3502 car full-time. I don't see any further substantial
3503 qualifications for environmental science or energy policy for
3504 him.

3505 Mr. Cormier, do you think it is proper to have Mr.
3506 Harris, a 25-year-old Internet star, to be influencing such
3507 national _ such monumental national security and economic
3508 decisions?

3509 *Mr. Cormier. He has a right to express his opinion.

3510 *Mr. Armstrong. Absolutely.

3511 *Mr. Cormier. All I would ask is that if anyone has
3512 anything to say about how southwest Louisiana and southeast
3513 Texas are impacted, come visit and talk to everyone.

3514 *Mr. Armstrong. The National Gas Act establishes a
3515 rebuttable presumption that a proposed export of natural gas
3516 meets the public interest requirements to DOE to grant an
3517 export application, unless DOE can overcome that presumption.

3518 The Administration has end-runned the entire system by

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3519 forcing DOE to reevaluate its evaluation criteria. The point
3520 of all of this process is to ensure that the political whims
3521 do not interfere with the export processes that have been
3522 carefully crafted by Congress.

3523 I have two seconds. So Mr. McCown, I will have to
3524 submit this question to the record.

3525 [The information follows:]

3526

3527 *****COMMITTEE INSERT*****

3528

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3529 *Mr. Armstrong. I yield back.

3530 *Mr. Duncan. The gentleman's time is expired.

3531 Without objection, the articles that he wants to submit

3532 for the record will be entered into the record.

3533 Without objection, so ordered.

3534 [The information follows:]

3535

3536 *****COMMITTEE INSERT*****

3537

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3538 *Mr. Duncan. And now I will recognize Dr. Joyce for
3539 five minutes.

3540 *Mr. Joyce. First I want to thank Chairman Duncan for
3541 holding today's hearing on Biden's disastrous decision, and
3542 thank the witnesses, especially those from Pennsylvania, for
3543 appearing.

3544 Last night, during a special order, we had 14 Members of
3545 the House take time to speak on how important liquefied
3546 natural gas exports are to their constituents, to our
3547 national economic security.

3548 In my district exporting LNG means jobs. Chairman
3549 Duncan just recently emphasized that in his _ just moments
3550 ago. The shale revolution has unlocked the resources under
3551 the feet of my constituents. The boom in natural gas
3552 production has brought jobs and hope back to so many small
3553 towns across Pennsylvania.

3554 Our nation has been blessed with abundant natural gas
3555 reserves, and the ability to export LNG has given companies
3556 the certainty that they need to continue to invest in natural
3557 gas production.

3558 Mr. Rice, do you have any idea what the average salary

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3559 for an employee of EQT in Pennsylvania is, or what the range
3560 is for a worker at your company, what they can expect to
3561 make?

3562 *Mr. Rice. EQT offers very high-paying jobs, most
3563 entry-level positions starting in that 70 to \$80,000 range,
3564 but many north of six figures.

3565 And I would say in the field for our service providers,
3566 we offer jobs where _ are close to six figures, with just a
3567 couple of years of experience. So it is an amazing
3568 opportunity that we share. The success of this shale goes
3569 beyond our company to the thousands and thousands of service
3570 providers in our industry.

3571 *Mr. Joyce. Family-sustaining wages, jobs that my
3572 constituents rely on.

3573 Mr. Rice, what would be the impact on your business if
3574 there were no new LNG construction applications in the
3575 pipeline? And how would this affect your ability to plan for
3576 workforce development and hiring?

3577 *Mr. Rice. Well, I think that the industry would be
3578 paused and be standing still.

3579 And unfortunately, the pressures against our industry

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3580 would probably grow because a lot of the pressures that we
3581 face are out of people's concerns over climate. And when you
3582 pause LNG and you pause American natural gas, you pause the
3583 world's ability to make an impact with climate. And that
3584 would have a negative impact, which is ironic, because the
3585 one thing that people are looking to block is the one thing _
3586 because of their concern for the environment _ is the one
3587 thing that people should be supporting because of their
3588 concern for the environment.

3589 *Mr. Joyce. Mr. Rice, I know you have been asked many
3590 questions here today, but I would like to give you the
3591 opportunity to address any of the issues that we haven't
3592 adequately touched on in this hearing.

3593 More simply, what should we in Congress take away from
3594 this hearing?

3595 *Mr. Rice. Yes, I mean, let's talk about the security
3596 part. You know, there is a lot of discussion about price and
3597 exports increasing pricing. When is that going to start
3598 happening? We are the largest exporter of natural gas in the
3599 world, and natural gas prices are below \$3. So when is the
3600 rise in natural gas prices going to happen?

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3601 And to put this in perspective, a \$3 natural gas price
3602 is the energy equivalent of an \$18 barrel of oil. So this is
3603 the most affordable energy that we can put on the planet, and
3604 it is also the cleanest, and it is also the most reliable.

3605 But speaking to the larger benefit of LNG, you know, we
3606 hear a lot of talking points on the Hill that we are the
3607 largest producer in the world, we are the largest exporter.
3608 But the question that we need to ask ourselves: Is that
3609 enough?

3610 Rampant inflation, wars in Ukraine, global emissions
3611 skyrocketing, energy security of our allies is crippled.
3612 Clearly, we need to be doing more. And from an energy
3613 security perspective, we can only _ the world can only
3614 contain so much chaos before it starts spilling over and
3615 impacting Americans. Well, American LNG can help relieve
3616 some of this pressure that this world is facing by lowering
3617 global emissions and providing energy security to our allies.
3618 Those things are going to help America achieve the goals that
3619 we seek to achieve.

3620 *Mr. Joyce. Mr. Speaker, I thank all of the witnesses
3621 for being here today, and I yield the remainder of my time.

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3622 *Mr. Duncan. The gentleman yields back. I now go to
3623 Mr. Allen for five minutes.

3624 *Mr. Allen. Thank you, Mr. Chairman, and thank you for
3625 allowing me to waive on to this important hearing today. And
3626 I want to thank the witnesses.

3627 Mr. Rice, I met you back while I served on the House
3628 Energy Action Team, and I was really intrigued by some of the
3629 things that you shared with us that day. I was just looking
3630 _ in fact, we might enter this into the record, but our trade
3631 deficit _ this is an article in the New York Times. Our
3632 trade deficit has exceeded \$1 trillion, the most in history.

3633 And I believe you said and shared with us at that
3634 meeting that if you could get permits for pipelines to ship
3635 LNG out of _ off the coast of Louisiana, that we could power
3636 the entire continent of Europe. Is that still a possibility?

3637 *Mr. Rice. Yes, based on the work we have done to
3638 quantify the resource, we have the ability to quadruple our
3639 LNG exports to support 60 BCF a day of natural gas production
3640 through exports. And that would require a \$4 natural gas
3641 price to be able to unlock the drilling and development of
3642 that resource. And we can put it on the doorsteps of our

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3643 customers around the world for a cost of less than \$12.

3644 And for perspective, the European market is around 55
3645 BCF a day of natural gas. So 60 BCF a day of exports is a
3646 tremendous amount of energy _

3647 *Mr. Allen. Yes.

3648 *Mr. Rice. _ equivalent to adding a Saudi Arabia to the
3649 world stage, a decarbonizing force.

3650 *Mr. Allen. Let's look at the situation. So if we do
3651 that, we are burning 42 percent cleaner than we are currently
3652 burning over there?

3653 *Mr. Rice. Yes, the estimate should be between 40 to 50
3654 percent, at a minimum. And if we target some of the worst
3655 emitting coal plants in the world, 5 percent of the world's
3656 worst coal plants are responsible for 30 percent of the power
3657 emissions. If you target the displacement of those coal, the
3658 environmental impacts are significantly greater than 40 _

3659 *Mr. Allen. Why is the climate lobby not going nuts
3660 about this ban?

3661 I mean, when we can actually reduce carbon footprint _ I
3662 mean, the equivalent of that would be _ I have heard, I have
3663 been told it is more than every American driving an EV. I

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3664 mean, it is extraordinary, what we could do. And it is
3665 basically because of what you have done for this country. We
3666 have actually reduced our carbon footprint substantially
3667 here. And guess what? We are getting no love for it. All
3668 they are doing is trying to put you out of business. This is
3669 this is amazing to me, it just baffles me.

3670 The other thing that is at stake here is national
3671 security. If we starve Russia, they are not going to have
3672 the money to fight the war. So we bring about peace in
3673 Ukraine. And guess what? We stop Iran. Then we have peace
3674 in the Middle East.

3675 All of a sudden _ it is three years ago when this
3676 country dominated _ this country set the cost of a barrel of
3677 oil and the price for natural gas. Folks, that is power.
3678 And if you don't have that in this world today, then we are
3679 going to look just like we are right now.

3680 I do have one quick question for Mr. Cormier. You
3681 mentioned how important LNG exports are for your region
3682 economically, as far as job creation and revenues and just
3683 benefits to your local communities. What does it mean to
3684 them?

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3685 Mr. McCown?

3686 *Mr. McCown. Go ahead.

3687 *Mr. Cormier. Okay. Repeat the question, if you don't
3688 mind.

3689 *Mr. Allen. Okay. You had mentioned that _ how
3690 important LNG exports are in _ for your region economically,
3691 and how the investments through job creation and revenues
3692 benefits your local communities.

3693 *Mr. Cormier. And it brings pride because in our neck
3694 of the woods people want to work.

3695 *Mr. Allen. Wow.

3696 *Mr. Cormier. We have kids at McNeese, we have kids in
3697 our community college. They are being trained, they are
3698 ready to work. They want to rebuild, stay home, and continue
3699 moving forward. It is real with our community, it is _ it
3700 comes down to one thing: We want to take care of ourselves
3701 and take care of our community, and this is one way we do it.

3702 *Mr. Allen. The greatest privilege I had in business
3703 was the opportunity to do just what you are talking about,
3704 and that is to give people the dignity and respect they
3705 deserve with a good job to allow them to provide for their

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3706 families, their church, their communities, and yes, this
3707 country. How could we deny that with this great opportunity?

3708 This thing has been teed up by the creator of the
3709 universe for this country, and we are ignoring it. I mean,
3710 we were created to adapt, and we were created to work. And
3711 anything this government perpetrates other than that will not
3712 work, and we will see the destruction and chaos, and we are
3713 seeing it right now in this nation.

3714 Thank you all for being here. Thank you. Keep the
3715 faith, and keep working at this. And hopefully, the American
3716 people are listening, and we will change the behavior out
3717 there. Thank you so much.

3718 I yield back.

3719 *Mr. Duncan. The gentleman yields back. We are going
3720 to pause for just a second. There is one member who is
3721 handicapped, there is another that is on her way. So just
3722 bear with us just a second.

3723 *Mr. Rice. Are you pausing or are you banning?

3724 [Laughter.]

3725 *Mr. Duncan. Carter is handicapped in more ways than
3726 one, but _

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3727 *Ms. DeGette. We are going to have a debate over that
3728 just now, while we are waiting.

3729 *Mr. Duncan. He is on a cycle for his foot, but just
3730 give us a second.

3731 [Pause.]

3732 *Mr. Duncan. I am glad we talked about you before you
3733 got here. All right, Mr. Carter from Georgia is recognized
3734 for five minutes.

3735 *Mr. Carter. Thank you, Mr. Chairman. I apologize, we
3736 lean around here these days.

3737 But thank you all for being here today. LNG is
3738 extremely important, extremely important in my district.

3739 My district includes Elba Island, which has been
3740 converted from an import facility to an export facility.
3741 Right now we are trying to increase the amount of export we
3742 can do there, yet this Administration is stopping that,
3743 stopping that with what I consider to be _ and many of my
3744 constituents consider to be _ poor policy and poor planning.

3745 Look, we _ I believe in climate change. I am chair of
3746 the Environmental Subcommittee, and I believe in climate
3747 change. I served on the climate change _ the Select

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3748 Committee on Climate Change. I represent the entire coast of
3749 Georgia. Environment is extremely important to us, I get it.
3750 And I do believe that man has an impact on it. However, I do
3751 believe it is cyclical, too, and I believe we have to take an
3752 all-of-the-above energy strategy approach to this.

3753 LNG _ and look, this is a global problem. We all
3754 understand that. I don't think anybody disagrees that this
3755 is a global problem. We have some of the cleanest gas here
3756 in America, and yet we are going to stop sending it? This is
3757 another example of the Administration picking winners and
3758 losers. So I just _ I am baffled by this.

3759 And of course, I don't understand the economics of it, I
3760 don't understand the environmental impact of it, of this
3761 decision.

3762 So we know that this is probably more than just a pause,
3763 and we know that the ultimate aim here is to end LNG exports.

3764 Let me ask you, Mr. Rice, first, what is wrong with
3765 investing in innovations that can mitigate and reduce
3766 emissions from reliable fuel sources like LNG or coal which
3767 still make up almost 80 percent of our energy consumption?

3768 *Mr. Rice. We should continue to innovate and make the

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3769 energy we produce cheaper, more reliable, and cleaner. And
3770 that is exactly what U.S. LNG is. It is the cleanest, most
3771 reliable form and most affordable form of energy that we can
3772 deliver to the world.

3773 And to your point about _ it is about _ it is a global
3774 issue. The reason _ look at what has happened right now in
3775 the United States. We are the world leader in lowering
3776 global emissions, but global emissions are still
3777 skyrocketing. What does that tell you? We cannot solve this
3778 problem by just focusing inside of our borders. We have got
3779 to start asking bigger questions: What can the United States
3780 do to lower emissions outside of our borders? And American
3781 LNG is the biggest, most impactful, powerful tool that we
3782 have to move us forward and start helping our allies meet
3783 their climate goals.

3784 *Mr. Carter. I couldn't agree with you more. You know,
3785 the United States of America in the last 10 years has
3786 decreased our carbon emissions more than the next 12
3787 countries combined while growing our economy. And I am often
3788 critical of the fossil fuel industry because I don't think
3789 they do a good enough job of telling the public the

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3790 innovations and the progress that they have made, and they
3791 have made great progress. Emissions are down with fossil
3792 fuels, and they need to be telling that story. And I think
3793 they are selling themselves short with that.

3794 Mr. McCown, let me ask you, what is wrong with _ again,
3795 what is wrong with investing in innovations that can mitigate
3796 and reduce emissions from reliable fuel sources like LNG?

3797 *Mr. McCown. Well, there is not. In fact, we should be
3798 doing that. And we are starting to do that with carbon
3799 capture technology for difficult-to-decarbonize industries.

3800 We have _ both the government and the private sector has
3801 added to reducing methane leaks and emissions, and it has
3802 done a pretty good job. Despite some of the earlier
3803 testimony, methane, CH₄, has gone down. It has not gone up,
3804 despite added production.

3805 So we are on the right trajectory. The question is,
3806 what is a realistic pathway to net zero that can be sustained
3807 without ruining the economy or destroying our national
3808 security? A transition period is not overnight.

3809 *Mr. Carter. That is a great point, and I appreciate
3810 you making that.

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3811 Let me ask you and go back to you, Mr. Rice. What has
3812 changed? What has changed since the last LNG studies that
3813 were done in 2018 and 2019 to warrant the Department of
3814 Energy to reconsider exports?

3815 *Mr. Rice. There have been some changes. Methane
3816 emissions have actually gotten better from this industry.
3817 And you will see us do a much better job with the
3818 transparency so we can showcase _ as I mentioned, we need to
3819 knock methane emissions out of the park.

3820 Some of the things that we are doing that have taken
3821 place in the last few years, you are seeing responsibly
3822 certified gas. That is bringing in third-party environmental
3823 auditors to come in there and actually say the environmental
3824 results we are achieving are actually happening. We are
3825 taking to the skies to measure methane emissions.

3826 And for perspective, in Appalachia we are monitoring the
3827 entire basin. And just to give some people some color on
3828 that, we are going to be monitoring for methane emissions
3829 across an area the size of France. We take this very
3830 seriously. And then we will end by providing full cycle
3831 carbon intensities from the time the gas comes out of the

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3832 ground, through the pipes, through the downstream facility,
3833 to the doorstep of customers. We will have a full cycle
3834 carbon intensity score.

3835 These are going to be the things that we need to do and
3836 showcase the environmental communities to address their
3837 concerns over methane emissions.

3838 *Mr. Carter. Great. Well, thank you all for being
3839 here.

3840 Mr. Chairman, thank you very much for this great hearing
3841 today, and thank you for allowing me to waive on. And I
3842 yield back.

3843 *Mr. Duncan. Thank you for being here, and the
3844 gentleman's time has expired. I will recognize Ms. Barragan
3845 for five minutes.

3846 *Ms. Barragan. Thank you, Mr. Chairman.

3847 Ms. Giannetti, I want to first start by thanking you and
3848 NRDC for all the work that you all do on environmental
3849 issues, environmental justice issues.

3850 LNG exports are an environmental injustice and a climate
3851 disaster. They pollute minority and low-income communities
3852 along the Gulf Coast, which is already overburdened by

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3853 pollution. We have heard directly from communities in these
3854 regions that they do not want any LNG facilities to be built
3855 in their backyards.

3856 Hilton Kelley, a resident of Port Arthur, Texas, gave
3857 this description of the impact of two nearby LNG export
3858 terminals on his community, with two more planned: "We have
3859 a disproportionate number of people here with cancer and
3860 respiratory problems. I have two grandkids who suffer from
3861 respiratory problems. One in five households has a child or
3862 elder person who uses a nebulizer for asthma. Our babies are
3863 literally suffering and we are suffering."

3864 How much is too much for one community? No community
3865 should have to deal with this. My question to you is, can
3866 you talk through how the Department of Energy does not
3867 properly account for the impacts of LNG exports on frontline
3868 communities and how the Department should evaluate these
3869 impacts in future public interest determinations?

3870 *Ms. Giannetti. Thank you, Congresswoman. As someone
3871 who previously lived in Louisiana, Texas, and Florida, I have
3872 seen this firsthand, as a high school teacher with students
3873 who had disproportionate asthma or other respiratory

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3874 illnesses.

3875 And environmental justice is not just a buzzword. It is
3876 a legal requirement and a critical element of determining
3877 whether a project is in the public interest.

3878 Unfortunately, to date, the Department of Energy does
3879 not incorporate environmental justice impacts into its
3880 assessment, and so the ability to be able to take a second
3881 pause and revisit those studies to make sure that the very
3882 important impacts on especially low-income and minority
3883 communities are taken into account is a critical and common-
3884 sense step.

3885 *Ms. Barragan. Thank you. So how is this pause on a
3886 new permit approvals of the proposed LNG export terminals in
3887 line with Biden _ with the Biden Administration's commitment
3888 to environmental justice and protections for frontline
3889 communities?

3890 *Ms. Giannetti. The Administration's pause is a
3891 balanced approach that respects Gulf communities. All
3892 current LNG export facilities will continue to operate, and
3893 all facilities that already have their DOE authorizations
3894 will continue to operate.

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3895 But by being able to take a look and evaluate on the
3896 environmental justice impacts of continually siting these
3897 facilities in the same locations over and over again, many of
3898 which are disproportionately low-income and communities of
3899 color, will make sure that we are not making some of
3900 America's best pay the price of energy development.

3901 *Ms. Barragan. Thank you. Now, I serve on the
3902 Environment Subcommittee, and a few weeks ago we had a
3903 hearing where Republicans opposed EPA's methane regulations
3904 for oil and gas wells. They opposed the Methane Emissions
3905 Reduction Program in the Inflation Reduction Act, and they
3906 attacked a pipeline safety program to detect and repair
3907 methane leaks. If Republicans were successful in their
3908 efforts to let the fossil fuel industry emit as much methane
3909 as they wanted, how would that make us LNG exports even
3910 dirtier?

3911 *Ms. Giannetti. Leakage is a serious problem when it
3912 comes to evaluating the carbon footprint of natural gas. And
3913 unfortunately, leakage happens at all parts of the value
3914 chain, from upstream extraction to midstream transportation
3915 to export and eventual use. We should be doing everything

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3916 that we can at this moment to make sure that we are ensuring
3917 that leaks are minimized to the maximum extent possible,
3918 because they have a serious impact on the overall carbon
3919 footprint of these types of projects.

3920 *Ms. Barragan. Great. And in closing, Ms. Giannetti,
3921 thank you for being here today to testify. Is there anything
3922 _ any other points or anything else you want to say as we
3923 close out the hearing?

3924 *Ms. Giannetti. I think it is important for us to
3925 remember what we are talking about and what we are not
3926 talking about. Again, as has been raised numerous times, the
3927 Administration's pause has zero effect on all current LNG
3928 exports, regardless of what country they are going to; has
3929 zero effect on all approved LNG exports, including ones that
3930 would nearly double our LNG export capacity by 2027 and
3931 triple going into the 2030s. It only impacts far into the
3932 future LNG export potential for NAFTA countries.

3933 It is important that when we are looking at facilities
3934 that will not be built until the 2030s or beyond, that we are
3935 factoring in 2024 data and 2024 science and information into
3936 those analyses. And so this pause is a common-sense step to

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3937 make sure that we are doing that.

3938 *Ms. Barragan. Thank you.

3939 I yield back.

3940 *Mr. Duncan. The gentlelady yields back. I will now go
3941 to Mrs. Miller-Meeks from Iowa for five minutes.

3942 *Mrs. Miller-Meeks. Thank you very much.

3943 And I would just say, Ms. Giannetti, that _ a
3944 fascinating comment. The reason why it affects now, not in
3945 the future, is capital investment in an industry. If an
3946 industry knows it is being shut down, the intensive capital
3947 investment that is needed will not be put in place.

3948 I am come from the State of Iowa. I also happen to be
3949 the vice chair of the Conservative Climate Caucus. Iowa has
3950 over 50 percent of its energy from renewables to include
3951 biofuels, biomass, compressed renewable, natural gas, manure,
3952 you name it. We have over _ wind and solar, and did have
3953 nuclear until that plant was shut four years ago. Sixty
3954 percent of our electricity is from wind, and we are a net
3955 exporter of energy. We can both have a cleaner and healthier
3956 planet and climate, as well as grow our economy and have
3957 affordable, reliable, secure, and abundant energy.

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3958 The greatest sense of environmental injustice to me is
3959 not allowing poor people or disadvantaged communities to be
3960 able to heat their homes because we make electricity
3961 unaffordable. In fact, more than five million people die
3962 every year due to exposure to excessively hot or cold
3963 temperatures. This is globally. Heat death is responsible
3964 for 1 percent of global fatalities, around 600,000, but cold
3965 kills 8 times as many people, 4.5 million annually.

3966 A 2019 study from the National Bureau of Economic
3967 Research estimates that driving down natural gas prices, the
3968 fracking revolution saved more than 11,000 American deaths in
3969 the winter per year. Per year, 11,000 deaths were saved from
3970 2005 to 2011. During that time, the U.S. was and still is a
3971 leader in reducing greenhouse gas emissions, all while
3972 increasing energy production and keeping prices low.

3973 Since 2005, the U.S. has reduced net greenhouse gas
3974 emissions by 17 percent, all while primary energy production
3975 in this country increased by 48 percent. And the use of
3976 natural gas played an irreplaceable role in this fact.
3977 Globally, according to the Energy Information Agency, primary
3978 energy consumption is expected to increase through 2050. And

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3979 in all the COPs I attended, which have been three, every
3980 single COP has said energy demand is increasing, not
3981 decreasing.

3982 So through 2050, somewhere between 16 and 57 percent and
3983 global demand for natural gas will increase by 41 percent in
3984 2050. In fact, I was in Vietnam just last week, and they
3985 were talking about the Biden Administration's policy on LNG
3986 is hurting them because they had an energy crisis last year.

3987 Further, a study from the National Energy Technology
3988 Laboratory found in 2019 that U.S. LNG often produced fewer
3989 greenhouse gas emissions than other types of coal or gas used
3990 around the world, which means that U.S. LNG exports could
3991 actually be beneficial for climate change if the U.S.
3992 replaced those of other fossil fuels.

3993 And I have had this conversation with Special
3994 Presidential Envoy on Climate John Kerry. We are not
3995 studying the greenhouse gas emissions or the life-cycle
3996 carbon analysis of other types of renewable energy such as
3997 wind or solar. All of us think that it should be done. And
3998 I am sure those children in the Congo having to dig out rare
3999 earth minerals out of the Earth in the Congo think that it

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4000 would be environmental justice for them to not have to do
4001 that to create solar panels and wind turbines.

4002 So Mr. McCown or Mr. Rice, if the U.S. limits our LNG
4003 exports, will that result in lowering the use of LNG
4004 globally, or will it only result in more LNG exports from our
4005 adversaries like Russia, China, or other countries that have
4006 dirtier oil and natural gas?

4007 *Mr. McCown. It will result in usage of LNG from
4008 dirtier fuel sources. And if you look at the IEA or any
4009 other forecast, natural gas usage is going to climb out
4010 through 2050, not decrease. So we will do nothing.

4011 *Mr. Rice. I agree, the energy demand is going to grow.
4012 And to put this in perspective, because we are talking about
4013 how big and how much LNG does the world need _ we have heard
4014 a couple of congresspeople talk about this today _ if you
4015 care about lowering global emissions and replacing foreign
4016 coal, the biggest source of emissions, it would require 170
4017 BCF a day of incremental natural gas LNG. If you care about
4018 eliminating energy poverty, which you cited, and replacing
4019 the 120 BCF a day of biomass that is used as a primary energy
4020 source, that is another 120 BCF a day. The world needs 300

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4021 BCF a day more natural gas. And both of those things would
4022 be decarbonizing because it is _ it would be lower emissions
4023 than coal, and replacing biomass is also going to have a
4024 decarbonizing impact, as well. Massive opportunity.

4025 *Mrs. Miller-Meeks. Thank you for that. And I am
4026 agnostic of the energy source. I think we should be talking
4027 about lowering emissions, and how we do that, and have _
4028 create a better environment, rather than talking about the
4029 energy source that we want to eliminate.

4030 And for any of the panel, what benefits do U.S. LNG
4031 exports provide to our allies and those who are supportive of
4032 us?

4033 *Mr. Rice. Sure, I will say one thing. I think energy
4034 security is the natural answer. And you can look at what
4035 happened in Europe as a great example of how American LNG
4036 energy provides that energy security.

4037 But the other lesson that we learned in 2022 is that,
4038 without energy security, you cannot transition. So if you
4039 care about climate and making progress on that front, energy
4040 security is the foundation of making that happen, and
4041 American energy is the foundation of that security.

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4042 *Mrs. Miller-Meeks. Mr. Cormier?

4043 *Mr. Cormier. It is making a difference. Our people
4044 are stronger. Our people have a future. And by expanding
4045 LNG and making this industry as strong as it can be, America,
4046 Louisiana, Texas, and all states in between benefit.

4047 *Mrs. Miller-Meeks. Thank you so much. My time has
4048 expired. I apologize, Mr. McCown.

4049 Thank you for indulging me, Mr. Chair.

4050 *Mr. Duncan. The gentlelady's time has expired.

4051 I would like to thank all of our witnesses. This will
4052 conclude the hearing today. Members may have additional
4053 written questions for you all. I remind members they have 10
4054 business days to submit additional questions for the record,
4055 and I ask that witnesses do their best to submit responses
4056 within 10 business days upon receipt of the questions.

4057 I ask unanimous consent to insert in the record the
4058 documents included on the staff hearing documents list.

4059 Without objection, that will be the order.

4060

4061

4062 [The information follows:]

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4063

4064 *****COMMITTEE INSERT*****

4065

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4066 *Mr. Duncan. And without objection, the subcommittee
4067 will stand adjourned.

4068 [Whereupon, at 1:35 p.m., the subcommittee was
4069 adjourned.]