

Press briefing teleconference on natural gas exports

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Opening statement:

Good afternoon, everyone. Thanks for calling in.

America's newfound abundance of natural gas resources is providing tremendous benefits. It's supplying more clean-burning natural gas for households and businesses, creating jobs, reducing home heating and electric bills, and lowering energy and raw materials costs for businesses, which means lower prices for American consumers. It is making U.S. manufacturers more competitive. And it is a primary factor helping to drive down U.S. carbon dioxide emissions to their lowest levels in about 20 years.

And our natural gas resource potential is growing, providing the opportunity to produce even more, increasing our energy security while also stimulating even more new jobs and driving even more revenue to our government.

Importantly, expanding production to serve expanding markets will produce additional benefits for American consumers. We have plenty of natural gas to meet our domestic needs and to export to strategic allies around the world. This would be good for America, and we continue to urge the U.S. Department of Energy to approve pending applications for authorization to export.

Earlier this month, we provided comments to DOE, outlining these benefits. I won't go through those again here, but would be happy to answer any questions you might have about the basics of those comments during the Q&A.

The bottom line is that the arguments for exports are even stronger than before. An energy revolution is underway in the United States. New technology and the use of that technology are showing we have vastly more energy potential than we thought we had even just a short time ago. The U.S. is awash in natural gas with huge additional productive capacity that could be ramped up in relatively short order to fully supply domestic and likely export markets well into the future.

This afternoon, we will be providing additional comments that respond to anti-export points made to DOE by other organizations.

As we show in our additional submission, the net potential economic benefits of exports are very substantial. Preliminary recent analysis from the consulting firm ICF shows a huge potential for new jobs – an average of 213,000 new jobs per year for 20 years, 2015 through 2035 – plus a cumulative \$700 billion in GDP growth over the same period. Many of these jobs are in manufacturing and the chemicals industries that will use natural gas liquids as a feedstock.

Our new comments also make several other points, three of which I'd like to highlight.

First, the increase in supply potential undercuts the main argument of proponents of restricting exports, which is that DOE used outdated demand data in its analysis that said allowing exports would be beneficial. The most recent data from DOE confirms that supplies will be very robust. This implies there is more than sufficient natural gas to meet domestic and export needs with little adverse impact on prices – and that the net economic benefits of allowing exports are even greater than earlier thought, as the ICF analysis suggests. The critics simply didn't acknowledge what an energy juggernaut the shale gas revolution has become and that it is still growing.

Second, the costs of exports will restrain the amount of natural gas that is exported. Exporting natural gas involves significant costs in liquefying, transporting and regasifying. If U.S. natural gas prices rise above a certain level, export markets will prove less attractive and less natural gas will be exported, which would put downward pressure on U.S. prices. Even more downward pressure will come from the global market – from foreign natural gas producers who will be competing for the same business as U.S. natural gas exporters.

Third, the potential increase in natural gas prices will be limited and not sufficient to make domestic manufacturers uncompetitive. For example, according to NERA and the Brookings Institution, at their peak, natural gas prices will stay low enough so that U.S. petrochemical manufacturers could remain globally competitive and continue with their expansion plans.

The case for more exports is clearer than ever, and consistent with basic principles of economics. Trade is good. Exports are good. And if we allow natural gas producers to export natural gas when they find opportunities to do so, American workers and our nation's economy will be better off.

Thank you. We will provide our full comments to you as soon as they are submitted to DOE later today. Now I'd be happy to take your questions.