

1050 Connecticut Avenue, NW, Suite 500 • Washington, D.C. 20036  
Telephone (202) 223-1420 • [www.ieca-us.org](http://www.ieca-us.org)

February 4, 2025

The Honorable Bob Latta  
Chairman  
House Subcommittee on Energy  
Washington, DC 20515

The Honorable Kathy Castor  
Ranking Member  
House Subcommittee on Energy  
Washington, DC 20515

***Re: Subcommittee Hearing on “Powering America’s Future: Unleashing American Energy”  
– Comments for the Record***

Dear Chairman Latta and Ranking Member Castor:

As you consider legislative priorities for 2025, we urge you to implement an America “First” LNG Export Policy vs. an America “Last” Policy, which is what we have today.

One hundred percent of our members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity.

First, we urge you to take action to insulate U.S. households and manufacturing companies from the impacts of increased LNG export volumes when U.S. inventories are low. The IECA “LNG Inventory Policy” is recommended.<sup>1</sup> This happened during the winter of 2021-2022 and natural gas prices rose over 300 percent and to some degree this winter. LNG exports are maximized during our winter heating season, which puts upward pressure on prices of natural gas and electricity (see Figure 1).

The U.S. Department of Energy (DOE) has already approved 48 billion cubic feet per day (Bcf/d) of LNG exports, a volume equal to 50.5 percent of 2023 net supply and substantially more than exports of gasoline and crude oil.<sup>2</sup> The U.S. only exports 10 percent of its gasoline. As of December 6, 2024, the U.S. exports only 23 percent of crude production and imports an equivalent of 44 percent of production.<sup>3</sup> For crude and gasoline, the U.S. has a Strategic Petroleum Reserve. There is no equivalent for natural gas. Consumers are completely exposed.

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<sup>1</sup> America First LNG Inventory Policy, <https://www.ieca-us.org/wp-content/uploads/LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts.pdf>

<sup>2</sup> Testimony of Brad Crabtree, Assistant Secretary of Energy for Fossil Energy and Carbon Management

U.S. Department of Energy, before House Committee on Oversight and Accountability, December 4, 2024, <https://oversight.house.gov/wp-content/uploads/2024/12/Written-Testimony-Crabtree.pdf>

<sup>3</sup> Table 1. U.S. Petroleum Balance Sheet, Week Ending 12/6/2024, U.S. Energy Information Administration, <https://www.eia.gov/petroleum/supply/weekly/pdf/table1.pdf>

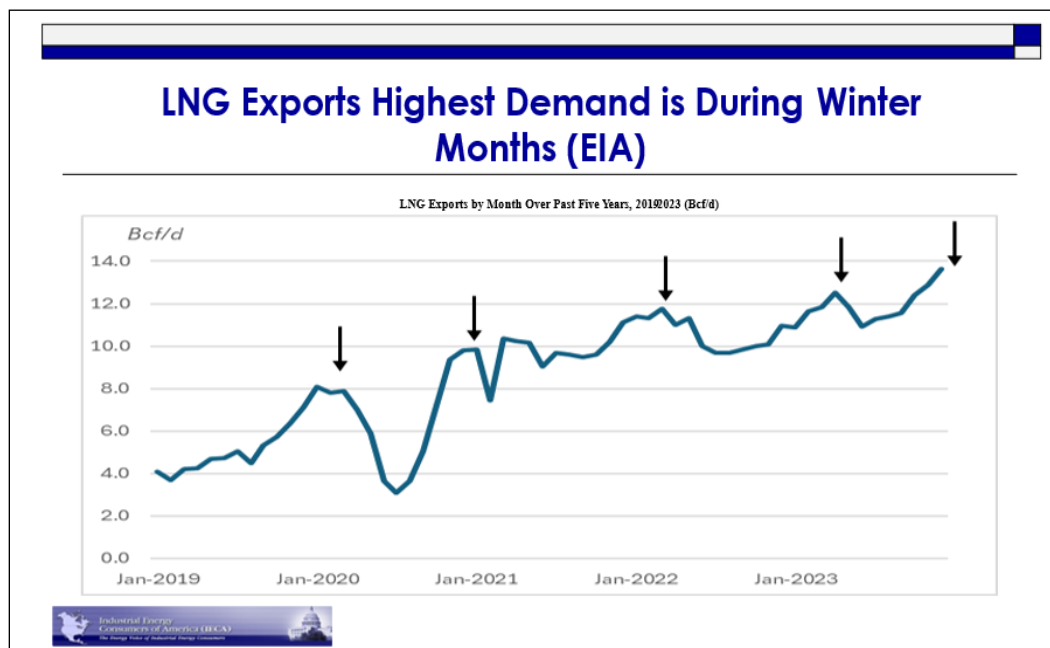
Second, we urge you not to change the Natural Gas Act (NGA) and remove consumer protections, as in H.R. 1, the Lower Energy Costs Act, Sec 10008, Unlocking Our Domestic LNG Potential. The NGA requires the DOE to determine whether applications to export are in the public interest for shipments to non-free trade agreement (NFTA) countries. About 80 percent of all exports are to NFTA countries.

Third, legislation that changes how the DOE reviews applications to export to NFTA countries should be opposed. For example, legislation that would require the use of macroeconomic modeling as a replacement for a public interest determination should be opposed. Macroeconomic models cannot model short-term market impacts and higher natural gas and electricity prices resulting from LNG exports.

Macroeconomic models do not address the fact that LNG shipments are maximized during our winter months, which puts upward pricing pressure on domestic prices. Macroeconomic models do not address the fact that LNG customers are price insensitive. They are countries and will pay any price to keep the lights on in their country.

The U.S. Energy Information Administration (EIA) has data that proves that LNG export volumes are highest during our winter peak demand season and puts upward price pressures on natural gas and electricity (see Figure 1). This is what is happening right now. In December 2024, U.S. LNG exports surged to a new high of 8.5 million metric tons, pushing the annual total up by 4.5 percent from 2023 and higher than in November 2024 at 7.75 million metric tons, contributing to soaring prices nationwide.<sup>4</sup>

FIGURE 1



<sup>4</sup> U.S. LNG Exports Surged at the End of 2024, Irina Slav, oilprice.com, January 3, 2025, [https://oilprice.com/Latest-Energy-News/World-News/US-LNG-Exports-Surged-at-the-End-of-2024.html?utm\\_source=substack&utm\\_medium=email](https://oilprice.com/Latest-Energy-News/World-News/US-LNG-Exports-Surged-at-the-End-of-2024.html?utm_source=substack&utm_medium=email)

LNG exports are insensitive to price and exacerbate structural reliability and price volatility risks for U.S. natural gas and electricity markets.<sup>5</sup> As LNG exports increase, they import global market volatility – a phenomenon that the U.S. market has been insulated from historically, especially when U.S. inventories are low.<sup>6</sup>

We also question the wisdom of the U.S. allowing China to secure 34 long-term contracts, equal to 5.32 Bcf/d for periods of up to 25 years, a volume equal to 36.8 percent of U.S. operating capacity. This volume does not account for contracts with U.S. multinational oil companies, and it does not account for spot purchases. China has contracted more volume than any other country. China is not using LNG to displace coal. They are using it to expand their manufacturing industries to compete with U.S. manufacturers.<sup>7</sup> The American Security Project report states that the “United States is sacrificing its strategic advantage in global energy markets” and China is engaged in “predatory” resale of U.S. LNG.<sup>8</sup> According to the Baker Institute for Policy “Chinese buyers account for almost 25 percent of the volume of long-term contracts entered into by LNG export facilities affected by the DOE’s LNG export pause.”<sup>9</sup>

For the reasons above, IECA urges Congress to put in place a policy to insulate the U.S. from the negative impacts of increased LNG exports. Our recommended policy is an LNG Inventory Policy that is an America First policy.<sup>10</sup>

Sincerely,

Paul N. Cicio  
*Paul N. Cicio*  
President & CEO

cc: House Committee on Energy and Commerce

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*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA’s*

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<sup>5</sup> LNG Exports do Negatively Impact Consumers: [https://www.ieca-us.org/wp-content/uploads/04.17.24\\_LNG-Exports-Do-Impact-U.S.-Prices.pdf](https://www.ieca-us.org/wp-content/uploads/04.17.24_LNG-Exports-Do-Impact-U.S.-Prices.pdf)

<sup>6</sup> Hearing on “Exposing the Truth on LNG: How the Administration Played Politics with America’s Energy Future,” [https://www.ieca-us.org/wp-content/uploads/12.04.24\\_LNG-Hearing\\_House-Oversight-1.pdf](https://www.ieca-us.org/wp-content/uploads/12.04.24_LNG-Hearing_House-Oversight-1.pdf)

<sup>7</sup> LNG is not displacing coal in China’s power mix, Institute for Energy Economics & Financial Analysis, June 25, 2024, <https://ieefa.org/resources/lng-not-displacing-coal-chinas-power-mix>

<sup>8</sup> Perspective - The U.S.-China LNG Export Dilemma: Reclaiming Leverage in an Imbalanced Trade Relationship, American Security Project, October 16, 2024, <https://www.americansecurityproject.org/us-china-lng-competition/>

<sup>9</sup> Is the US Preparing to Ban Future LNG Sales to China?, Baker Institute for Policy, April 25, 2024, <https://www.bakerinstitute.org/research/us-preparing-ban-future-lng-sales-china>

<sup>10</sup> IECA LNG Inventory Policy, <https://www.ieca-us.org/wp-content/uploads/LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts.pdf>

*sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.*