LNG Allies
The USLNG Association

Position Statement: "The Pause that Depresses"

On Jan. 26, 2024, the U.S. Department of Energy (DOE) announced that it would halt review of USLNG export applications that have already received siting and construction licenses from the Federal Energy Regulatory Commission (FERC)[1] while DOE updates the economic and environmental analyses that "underpin" its decision-making.[2] The USLNG Association, operating under the global brand name "LNG Allies," opposes this unnecessary, unwarranted, and (very likely) illegal moratorium. This statement explains why.

1. **They've had three years.** The administration states that "a lot has changed since… 2018 and 2019… [when] DOE last updated its economic and environmental assessments of USLNG exports."[3] To point out the obvious, three of those five years were on this administration's watch. If new studies were needed, they could have been started and completed years ago.

2. **In reality, nothing has changed** (except the political calculus). The Biden administration made seven (albeit small) USLNG export decisions between March 2022 and March 2023. In all seven instances, DOE relied on the 2018 (economic) and 2019 (environmental) analyses. These studies were sufficient then and they should be sufficient now. In fact, only seven months ago, DOE denied a rulemaking petition from a group of NGOs arguing that it "has a robust regulatory program for reviewing [USLNG] export applications."[4] Nonetheless, it seems certain that new studies will be conducted.

3. **The pause is unwarranted.** DOE's USLNG licensing program continued uninterrupted through prior economic and environmental studies conducted by/for DOE. During the Senate Energy and Natural Resources Committee's hearing on Feb. 8, Chairman Joe Manchin (D-WV) said: "DOE is just now beginning its new analysis of the economic impacts of growing [USLNG exports]. If that is the case, this pause should be reversed immediately. Facts must come before action, not the other way around."[5]

4. **We don't oppose new studies.** We oppose a moratorium—especially one of indefinite duration—while new studies are completed. Despite repeated inquiries from Congress and stakeholders, DOE steadfastly refuses to say how long the studies will take and thus how long the moratorium will last. This is completely unacceptable.

5. **The studies must be fair and balanced.** As Sen. Manchin said: "Unfortunately, it seems the White House has already sided with climate activists determined to block any more USLNG exports, and I am deeply concerned the White House will put its thumb on the scale at DOE to get the political outcome they want."[6] We agree completely. DOE must ensure that the forthcoming studies are fair and unbiased.

6. **DOE's actions have exacerbated the situation.** Two of the four projects caught up in the pause were forced to reapply for new licenses because of the DOE policy change announced—without advance notice or opportunity for comment—on April 21, 2023.[7] Ignoring past precedent and acting contrary to FERC policy and decisions, DOE stopped granting requests to extend the seven-year deadline to

---

[1] Commonwealth LNG, Port Arthur LNG (Trains 3-4), Lake Charles LNG, and Magnolia LNG.

[2] DOE to Update Public Interest Analysis for LNG Exports (DOE, Jan. 26, 2024).

[3] Unpacking the Misconceptions Surrounding DOE's LNG Update (DOE, Feb. 8, 2024).

[4] Order Denying Petition for Rulemaking on Exports of LNG (DOE, July 18, 2023).

[5] Manchin: Politicizing LNG Exports is Reckless and Dangerous (SENR, Feb. 8, 2024).

[6] Manchin Statement.

[7] Policy Statement on Export Commencement Deadlines (DOE, April 21, 2023).

commence LNG exports.[8] Exemptions will be granted only to projects that are under construction and can demonstrate that an extension is necessary because of extenuating circumstances.

7. **The moratorium may well be illegal.** Attorney Generals from 23 states wrote to President Biden and Energy Secretary Granholm on Feb. 5, stating that this "surprise freeze is unlawful."[9] The AGs believe that the moratorium may violate the Natural Gas Act, the Administrative Procedures Act, and other laws. We fully expect the moratorium to be challenged in federal court.

8. **America's allies are not reassured.** On Feb. 8, Deputy Secretary of Energy David Turk testified that: "this temporary pause to update our analyses will not impact our ability to supply our allies with LNG."[10] This aligns with what the White House has been saying: USLNG projects that are operating or under construction are not impacted. No one (least of all our association) is arguing that the pause will affect USLNG capacity between now and 2027. The alarm bells we hear ringing around the world concern the post-2027 timeframe, when new USLNG capacity additions could be jeopardized by the moratorium.

9. **No nation has stepped forward to praise this action.** Not surprisingly, not a single nation has gone on record in support of DOE's self-imposed pause. An anonymous EU spokesperson gave a neutral statement to S&P Global on the day of the announcement (Jan. 26): "The [United States] has informed us that this review will entail a temporary pause in approvals of pending permits for future LNG exports, with no impact on export projects already approved." [11]

10. **In fact, this isn't sitting well with U.S. allies.** Japan's Minister of Economy, Trade, and Industry said on Jan. 30: "Japanese companies have offtake contracts for prospective [USLNG production]… upon securing [DOE] approvals. Therefore, we are concerned that this temporary suspension of issuing export permits would delay the start of new LNG production."[12] (This is our concern as well.)

11. **There is still time to reverse course.** The moratorium is a political decision, and we urge the Biden administration to reverse direction immediately. Of course, we don't expect that to happen, but as Sen. Manchin, noted: "The White House has gone out of its way to signal that the pause is a political ploy intended to get votes in an election year—it's all about politics, not economics… politicizing LNG exports is reckless and dangerous and could empower and enrich Russia, Qatar, and Iran."[13]

12. **Our bottom-line position: DOE must lift the pause and approve all four pending non-FTA applications**. These applicants have waited long enough. Commonwealth LNG, for example, requested a DOE license on Oct. 16, 2019, and under DOE regulations, the Department could (and should) have issued an export authorization soon after Nov. 18, 2022, when FERC authorized the project.

    Congress must step in if DOE doesn't act. A return to the status quo is unacceptable. An informal pause on new USLNG projects has been in place for two of the three years of this administration. Now the moratorium has been made formal. Enough is enough. The Natural Gas Act is clear: USLNG licenses must be granted unless they are inconsistent with the public interest. Justice delayed is justice denied.

---

[8] FERC has continued to routinely grant extensions to previously authorized USLNG projects.

[9] Attorney Generals Letter to President Biden (Feb. 6, 2024)

[10] Testimony of David Turk, Senate Energy and Natural Resources Committee (Feb. 8, 2024)

[11] USLNG Pause to Have no Short-, Mid-Term Impact on EU Supply Security (S&P Global, Jan. 26, 2024)

[12] U.S. Pause on LNG Export Permits May Impact New LNG Supply for Japan (S&P Global, Jan. 30, 2024).

[13] Manchin Statement (Note 4).