



June 6, 2025

The Honorable Jamieson L. Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

The Honorable Howard Lutnick
Secretary of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

The Honorable Maroš Šefčovič
European Commissioner for Trade and Economic Security
Rue de la Loi/Wetstraat 200
1049 Brussels, Belgium

Re: Accelerated U.S.-EU Trade Negotiations and LNG Cooperation Framework

Dear Ambassador Greer, Secretary Lutnick, and Commissioner Šefčovič,

We write to express our strong support for the renewed momentum in U.S.-EU trade negotiations that has followed the May 25 conversation between President Trump and European Commission President von der Leyen, in which both leaders agreed to fast track negotiations with the objective of reaching a comprehensive accord by July 9. This accelerated timeline reflects the urgency and importance both sides place on strengthening our economic partnership.

Subsequent developments underscore this positive trajectory. As Ambassador Greer noted on June 4: “Last week, the [EU] provided the United States with a credible starting point for discussions on reciprocal trade, and I am pleased that negotiations are advancing quickly. Today’s meeting in Paris [with Commissioner Šefčovič], which occurred alongside technical talks by our teams in Washington, was very constructive and indicates a willingness by the EU to work with us to find a concrete way forward to achieve reciprocal trade.”

This ongoing momentum represents an opportunity to further strengthen the U.S.-EU economic partnership and address pressing transatlantic energy security and trade challenges/opportunities. We are particularly encouraged by the “new impetus” that the July 9 target deadline has provided to the negotiations, and we continue to believe that energy cooperation—specifically regarding liquefied natural gas (LNG)—can, and should, be a cornerstone of any agreement reached.

Since January 20, 2025, the United States and the European Union have been actively discussing additional purchases of U.S. LNG, recognizing both the strategic and environmental benefits of such purchases. The United States is the leading exporter of LNG to Europe, and this relationship has proven vital for European energy security, particularly in the current geopolitical climate.

We respectfully reference the comprehensive framework that LNG Allies put forward in February 2025 (attached), which outlined a pathway for deeper U.S.-EU energy cooperation through an innovative “LNG Free Trade Agreement” (FTA) approach. This framework proposes that if the EU agrees to substantially increase its long-term U.S. LNG commitments, the President could “deem” EU member states to be “Free Trade Agreement” nations for purposes of Section 3 of the Natural Gas Act.

Our LNG FTA concept aligns remarkably well with the European Commission’s February 2025 “Action Plan for Affordable Energy,” which specifically calls for immediate engagement “with reliable LNG suppliers to identify additional cost-competitive imports” and proposes “demand aggregation for EU companies entering into tolling contracts at LNG plants worldwide and LNG supply option contracts with trusted LNG producers.”

A critical component of any successful U.S.-EU trade agreement should address regulatory alignment, particularly regarding the EU Methane Regulation (EUMR) that took effect in August 2024. We strongly recommend that such an agreement grant the United States “country-level equivalency” under the EUMR, recognizing that America’s collective federal, state, and industry efforts to monitor, measure, and reduce greenhouse gas emissions (especially methane) from the oil and gas sector is consistent with the goals of the EU’s regulations.

This equivalency determination, combined with the LNG Free Trade Agreement framework, would provide several benefits:

- **Regulatory Alignment.** Country-level equivalency would provide a mechanism for U.S. LNG producers to demonstrate compliance with EU standards without duplicative regulatory burdens, while FTA designation would eliminate the regulatory uncertainties that currently affect long-term contracting.
- **Market Access.** Ensuring continued competitive access for U.S. LNG in European markets while providing EU buyers with the “better opportunities to secure LNG volumes under long-term contracts” that the Commission’s Action Plan specifically seeks.
- **Administrative Efficiency.** Streamlining compliance processes for both U.S. LNG exporters and EU gas importers.
- **Environmental Integrity.** Maintaining high environmental standards while recognizing equivalent regulatory frameworks.
- **Price Stability.** Addressing the EU’s concern that gas wholesale prices “are on average nearly five times those in the [United States]” by facilitating long-term supply arrangements that can “protect against price volatility and provide access to lower prices.”

The Department of Energy (DOE) and Environmental Protection Agency (EPA) have already requested determination of “equivalency” for U.S. LNG exports to Europe, demonstrating the U.S. commitment to meeting EUMR standards through our robust domestic regulatory framework. The EU Commission, in turn, has been working diligently with DOE, EPA, LNG Allies, and others on the “equivalency” issue and much progress has been made.

The July 9 deadline provides a focused timeframe to achieve meaningful progress. We urge both parties to prioritize:


1. **Energy Security Provisions.** Establishing long-term LNG supply commitments that enhance European energy security while supporting U.S. energy exports, potentially through the LNG Free Trade Agreement framework that would provide regulatory certainty for 15+ year contracts.
2. **Regulatory Equivalency.** Recognizing U.S. methane regulations, standards, and practices as equivalent to EU standards under Article 27a(5) of the EUMR.
3. **Market Access.** Ensuring competitive conditions for U.S. energy exports in European markets, including support for the EU's stated goal of demand aggregation and joint purchasing approaches.

Incorporating these LNG cooperation elements into the broader trade agreement will create a framework for sustained collaboration that benefits both American workers and European consumers while advancing our shared energy security objectives.

We stand ready to support these negotiations and provide technical expertise as needed. Thank you for your leadership in advancing these critical negotiations. We look forward to a successful conclusion that strengthens the U.S.-EU economic partnership for decades to come.

With best regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Fred H. Hutchison", with a horizontal line extending to the right.

Fred H. Hutchison, President & CEO
The USLNG Association (LNG Allies)

A Liquefied Natural Gas Free Trade Agreement

The Trump administration is urging America's key trading partners to buy more U.S. liquefied natural gas (USLNG) to lessen trade tensions. The European Union, Japan, and others are responding positively, but want assurance that a future U.S. administration cannot step in and reduce USLNG export volumes.

Could a free-trade agreement limited to just “national trade in natural gas” provide the long-term win-win solution that both sides seek?

Most LNG export projects are financed through a mix of equity and nonrecourse long-term debt providing by banking consortia. If bank financing is required (which is almost always the case), then the loan must be backed by long-term take-or-pay contracts with creditworthy counterparties. Having suffered through the Biden administration's unprecedented LNG “pause,” many potential long-term purchasers are now expressing reluctance to enter into long-term USLNG contracts for fear of U.S. government interference in the market down the road. (While this fear is overblown, it is present nonetheless.)

There is a potential solution.

1. The United States should solicit binding offers to purchase USLNG for terms of 15 years (or more) from creditworthy offtakers or others with an acceptable guarantee of their creditworthiness.
2. If a nation (or union of nations) agrees to substantially increase its long-term USLNG commitments, then the President would designate that nation and/or all of the members of that union as a “Free Trade Agreement” (FTA) nation for purposes of Section 3 of the Natural Gas Act (NGA) of 1938.

The NGA as amended (see reverse) established a bifurcated USLNG licensing process. Requests to export USLNG to FTA nations are deemed to be “in the public interest” and must be granted by the Department of Energy (DOE) without modification or delay. The NGA further states that USLNG exports to non-FTA nations must be granted unless DOE finds that do so “would not be consistent with the public interest.”

All Non-FTA authorizations issued by DOE since 2012 contain a provision (in a footnote) stating that:

“In the event of any unforeseen developments of such significant consequence as to put the public interest at risk, DOE is fully authorized to take action as necessary to protect the public interest. Specifically, DOE is authorized by section 3(a) of the Natural Gas Act ... to make a supplemental order as necessary or appropriate to protect the public interest. Additionally, DOE is authorized by section 16 of the Natural Gas Act ‘to perform any and all acts and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate’ to carry out its responsibilities.”

USLNG export authorizations to FTA nations, on the other hand, do not include this provision and are thus not subject to revocation or modification in order to “protect the public interest,” because they are already deemed—as a matter of law—to be in the public interest.

Thus, USLNG buyers and sellers could benefit from an “LNG-only” Free Trade Agreement. The Japan-U.S. Critical Minerals Agreement (2023) provides precedent for a single-sector FTA.

Section 3 of the Natural Gas Act of 1938 (as Amended)

3. Exportation or Importation of Natural Gas; LNG Terminals

(a) Mandatory Authorization Order

- No person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so.
- The [Secretary] shall issue such order upon application unless, after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest.

(b) Free Trade Agreements

- For purposes of subsection (a), any person seeking to export any natural gas to countries with which the United States has in effect a free trade agreement requiring national treatment for trade in natural gas, the exportation of natural gas shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.

(c) Construction of Facilities

- Except as specifically provided in this chapter, nothing in this chapter affects the rights of States under the Coastal Zone Management Act of 1972, the Clean Air Act, or the Federal Water Pollution Control Act.

(d) LNG Terminals¹

- The [Secretary] shall have the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal.
- In exercising such authority, the [Secretary] shall not condition an order on the applicant's agreement to any other action except as specifically authorized by this Act.

¹ Authority under this subsection has been delegated to the Federal Energy Regulatory Commission.