



RAILROAD COMMISSION OF TEXAS

Commissioner WAYNE CHRISTIAN

January 23, 2024

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Ave., NW
Washington, DC

Re: LNG Exports are key to American Energy Dominance

President Biden:

I am deeply concerned with reports that your administration is looking to slow and/or pause the permitting process for U.S. liquefied natural gas (LNG) exports. With an ongoing global instability due to Russian, Iranian, and Palestinian hostilities, America's energy strategy should increase production of domestic fossil fuels and export that reliable energy to our allies across the globe.

Russian's ongoing conflict against Ukraine forced many of our European allies to cut ties with Russian gas and turn to LNG imports to meet their energy needs. Before the conflict, the European Union (EU) heavily relied on Russia for fossil fuels, with about 40% of their reliable energy coming from Russian gas¹. As a result, U.S. LNG stepped up to fill the vacuum left by Russia, with 20% of America LNG going to Europe².

Emboldened by Russia's actions, Iran has encouraged terrorist-proxy organizations like Hamas, Hezbollah, and Houthis to escalate conflicts in the Middle East. Houthi naval attacks in the Red Sea have decreased global trade through the Suez Canal by 40 percent³ and could drive up oil prices 30 percent by March⁴. This is likely to have a reverberating

¹ <https://www.nytimes.com/2022/02/25/business/economy/russia-europe-sanctions-gas-oil.html>

² <https://www.politico.com/news/2024/01/19/biden-europe-gas-exports-00136671>

³ <https://www.forbes.com/sites/arielcohen/2024/01/17/houthis--red-sea-crisis-threatens-global-energy-markets/?sh=7e7c082d7554>

⁴ <https://www.politico.com/news/2024/01/19/biden-europe-gas-exports-00136671>

impact on global supply chains, including LNG shipments, which will dramatically increase the cost of energy.

Our Asian allies – Japan, South Korea, and Taiwan – also heavily rely on LNG imports. The South China Sea (SCS) sees about 40% of global LNG trade⁵, and our allies account for nearly all of it. China has made it clear that they want to rule the SCS and invade Taiwan too. If America cuts off LNG shipments to that region, it will allow Russia and China's influence to grow.

Despite the unfortunate events and poor policies – many from your administration – that have caused a global energy shortage, America's oil and gas producers have risen to the occasion. However, this is nothing new. In WW II, six of the seven billion barrels of oil used to win the war came from the U.S.⁶, with Winston Churchill crediting East Texas oil as a savior⁷. Wars can be won or lost based on access to resources like energy, which is why Republicans constantly proclaim that 'energy independence is nation security'. American fossil fuels can once again be the "hope of the free world," if you let it.

Furthermore, America's clean natural gas is good for the environment. The truth is fossil fuels are needed for the foreseeable future and natural gas is the cleanest fossil fuel available. The United Nations' Intergovernmental Panel on Climate Change claims that "GHG emissions from energy supply can be significantly reduced by replacing current old world average coal-fired power plants with modern, highly efficient natural gas power plants"⁸. The EU has also labeled natural gas as "green/climate-friendly"⁹ because they realize wind/solar energy cannot power modern economies. I hope you recognize you don't have to choose between fossil fuels and a clean environment, they are not mutually exclusive. In fact, natural gas emissions like methane are down 66%¹⁰, while natural gas production has increased.

Lastly, LNG is vital to the American economy and especially to Texas and the Gulf Coast. In 2022, America became the world's largest LNG exporter¹¹ and Texas is a large part of that success. As the nation's top producing state, about half of U.S. LNG exports leave from Texas¹². Together, Texas and Louisiana's energy exports are about 83% of U.S. energy exports

⁵ <https://www.eia.gov/todayinenergy/detail.php?id=33592>

⁶ <https://theconversation.com/energy-pipelines-are-controversial-now-but-one-of-the-first-big-ones-helped-win-world-war-ii-161729>

⁷ <https://www.kltv.com/story/37257286/75th-anniversary-of-the-big-inch-pipeline/>

⁸ https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter7.pdf

⁹ <https://www.reuters.com/business/sustainable-business/eu-parliament-vote-green-gas-nuclear-rules-2022-07-06/>

¹⁰ <https://www.api.org/news-policy-and-issues/news/2023/12/02/api-statement-on-epa-methane-rule>

¹¹ <https://www.eia.gov/todayinenergy/detail.php?id=53159>

¹² <https://www.eia.gov/todayinenergy/detail.php?id=56940>

and worth about \$315 billion¹³. No amount of offshore wind farms is going to come close to that kind of energy production and economic activity for the region and country.

Mr. President, I don't know about you, but I'd much rather have the world buying America's clean natural gas over gas anywhere else.

Our nation should be THE global energy leader – not through unreliable and heavily subsidized “green” energy – but through the responsible production and export of oil and gas. In 2019, America became energy secure and the world's top oil and gas producing nation when the decades-long crude oil ban was lifted, allowing our nation to surpass Russia and Saudia Arabia¹⁴. At that time, energy was cheap, the economy was soaring, and the world was stable. That is a world I want to go back to.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Christian". The signature is fluid and cursive, with a large loop at the end.

Wayne Christian
Commissioner
Railroad Commissioner of Texas

C:

The Honorable Jennifer Granholm
Secretary, US Department of Energy
Via: The.Secretary@hq.doe.gov

¹³ <https://www.bls.gov/mxp/publications/regional-publications/texas-louisiana-energy-exports.htm#:~:text=Texas%20and%20Louisiana%20accounted%20for,over%20the%20past%2012%20months.>

¹⁴ <https://www.eia.gov/todayinenergy/detail.php?id=40973>