



July 21, 2014

U.S. Department of Energy (FE-34)
Office of Oil & Gas Global Security & Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042,
1000 Independence Avenue SW., Washington, DC 20585

Dear Secretary Moniz,

Thank you for accepting these comments regarding the Department of Energy's plan to initiate updated macroeconomic studies as part of its proposed changes to procedures for carrying out public interest determinations for Liquefied Natural Gas exports to non-Free Trade Agreement countries. Existing evidence makes clear that LNG is bad for the environment and the climate; when greenhouse gas emissions from the extracting, processing, transporting and burning of natural gas are taken into account, it is worse for climate change than coal.¹ Existing evidence also makes clear that LNG is bad for the American public.

Friends of the Earth welcomes updated macroeconomic studies, but requests that DOE rectify the flaws of the previously commissioned macroeconomic study² conducted by NERA Economic Consulting that focuses on the impacts of different export ranges and cumulative impacts while disregarding deeper analyses into how increased LNG exports would exacerbate inequality in the United States.

The NERA study concludes that unlimited exports of LNG will have net benefits for the American economy, but ignores its own projections that any benefits of increased LNG exports will not be felt across the economy as it will hurt wage earners while increasing profits for natural gas producers:

Overall, both total labor compensation and income from investment are projected to decline, and income to owners of natural gas resources will increase. Different socioeconomic groups depend on different sources of income, though through retirement savings an increasingly large number of workers share in the benefits of higher income to natural resource companies whose shares they own. Nevertheless, impacts will not be positive for all groups in the economy. Households with income

¹ Robert W. Howarth, *A Bridge to Nowhere: Methane Emissions and the Greenhouse Gas Footprint of Natural Gas*, ENERGY SCI. & ENGINEERING 47 (2014).

² NERA Economic Consulting, *Macroeconomic Impacts of LNG Exports from the United States* (2012), available at http://energy.gov/sites/prod/files/2013/04/f0/nera_lng_report.pdf.

solely from wages or government transfers, in particular, might not participate in these benefits. pg.2

The study additionally finds that “LNG exports won’t have a significant effect on overall US employment levels” (pg.2).

The conflation of public interest with corporate interest and the hope that corporate profits will eventually trickle-down is unacceptable given growing trend of wealth inequality in the United States. Rising inequality in the United States is well-documented and has serious implications for the integrity of our democratic system. A meaningful public interest determination will not only look comprehensively at the environmental impacts of increased gas production, but must also consider the inequality potentially aggravated by increasing LNG exports.

Sincerely,

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Friends of the Earth

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