

**Statement of E. Harry Vidas before  
Senate Committee on Energy and Natural Resources  
May 21, 2013**

Chairman Wyden, Ranking Member Murkowski, and members of the Committee, I appreciate the opportunity to discuss the U.S. endowment of natural gas resources and the effects of LNG exports.

Last week ICF International completed a study sponsored by The American Petroleum Institute (API) to estimate the energy market and economic impacts of LNG exports. Our study evaluated global LNG trade trends to identify a range of possible U.S. LNG export scenarios, assessed the impact of LNG export volumes on domestic energy markets and the economy, and compared results to other LNG export studies.

Four fixed LNG export scenarios were analyzed, which include the Zero Exports Case, designated as the "Reference Case," the ICF Base Case of 4 billion cubic feet per day (Bcfd) in LNG exports by 2035, the Middle Exports Case of 8 Bcfd by 2035, and the High Exports Case of 16 Bcfd by 2035, which would indicate a market share on new LNG contract volumes globally of 8%-25% by 2035..

Our analysis finds that the U.S. faces considerable competition for LNG sales abroad, with at least 63 international LNG export projects planned or under construction, with combined LNG export capacity of 50.5 Bcfd.

The net effects on U.S. employment from LNG exports are projected to be positive with average net job growth of 73,100 to 452,300 between 2016 and 2035, including 1,700-

11,400 net job gains in the specific manufacturing sectors that include refining, petrochemicals, and chemicals.

The net effect on annual U.S. GDP of LNG exports is expected to be positive at about \$15.6 to \$73.6 billion annually between 2016 and 2035, depending on LNG export case and GDP multiplier effect.

LNG exports are projected to have moderate impacts on domestic U.S. natural gas prices of about \$0.32 to \$1.02 per million British Thermal Units (MMBtu) on average between 2016 and 2035.

This ICF study adds credence to the NERA results that there are positive benefits to U.S. GDP from LNG exports and that those benefits increase as the volume of exports rise, but finds higher GDP gains due to the inclusion of natural gas liquids, among other factors.

The recent ICF report for API is available on the API website.<sup>1</sup> For more information on ICF's natural gas resource base analysis, please see my previous testimony before the U.S. House of Representatives Committee on Energy and Commerce, Subcommittee of Energy & Power from February 2013.<sup>2</sup>

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<sup>1</sup> <http://www.api.org/~media/Files/Policy/LNG-Exports/API-LNG-Export-Report-by-ICF.pdf>

<sup>2</sup> <http://democrats.energycommerce.house.gov/sites/default/files/documents/Testimony-Vidas-EP-Energy-Security-2013-2-5.pdf>