



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone’s Opening Remarks at Energy Markup

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy markup of five energy bills:*

Thank you, Mr. Chairman. Today the Subcommittee will consider four cybersecurity bills and one bill addressing liquefied natural gas exports. I was hoping this would be a bipartisan markup of consensus cybersecurity legislation, but unfortunately the majority added the “Ensuring Small Scale LNG Certainty and Access Act” to this markup just before it was noticed, and that is a bill I cannot support.

The four bipartisan cybersecurity bills before us today will enhance the Department of Energy’s efforts to strengthen the cybersecurity of our nation’s electricity grid and pipeline network. It is critical that we ensure our nation’s energy infrastructure is sufficiently protected from cyber threats. I support these four bipartisan bills and commend my colleagues who have taken leadership on the issue.

The small-scale LNG bill is another situation altogether. My opposition to LNG exports should come as no surprise to anyone. I have long voiced my concern that an unrestricted export policy could significantly impact domestic natural gas prices and adversely affect American consumers and manufacturers.

This bill appears to be an attempt to codify the Trump Administration’s recently proposed rule to expedite the approval of “small-scale natural gas exports.” In my opinion, that rule is already problematic, but this bill is even worse for the environment than the proposed rule.

Let me first speak to the rule. It would allow expedited approval of small LNG facilities so long as the proposal is below a certain threshold and does not require an environmental review under the National Environmental Policy Act (NEPA).

The Administration’s rule is also a concerning carve-out for a subset of LNG applications. Specifically, it declares that all small-scale exports are always in the public interest, removes

longstanding consumer protections, and prevents the public from having an opportunity to know about or provide input on export proposals.

Despite its flaws, the Administration's small-scale LNG rule is a far better option than this legislation, which would keep the volume limit, but completely abandon the requirement that applications qualify for a categorical exclusion from NEPA. In other words, this bill would allow for the approval of facilities that would currently undergo serious environmental review. I adamantly oppose any efforts to remove these environmental protections.

Leave it to the Republican leadership of this Committee to markup a bill that has even fewer environmental safeguards than a Trump Administration proposal.

So who's going to benefit from this legislation? According to the Congressional Research Service, only one project currently meets the capacity requirements of the Administration's small-scale LNG rule but does not qualify for a categorical exclusion, and that's Eagle LNG Partners Jacksonville LLC. Since only one facility would currently benefit from this bill it sounds suspiciously like the kind of legislative earmark I thought my Republican colleagues opposed. I brought this up during our legislative hearing, and still, to this day, no one has been able to explain why this particular project deserves such special treatment. I'm still waiting for an answer.

Mr. Chairman, H.R. 4606 is unnecessary, it is bad policy, and it is a legislative earmark. We should not advance it to the full committee, and I urge my colleagues to join me in opposing it.

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