Legislative Bulletin.....January 27, 2015

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H.R. 351 — LNG Permitting Certainty and Transparency Act

H.R. 351 – LNG Permitting Certainty and Transparency Act (Rep. Bill Johnson, R-OH)

<u>Order of Business</u>: The resolution is scheduled to be considered on January 27, 2015, subject to a <u>closed rule</u> that provides one hour of debate equally divided and controlled by the chair and ranking minority member of the House Committee on Energy and Commerce.

<u>Summary</u>: <u>H.R. 351</u> would direct the Department of Energy to issue a final decision on any (1) application for the authorization to export natural gas under the Natural Gas Act (<u>15 U.S.C. 717b</u>); and for (2)proposals that must also obtain authorization from the <u>Federal Energy Regulatory Commission</u> or the <u>United States Maritime Administration</u> to site, construct, expand, or operate Liquid Natural Gas (LNG) export facilities. The decision must be issued within 30 days after the later of:

- ➤ The conclusion of the review to site, construct, expand, or operate the LNG facilities required by the National Environmental Policy Act of 1969; or
- The date of the bill's enactment.

The bill would direct that any <u>National Environmental Policy Act</u> (NEPA) review to be concluded:

- ➤ For a project requiring an Environmental Impact Statement 30 days after publication of a Final Environmental Impact Statement;
- ➤ For a project for which an Environmental Assessment has been prepared, 30 days after publication by the Department of Energy of a Finding of No Significant Impact; and
- ➤ Upon a determination by the lead agency that an application is eligible for a categorical exclusion pursuant National Environmental Policy Act of 1969 implementing regulations.

This bill would establish jurisdiction for application review within United States Court of Appeals. Specifically, the appropriate circuit within the United States Court of Appeals would

be determined based on the location of the export facility the following actions are subject to review with the Appeals Court:

- An order issued by the Department of Energy with respect to such application; or
- ➤ The Department of Energy's failure to issue a final decision on such application.

The bill would require the United States Court of Appeals to order the Department of Energy to issue a final decision not later than 30 days, if it finds in a civil action that the Department has failed to issue a final decision on an application.

The bill would direct the court to set any civil action for expedited consideration and shall set the matter on the docket as soon as practical after the initial pleading's filing date.

The bill would amend the Natural Gas Act to provide that the that the Secretary of Energy must require the applicant to publicly disclose the specific destination of any authorized LNG exports, as a condition for approval of any authorization to export LNG.

Additional Information: A fact sheet from the House Committee on Energy and Commerce on H.R. 351 can be found here and here and here. According to the Committee, the construction of new LNG export projects is estimated to put up to 45,000 unemployed Americans back to work by 2018. Opening new markets for American natural gas would encourage further production of domestic energy, helping to create additional jobs and support American manufacturing. Furthermore, LNG exports from the United States would provide allies and trading partners an affordable and secure energy source. Several news publications have also recently published opinion pieces on the geopolitical benefits of increasing U.S. natural gas exports as a way to hedge against Russian economic influence in Eastern and Western Europe, in light of the recent Russian forced annexation of Crimea and the country's use of its state-run gas company, Gazprom, as a foreign policy weapon. A February 2014 report from the House Committee on Energy and Commerce on the geopolitical implications of natural gas exports can be found here.

A list of the bill's cosponsors can be found here.

<u>Outside Groups</u>: <u>American for Prosperity</u> is key voting in support of H.R. 351. <u>Heritage</u>
<u>Action, Americans for Tax Reform, National Association of Manufacturers, National Taxpayers</u>
<u>Union, U.S. Chamber of Commerce, Bipartisan Policy Center, and the American Petroleum</u>
<u>Institute (API)</u>, have all issued letters of support. A more comprehensive list of support letters provided by the House Committee on Energy and Commerce can be found <u>here</u>.

<u>Committee Action</u>: The bill was introduced on January 14, 2015, and was referred to the House Committee on Energy and Commerce.

Administration Position: No Statement of Administration Policy is available at this time.

<u>Cost to Taxpayers</u>: No Congressional Budget Office (CBO) estimate is available.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No CBO estimate is available.

<u>Constitutional Authority</u>: Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3 of the United States Constitution.

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