

Natural Gas Trade Policies

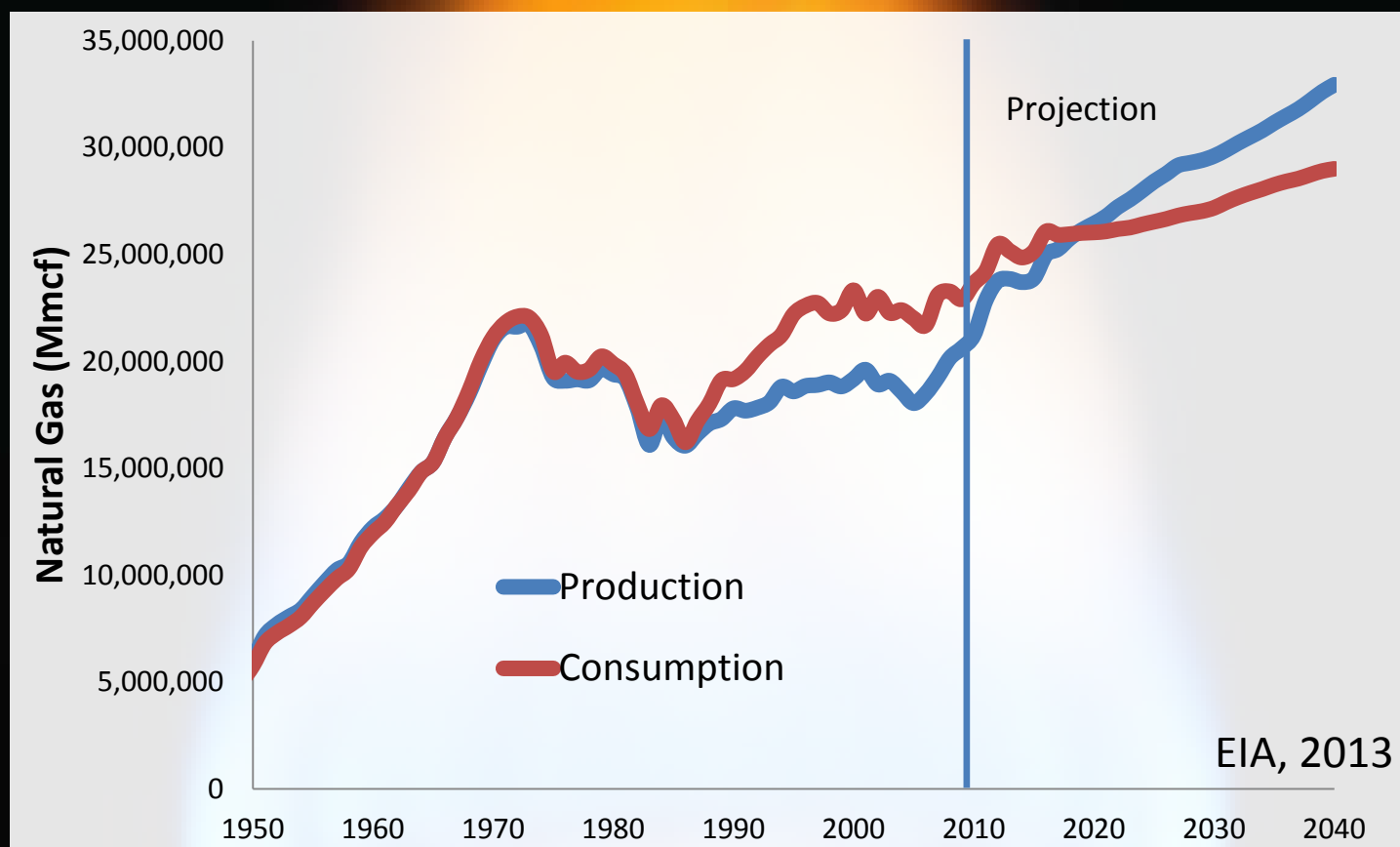
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"Our dependence on foreign energy is like a foreign tax on the American people."

-George W. Bush, 2006



Why is it Controversial?

Positive

- Increased market for US product
- Increased global influence

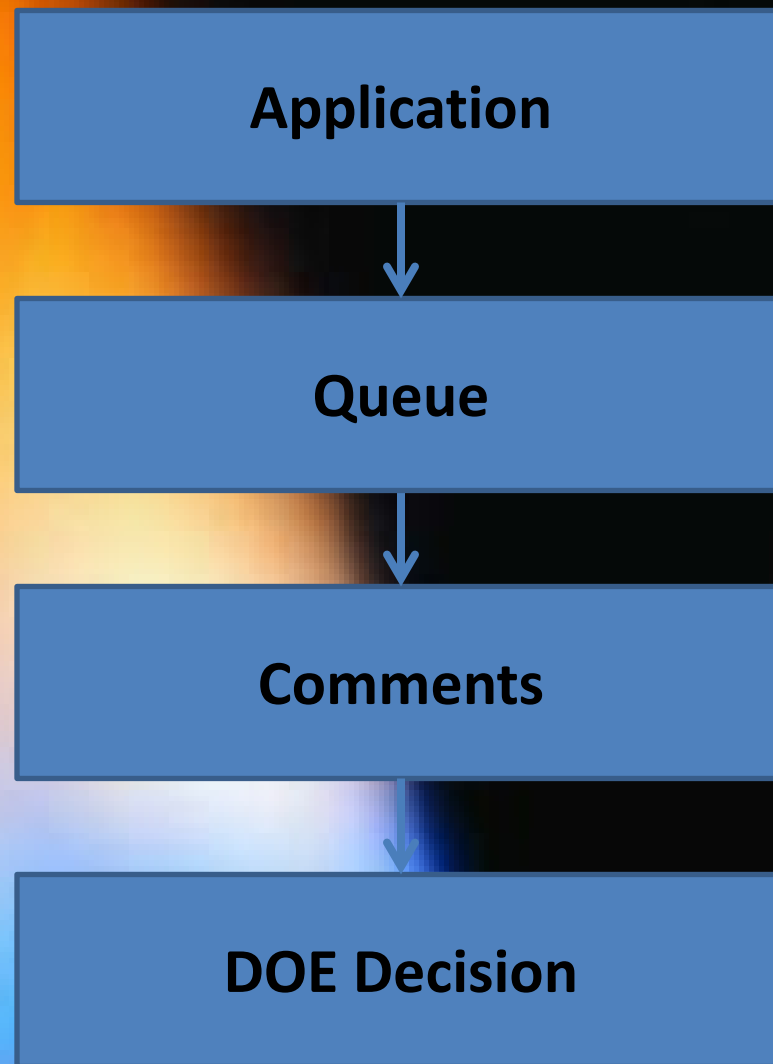
Negatives

- Increased domestic prices
- Increased environmental impact

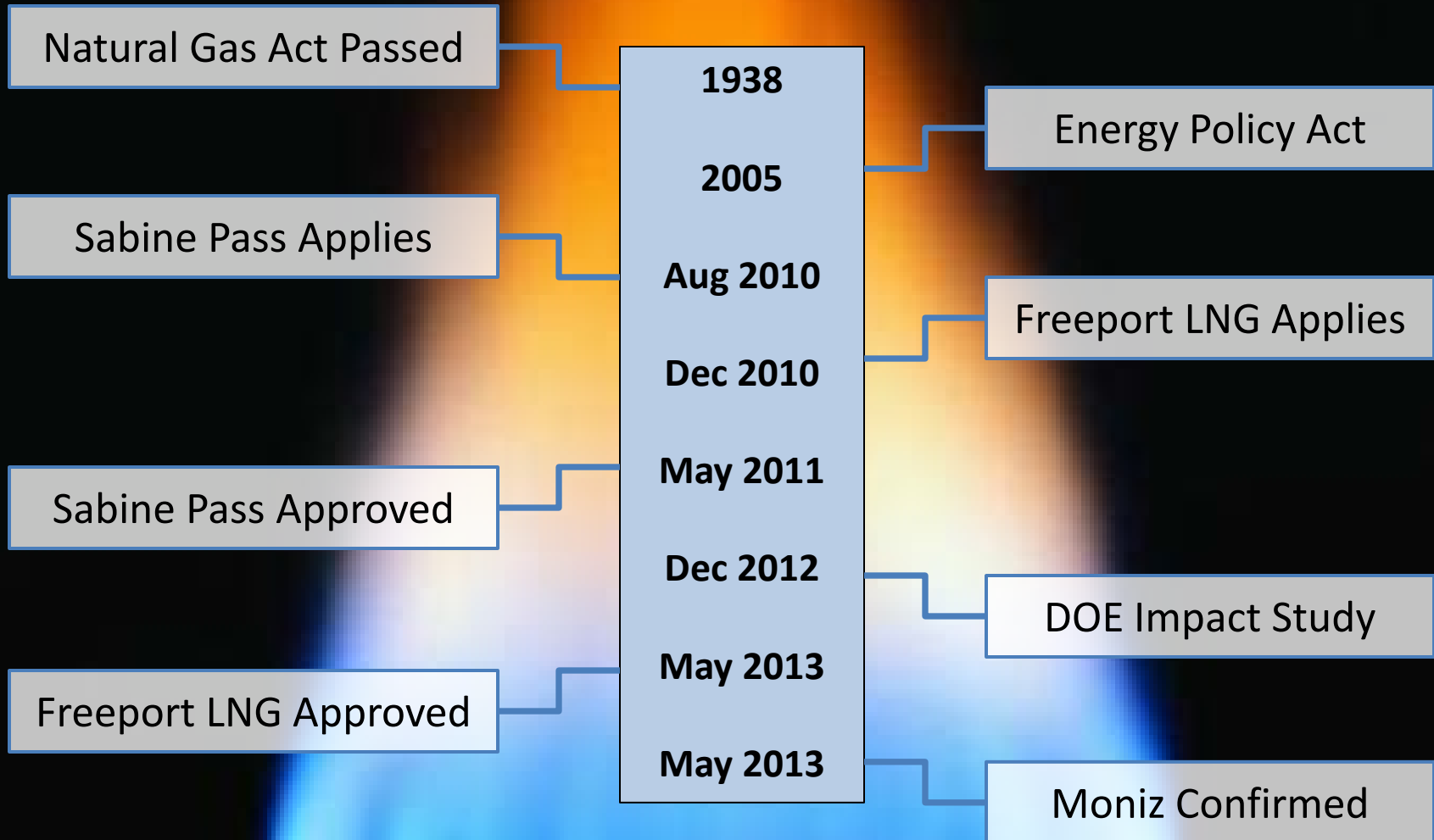


Current Approval Process

- Presumption that exports are in “public interest”
- Free trade agreement nations are automatically approved
- Queue based on FERC pre-approval
- FERC siting approval

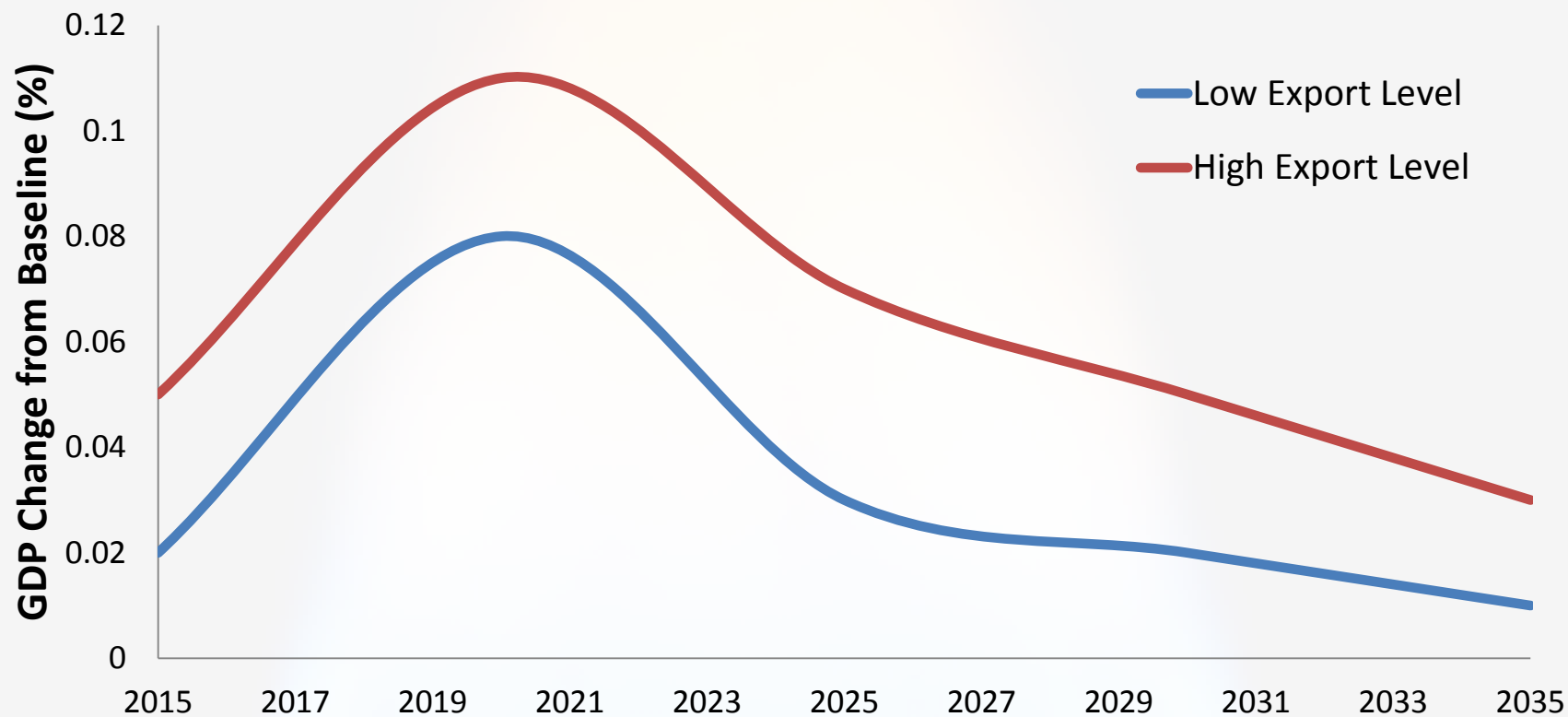


Timeline



Impact: Benefits

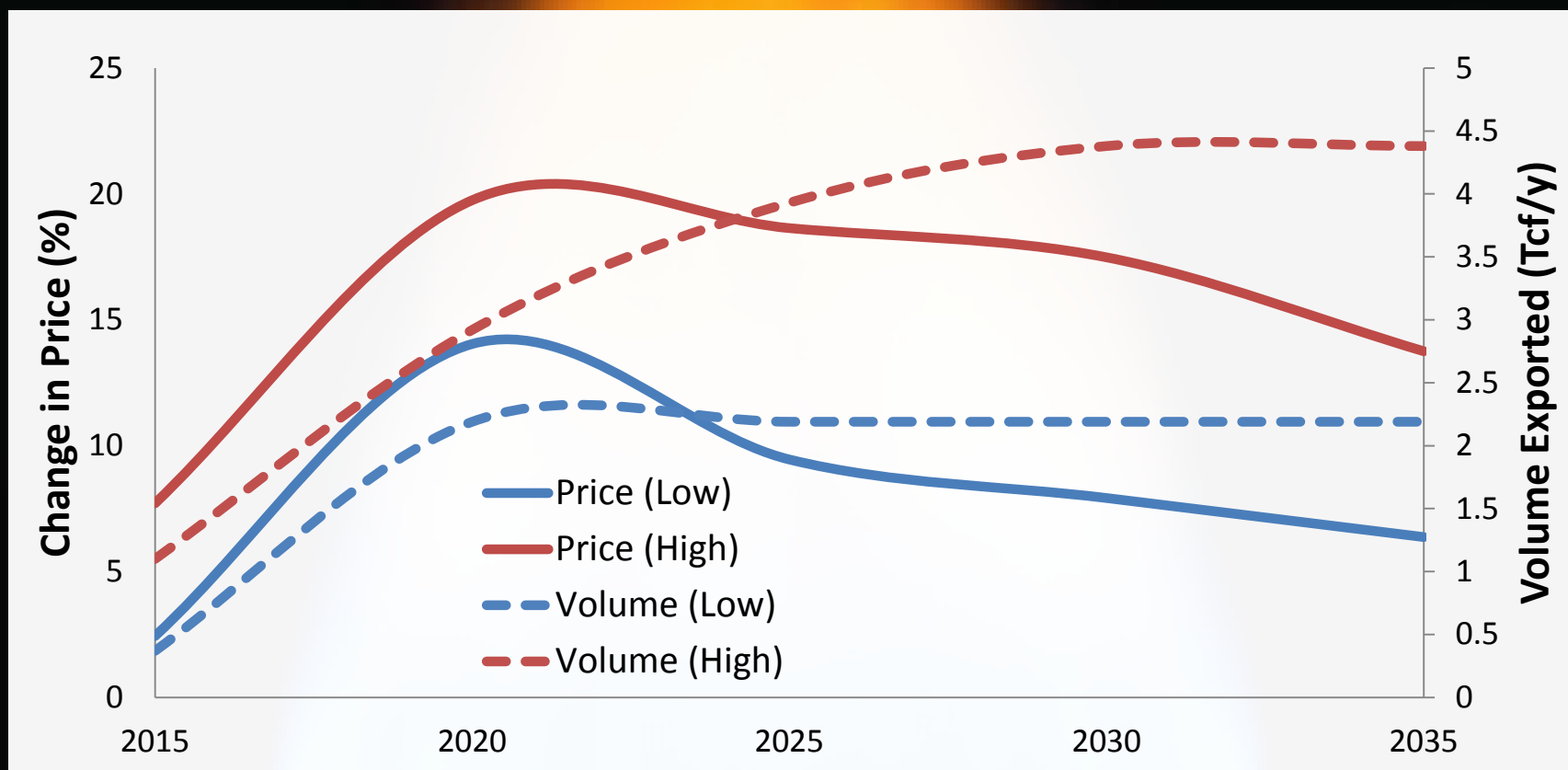
Net benefit greater for higher exports



NERA, 2012

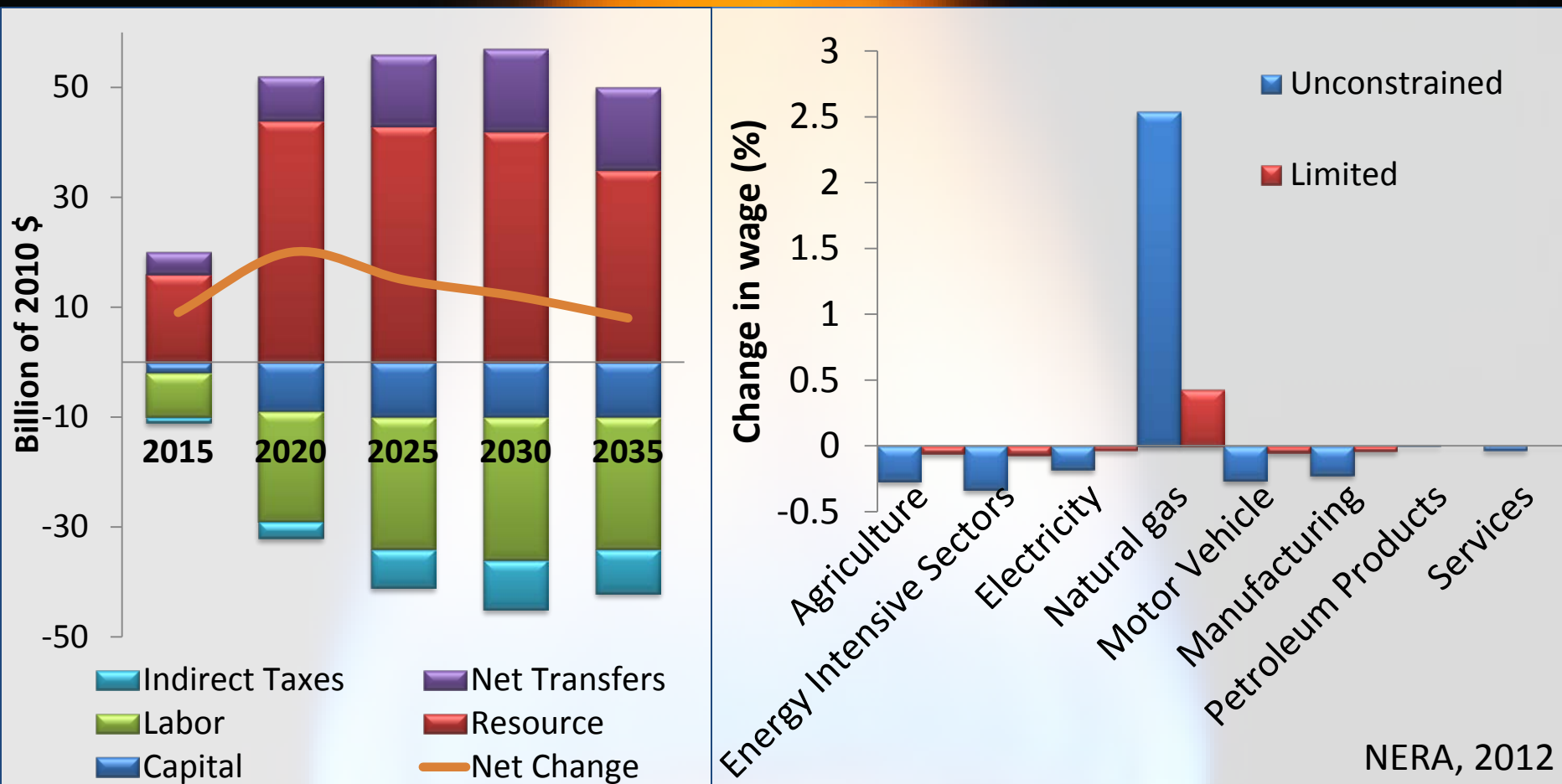
Impact: Price and Volume

- Small increase in price and volume
- Volume economic issue



Impact: Distribution

- Benefits born by natural gas and resource income
- Small costs born by all sectors



Streamline Process

- Authorize FERC to approve permits
- Reorder queue based on economic viability
- Increase application fee

Recommendations Conclusions

- Future dictated by global market
- Increase speed of approvals
- Rearrange queue
- Regulate unconventional production

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Questions?

