



Senators Introduce Competing Proposals Relating to Natural Gas Exports

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Senator Markey Proposes To Halt New Exports to Countries that do Not Have a Free Trade Agreement with the U.S. for up to Two years – Or Longer

Senator Markey issued a press release indicating that he opposes efforts to expedite new natural gas exports. Senator Markey believes that the U.S. should put diplomatic pressure on Russia, but not at the expense of America's manufacturers and consumers. Senator Markey is concerned that additional exports could result in spikes in natural gas prices which could cost American consumers and businesses \$62 billion per year.

Senator Markey's bill, [S. 2088](#), called the "American Natural Gas Security and Consumer Protection Act," would amend the NGA to require that before any additional exports of gas may be authorized to countries that do not have a free trade agreement with the U.S., the Secretary of Energy must issue new regulations for determining whether an export of natural gas is in the public interest. The bill would require the Secretary to issue final regulations within two years of enactment of the proposed legislation.

The new regulations would require the Secretary to make a determination as to whether each proposed export is in the public interest through:

- Use of the latest available data on current and projected U.S. gas demand, production, and price;
- Consideration of the effects of the proposed export on: household and business energy expenditures; the U.S. economy, jobs, and manufacturing; the energy security of the U.S.; the conservation of domestic natural gas supplies to meet future energy needs of the U.S.; the potential for natural gas use in transportation, industrial, and electricity sectors of the U.S.; the ability of the U.S. to reduce greenhouse gas

emissions; the national security and foreign policy of the U.S.; domestic natural gas supply and availability; the balance of trade; other issues determined to be relevant; and

- Consideration of a detailed statement, to be issued by the Secretary under the National Environmental Policy Act of 1969, of the environmental impact of the issuance of exportation orders, which must include an analysis of the impacts of gas production on the environment in communities where the gas to be exported is produced.

Impact of the Proposed Legislation

Neither bill would change the approval process for exports destined for countries with which the U.S. has a free trade agreement requiring national treatment for trade in natural gas. Such exports still would be deemed to be consistent with the public interest, and granted without modification or delay. However, both bills would dramatically change the current method of evaluating exports to non-free trade countries. Currently, the NGA requires approval of such proposed exports unless the Secretary finds the exportation is not in the national interest. Under Senator Markey's proposal, this presumption in favor of exports is would be removed. Instead, the Secretary would have to make an affirmative finding that an export to a non-free trade country is in the national interest before the export application could be approved. The new regulations would require the Secretary to undertake a detailed analysis of each export application, based on consideration of a number of economic, environmental, and national security factors. At best, this would mean significant delays in obtaining future export authorizations to non-free trade nations. Senator Begich's proposal, on the other hand, would preserve the presumption in favor of exports, and it would expedite the approval process for some countries that do not have a free-trade agreement with the U.S.

¹ Gas that is exported solely to meet a requirement imposed under certain legislation dealing with emergency situations would be exempted from the requirements of Senator Markey's bill.

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