

**From:** [Conrad, Matt \(GOV\)](#)  
**To:** [LNGStudy](#)  
**Subject:** 2012 LNG Export  
**Date:** Thursday, January 24, 2013 2:57:43 PM  
**Attachments:** [Comments of Gov. McDonnell 012413 LNG Export.pdf](#)

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Please find attached the comments of Governor McDonnell regarding the 2012 LNG Export Study.

Thank you,

***Matthew A. Conrad***  
***Deputy Chief of Staff and Deputy Counselor***  
***Office of Governor Robert F. McDonnell***  
***Commonwealth of Virginia***  
***1111 East Broad Street***  
***Richmond, VA 23219***  
***(804) 692-2573***



# COMMONWEALTH of VIRGINIA

## Office of the Governor

Robert F. McDonnell  
Governor

January 24, 2013

The Honorable Steven Chu  
Secretary  
Department of Energy  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Secretary Chu:

The natural gas supply revolution is transforming the Commonwealth of Virginia and the entire nation. This surge in clean, domestic, affordable energy is stimulating local economies, creating millions of jobs, and enabling new opportunities. But the opportunity could be greater and the impact more far-reaching. I write you today regarding the importance of liquefied natural gas (LNG) exports and creating a free and open marketplace for U.S. energy supplies.

Enabling global markets to access U.S. natural gas supplies will help restore transparency to what has become an artificially depressed and geographically constrained energy marketplace. According to the EIA, crude oil and natural gas have traded at a price ratio of approximately 9:1 for the past five years. Yet, in 2009, the relative price for these commodities began to depart dramatically, at periods exceeding a ratio of 35:1. This departure comes because of a growth in supplies that has outpaced domestic demand, but which is unable to be sold freely into a global marketplace. However, with supplies more than sufficient to meet domestic needs, I can find no justification for why mineral owners in Virginia should not have the opportunity to sell their product into a market that offers a true price for its actual value.

The construction and operation of LNG export terminals and increased exploration and production activity will support jobs and investment at a time when such a free-market stimulus is so desperately needed. This means growth in domestic GDP and an opportunity to restore our international balance of trade. We cannot afford for this to become another "missed opportunity."

To date, one LNG terminal at Sabine Pass in Louisiana has been approved to sell natural gas overseas while more than 10 other projects remain pending. I strongly urge you to move forward in considering and approving these pending projects and completing the economic study your department is undertaking.

Thus, with the recent long-awaited release of the DOE report, I respectfully urge you to advance without delay through the comment period and approval of the pending export project permits. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Robert F. McDonnell".

Robert F. McDonnell