



March 14, 2018

The Honorable Wilbur Ross
Secretary of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Dear Mr. Secretary:

LNG Allies represents companies involved in the export of liquefied natural gas (LNG) from the United States.

We write today to respectfully request that the Department of Commerce issue an exemption for all imported steel products used in U.S. LNG export facilities from the “Presidential Proclamation on Adjusting Imports of Steel into the United States,” which was issued by President Donald J. Trump on March 8, 2018.

We understand that clause 4 of the proclamation states that: “Within 10 days after the date of this proclamation, the Secretary [of Commerce] shall issue procedures for the requests for exclusion described in clause 3 of this proclamation” and that such procedures should be forthcoming by March 19, 2018. Nonetheless, we believe that the U.S. LNG export industry is such an enormous “engine” of jobs and economic growth to merit a full, complete, and immediate exemption from the proclamation. Consider these salient facts:

- U.S. LNG projects involve hundreds of billions of dollars in infrastructure investment (counting LNG export facilities, pipelines, and upstream production) throughout the United States, create hundreds of thousands of U.S. jobs, and incorporate equipment manufactured in over half of the 50 states.
- LNG exports also reduce the U.S. trade deficit, increase our GDP, limit “stranded gas” in shale basins, and greatly expand the geopolitical influence of the United States by providing secure, low-cost, environmentally-beneficial natural gas for power generation in 35+ nations (including many that are running large trade deficits with us).

Despite these substantial benefits, the U.S. LNG export industry is at a crucial stage of early development. Global competition is fierce and when it comes to the next generation of liquefaction projects, only the lowest-cost facilities will be built. As we noted in our letter to President Trump of March 1, 2018, much of the steel used to build LNG export projects is either not produced at all in the United States or not made here in sufficient quantity. Thus, American LNG projects will surely become more expensive as a result of the new tariffs.

In the coming weeks we will provide more information about the impact of the 25 percent steel tariffs on the U.S. LNG industry and updated U.S. LNG jobs and economic data. However, we urge you to act as soon as possible to issue a full and complete exemption from the 25 percent tariff for all imported steel products used in U.S. LNG export projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred H. Hutchison", with a horizontal line extending to the right.

Fred H. Hutchison
President & CEO, LNG Allies