

## Timeline of U.S. Natural Gas Production, Consumption and Exports

**1938** – Congress enacts the Natural Gas Act of 1938. Section 3(a) of the Act states that no one shall export or import natural gas without first securing an order from the Federal Power Commission (authority later transferred to the Department of Energy). This statute requires the issuance of an order for export or import upon application, unless it is determined that it will not be consistent with the public interest.

**1973** – U.S. natural gas production hits its all-time high but then declined over the next decade by 26 percent.

**1970s** – Amid price increases for oil resulting from the oil embargo of 1973 to 1974, demand for natural gas increases but natural gas production had begun falling. The result was a number of natural gas shortages in the 1970s.

**December 1975** – Congress passes, and President Ford signs, the Energy Policy and Conservation Act, which included a directive in Section 103 that the President promulgate regulations to prohibit the export of crude oil and also of natural gas. The Act allows the President to “exempt from such prohibition such crude oil or natural gas exports which he determines to be consistent with the national interest and the purposes of this Act” and requires that those exemptions be included in the rule prohibiting exports or included in an amendment to that rule.

The summary included in the EPCA Conference Report spoke to the purposes of the act as intended by Congress. It stated, “For the long run, the Act will decrease dependence upon foreign imports, enhance national security...and guarantee the availability of domestic energy supplies at prices consumers can afford.”

**April 13, 1976** – President Ford issues Executive Order No. 11912 delegating the authority in section 103 of EPCA to the Commerce Department.

**July 9, 1976** – The Commerce Department issues a Federal Register Notice noting the EPCA requirement to promulgate regulations prohibiting the export of both U.S. crude oil and natural gas and stating, “The Department [of Commerce] is currently developing regulations to implement the provisions of that Act and will promulgate such Regulations in the near future.” The Commerce Department’s Bureau of Industry and Security issued regulations only prohibiting the export of domestically-produced crude oil.

**August 1977** – Congress passes the Department of Energy Organization Act, creating DOE.

**December 15, 1978** – The Commerce Department issues a Federal Register Notice which makes no further mention of regulations being developed under Section 103 of EPCA to prohibit the export of natural gas and instead states that “Regulations administered by the U.S. Department of Energy...govern the export of “natural gas.”” The Notice states that these regulations are issued

under the authority of the Natural Gas Act of 1938, not EPCA, which was enacted three years earlier.

**September 7, 2010** – Amid rising U.S. natural gas production, Sabine Pass, a subsidiary of Cheniere Energy, applies for the first application with the Department of Energy to export U.S. natural gas to non-free trade agreement countries.

**2011** – U.S. natural gas production reaches a new all-time high, surpassing the previous peak in 1973. Domestic natural gas production continues to increase in the following years.

**May 20, 2011** -- DOE conditionally approves Sabine Pass' application to export natural gas from the United States to non-free trade countries under authority provided by section 3(a) of the Natural Gas Act of 1938, the first application approved.

**Present** – DOE has approved seven licenses to export natural gas to non-free trade agreement countries from six different terminals. Total approved LNG export capacity is nearly 11 billion cubic feet (bcf) of natural gas a day. DOE has separately approved nearly 16 bcf/day of natural gas export capacity through pipelines.