

# Roth: The Export Shale Revolution?

This week, the U.S. Department of Energy approved its first-ever liquefied natural gas export license for the exportation in the Marcellus Shale. In the northeastern part of the United States in and around New York and Pennsylvania, the Marcellus Shale has an overwhelming abundance of oversupply and is in desperate need of a viable market. Now, this American commodity has found a marketplace: the globe.

It was not too long ago that the natural gas market in the United States, and indeed, policymakers, were suggesting that we need LNG import terminals. Interestingly enough, of the 39 import terminals proposed and approved in 2006, only 11 have actually been completed, according to the Federal Energy Regulatory Commission. Naturally, the reason is no stranger to us in Oklahoma: the shale gas revolution.

The shale gas revolution fundamentally changed the outlook for the U.S. gas market from one of virtual extinction to one of abundant supply. The abundance of supply also means lower prices, which has helped make changes in the transportation market with the emergence of compressed natural gas as a fuel. Additionally, both the Energy Information Administration and the Environmental Protection Agency attributed the increased use of natural gas as a key contributor to the reduction of harmful emissions such as nitrogen oxides, or NO<sub>x</sub>; sulphur dioxide, or SO<sub>2</sub>; and carbon dioxide, or CO<sub>2</sub>.

But, the role of natural gas has been primarily a domestic commodity. Could that be changing? Because of the abundance of natural gas, many economists are suggesting that major export projects, like the LNG terminal approved this week, will be an important element in creating stable demand in the marketplace. Such projects will also help provide a sustained,

long-term U.S. natural gas market.

Plus, there might be significant geopolitical advantages to greater exports of this American-made commodity. For example, for decades, many countries in Europe have been gripped by their over-reliance on Russia as their sole supplier of gas. After all, Russia is the world's largest producer of conventional gas. But, as former Secretary of State Hillary Clinton remarked on this very topic, "there's a lot more natural gas in the global market looking for a home." So, from a national and foreign policy perspective, the exporting of natural gas comes with some advantages.

Here in Oklahoma, we remain a leader in this industry. In fact, in many ways, Oklahoma is a global player – and not just because we are producers. We are technological innovators who have helped design pipelines, production enhancements, and critical tools that have helped make this Oklahoman and American commodity a global one.