
NATURAL GAS EXPORTS: WASHINGTON'S REVOLVING DOOR FUELS CLIMATE THREAT

LEE FANG REPUBLICREPORT.ORG • lhfang@gmail.com
STEVE HORN DESMOGBLOG.COM • steve@desmogblog.com

EXECUTIVE SUMMARY

The 2014 U.S. congressional mid-term elections are now complete, and the Republican Party controls both the House of Representatives and the Senate. Some have forecasted that this could have catastrophic impacts for progress on climate change¹ and environmental protection in general.

But below the radar in Washington DC — little noticed by the media or public — a major change on energy policy has already been long in the making. Corporate lobbyists have helped to engineer a transformative shift with little scrutiny or meaningful debate: plans to extract U.S. natural gas and export the gas overseas to more lucrative markets.

This shift — if fully realized — will continue to transition the U.S. into a resource colony, where our communities, homes, air, and water are exploited and polluted so that large multinational corporations can pursue ever-higher profits by selling U.S. fossil fuels abroad.

The rise of hydraulic fracturing or “fracking” oil and gas wells has resulted in an excess of oil and gas in the United States, lowering prices and clogging markets.

Fracking also poses well-known threats to water supplies, the environment, and public health for local communities, and contributes to climate disruption by leaking vast amounts of methane into the atmosphere, making so called “clean burning natural gas” not so clean.

As a December 2012 report commissioned by the Department of Energy confirmed², exporting natural gas will contribute to higher energy prices for U.S. consumers because it will deplete domestic gas reserves.

Federal agencies have expedited permits for new liquefied natural gas (LNG) export terminals, with four already approved and many more lined up waiting for approval. There is little doubt that this maneuver will lock in demand to accelerate hydraulic fracturing, or fracking, to obtain more natural gas to support the export market.

Big oil and gas companies have engineered this policy outcome through shrewd hiring of Washington insider lobbyists and public relations professionals: Obama and Bush Administration veterans, as well as former Capitol Hill staffers, who have moved through Washington’s revolving door to high-paying influence peddling jobs.

If the Obama Administration and the GOP-led Congress, prodded by industry lobbyists, pick LNG export acceleration as an area for bipartisan cooperation, they will hurt U.S. consumers and our environment and make global warming worse.

This report explores the people and companies involved in the influence-peddling lobbying apparatus dominating the LNG export process.

¹ <http://thinkprogress.org/climate/2014/10/31/3586676/senate-gop-climate-preview>

² http://energy.gov/sites/prod/files/2013/04/f0/nera_lng_report.pdf

KEY FINDINGS

THE OBAMA ADMINISTRATION AND KEY DEMOCRATIC LEADERS INCREASINGLY EMBRACE LNG INTERESTS

While the Obama White House and Democratic Party have presented themselves as leaders in addressing climate change, moving away from fossil fuels and toward alternative energy sources, LNG exporters have bought their way into the Democratic Party, securing a close relationship with the White House, key federal agencies, and Democratic Party leaders.

One very public example is Heather Zichal³, who left her job as President Obama's top White House climate and energy advisor to join the board of Cheniere Energy⁴, the first company approved for LNG export operations⁵ back in 2012.

Another example, further behind the scenes, is David Leiter⁶, the president of government relations consulting group ML Strategies, LLC. Leiter served as chief of staff for then-U.S. Senator John Kerry and as deputy assistant secretary of energy under President Bill Clinton. Leiter now lobbies on behalf of Semptra Energy⁷, owner of the Cameron LNG export facility in Louisiana, which received final approval from the U.S. Federal Energy Regulatory Commission (FERC) earlier this year⁸.

MANY EX-BUSH ADMINISTRATION OFFICIALS NOW LOBBY FOR OR OWN LNG INDUSTRY ASSETS

The fracking boom exploded under the Bush Administration thanks to the passage of the Energy Policy Act of 2005, which contained the Halliburton Loophole and other favors for industry⁹ at the behest of then-Vice President Dick Cheney, the former CEO of Halliburton. Many of those former Bush Administration officials have passed through the government-industry revolving door and now lobby for the LNG industry or own key LNG industry assets.

A case in point is David Merkel¹⁰, who formerly worked for the State Department under the Bush Administration. Until it disbanded, Merkel served as an executive for LNG export company United LNG. Merkel also serves as a fellow¹¹ at the industry-funded Atlantic Council¹².

THE LNG INDUSTRY HAS PURCHASED SUPPORT IN CONGRESS

Not only are key congressional committees now directed by former gas industry and LNG lobbyists, but a steady stream of staffers have also left Capitol Hill to lobby their former colleagues. The LNG industry also plowed a flood of donations into key congressional elections this year and into influential non-profits with close ties to key lawmakers.

A good example of that is NewDeal¹³, co-run by Maryland Democratic Governor Martin O'Malley, which is financed¹⁴ by the gas industry lobbying powerhouse, America's Natural Gas Alliance (ANGA)¹⁵.

³ http://littlesis.org/person/33287/Heather_Zichal

⁴ <http://www.desmogblog.com/2014/06/20/heather-zichal-former-obama-energy-aide-named-board-member-lng-exports-giant-cheniere>

⁵ <http://www.businessweek.com/news/2012-04-16/cheniere-wins-u-dot-s-dot-approval-for-natural-gas-export-terminal>

⁶ http://littlesis.org/person/15670/David_Leiter

⁷ <http://disclosures.house.gov/ld/ldxmlrelease/2014/2T/300666138.xml>

⁸ <http://www.ferc.gov/media/news-releases/2014/2014-2/06-19-14-C-1.asp#.VFcmvTF8tE>

⁹ <http://www.desmogblog.com/fracking-the-future/politics.html>

¹⁰ <http://2001-2009.state.gov/p/eur/rls/or/102978.htm>

¹¹ <http://www.atlanticcouncil.org/en/about/experts/list/merkel-david-a>

¹² <http://www.atlanticcouncil.org/support/supporters>

¹³ http://littlesis.org/org/153788/The_NewDEAL

¹⁴ <http://www.dailykos.com/story/2014/05/27/1302362/-What-Happened-When-Martin-O-Malley-s-Dark-Money-Group-Met-With-The-Fracking-Industry>

¹⁵ http://littlesis.org/org/79962/America%2525252527s_Natural_Gas_Alliance

THE KOCH BROTHERS ARE PROFITING FROM, AND PROMOTING, LNG EXPORTS

Support for LNG exports has surged as natural gas interests have developed strong ties to top Republicans and conservative organizations. Koch Industries¹⁶, the privately held corporation run by Charles and David Koch, has emerged as a leading LNG trading company via its subsidiary Koch Supply & Trading¹⁷. Meanwhile, Koch-backed interests have increasingly promoted LNG exports by using their well-financed echo chamber that some refer to as the “Kochtopus¹⁸.”

LNG INTERESTS ARE MANIPULATING PUBLIC OPINION

LNG and gas industry groups have made aggressive efforts to shape and mold public opinion so that LNG exports are perceived as a geopolitical trump card. The LNG industry uses public relations efforts to convince lawmakers and the public that LNG exports will fix the crisis in Ukraine, solve climate disruption, and improve other issues facing the U.S.

Think tanks and media organizations have played host to well-publicized events at which conflicts of interest go undisclosed and serious policy debate serves as a non-starter. The Brookings Institution recently hosted such an event, in which Brookings fellow David Goldwyn¹⁹, an industry consultant and the former head of the Obama State Department’s Bureau of Energy Resources, spoke in support of LNG and oil exports without disclosing his numerous industry clients²⁰.

INTRODUCTION

A growing body of research confirms that shale gas production, including the gas drilling method known as hydraulic fracturing (“fracking”)²¹, is a significant source of greenhouse gas pollution and a growing threat to human health and the environment. Far from being a “bridge fuel” towards a sustainable energy future, multiple reports reveal that methane leakage throughout the shale gas production lifecycle has produced dangerous levels of emissions, surpassing even coal in its climate disruption-causing potential. Despite this fact, and evidence that shale gas drilling has contaminated groundwater with cancer-causing agents, the federal government is on track to propel the gas industry to new heights by approving multiple liquefied natural gas (LNG) export terminals.

Current law dictates that LNG export terminals must face broad environmental and public interest review by the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC). However, the Obama administration has pledged to hasten the regulatory process, while Congress has placed renewed pressure on regulators to streamline approvals. And LNG export applicants face lower regulatory barriers when exporting to countries that have free trade agreements with the United States.

Connecting U.S. natural gas to the global market through LNG exports will raise the price of natural gas for U.S. consumers²² and provide a powerful new market incentive for expanded domestic fracking. The climate and ecological consequences of such a pursuit are unquestionably dangerous. But most policymakers in Washington have ignored that element of the debate. Instead of conducting a sober analysis of the costs and benefits of expanding LNG exports, regulators and lawmakers have followed the lead of a multi-tentacled lobbying campaign managed by the shale gas industry.

¹⁶ <http://www.desmogblog.com/koch-industries-inc>

¹⁷ <http://www.ksandt.com/>

¹⁸ <http://www.desmogblog.com/heartland-institute-manifestation-kochtopus-empire>

¹⁹ http://littlesis.org/person/90179/David_L_Goldwyn

²⁰ http://www.washingtonpost.com/politics/at-fast-growing-brookings-donors-help-set-agenda/2014/10/30/a4ba4e8e-48ef-11e4-891d-713f052086a0_story.html?wpisrc=nl-headlines&wpm=1

²¹ <http://www.desmogblog.com/fracking-the-future/>

²² http://energy.gov/sites/prod/files/2013/04/f0/nera_lng_report.pdf

Since 2012, the Obama Administration has approved four LNG export terminals: Sempra Energy's Cameron LNG²³ facility in Louisiana; Freeport LNG²⁴, which is co-owned by ConocoPhillips and located in Texas; Cheniere Energy's Sabine Pass LNG²⁵ terminal in Louisiana; and the Lusby, Maryland-based Cove Point LNG²⁶ facility owned by Dominion Resources²⁷. The rhythmic quarter-by-quarter lobbying blitz by gas interests in Washington has placed great pressure on the Obama Administration to approve over a dozen more terminal applications currently under review.

This report shines a light on the various ways the natural gas and LNG export lobby has come to dominate the political process, from buying access to the White House, federal agencies and Congress, to engaging in a forceful campaign to shift public opinion and distract from the dangers posed by unfettered shale gas exploration and production.

DEMOCRATS AND THE OBAMA ADMINISTRATION

President Obama came into office pledging to tackle climate change and to “close the revolving door²⁸” between lobbyists and government. But as the LNG debate has unfolded, the administration has broken both promises.

The most telling example is Heather Zichal, former Deputy Assistant to the President for Energy and Climate Change, who announced her intention to leave the White House in October 2013²⁹. Within months of her departure from public office, Zichal — a key environmental policy staff member to John Kerry when he served in the U.S. Senate — accepted an invitation to join the board of Cheniere Energy³⁰. In April 2012, Cheniere had become the first company to win a permit from the Obama Administration to export LNG, an effort that entailed the aid of numerous lobbyists with career ties to the Department of Energy.

White House meeting logs reveal that Zichal met several times with Cheniere lobbyists and executives³¹ while working for the Obama Administration. Now, Zichal earns \$180,000 annually³² from the company, not including stock options.

Another person who moved from a Democratic Party policy role to become a Cheniere lobbyist is Ankit Desai³³, now vice president of government relations for Cheniere. Desai previously worked as political director for then-U.S. Senator Joseph Biden and as budget director for the 2004 John Kerry for President campaign.

John Deutch³⁴, former director of the U.S. Central Intelligence Agency under President Bill Clinton, now serves on the Board of Directors of Cheniere³⁵. Deutch sits on the U.S. Secretary of Energy Advisory Board (SEAB)³⁶ and also works as a professor at the Massachusetts Institute for Technology (MIT)³⁷. Energy Secretary Ernest Moniz and Deutch formerly were colleagues at MIT³⁸.

Deutch obtained a legal waiver³⁹ to serve on the SEAB in September 2013 from the DOE in consultation with the U.S. Office of Government Ethics.

²³ <http://www.ferc.gov/media/news-releases/2014/2014-2/06-19-14-C-1.asp>

²⁴ <http://www.ferc.gov/media/news-releases/2014/2014-3/07-30-14.asp#VFcuevTF8tE>

²⁵ <http://www.businessweek.com/news/2012-04-16/cheniere-wins-u-dot-s-dot-approval-for-natural-gas-export-terminal>

²⁶ <https://www.ferc.gov/media/news-releases/2014/2014-3/09-29-14.asp#VFcuzPTF8tE>

²⁷ http://littlesis.org/org/162/Dominion_Resource

²⁸ <https://www.youtube.com/watch?v=hNh-HG8kg>

²⁹ <http://www.politico.com/story/2013/10/heather-zichal-stepping-down-97937.html>

³⁰ http://littlesis.org/org/119315/Cheniere_Energy_Partners_LP

³¹ <http://www.desmogblog.com/2014/06/27/heather-zichal-met-with-cheniere-executives-as-obama-energy-aide-before-board-nomination>

³² <http://www.desmogblog.com/2014/06/20/heather-zichal-former-obama-energy-aide-named-board-member-lng-exports-giant-cheniere>

³³ <http://www.linkedin.com/pub/ankit-desai/4/610/2a8>

³⁴ http://littlesis.org/person/1145/John_M_Deutch

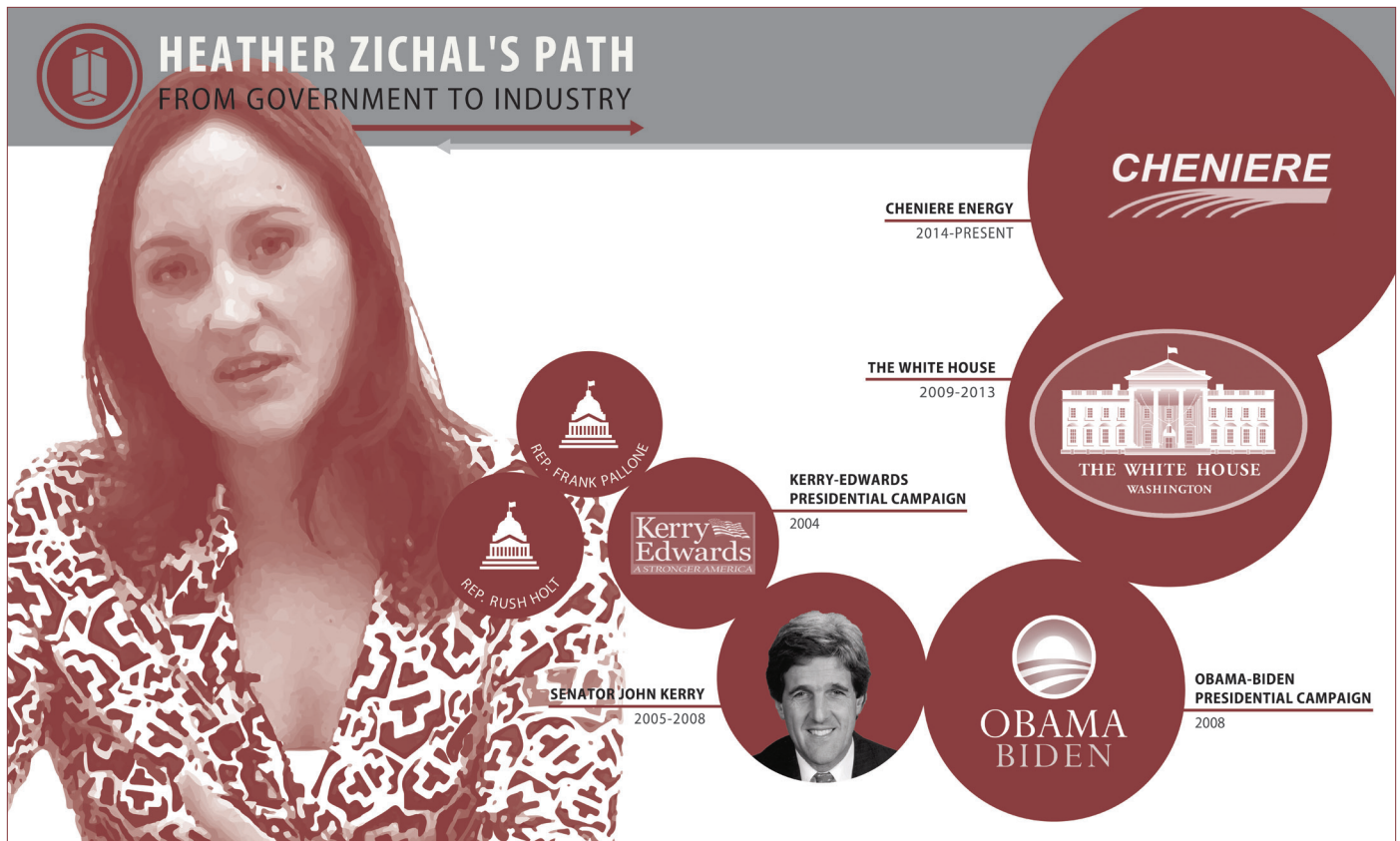
³⁵ <http://www.cheniere.com/corporate/directors.shtml>

³⁶ <http://energy.gov/seab/2013-2015-secretary-energy-advisory-board-members>

³⁷ <http://web.mit.edu/chemistry/deutch/>

³⁸ http://public-accountability.org/wp-content/uploads/industry_partner_or_industry_puppet.pdf

³⁹ <http://www.eenews.net/greenwire/stories/1060003699>



"The expertise you have gained through your past and current positions will be an invaluable asset to SEAB as it addresses issues of national significance," wrote⁴⁰ then-Deputy Secretary of Energy, Daniel Poneman⁴¹, a former attorney and principal at the corporate-funded Scowcroft Group⁴², in the memo. "As such, I find the need for your services outweighs the potential for a conflict of interest created by your financial interests." Brent Scowcroft⁴³ — namesake of the Scowcroft Group and national security advisor to President Gerald Ford and President George H.W. Bush — also sits on the SEAB⁴⁴.

In all, Cheniere Energy has hired 23 lobbyists as of the third quarter of 2014 either in-house or on a contractual basis, to peddle influence inside the Beltway. This cost the company \$810,000 during quarter three of 2014. While no small price, it's just a tiny sliver of what Cheniere paid its CEO, Charif Souki⁴⁵, in fiscal year 2013: \$142 million⁴⁶, the highest pay rate for a CEO in corporate America.

To understand the tight grip Cheniere has on the Obama White House, though, one has to look beyond lobbyists and the Board of Directors and follow the money trail.

In February 2012, two months before the company received a key federal permit to export LNG, private equity firm Blackstone Group announced⁴⁷ that it would invest \$2 billion in capital for the construction of Cheniere's Sabine Pass LNG export facility.

⁴⁰ http://www.eenews.net/assets/2014/07/28/document_gw_07.pdf

⁴¹ http://littlesis.org/person/21674/Daniel_B_Poneman

⁴² http://littlesis.org/org/33388/The_Scowcroft_Group

⁴³ http://littlesis.org/person/4963/Brent_Scowcroft

⁴⁴ <http://energy.gov/contributors/general-brent-scowcroft>

⁴⁵ http://littlesis.org/person/119321/Charif_Souki

⁴⁶ <http://www.bloomberg.com/news/2014-04-29/cheniere-s-souki-becomes-top-paid-ceo-with-142-million.html>

⁴⁷ <http://www.bloomberg.com/news/2012-02-27/blackstone-to-invest-2-billion-in-cheniere-energy-partners.html>

Two Blackstone Group executives sit on Cheniere's Board of Directors: David Foley and Sean Klimczak⁴⁸. Blackstone Group, founded by former U.S. Secretary of Commerce Peter Peterson⁴⁹, was a major donor to President Barack Obama's 2012 campaign via its chief operating officer, Hamilton "Tony" E. James.

Tony James hosted a \$35,800-a-head fundraising dinner for Obama⁵⁰ in May 2012, in which the president garnered \$2 million for his race against another private equity tycoon, Mitt Romney. James bundled \$331,350 for Obama's 2012 president race⁵¹, and in March 2014, he hosted a \$32,400 per person fundraiser⁵² on behalf of the Democratic Senatorial Campaign Committee, a party attended by Obama.

The revolving door has moved in both directions. Energy Secretary Moniz, a former consultant to BP, previously led the MIT Energy Initiative, which received over \$145 million from the oil and gas industry.

At MIT, Moniz also obtained funds⁵³ from a nonprofit associated with Chesapeake Energy, a leading fracking firm, to chair a report on the "Future of Natural Gas⁵⁴" during a period of his career that DeSmogBlog and other critics have called "frackademia." Former CIA director and current Cheniere board member John Deutch also served on the study group that prepared that report while a colleague of Moniz's at MIT, as did Melanie Kenderdine⁵⁵, director of the Office of Energy Policy and Systems Analysis and Energy Counselor to Moniz. Moniz also formerly served on the board of directors of ICF International⁵⁶, a consulting firm that services the oil and gas industry.

Other officials within the Department of Energy have similar ties. Christopher A. Smith⁵⁷, the Principal Deputy Assistant Secretary for Fossil Energy — the official who leads the branch charged with reviewing LNG export applications — was appointed in 2009 after an extensive career working for Chevron's natural gas trading unit⁵⁸. Paula Gant, the Deputy Assistant Secretary for Oil and Natural Gas — another official with influence over the LNG permitting process — was appointed last year after working as the vice president of the American Gas Association (AGA)⁵⁹. AGA is a lobbying group in Washington now headed by former Democratic Congressman Dave McCurdy⁶⁰ of Oklahoma.

Bill Richardson⁶¹, former U.S. Secretary of Energy and Governor of New Mexico — and an outspoken advocate for LNG exports⁶² — also has passed through the revolving door. Richardson sits on the Board of Directors of Miller Energy Resources, Inc.⁶³, an oil and gas exploration and production company that owns more than 46,000 acres in the Mississippi Lime shale basin⁶⁴. He often appears in the media without disclosing his industry connections⁶⁵, trading on past titles and accolades in government.

For regulators currently charged with assessing the merits of LNG export applications, not only are LNG-aligned interests now supervising them, but an army of ex-regulators now lobby them. David Leiter, a former Deputy Assistant Secretary of Energy, and chief of staff to former Senator John Kerry, represented Semptra Energy⁶⁶ as the firm sought to win approval for

⁴⁸ <http://www.cheniere.com/corporate/directors.shtml>

⁴⁹ <http://www.blackstone.com/the-firm/overview>

⁵⁰ <http://abcnews.go.com/blogs/politics/2012/05/obama-courts-private-equity-cash-at-new-york-fundraiser/>

⁵¹ <https://www.opensecrets.org/pres12/bundlers.php>

⁵² http://www.mcclatchydc.com/2014/03/12/220900_on-fundraising-trip-obama-salutes.html?rh=1

⁵³ http://public-accountability.org/wp-content/uploads/industry_partner_or_industry_puppet.pdf

⁵⁴ <http://www.ourenergypolicy.org/wp-content/uploads/2012/01/MIT-NaturalGas-Report-Final.pdf>

⁵⁵ http://littlesis.org/person/88812/Melanie_A_Kenderdine

⁵⁶ <http://www.desmogblog.com/2013/04/09/ernest-moniz-keystone-xl-contractor-american-petroleum-institute-fracked-gas-exports>

⁵⁷ http://littlesis.org/person/118730/Christopher_Smith

⁵⁸ <http://www.allgov.com/news/appointments-and-resignations/assistant-secretary-for-fossil-energy-who-is-christopher-smith-140322?news=852739>

⁵⁹ http://littlesis.org/org/45014/American_Gas_Association

⁶⁰ http://littlesis.org/person/14133/Dave_McCurdy

⁶¹ http://littlesis.org/person/13967/Bill_Richardson

⁶² <http://time.com/28232/bill-richardson-our-best-response-to-russia-is-energy-security/>

⁶³ http://littlesis.org/org/150194/Miller_Energy_Resources,_Inc

⁶⁴ <http://www.millerenergyresources.com/operations/appalachian-basin-TN/>

⁶⁵ <http://blog.littlesis.org/2014/03/19/former-nm-governor-bill-richardsons-conflicted-promotion-of-lng-exports/>

⁶⁶ http://littlesis.org/org/233/Semptra_Energy

its Cameron LNG export terminal. Sempra received the permit in June 2014 from FERC⁶⁷, becoming the second LNG export project approved by the Administration.

The recently approved and now under construction⁶⁸ Cove Point LNG export facility, owned by Dominion Resources, has also benefited from Democratic Party-affiliated lobbyist friends. According to federal lobbying disclosure forms from quarter three of 2014⁶⁹, former Rep. Lewis F. Payne, Jr. (D-VA)⁷⁰ — a founding member of the corporate-friendly Blue Dog Coalition⁷¹ — lobbied for Dominion via his current employer, McGuireWoods Consulting⁷². Other ex-Democratic Party officials joining the Cove Point federal-level lobbying corps include:

- Thomas Lynch⁷³, former staff director for the Senate Environment & Public Works Subcommittee on Transportation and Infrastructure and former legislative director for Rep. Nick Rahall (D-WV)
- Tom Lawler⁷⁴, former legislative assistant for Sen. Tom Carper (D-DE), who serves as chairman of the Subcommittee on Transportation and Infrastructure, a sub-unit of the influential Senate Environment and Public Works Committee. He owns his own lobbying firm, Lawler Strategies, LLC
- Lee Lilley⁷⁵, former legislative director for U.S. Rep. George Butterfield (D-NC), who sits on the House of Representatives' Committee on Energy and Commerce. Lilley lobbies directly for Dominion.

Natural gas interests and the LNG lobby have in fact gone on a hiring spree targeting Democratic officials and those close to the administration.

In May 2014, Burisma Holdings⁷⁶ — a Ukrainian gas producer with shale gas basin assets⁷⁷ — announced the hiring of Hunter Biden⁷⁸, the son of Vice President Biden. This announcement came just weeks after the Vice President made a trip to Ukraine touting domestic gas production and fracking⁷⁹ as a solution to wean the country off of Russian gas.

Ryan Spangler⁸⁰, a former staffer for then-Senator Biden, now lobbies for Elba Island LNG and LNG policy at-large⁸¹. The Elba Island LNG project⁸² is co-owned by Kinder Morgan and Shell Oil.

Marty Durbin⁸³, the nephew of Illinois Senator Dick Durbin, serves as the president of America's Natural Gas Alliance (ANGA), a trade group lobbying for LNG exports on behalf of fracking companies.

For Democrats contemplating a presidential run in 2016, the gas industry has maneuvered to secure access and curry favor. Maryland Governor Martin O'Malley's new non-profit — the NewDeal coalition — receives funding from ANGA and held one of its meetings at the ANGA's offices in downtown DC earlier this year⁸⁴.

Further, the State Department under then-Secretary of State Hillary Clinton worked with energy companies to serve as a

⁶⁷ <http://www.lngworldnews.com/ferc-approves-cameron-liquefaction-project/>

⁶⁸ <http://smnewsnet.com/archives/139223/dominion-begins-construction-activities-for-cove-point-lng-export-project/>

⁶⁹ <http://disclosures.house.gov/ld/ldxmlrelease/2014/Q3/300677493.xml>

⁷⁰ http://littlesis.org/person/41118/L_F_Payne_Jr

⁷¹ http://littlesis.org/org/37803/Blue_Dog_Coalition

⁷² http://littlesis.org/org/20262/McGuirewoods_Consulting

⁷³ https://www.opensecrets.org/revolving/rev_summary.php?id=78176

⁷⁴ https://www.opensecrets.org/revolving/rev_summary.php?id=74804

⁷⁵ https://www.opensecrets.org/revolving/rev_summary.php?id=77379

⁷⁶ http://littlesis.org/org/153678/Burisma_Holdings

⁷⁷ <http://www.zerohedge.com/news/2014-07-25/company-which-joe-bidens-son-director-prepares-drill-shale-gas-east-ukraine>

⁷⁸ http://littlesis.org/person/37158/Hunter_Biden

⁷⁹ <http://www.desmogblog.com/2014/04/23/vice-president-joe-biden-promotes-u-s-fracking-missionary-force-during-ukraine-trip>

⁸⁰ https://www.opensecrets.org/revolving/rev_summary.php?id=70373

⁸¹ <http://disclosures.house.gov/ld/ldxmlrelease/2014/Q3/300680616.xml>

⁸² http://www.kindermorgan.com/business/gas_pipelines/projects/elbaLNG/

⁸³ http://littlesis.org/person/45388/Martin_J_Durbin

⁸⁴ <http://www.vice.com/read/the-democratic-party-future-dark-money-fracking>



missionary force⁸⁵ promoting natural gas and fracking overseas as part of the Global Shale Gas Initiative, now known as the Unconventional Gas Technical Engagement Program. That initiative was overseen by David L. Goldwyn who has since left the State Department to run his own energy consulting firm, Goldwyn Global Strategies, LLC⁸⁶. Goldwyn also serves as an affiliated expert with the industry-supported think tanks the Atlantic Council and the Brookings Institution, where he promotes both oil and LNG exports.

Goldwyn also works as an attorney at the law firm Sutherland Asbill & Brennan LLP. Though a list of Goldwyn's clients is not publicly available, Sutherland has served as counsel for at least three companies applying to export LNG to the global market: Carib Energy⁸⁷, Wentworth Gas Marketing LLC⁸⁸ and Magnolia LNG⁸⁹. For the Carib and Wentworth applications, Michael Stosser⁹⁰, a man who started his career as assistant general counsel for rule-making and environmental law at FERC, is listed as counsel. Perhaps it is no surprise, then, that Sutherland counsels industry clients on how policy will be made by FERC⁹¹ in the sphere of LNG exports.

At a September 2014 forum hosted by Brookings⁹², Goldwyn advocated for lifting the U.S. oil export ban. Goldwyn was presented as a Brookings Fellow, with no mention of any clients he represents in the oil and gas industries. In response to a

⁸⁵ <http://www.motherjones.com/environment/2014/09/hillary-clinton-fracking-shale-state-department-chevron>

⁸⁶ <http://goldwynstrategies.com/>

⁸⁷ http://www.fossil.energy.gov/programs/gasregulation/authorizations/2011_applications/Amend_to_Authorization11_71_Ing10_17_13.pdf

⁸⁸ http://energy.gov/sites/prod/files/2014/06/f16/14_63_cng_tracy.pdf

⁸⁹ http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/12_183_Ing.pdf

⁹⁰ <http://www.sutherland.com/People/Michael-Stosser>

⁹¹ http://www.brw.com.au/p/national/us_australia_could_divide_the_globe_js0gkf6tUNqjZAa8nTfJN

⁹² <http://www.brookings.edu/events/2014/09/09-us-energy-security-oil-export-policy>

query from The Washington Post as to why that happened, Charles Ebinger⁹³, who heads the Brookings energy program, told The Post, “David is so well known we thought everybody knew he had the industry contacts.”⁹⁴

MESSAGE AS MESSAGE: “OUR ENERGY MOMENT”

The rush to hire Democrats for LNG export promotion has raised the specter of conflicts of interest for the White House and its allies.

Blue Engine Message and Media⁹⁵, a public relations firm with deep ties to the Obama Administration, has managed “Our Energy Moment,”⁹⁶ the primary industry-funded advocacy group that organizes press events to promote expedited LNG exports.


The Our Energy Moment coalition introduced itself to a national audience at a February 2014 panel event⁹⁷ hosted by Politico. That event, “Energy & the 113th Congress,” was sponsored by the coalition and featured ex-State Department official turned energy industry consultant David Goldwyn, who also made an appearance in a video produced by the coalition⁹⁸ to endorse LNG exports, along with pro-fossil fuel industry members of Congress Sen. John Barrasso (R-WY) and Rep. Joe Barton (R-TX).

Blue Engine is also closely connected to the White House. Since 2009, Blue Engine staff have overlapped with staff of the Common Purpose Project⁹⁹, a 501(c)(4) non-profit organization. Both Blue Engine and Common Purpose were founded and are led by Erik Smith¹⁰⁰, a former Capitol Hill aide to House Democratic Leader Rep. Dick Gephardt¹⁰¹ and an advisor to the Obama campaign.

Common Purpose has organized a weekly “Big Table” meeting that brings together top White House officials with Democratic Party-allied advocacy groups, non-profits, and think tanks, from the Sierra Club to the AFL-CIO to the Center for American Progress, to discuss strategy. Featured White House participants have included the various White House chiefs of staff, top strategists like David Plouffe and Jim Messina, and even, on at least one occasion each, President Obama and Vice President Biden. The meetings were held for years at the Capital Hilton Hotel on K Street.

On April 1, 2014, DeSmogBlog published a report on Blue Engine Message and Media’s contractual ties to “Our Energy Moment”¹⁰² and also on the role

**Cheniere Energy, Semptra LNG and
The Picard Group**
cordially invite you to attend the unveiling of



**Our
Energy
Moment**

Tuesday, October 22
4:00 p.m. - Press Conference
5:00 p.m. - Reception

The Picard Group
1200 Camellia Blvd, Suite 101
Lafayette, LA 70508

*Our Energy Moment is a coalition to educate the public on America's abundance of natural gas and the many opportunities and benefits that exports of that natural gas can create.

Join Us August 22!

Our Energy Moment (OEM), a diverse group of businesses and economic development organizations dedicated to raising awareness and celebrating the many benefits of expanded markets for liquefied natural gas (LNG), is pleased to announce that U.S. Senator Mary Landrieu will host a panel discussion with OEM members and local elected and economic development officials to highlight the important role expanded LNG exports will play in local and national economic development.

Reserve Your Spot Today!

RSVP NOW

When
Friday, August 22, 2014
9:00 a.m. - 1:00 p.m.

Where
Port of Lake Charles
1501 Marine St.
Lake Charles, LA 70601


What
An in-depth look at the economic benefits of expanded LNG markets that you won't want to miss. [View More Info](#)

Quick Links
[Sponsors](#)
[FAQs](#)
[Contact Info](#)

The panel discussion, to be held Friday, August 22, at the Port of Lake Charles just prior to this year's "Legis-Gator" luncheon, will include the following participants:

- U.S. Senator Mary Landrieu (D-La.)
- George Swift, SWLA Business Alliance and OEM member
- Jason French, Cheniere and OEM member
- Mark Nelson, Semptra and OEM member
- Ryan Bourlaque, Cameron Parish Administrator

More updates will be announced closer to the event. To reserve your spot, please click **RSVP NOW** above or email phensgens@thepicardgroup.com or call (337) 589-0075.



⁹³ http://littlesis.org/person/157108/Charles_Ebinger

⁹⁴ http://www.washingtonpost.com/politics/at-fast-growing-brookings-donors-help-set-agenda/2014/10/30/a4ba4e8e-48ef-11e4-891d-713f052086a0_story.html

⁹⁵ <http://www.desmogblog.com/2014/04/02/our-energy-moment-blue-engine-pr-firm-fracked-gas-exports-pr-campaign>

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ <https://www.youtube.com/watch?v=nKJOdk8-qgk>

⁹⁹ <http://www.desmogblog.com/2014/04/02/our-energy-moment-blue-engine-pr-firm-fracked-gas-exports-pr-campaign>

¹⁰⁰ http://littlesis.org/person/117954/Erik_Smith

¹⁰¹ http://littlesis.org/person/13770/Dick_Gephardt

¹⁰² <http://www.desmogblog.com/2014/04/02/our-energy-moment-blue-engine-pr-firm-fracked-gas-exports-pr-campaign>

of Blue Engine staff in coordinating the Common Purpose project. Soon after, Blue Engine stopped being listed as the point of contact on press releases disseminated by “Our Energy Moment.” In addition, for two months following publication of the DeSmogBlog article, the Common Purpose meetings apparently ceased. Although the meetings resumed, Blue Engine and Common Purpose staffers no longer send messages to liberal groups coordinating the weekly meetings with White House staff. The meetings also have moved from the Hilton, where Blue Engine / Common Purpose staff were in charge, to the Eisenhower Executive Office Building on the White House grounds.

“Our Energy Moment” continues its campaign, with the GOP-tied firm Picard Group still doing its state-level public relations and lobbying in Louisiana. An open records request by DeSmogBlog showed that Picard Group introduced “Our Energy Moment” to Louisiana at an October 2013 press event in Lafayette, Louisiana, co-convened by Cheniere and Sempra Energy. Cheniere is a Picard Group client.

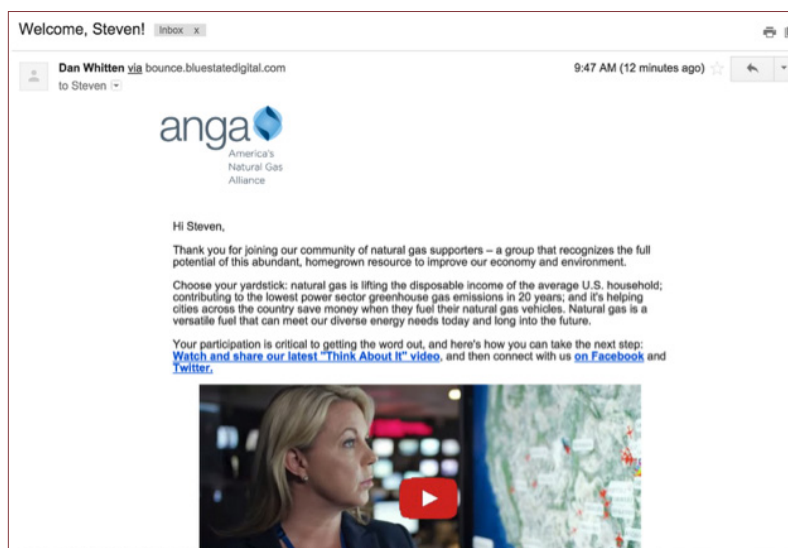
Other records obtained by DeSmogBlog show that the Picard Group was instrumental¹⁰³ in getting the legislative template now serving as a model resolution for the American Legislative Exchange Council (ALEC)¹⁰⁴, passed first in the Louisiana state legislature in March 2014, soon after an event called “LNG Day” that Picard organized in the state.

The Picard Group also put together an “Energy Roundtable” on behalf of “Our Energy Moment” in the Port of Lake Charles in August 2014. It featured Sen. Mary Landrieu (D-LA) and lobbyists representing both Sempra and Cheniere.

BLUE STATE DIGITAL

Blue State Digital¹⁰⁵ is an email list-building and list-optimizing company servicing liberal non-profit organizations and Democratic Party candidates, including the 2008 Obama for America campaign.

According to ANGA emails we obtained, Blue State Digital serves as the host for ANGA’s email blasts. In December 2010, WPP Group — a conglomerate that owns corporate public relations firm giants such as Hill & Knowlton¹⁰⁶ and Burson-Marsteller¹⁰⁷ — bought Blue State Digital as a wholly owned subsidiary¹⁰⁸. Hill & Knowlton, infamous for its past public relations work on behalf of the tobacco industry, maintains ANGA as a client¹⁰⁹.



¹⁰³ <http://www.desmogblog.com/lng-groundhog-day-cheniere-energy-signs-yet-another-gas-export-deal-gulf-coast>

¹⁰⁴ http://www.sourcewatch.org/index.php?title=American_Legislative_Exchange_Council

¹⁰⁵ http://www.sourcewatch.org/index.php/Blue_State_Digital,_LLC

¹⁰⁶ http://www.sourcewatch.org/index.php/Hill_%25252526_Knowlton

¹⁰⁷ http://www.sourcewatch.org/index.php/Burson_Marsteller

¹⁰⁸ <http://www.bluestatedigital.com/news/entry/wpp-digital-acquires-blue-state-digital-llc>

¹⁰⁹ <http://www.desmogblog.com/2013/05/28/fracknation-part-two-koch-industries-ties-bind>

BUSH ADMINISTRATION AIDES AND LNG

Many ex-Bush Administration officials have passed through the government-industry revolving door and now lobby for or directly own key LNG industry assets.

One example is Main Pass Energy Hub, which planned to be a Gulf of Mexico-based LNG export terminal co-developed by United LNG¹¹⁰ and Freeport McMoRan, Inc. United LNG has since disbanded and taken down its website due to legal problems, but an archived version of the website¹¹¹ shows it was set to be headed by several former ex-Bush Administration officials. These included chairman Stephen Payne¹¹², senior advisor David Merkel, and director W. Christopher Caudill¹¹³. All three served in a senior capacity for the Bush Administration, either directly for the White House or at the State Department.

“The exploratory memorandum of understanding (MOU) between Freeport McMoRan Energy and United LNG expired on Dec. 31st 2013,” former United LNG director Erik Saenz¹¹⁴ told DeSmogBlog in an interview. “It has not been renewed nor does United LNG expect it to be renewed. My assumption is that the non-renewal of the MOU has effectively put United LNG out of business.”

But United LNG¹¹⁵ did not go down without a lobbying fight. During quarter one of 2014, the company deployed Joe Davis¹¹⁶ — former principal deputy director of public affairs and spokesman for Secretary of Energy Spencer Abraham and communications director and policy advisor for Abraham when he was a U.S. Senator — for one last counterpunch.

“We renewed our contract with Artemis in Q1 with the hopes that McMoRan would renew the MOU with United LNG,” Saenz told us. “However, McMoRan has since decided not to renew our MOU, thus putting the company out of business.”

Aides and staffers to Spencer Abraham¹¹⁷ also have provided crucial support for Cheniere’s lobbying efforts. Abraham, who now heads up the lobbying firm and corporate energy consulting group, The Abraham Group LLC, brought some of his senior-level Energy Department staffers with him. Other top Abraham aides now work directly in-house for Cheniere. Abraham himself does not directly lobby for the company, according to lobbying disclosure forms.

According to investigative reporter Peter Mantius, who writes for the publication DC Bureau, Cheniere has deployed Abraham staffers-turned-lobbyists to assist¹¹⁸ the company in fast-tracking its way through the permitting process. These ex-Abraham staffers include Majida Mourad, Raquel Cabral (formerly Raquel Sours), and Bob Carey.

CONGRESS

When lawmakers convened for the annual Congressional Baseball Game for Charity in July 2014, they were greeted with packets reminding them of the event’s sponsors: Cheniere¹¹⁹, the LNG firm that was the first to win an export license from the federal government, and ANGA, the lobbying association pushing for more exports.

The cash flow from the LNG industry to Capitol Hill goes well beyond baseball. ANGA has made donations to political action committees¹²⁰ representing Speaker of the House, Rep. John Boehner (R-OH); Energy and Commerce Committee Chair,

¹¹⁰ http://littlesis.org/org/149489/United_LNG%2525252C_LP

¹¹¹ <http://web.archive.org/web/20130412201438/http://www.unitedlng.com/>

¹¹² http://littlesis.org/person/149490/Stephen_Payne

¹¹³ <https://www.smi-online.co.uk/documentportal/speakerprofile/151461.pdf>

¹¹⁴ <https://www.linkedin.com/pub/erik-saenz/10/36/611>

¹¹⁵ <http://disclosures.house.gov/ld/ldxmlrelease/2014/Q1/300643876.xml>

¹¹⁶ https://www.opensecrets.org/revolving/rev_summary.php?id=37483

¹¹⁷ http://littlesis.org/person/2743/Spencer_Abraham

¹¹⁸ <http://www.dcbureau.org/201305238612/natural-resources-news-service/powerful-friends-help-cheniere-cut-through-regulation.html>

¹¹⁹ <https://twitter.com/moody/status/494940874338344960>

¹²⁰ <https://www.opensecrets.org/pacs/pacgot.php?cycle=2014&cmte=C00485250>

Rep. Fred Upton (R-MI); and Democratic Party Whip, Rep. Steny Hoyer (D-MD). The lobbying tour de force also supports myriad other causes¹²¹ linked to lawmakers, including the Congressional Sportsmen's Foundation and the Women in Government Foundation.

The LNG lobby has had much success with using Congress as a tool for speeding up the LNG export permitting process. Just a month before the baseball game, on June 25, the House of Representatives passed H.R. 6, the "Domestic Prosperity and Global Freedom Act"¹²² with bipartisan support in a vote tally of 266-150.¹²³ The legislation would require the Department of Energy to issue a decision on an LNG export application within 90 days of filing. Although it died upon arrival in the Senate, industry-friendly Senator Mark Udall¹²⁴ (D-CO) introduced the bill in April¹²⁵ with two other Democratic Party co-sponsors: Alaska Reps. Heidi Heitkamp and Mark Begich.¹²⁶ Mark Udall recently lost his senate reelection campaign to the sponsor¹²⁷ and author¹²⁸ of H.R. 6, Rep. Cory Gardner (R-CO).

H.R. 6 received a vote after several congressional hearings on the topic.¹²⁹ Those hearings, held largely by the House Energy and Commerce Committee, have been led on the inside by former LNG lobbyists. Tom Hassenboehler¹³⁰, a counsel for the committee, is a former lobbyist for ANGA. Patrick Currier¹³¹, another staffer to the committee, formerly worked for FirstEnergy Corp and other natural gas lobbying interests.

In total, 57 unique corporate-funded entities and/or corporations lobbied on behalf of H.R. 6¹³², according to OpenSecrets.org, with 278 lobbyists working to convince members of Congress to pass the bill.¹³³ The largest companies to back H.R. 6 included Koch Industries, ExxonMobil, Anadarko, Statoil, Eastman Chemical, FirstEnergy Corp, General Electric, Halliburton, Dominion Resources, Dow Chemical, Chesapeake Energy, Chevron, Sempra Energy, Marathon Oil, and BP.

At least on the House side, the fruits of the lobbying labor paid off.



¹²¹ <http://www.desmogblog.com/sites/beta.desmogblog.com/files/ANGA%25252525202012%2525252520990.pdf>

¹²² <http://thomas.loc.gov/cgi-bin/bdquery/z?d113:h.r.00006>

¹²³ <http://clerk.house.gov/evs/2014/roll359.xml>

¹²⁴ <http://www.boulderweekly.com/article-13435-who-killed-the-vote-on-fracking.html>

¹²⁵ <http://thomas.loc.gov/cgi-bin/bdquery/z?d113:SN02274>

¹²⁶ <http://thomas.loc.gov/cgi-bin/bdquery/z?d113:SN02274:@@P>

¹²⁷ <http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:/temp/~bd5TWx>

¹²⁸ <http://energycommerce.house.gov/lngexports>

¹²⁹ <http://www.desmogblog.com/2014/03/26/follow-the-money-3-energy-export-congressional-hearings-no-climate-change-discussion>

¹³⁰ http://littlesis.org/person/99956/Tom_Hassenboehler

¹³¹ http://littlesis.org/person/149941/Patrick_Currier

¹³² <http://www.opensecrets.org/lobby/billsum.php?id=hr6-113>

¹³³ <http://www.opensecrets.org/lobby/billlobs.php?id=hr6-113>

KOCH BROTHERS AND THE CONSERVATIVE ECHO CHAMBER

The “Kochtopus” tentacles reach into the LNG exports debate as well.

“Exporting Natural Gas will bring investments and jobs into our economy,” announced Americans for Prosperity Ohio, one of many Tea Party activist groups rallying for LNG exports. Right wing think tanks and advocacy groups including The Heritage Foundation¹³⁴, Competitive Enterprise Institute¹³⁵, and others have made similar calls for expedited LNG export permits.

These well-heeled interests supporting LNG exports have received a boost from a myriad of conservative foundations and nonprofits backed by the billionaire Koch brothers, Charles and David Koch. Less well known is the fact that Koch Industries has made fracking and LNG a core part of its business.

Risk.net now rates Koch Industries as among the largest LNG trading companies in the world. As the magazine reported¹³⁶, since 2012, Koch “began a drive to deepen its involvement in global natural gas markets by launching a Europe, Middle East, and Africa (Emea) gas business, as well as a liquefied natural gas (LNG) trading arm.” The company is also heavily involved in selling fracking equipment¹³⁷ used in Texas and other hot spots for unconventional gas around the country.

LOBBYING HEATS UP. SO DOES THE PLANET.

“The ability to turn the tables and put the Russian leader in check lies right beneath our feet, in the form of vast supplies of natural energy,” Speaker of the House John Boehner wrote in a Wall Street Journal opinion piece¹³⁸ in March, speaking of Vladimir Putin.

As a crisis unfolded in Ukraine, the Russian government attempted to pressure European nations by threatening to cut off natural gas pipelines. The threat served as a flash point between U.S.-Russia relations, but also served as an opportunity for the LNG lobby to extract new policy demands.

Within days of these developments, LNG lobbyists flooded the media and Capitol Hill, demanding that the U.S. streamline more LNG exports to relieve Europe from its dependence on Russian gas.

“We didn’t gin up the Ukrainian crisis. We didn’t gin up the idea that it ought to be connected in some way to LNG exports. But Congress did, obviously, and a lot of editorials, experts and geopolitical analysts have all jumped on that. We appreciate the attention that LNG exports are receiving, and if it does provide a catalyst to make something happen that heretofore has not, then we’re going to be very happy with that,” Bill Cooper¹³⁹ — president and registered lobbyist of the Center for Liquefied Natural Gas¹⁴⁰, an LNG industry lobbying organ — said at a March congressional hearing¹⁴¹.

Cooper also passed through the revolving door¹⁴² to get to where he is today. He formerly worked as a congressional staffer, serving as counsel for the House Energy and Commerce Committee before leaving to work as a lobbyist for the American Petroleum Institute (API) and then moving to the Center for LNG. API registered the Center’s website domain¹⁴³, and a trade

¹³⁴ <http://www.heritage.org/research/reports/2014/07/energy-exports-promote-prosperity-and-bolster-national-security>

¹³⁵ <https://cei.org/blog/aea%25252525E2%2525252580%2525252599s-unprincipled-stand>

¹³⁶ <http://www.risk.net/energy-risk/research/2344336/natural-gas-house-of-the-year-koch-supply-trading>

¹³⁷ <http://www.republicreport.org/2012/koch-fracking/>

¹³⁸ <http://online.wsj.com/articles/SB10001424052702303824204579421024172546260>

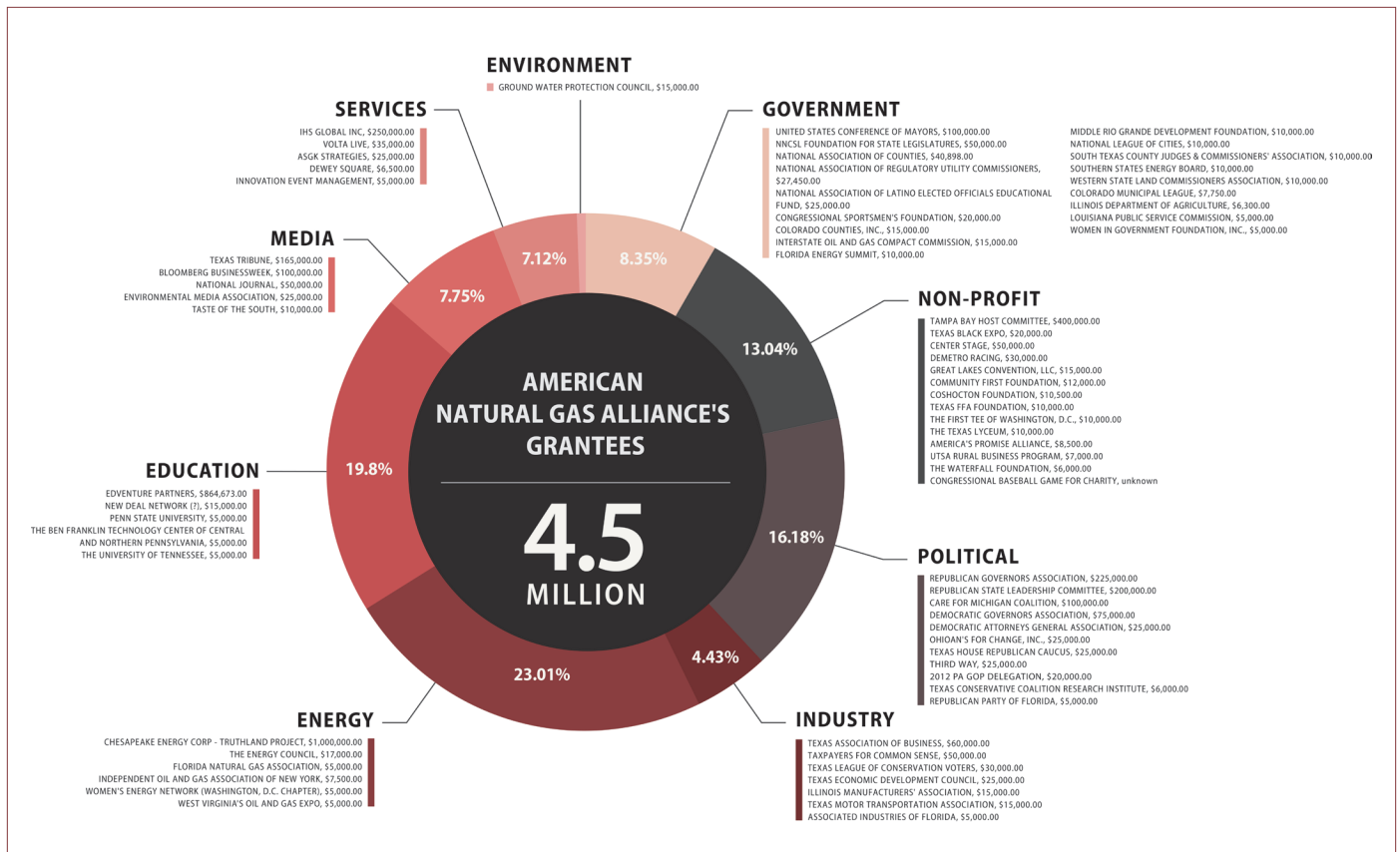
¹³⁹ http://littlesis.org/person/118522/Bill_Cooper

¹⁴⁰ http://littlesis.org/org/118510/Center_for_Liquefied_Natural_Gas

¹⁴¹ <http://www.naturalgasintel.com/articles/97813-lng-industry-happy-ukraine-crisis-brought-attention-to-doe-delays>

¹⁴² http://www.opensecrets.org/revolving/rev_summary.php?id=34591

¹⁴³ <http://whois.net/whois/lngfacts.org>



press article in Downstream Today¹⁴⁴ also refers to “the Center for LNG established by the American Petroleum Institute to enhance public education and understanding about LNG.”

Before leaving to work for the LNG export industry, Cooper proved instrumental in the passage of the Energy Policy Act of 2005¹⁴⁵, according to a September 2005 newsletter published by the Interstate Oil and Gas Compact Commission (IOGCC).

Lost in this discussion is the viability of U.S. LNG exports to do anything to resolve European reliance on Russia for natural gas.

According to Edward Chow¹⁴⁶, a former Chevron executive, much of the gas from U.S. LNG exports will go to Asia where natural gas prices are much higher than in Europe — though certainly not all of it¹⁴⁷. Moreover, Europe lacks the import terminals necessary for processing LNG, a problem compounded by the fact that constructing U.S. LNG export terminals will take several years.

“Folks who were in favor of accelerating liquefied natural gas exports anyway have seized upon the Ukraine crisis as yet another argument for why we should be doing it,” Chow told Mother Jones¹⁴⁸.

Not only has it seized the opportunity to use the crisis in Ukraine to further their cause, but the LNG industry has also succeeded in winning support on both sides of the aisle along the way.

¹⁴⁴ <http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=16488&AspxAutoDetectCookieSupport=1>

¹⁴⁵ http://iogcc.publishpath.com/Websites/iogcc/docs/September_2005.pdf

¹⁴⁶ http://littlesis.org/person/149939/Edward_Chow

¹⁴⁷ <http://www.reuters.com/article/2014/11/03/usa-asia-lng-idUSL1N0SO0IF20141103>

¹⁴⁸ <http://www.motherjones.com/politics/2014/07/ukraine-russia-fracking-putin>

Unfortunately, as lobbying and influence peddling heats up in Washington and elsewhere, so too does the planet. Relentless fracking and opening the export floodgates with U.S. — harvested shale gas can only make the planet hotter still.

The LNG export lobbying machine, as this report demonstrates, is well mobilized and well organized — and highly dependent on operatives moving through the government-lobbying revolving door.

What remains to be seen is whether this juggernaut will advance unimpeded, or whether voices for environmental protection and lower U.S. energy prices will eventually force a real debate.