The Daily Dish

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Today, "The Domestic Prosperity and Global Freedom Act" will continue to be marked up in the Energy and Commerce Committee and Ways and Means will be holding a hearing on the US export of liquefied natural gas (LNG), or lack thereof. The United States produces energy that can be exported for a number of reasons, but due to ancient policies LNG exports are effectively banned. In a related story, the Obama administration has released the lowest amount of government land in 25 years. Doug Holtz-Eakin has more on the topic below in *Eakinomics.*

House Democrats unveiled their budget that "relies on a $1.5 trillion in higher taxes over the coming 10 years and the economic benefits of immigration reform to make the numbers work… The Democratic blueprint promises a deficit of $637 billion in 2024." That is below the projected CBO estimate if we continue on our current path, but still higher than the Republican plan which promises to eliminate the deficit by that year.

A new insight by AAF Deputy Communications Director Marisol Garibay highlights the sharp decline in women's participation in the workforce during President Obama's tenure. "The President should instead focus on encouraging a market for job creation and skills training through better growth policies that help jump-start the economy. An economy that's growing, not executive orders, will help women climb the economic ladder."

Eakinomics: Trade in Energy

The most important economic event of the past decade is that North America is leading a global shift in energy supply. In 2012, the International Energy Agency predicted that by 2017 the U.S. would overtake both Saudi Arabia and Russia as the largest global oil producer and it appears that the U.S. is ahead of schedule. In particular, natural gas production increased 29 percent between 2005 and 2013 and oil production increased 44 percent, with the result that by 2040 imports will account for only 4 percent of U.S. energy (down from a 2005 peak of 30 percent).

For some, the fact that the U.S. is a global energy powerhouse means we need to have a new "energy policy." But, in the main, good energy policy is simply good economic policy. Reliance on markets to generate new supply and adjudicate alternative demand is the best way to go — including participation in global energy markets. Unfortunately, U.S. policy is still rooted in an obsolete mindset in which energy is "special" and that effectively bans exports. Exports of crude oil must be approved by the Department of Commerce. Export facilities for liquefied natural gas must be approved by the Department of Energy, which has approved just 6 of 30 applications since 2011.

Ninety five percent of the world's consumers lie outside of the U.S. borders. As part of meeting the challenge of leaving to future generations a nation that is more prosperous than the one that this generation inherited, it is imperative that we establish access to these growing markets on a fair basis. This is just as true in energy as it is for trade in general.

The Natural Gas Act (NGA) controls the import and export of natural gas into the U.S., and makes the Department of Energy (DOE) responsible for the authorization of natural gas imports and exports. The NGA piggybacks on previously agreed upon trade agreements by assuring that applications to trade natural gas with free trade agreement (FTA) countries will be approved. But exports to non-FTA countries are far from assured, and it is important to open this dynamic sector of the economy to more markets. A better approach, exemplified by H.R. 6, the Domestic Prosperity and Global Freedom Act would simply open up trade in natural gas.