TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

January 31, 2024

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Granholm:

As Commissioner of the Texas General Land Office, I am deeply concerned by the Department of Energy's recent decision to halt the approval of pending and future applications to export American liquefied natural gas (LNG). This decision will effectively hurt public education funding in Texas, impair the environment by increasing foreign dependence on less clean energy sources, and enrich the countries on the aggressive side of the Israeli and Ukraine attacks.

The General Land Office (GLO) is the oldest state agency in Texas, established in 1836. The agency serves the schoolchildren, veterans, and environment of Texas by maximizing State revenue through innovative administration, and exercising prudent stewardship of State lands, minerals, and natural resources. The GLO is responsible for managing over 13 million acres of State lands and mineral interests dedicated to the Permanent School Fund (School Fund). The School Fund is a perpetual endowment created by the Texas Legislature in 1854 to support public schools. See TEX. CONST., art. VII, § 2. The GLO has a fiduciary duty to maximize revenues from State lands and minerals for the benefit of the School Fund. The agency generates revenue for the School Fund through oil and natural gas production, sales, leases, and other transactions involving the assets under management. The GLO has deposited over $30 billion into the School Fund since inception, including over $2.1 billion in oil and natural gas revenues last fiscal year.

As Land Commissioner, I also serve as the Chairwoman of the Board for Lease of University Lands, which oversees lands owned by the Permanent University Fund (PUF). The PUF owns the minerals underlying approximately 2.1 million acres in West Texas. Similar to the School Fund, the PUF is a constitutionally-created fund that generates substantial revenue for the University of Texas and Texas A&M University Systems through oil and gas development.

As you know, the United States is the world leader in both natural gas production and LNG exports. Texas accounts for nearly half of all U.S. oil and gas production. The oil and gas industry supports more than 2.5 million jobs statewide[1], many of which are high-paying and bolster the economy in rural areas of Texas. Further, Texas-led energy security allows us to support our allies in Europe, Asia, and the Middle East during times of conflict by providing cheap, clean-burning LNG in lieu of Russian or Iranian gas. In light of these facts, it's unconscionable that our own federal government would take such drastic steps with the

[1] Impacts of the Oil and Natural Gas Industry on the US Economy, PWC, July 2021. https://www.api.org/-/media/Files/Policy/American-Energy/PwC/API-PWC-Economic-Impact-Report.pdf.

goal of shutting down this thriving industry. The rationale for this self-inflicted wound is to further the Biden Administration's nebulous climate goals. In rolling out the "pause," the Biden Administration touted 11 Top Climate Accomplishments with stated "accomplishments" like canceling oil and gas leases, prohibiting oil and gas development of 26 million acres of federal land, and hindering gas-fired power plant construction. In the same breath they acknowledge that U.S. LNG export demand is expected to double by the end of this decade. It doesn't take an economist to see that reduced supply coupled with increased demand will result in price increases and cause emerging countries to look elsewhere to meet their energy needs. The most likely alternative to fill the gap is coal, which emits almost 50% more CO2 than natural gas.

In addition to driving countries into the arms of our enemies or forcing them to rely on energy sources that are more harmful to the environment, limiting LNG exports will diminish natural gas revenues received by the School Fund and the PUF. As a result, the "pause" will have a lasting negative impact on funding for public education in Texas. The General Land Office respectfully requests that the Department of Energy immediately reconsider its reckless pause on LNG exports.

Thank you for your careful consideration of these comments.

Respectfully,

DAWN BUCKINGHAM, M.D.
Commissioner, Texas General Land Office