

118TH CONGRESS
2D SESSION

S. 5286

To prohibit certain exports of natural gas produced or refined in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. SULLIVAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To prohibit certain exports of natural gas produced or refined in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds that—

5 (1) natural gas that is produced or refined in
6 the United States should be exported from domestic
7 terminals given the economic and national security
8 concerns associated with exporting that natural gas
9 from countries with corrupt governments such as
10 Mexico;

1 (2) Mexico is ranked 126th out of 180 coun-
2 tries in the 2023 Transparency International Cor-
3 ruption Perceptions Index, with corruption perme-
4 ating political and economic segments of society in
5 Mexico;

6 (3) according to the 2023 Investment Climate
7 Statement of the Department of State, “Mexico’s
8 current executive administration has eroded the au-
9 tonomy and publicly questioned the value of specific
10 antitrust and energy regulators and has proposed
11 dissolving some of them to cut costs. Furthermore,
12 corruption continues to affect equal enforcement of
13 some regulations.”;

14 (4) the corruption permeating Mexico is illus-
15 trated by the significant fuel theft in Mexico, which
16 is so rampant that—

17 (A) Roberto Díaz de León, the President
18 of the National Fuel Retailers Association in
19 Mexico, referred to fuel theft networks as main
20 competitors of gas station owners;

21 (B) according to Roberto Díaz de León,
22 there were at least 4 illegal fuel stations for
23 every 1 of the 13,000 legal fuel stations in Mex-
24 ico, as of 2020; and

1 (C) the president of Mexico, Andrés
2 Manuel López Obrador, has suggested that as
3 much as $\frac{4}{5}$ of fuel theft is orchestrated by ele-
4 ments of the Mexican state, and fuel thieves de-
5 pend on complicit politicians, police, and insid-
6 ers at state-controlled oil companies to make
7 fuel theft possible;

8 (5) employees of the Mexican state-owned pe-
9 troleum company, Pemex, have reportedly been
10 threatened, kidnapped, and tortured by criminal car-
11 tels in Mexico to provide information on pipelines;

12 (6) Pemex has faced frequent allegations of cor-
13 ruption, and, in 2018, Adrián Lajous Vargas, the
14 former chief at Pemex, stated that corruption was
15 rampant and “everywhere in all areas and at all lev-
16 els of the hierarchy”;

17 (7) Mexico has centralized governmental power
18 in its executive branch, including through judicial re-
19 forms in September 2024 that asserted political con-
20 trol over the judiciary of Mexico by subjecting all
21 judges to replacement through elections that favor
22 the ruling political party;

23 (8) the politicization of the judicial branch in
24 Mexico imperils the principle of impartiality and
25 casts doubt on whether laws will be applied without

1 favor, contracts will be honored, and trade disputes
2 will be fairly resolved;

3 (9) Mexican judicial reforms are expected to re-
4 sult in changes to regulatory agencies that are crit-
5 ical to upholding labor, environmental, and trade
6 standards enshrined under the United States-Mex-
7 ico-Canada Agreement;

8 (10) Mexico has also been in violation of its en-
9 ergy commitments under the United States-Mexico-
10 Canada Agreement through violations such as—

11 (A) granting Mexican state-owned energy
12 companies priority over private investors, in-
13 cluding adopting several measures to favor
14 Pemex and the state-owned electrical utility, the
15 Comisión Federal de Electricidad, at the ex-
16 pense of foreign investors, the United States,
17 and Canada; and

18 (B) erecting new barriers to foreign trade
19 and investment; and

20 (11) the export of natural gas that is produced
21 or refined in the United States and exported to ter-
22 minals located in Mexico—

23 (A) is not in the national interest of the
24 United States; and

1 (B) is a national security and trade con-
2 cern to the United States.

3 **SEC. 2. PROHIBITION ON EXPORTS OF NATURAL GAS.**

4 Notwithstanding any other provision of law, no per-
5 son shall export any natural gas produced or refined in
6 the United States to a foreign country with the intent of
7 further exporting that natural gas through a foreign LNG
8 terminal (as defined in section 2 of the Natural Gas Act
9 (15 U.S.C. 717a)).

○