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A PATHWAY TO EUROPEAN ENERGY SECURITY

HEARING

BEFORE THE

SUBCOMMITTEE ON EUROPE AND REGIONAL SECURITY COOPERATION

OF THE

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C O N T E N T S

A PATHWAY TO EUROPEAN ENERGY SECURITY

WEDNESDAY, FEBRUARY 4, 2026

U.S. SENATE,
SUBCOMMITTEE ON EUROPE
AND REGIONAL SECURITY COOPERATION,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:06 p.m., in room SD–419, Dirksen Senate Office Building, Hon. Steve Daines, chairman of the subcommittee, presiding.

Present: Senators Daines [presiding], Barrasso, and Murphy.

OPENING STATEMENT OF HON. STEVE DAINES, U.S. SENATOR FROM MONTANA

Senator DAINES. I was just sharing with Ranking Member Murphy a chart, which I am going to share with everybody here as we start this hearing, that shows some alarming figures with you all. Before I get into that I need to officially state, this hearing of the Senate Foreign Relations Committee will now come to order.

On this iPad, I have a live tracker of European purchases of Russian energy since the start of the invasion in Ukraine. Now, we are not allowed to have big PowerPoint presentations here, but bear with me. This thing is just clicking down, or clicking up, I should say, euros. And right now it says 219,221,431,104, now it has jumped to 581, euros that have now been invested in Russia in purchasing Russian oil and Russian gas. It is called RussianFossilTracker.com, if you want to see it yourself, and it goes back to the beginning of the Russian invasion of Ukraine.

So the number right now, as I mentioned, about 220 billion euros. As of December, the EU had provided around 200 billion euros of aid to Ukraine. European purchases of Russian energy are funding the largest land war in Europe since the Second World War.

I just wanted to set the stage with that before we get started.

I want to thank our two witnesses for being here today to discuss such an important topic, and a great deal of thanks to Ranking Member Murphy for his participation and help in organizing this hearing. Our bipartisan cooperation on these issues will shine a light on some of the good work Europe has done to shore up its security as well as the policy changes the EU can enact to ensure the continent's energy security.

Now on to our witnesses. Geoffrey Pyatt is a distinguished fellow at the Atlantic Council's Global Energy Center and a senior man-

aging director at McLarty Associates. Prior to his current positions, he had a long and distinguished career at the U.S. Foreign Service, serving as Assistant Secretary of State for Energy Resources, as U.S. Ambassador to Ukraine and Greece, and other senior postings, both abroad and in Foggy Bottom. He has extensive experience working on European energy security issues. We are grateful he could be with us here today to share his expertise. Thank you.

Dan Byers is Vice President of Policy at the Global Energy Institute at the U.S. Chamber of Commerce, where he focuses on environmental and regulatory issues. He previously served as a staff director for the House Energy and Environment Subcommittee, as an official in the White House Office of Science Technology Policy, and on the White House Economic Council. Mr. Byers is deeply knowledgeable about energy regulation and energy markets, and we are grateful he could be here today to share some of his knowledge with us.

So on to the matter at hand.

Energy security is national security. Both the United States and Europe have become increasingly aware of that fact over the last 4 years, creating an opportunity for us to collectively build a resilient energy production and transport network that would form the bedrock of our economies.

The European Commission's recent regulatory reform is a step in the right direction, aligning bloc-wide regulations with more pro-energy, pro-business, and pro-market policies. Passing that reform took creativity and courage, and I would like to commend the European People's Party and their voting partners for the good work they have done on that package.

But there is still a lot more to do, clearly. All of Europe must recognize that it cannot function or recognize its economic and security goals without baseload power, and it must enact further regulatory reform to modernize the European energy ecosystem. The continent has an opportunity to permanently end its reliance on Russian energy, providing true independence and autonomy for America's partners on the other side of the Atlantic. Without enacting further regulatory reforms, Europe may find itself staring down the barrel of resuming Russian energy dominance or extortion, putting itself back in the vulnerable position it found itself in 2022.

If Europe learns nothing else from the Russian invasion of Ukraine, in which it let it be known that energy security and supply chains are vital to national sovereignty. Compromises cannot be made in those matters, and we must work together to ensure those networks' resilience and survivability.

I remember a trip I took to the Baltics a few years ago. I remember hearing a story about a nuclear reactor that was dismantled and taken out of production, as it requested to join the EU. And they took me up to the Baltic Sea, where I could see a beautiful new LNG import terminal. But once upon a time, Lithuania used to be a net energy exporter, and after actions taken, short-sighted, to remove the baseload power of their nuclear power station, they became an energy importer and, of course, with the Russian invasion of Ukraine, that problem clearly was further exacerbated.

I encourage our European partners to take a realistic view on building reliable energy infrastructure. One need look no further

than Spain and Portugal to see the dangers of overreliance on intermittent sources. The entire Iberian Peninsula found itself without power last year, underscoring the vulnerability of countries that fail to maintain a diverse set of energy sources. And to be clear where I stand, I want to see a diverse energy portfolio. I just want to see more electrons and more baseload power and more diverse energy.

As the West builds the economy that will drive our countries forward, baseload power will become even more important. Whether it be for data centers, manufacturing, or defense production, reliable power is the backbone, certainly of future prosperity. The United States and many of our partners and allies stand at the ready to work with Europe to increase energy supply, be it oil, gas, nuclear, hydro, or renewable. The reinvigoration of our economies will require a holistic, truly all-of-the-above energy approach.

And I believe Europe must act now, enacting the regulatory reforms and infrastructure investments necessary to sign long-term energy import and development contracts and ensure the European continent's future. Prosperity and security are dependent on such changes, and I look forward to continuing to work with our European partners to build a more secure future for both Europe and the rest of the world.

Now I would like to recognize the very distinguished member and ranking member for his comments, Senator Murphy.

STATEMENT OF HON. CHRISTOPHER MURPHY,
U.S. SENATOR FROM CONNECTICUT

Senator MURPHY. Thank you very much, Senator Daines. Thanks for pulling this hearing together. I am really looking forward to hearing from our witnesses today.

When Russia launched its full-scale invasion of Ukraine, it did not just shatter the postwar infallibility of Europe's borders, it exposed this glaring strategic weakness in European security, an energy architecture deeply and dangerously dependent on Russian oil and gas. For years, Europe's reliance on Moscow's pipelines was not just an economic vulnerability, it was a geopolitical lever that Vladimir Putin had designed and could pull at any time to coerce his neighbors and fracture democratic consensus, especially in Europe.

That leverage became painfully clear when Moscow threatened to cutoff energy flowing through Ukraine to the rest of the continent, and Europe was left scrambling to ensure its citizens had enough power to heat their homes.

Ultimately, this is a good news story in that Europe did not bow to Russia's demands. Instead, the EU has worked successfully to end their dependence on Russia and improve its energy security. Europe used to buy almost half its gas from Russia. Now that figure is down to 20 percent, with a new commitment to buy zero oil or gas from Russia in 2027. In yet another example of Putin's miscalculations, what he intended as leverage to try to split Europe has ended up reducing Russia's influence on Europe.

The Biden administration, by a bipartisan consensus in Congress, helped Europe make this transition. For example, at Ambassador Pyatt's urging, I led a bipartisan effort to allow the Develop-

ment Finance Corporation to finance strategic energy projects in Europe, something that had not been allowed under the law prior to that change. And I want to thank Senator Johnson and other Republicans who helped make that change in law happen.

But President Trump threatens to unwind a lot of the progress that Europe has made, in part because he constantly injects frictions into our relationship with Europe that causes Europe to spend all of its time trying to plan and plot its response to Donald Trump instead of staying united in its efforts to fight back against Russia's political leverage.

Trump's rhetoric, and his policy toward Europe, has been wild. It has been erratic. He levies tariffs that have nothing to do with the United States and instead simply punitive. He threatens war with Europe over, unbelievably, Greenland. He has pulled the U.S. out of nearly every important international organization where the United States and Europe traditionally have built strength to confront Russia and China. He praises Putin, gives Putin legitimizing photo ops that Putin so badly desires. And, of course, Putin stands and cheers as Trump injects such instability into the U.S.-Europe relationship that Europe spends its time managing that relationship instead of making more down payments on its efforts to become fully energy independent of Russia.

But it gets worse. So listen, I am a supporter of getting American LNG to Europe. I believe that is a really important near-term and medium-term bridge. But I ultimately want a world in which Europe and the United States are energy self-sufficient. The sun does shine in Europe. The wind blows. Nuclear power works. But President Trump's war on non-fossil fuel energy is really bad for European energy security.

We need to make advancements on solar and wind technology, and technology controlled by the United States and Europe, not technology controlled by China. Small-scale nuclear has got to be on that list, as well, so that Europe can permanently get itself off oil and gas. Being dependent on Azerbaijan or Saudi Arabia or Venezuela or Iran is not much better than being dependent on Russia.

And then, to top it all off, when the United States does get involved in these short-term alternatives, which I think are incredibly necessary to Russian oil, corruption creeps in. Reports are coming out of the Balkans suggesting that President Trump is providing critical American support for an energy project that is being led by two individuals whose qualifications are simply that they helped Donald Trump attempt to overturn the 2020 election. Joseph Flynn and Jesse Binnall have no qualifications to build a pipeline in the Balkans. They are being pushed by the administration to get involved in this project because they are close to the President.

So there are lots of topics for today's hearing. I think it is vitally important. There are lots of places where the Chairman and I agree, especially when it comes to the short-term work we have to do to shore up Europe's energy reserves and their flows. A lot has gone right in Europe. They have made this hard pivot off Russian energy. But a lot of examination is still left to do in the ways that

the Trump administration is very often standing in the way rather than helping Europe complete this transition.

Again, I am really looking forward to the witnesses.

Mr. Chairman, thanks for convening the hearing.

Senator DAINES. All right. Senator Murphy, thank you. Our first witnesses is the Honorable Geoffrey Pyatt, Senior Managing Director, Energy and Critical Minerals, McLarty Associates, and Distinguished Fellow, Global Energy Center, Atlantic Council.

Mr. Pyatt, the floor is yours.

STATEMENT OF HON. GEOFFREY R. PYATT, SENIOR MANAGING DIRECTOR FOR ENERGY AND CRITICAL MINERALS, MCLARTY ASSOCIATES; DISTINGUISHED FELLOW, GLOBAL ENERGY CENTER, ATLANTIC COUNCIL, WASHINGTON, DC

Mr. PYATT. Great. Thank you very much Mr. Chairman, Ranking Member Murphy. I am delighted to be here. I enjoyed tremendous support from this committee during 12 years as a Presidential appointee representing the United States around the world, and it is a tremendous honor to be speaking now as a private citizen, but also to be doing so on issues that my team at the State Department focused on every single day, advancing exactly the framework that you suggested, Mr. Chairman, the understanding that energy security is national security.

I have a longer prepared statement, which I will simply introduce for the record. I would like to focus these oral remarks on a couple of simple points. And first of all, Mr. Chairman, I want to say I am with you on the tracker and the iPad data you showed, and I will just recall, and I expect Senator Murphy will also recall, a long evening in the winter of 2013, spent with President Yanukovych in Kiev, where the President filibustered to explain all of the difficulties that he was living with. But the No. 1 difficulty was the pressure that President Putin was applying to President Yanukovych as he was trying to navigate through the political complexities of the Maidan.

And I also remember vividly many visits to Ukraine with Senator Murphy, with Senator McCain, many others, where we talked about exactly the issue you highlighted, which was the risks to Europe from its dependency on Russian energy supplies and the importance of breaking that dependency as fast as possible.

I would also say, in this regard, I was so pleased to see the news last week with the Foreign Relations Committee reporting out the SHADOW Fleet Act. That is exactly the kind of measure the United States ought to be taking, to write into law sanctions against Novatek, Arctic LNG 2, to harmonize U.S. sanctions against Nord Stream 2 with European sanctions. Because when Congress acts in this way, the markets listen, because that has the force of law, and it will last from one administration to the next. So this is so, so important.

I want to highlight, and I have also highlighted in my written statement, the point Senator Murphy made, the dramatic progress that we have achieved through bipartisan efforts over many years to change the European approach to Russian energy. And I would put a particular spotlight on the regulations that the European Union implemented just this week, which will accomplish a full

phase-out of all Russian gas by 2027, but, in fact, within 2 months will bar spot contracts on LNG. This represents a huge win for the United States. It also advances President Trump's vision of forcing Putin to negotiate, by signaling to him that there is a real cost from his continued war in Ukraine, the attacks that he is waging even this week on the people of Ukraine.

And I think it has not been sufficiently appreciated in the Washington conversation what an enormous accomplishment this is for American transatlantic energy diplomacy, but also the degree to which it was enabled, not just by Putin's strategic shortsightedness—and he has lost Europe as a market forever, I am quite confident—but also by the accomplishments of the U.S. LNG industry, by our producers, who have achieved massive efficiencies, who have grown the United States into the largest LNG exporter in the world, and who have demonstrated to the Europeans that the cleanest, most reliable, and most affordable option for displacing Russian gas is American LNG.

The other point I want to put a spotlight on for just a moment is the work that Europe continues to do to build the infrastructure that is necessary to remap its energy system from one that was earlier dependent on Russia to a new one that will be oriented to the West.

One project that is emblematic in this area, which I was proud to champion, both as Ambassador to Greece and then as Assistant Secretary, is the Vertical Corridor, which involves building infrastructure and utilizing old Soviet infrastructure to bring gas and LNG from Southeastern Europe, and especially from re-gas facilities in Greece, northward into Bulgaria, Romania, Moldova, and Ukraine. And just to give you one specific example, just in the past few weeks, Ukraine's largest private energy company, DTEK, for the first time had a delivery of American LNG, which was landed at Revithoussa, outside Athens, was then delivered to Ukraine and put into Ukraine's underground storage facilities, then delivered to customers in Poland. So already the Vertical Corridor is demonstrating its utility as a strategic project.

The best work that I did in government is the work that others followup. I am absolutely delighted that Jarrod Agen, at the National Energy Dominance Council, and Secretary Wright, have championed this project, and I am confident between the alignment of the Ukrainian partners, what Greek companies are doing, and what the European Commission, importantly, is doing will see this become a successful template for how we reengineer the energy map of Europe, for an era where Europe will never again be dependent on unreliable Russian supplies. Thank you very much.

[The prepared statement of Mr. Pyatt follows:]

PREPARED STATEMENT OF HON. GEOFFREY R. PYATT

Chairman Daines, Ranking Member Murphy, members of the subcommittee, thank you for the opportunity again to share with the Foreign Relations Committee some thoughts on European energy security, opportunities for trans-Atlantic cooperation and the role of new infrastructure like the Vertical Corridor between Greece and Ukraine in helping to build that energy partnership for the long term.

Although my comments today are offered in a private capacity, they are informed by efforts I led at the State Department as Assistant Secretary of State and Ambas-

sador to Greece and Ambassador to Ukraine. In all these roles, the support of this committee was essential to my work, and I am grateful to appear before you again.

Energy Security is National Security—Ending Russia's Energy Coercion

For more than two decades, a major focus of transatlantic diplomacy through Republican and Democratic administrations was ending Europe's dependence on unreliable Russian gas supplies and thwarting the Kremlin's ability to use energy as a tool of political coercion. I saw that Russian coercion firsthand during both of my ambassadorships, and as Assistant Secretary I worked closely with our LNG producers and energy companies to leverage America's energy abundance in furtherance of our alliance relationships.

We saw an historically important breakthrough on this issue last week when 27 EU member states formally adopted the regulation phasing out imports of Russian pipeline and liquefied natural gas. This full ban on Russian gas will come into effect in 2027, and is qualitatively different from earlier sanctions measures, since the phase out is now written into European law, making it difficult to walk back even if there is a future settlement over Ukraine. On February 3, that regulation entered into force, with a ban on spot contracts from April and long term LNG contracts banned from January 1, 2027—giving European importers the force majure cover to void any existing relationships with Russia.

This is major shift in European energy policy is a direct response to Russia's full-scale invasion of Ukraine and repeated attempts to use energy cut offs as a coercive tool. But it also reflects a shift in the international gas market driven by the success of American producers and our rapid emergence the world's largest LNG exporter. Indeed, it is no exaggeration to say that surging American LNG exports to Europe were an indispensable element of our NATO response to the full-scale invasion of Ukraine—something Washington and Brussels recognized with the LNG taskforce I worked on during my time in government. Conversely, Russia's permanent loss of its traditional European market for exports reflects one of Putin's most significant strategic defeats.

This remapping of European gas supplies creates a natural opportunity for expanded trans-Atlantic cooperation, something both the Biden and Trump administrations have sought to advance. But the key enabler here has been the success—and innovation—of American gas producers, who have massively grown the output of U.S. industry. The U.S. Energy Information Administration (EIA), for instance, projects that U.S. LNG exports will increase from 11.9 billion cubic feet per day in 2024 to 18.1 in 2027. Europe will import record levels of LNG this year, with the International Energy Agency (IEA) projecting purchases of more than 185 billion cubic meters, mostly from the United States. According to EU data, the U.S. is Europe's largest provider at 58 percent of LNG imports. The EU is also the largest buyer of U.S. LNG at 65 percent of U.S. exports. For context, before the Russian invasion of Ukraine, the EU relied on Russia for more than 45 percent of its gas imports. This is now at 12 percent and will reach zero once the RePowerEU plan is fully implemented.

Even before RePower EU's phase-out of Russian pipeline gas and LNG, the EU has been rapidly weaning itself off of Russian energy—as a result Russia's energy revenues were down 20 percent in 2025 as compared to 2024. By the Kremlin's own account, Moscow is confronting a significant deficit this year due in large part to lower energy revenues and a widening discount for Russian crude. Thus, U.S. energy exports—and Europe's decoupling from unreliable Russian supplies—contribute directly to the White House goal of encouraging the Kremlin to negotiate in good faith to end its invasion of Ukraine in a way that preserves the country's sovereignty and territorial integrity.

Harmonizing Regulations and Climate Policies

European off-takers—like their counterparts in Asian markets such as Japan and Korea—have made clear their desire to source non-Russian gas supplies in a way that is reliable, affordable and sustainable. In this regard, U.S. LNG remains the cleanest and most secure solution for Europe to eliminate its reliance on Russian gas. In an environment where we are each other's largest market and largest LNG suppliers, it should not be too difficult to imagine a solution to recent debates over European regulatory measures like the EU Methane Regulation or the EU Carbon Border Adjustment Mechanism (CBAM).

These issues were a regular topic of discussion in the U.S.-EU Energy Council formerly led by the State Department's Bureau of Energy Resources. In my Atlantic Council capacity I also had the opportunity to cover these topics in a public setting last fall at the UN General Assembly with EU Director General for Energy Ditte Jul Jorgensen. DG Jorgensen laid out an EU approach to energy security based on

diversification of suppliers, an integrated and interconnected EU energy market, and the deployment of homegrown clean energy. Specifically, the RePowerEU initiative rests on three legs: 1.) replacing Russian molecules with other sources (with Norway, U.S. LNG, and Qatar being the most important), 2.) accelerating the build out of renewable energy to replace Russian molecules with clean energy wherever possible, and 3.) pursuing energy efficiency and savings-being smarter about how Europe uses energy. Also relevant here is the U.S. experience in switching the majority of our thermal power generation from coal to gas, which in turn has enabled a substantial reduction in emissions from power generation here in the United States.

As these EU regulations have moved closer to implementation, we are seeing pragmatic shifts in the continent's plans for the Methane Regulation as well as CBAM. For instance, in December, EU energy ministers adjusted their approach to the requirement that importers of oil and gas monitor and report methane emissions associated with their imports. Companies now can show compliance either through buying certificates from third-party verifiers which assign an emissions value at the production location, or by the "trace and claim" method, in which gas volumes are assigned a digital ID which is attached to all sale and purchase agreements from that producer, throughout the value chain, to the buyer. In parallel, in response to international market signals, America's biggest energy companies are reinforcing their own commitment to the highest standards of emissions reduction and efficiency. Since leaving government I have served in an unpaid capacity on the advisory council of PAGE—the Partnership to Address Global Emissions. PAGE is a nonpartisan coalition of like-minded organizations dedicated to promoting U.S. policies, like permitting reform, that protect the climate through the production of natural gas. Importantly, the gas producers and energy companies that are part of the PAGE coalition (including Pittsburgh based EQT and Tulsa based Williams) have understood the role industry must play in reducing methane emissions and have taken significant steps to eliminate these emissions through investment and innovation, helping establish U.S. natural gas as among the cleanest in the world.

Building Energy Infrastructure for the Long Term

The third and final issue I would like to touch on is work that has already been done in Europe to support diversification away from Russian energy supplies, and opportunities to build more for the future. These infrastructure investments, along with new production (such as Chevron and Exxon from offshore Cyprus and Greece) and a larger pool of LNG suppliers, are how Europe can drive down costs over the long term to ensure competitiveness. As U.S. Ambassador to Greece, I was deeply involved in Europe's initial effort to respond to Russia's throttling back of energy supplies in the run up to the full scale invasion of Ukraine. In those panicked first weeks of 2022, very few imagined that Europe would move as fast as it did to expand regassification terminals and deploy new Floating Storage and Regasification Units (FSRUs). The result since 2022 is billions of dollars of capital investment and some 80 BCM/year in new capacity stretching from terminals in Finland and Germany in the north to Italy and Greece in the south. Notably, almost all of these projects received significant diplomatic support from the State Department and our Ambassadors in the field.

But just as we grapple here in the United States with permitting and regulatory reform around pipelines, terminals and transmission infrastructure, Europe is also working to build the regulatory and commercial infrastructure to support an expanded supply of non-Russian gas. One example in which I was personally involved as Ambassador and then Assistant Secretary was the "Vertical Corridor" to bring gas and power from terminals and interconnectors in Greece and the Eastern Mediterranean up through the Balkan peninsula to Ukraine and the high-demand markets of Central Europe.

This framework has already demonstrated its commercial and strategic value. For instance, in 2024, DTEK—Ukraine's largest private sector energy company—took delivery of its first cargo of LNG from the United States delivered at the Revithoussa terminal outside Athens. In a similar vein, Arlington-based Venture Global has committed to regasification capacity at the Alexandroupolis LNG import terminal in Greece, which currently accounts for approximately 25 percent of the terminal's total capacity. These American volumes will become ever more important as the ban on Russian LNG enters force. And in November Venture Global signed Greece's first ever long-term LNG supply agreement with a U.S. exporter. Recently DTEK also become the first company to deliver gas to Poland from Ukrainian storage facilities using volumes injected via the Trans-Balkan Corridor, demonstrating the Vertical Corridor's full end-to-end functionality and its energy security relevance for the wider Central Europe region. To consolidate this success, gas buyers and

pipeline operators now need to cooperate more closely to reduce end to end transport tariffs and allow a longer time horizon to cover supply during Ukraine's recovery period. Similarly, work is needed to provide assurances that required transportation capacity will be available along the route beyond the auctioned month. But as with permitting reform in the United States, these are all issues where a solution can be found.

After several recent weeks of extreme cold, European gas storage overall is at a historic low, and will need to be replenished this coming Summer. Much of this replenishment gas will come from the United States, and the coming expansion in liquefaction capacity on the Gulf Coast is a natural complement to Europe's phase out of unsecure Russian gas. Over the longer term, there are also opportunities to build a "vertical corridor" also for electricity and data—allowing for energy from multiple sources to transit the same route. This in turn will require further investment in transmission infrastructure to help Central Europe tap into inexpensive renewable energy resources coming out of the East Med region and northern Africa and projects such as the Greek Public Power Company's (PPC) investment into new data center capacity in Western Macedonia.

Thank you for the committee's focus on these crucial issues and I look forward to addressing your questions.

Senator DAINES. Mr. Pyatt, thank you.

I will turn now to Mr. Dan Byers, Vice President of Policy, Global Energy Institute, U.S. Chamber of Commerce.

Mr. Byers, the floor is yours.

STATEMENT OF DAN BYERS, VICE PRESIDENT OF POLICY, GLOBAL ENERGY INSTITUTE, U.S. CHAMBER OF COMMERCE, WASHINGTON, DC

Mr. BYERS. Thank you, Chairman Daines, Ranking Member Murphy, for the opportunity to testify today.

As you said, I am Dan Byers with the U.S. Chamber of Commerce Global Energy Institute, where among other things we focus on expanding market access for U.S. exports while boosting energy security for America and our allies.

As we enter 2026, Europe continues to take important steps to reduce its dependence on Russian energy, but it does still remain the world's largest buyer of Russian gas, importing LNG in pipeline volumes worth an estimated 15 billion euros in 2025. As you have said, these purchases fund the Kremlin's war machine and leave the continent exposed to significant security and supply risks.

Fortunately, more progress is on the horizon with newly approved EU legislation last month mandating the complete phase-out of Russian gas imports by the end of 2027. The Trump administration has strongly encouraged this development, and in December convened the Partnership for Transatlantic Energy Cooperation, or the P-TEC, forum in Athens, where several important business deals and policy goals were announced alongside European leaders. This high-level political support is bolstered by the fact that energy is a centerpiece of the U.S.-EU trade deal and further complemented by U.S. export industry more than ready to help the EU meet this challenge.

Already the world's leading exporter, the U.S. has dominated global LNG project development and contracting activity since the Department of Energy's pause on licensing new facilities was lifted in early 2025, with more than $60 billion in new investments now underway. In short, America's growing LNG supply is an obvious and timely solution to Europe's growing natural gas supply gap,

and the industry is poised to deliver the security and market stability our allies need.

Despite this progress, a number of regulatory and investment obstacles are hampering transatlantic commercial relationships and must be addressed. On the regulatory side, I want to call attention to the Corporate Sustainability Due Diligence Directive and EU Methane Emission Regulation. My written testimony expands on both of these, but in brief, CSDDD is a sweeping law requiring U.S. companies to align their global operations with EU standards that are not binding under U.S. law, and it could make American companies liable in EU courts for conduct that is perfectly lawful in the U.S. This extraterritorial overreach is a major obstacle to enhance trade and investment, and the Chamber is leading efforts to address it.

Meanwhile, the EU Methane Emissions Regulation, which requires importers of oil and gas to report producer-level emissions data and meet certain methane emission intensity standards, subject to noncompliance penalties of up to 20 percent of the importer's total worldwide revenues. This has imposed significant risks that are impeding negotiation of new supply agreements with U.S. gas exporters. These concerns are not limited to the United States. In Europe, various industry coalitions have issued increasingly urgent warnings that the law is, quote, "unworkable, jeopardizes European energy security and competitiveness, and is likely to lead to higher energy costs."

We face an equally important challenge on the investment side, where a number of strategic infrastructure projects are needed to reduce vulnerabilities and unlock access to regional markets. In particular, I want to followup Ambassador Pyatt in highlighting the Vertical Gas Corridor, which aims to expand continuous south-to-north transport capacity from Greece to Ukraine, providing countries in Southeastern Europe a reliable LNG alternative to Russian pipeline gas and so-called Turkish blends transiting into the EU from Turkey.

Despite strong political support, the Vertical Corridor faces commercial, regulatory, and financing barriers that must be resolved for it to fully proceed. The Chamber and its members are eager partners in the ongoing effort to derisk the Vertical Corridor and realize the LNG-enabled security benefits that it could deliver.

And before I close I would be remiss if I did not emphasize both the environmental and economic benefits that accompany U.S. LNG's role as a guarantor of global energy security. A study undertaken by S&P Global for the Chamber last year found LNG exports add $1.3 trillion to U.S. GDP through 2040, and support nearly 500,000 jobs. Importantly, 37 percent of those jobs are based in non-producing States, so the benefits extend through the energy value chain and far beyond locations where gas is produced and exported.

Additionally, the study detailed the significant emissions reductions that accompany LNG exports, finding that, among other things, the emissions intensity of Russian LNG and pipeline gas is 44 percent and 59 percent higher, respectively, than that of U.S. LNG.

In summary, with strong leadership and cooperation between U.S. and EU government and industry-targeted policy measures can unlock Europe's pathway to long-term energy security, support U.S. jobs and economic growth and reduced emissions. Thanks for the opportunity to testify, and I look forward to the discussion.

[The prepared statement of Mr. Byers follows:]

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February 4, 2026

Hearing Before the U.S. Senate Committee on Foreign Relations on "A Pathway to European Energy Security"

Chairman Daines, Ranking Member Murphy and members of the Subcommittee:

Thank you for the opportunity to share the U.S. Chamber of Commerce's perspective on pathways to European energy security. My name is Dan Byers, Vice President for Policy at the Chamber's Global Energy Institute. The Institute's mission is to unify policymakers and energy stakeholders behind a commonsense energy strategy to help keep America secure and prosperous while improving the environment.

Expanding market access for U.S. exports is a keystone Chamber-wide objective, and strengthening energy security for America and its allies has been a longtime focus of our energy institute, so we commend the committee for dedicating time to this critically important subject. My testimony attempts to summarize the challenges and opportunities associated with the transatlantic energy relationship as Europe proceeds to eliminate dependence on Russian energy imports.

Bolstered by high-level political and trade commitments, the next wave of U.S. liquified natural gas (LNG) export projects is poised to help Europe close a growing supply gap into the 2030s. However, significant regulatory and investment obstacles must be overcome for this effort to be successful. With strong leadership and cooperation between U.S. and EU government and industry, targeted policy measures can unlock Europe's pathway to long-term energy security while supporting U.S. jobs and economic growth and reducing emissions.

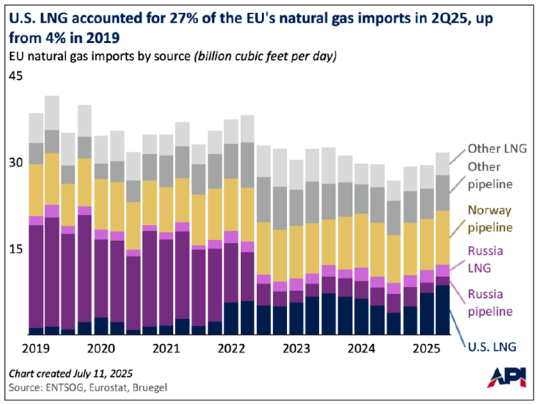
<u>U.S. Liquified Natural Gas: Global Guarantor of Energy Security</u>

Before discussing those issues, however, it is helpful to briefly recount the history of U.S. LNG development and its pivotal role in European energy security. This story is well-known, but bears repeating. Prior to 2022, Russia accounted for roughly 40% of European natural gas supply and had already demonstrated its willingness to leverage exports to its geopolitical advantage. Immediately after the invasion of

Ukraine in 2022, the United States stepped up to help its allies and trading partners, increasing LNG exports to Europe by 141% and staving off a global energy disaster.[1] This neutralized Russia's attempt to weaponize natural gas for geopolitical gain, and confirmed U.S. LNG's immeasurable importance to America's national security and the energy security of our allies and trading partners.

The seeds of America's ability to help Europe avert the worst of its energy crisis were planted 15 years earlier, when visionary leaders at Cheniere reversed plans to construct a natural gas *import* facility, and instead built the first large-scale U.S. LNG *export* terminal, betting correctly that the shale revolution would dramatically change domestic gas market fundamentals. Fittingly, Cheniere's first cargo left the U.S. Gulf Coast on February 24, 2016—precisely six years prior to the onset of Russia's invasion of Ukraine.

Today, the U.S. delivers one out of every four tons of LNG shipped worldwide, providing a reliable, flexible supply of natural gas cargoes that have been sent to 49 different countries around the world.[2] As shown in the American Petroleum Institute chart below, in the first half of 2025, the U.S. accounted for 27% of EU natural gas imports, up from just 4% in 2019. The strength of the U.S. LNG industry has allowed the United States to become, in the words of then-European Commission Executive Vice President (now Trade Commissioner) Maroš Šefčovič, "the guarantor of global energy security."[3]



Europe's Looming Supply Gap and the Phase-out of Russian Gas Imports

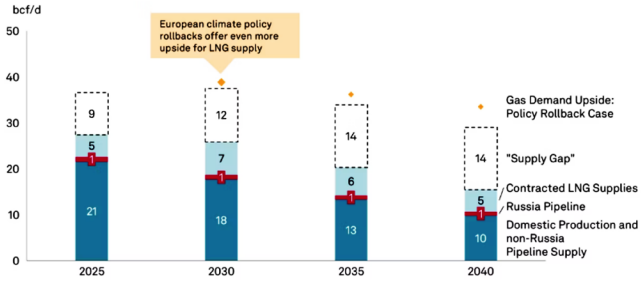
As we enter 2026, while Europe's dependency on Russian gas imports has

[1] Energy Information Administration, Europe was the main destination for U.S. LNG exports in 2022 (March 22, 2023), https://www.eia.gov/todayinenergy/detail.php?id=55920.
[2] https://www.energy.gov/sites/default/files/2025-12/LNG%20Snapshot%20Dec%2031%202025_0.pdf
[3] https://www.uschamber.com/energy/eight-years-in-americas-lng-zeitenwende-in-question

fallen sharply, it remains significant. Russian gas still accounted for an estimated 13% of EU imports in 2025, worth over €15 billion annually.[4] According to the European Centre for Research on Energy and Clean Air (CREA), the EU remains the largest buyer of Russian natural gas, accounting for 49% and 35% of LNG and pipeline imports, respectively.[5] Since the invasion of Ukraine in February 2022, CREA reports that the EU imports of Russian fossil fuels have exceeded €219 billion ($260 billion), including €109 billion ($130 billion) on natural gas. These imports fund the Kremlin's war machine, and leave the continent exposed to significant security of supply risks.

A 2025 study undertaken by S&P Global for the Chamber helped to quantify this vulnerability into the 2030s. Led by S&P Vice Chairman and renowned energy analyst Dan Yergin, it detailed a steadily widening "supply gap" in Europe that will result from declining domestic production, declining pipeline imports, and LNG contract expirations. Those trends, combined with upside demand potential resulting from climate policy rollbacks and efforts to maintain industrial competitiveness, leave Europe increasingly exposed to volatile spot markets in order to balance demand. S&P concluded that the supply gap "provides space for further LNG contract signings and thus potential for additional financing for liquefaction projects in the US and elsewhere (Figure 6).

Figure 6. European Natural Gas Uncontracted Supply Gap 'Current Trend' Scenario

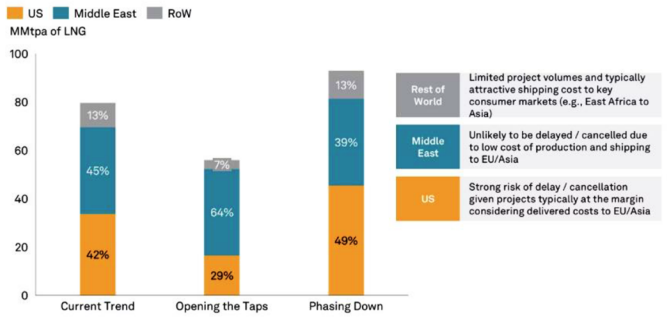


Source: S&P Global Commodity Insights
© 2025 S&P Global
Note: Contracted LNG Supplies includes LNG contracts of European Utilities and Industrials as well as European DES contracts.

[4] https://www.consilium.europa.eu/en/press/press-releases/2025/10/20/council-agrees-its-position-on-rules-to-phase-out-russian-gas-imports-under-repowereu/pdf
[5] https://energyandcleanair.org/financing-putins-war/. Additional details available at https://www.russiafossiltracker.com.

S&P then explored two alternative scenarios: a "Phasing Down" scenario modeling impacts of an EU phaseout of Russian imports (now our presumed base case) on global LNG projects, and a second "Opening the Taps" scenario modeling the impact of removing Russian sanctions. As shown in the study's Figure 10 below, decisions made regarding the future of Russian sanctions disproportionately impact U.S. LNG project development, with potential outcomes ranging from 16.5 million tons per anum (MMtpa) to 45.5 MMtpa in new capacity between the "Opening the Taps" and "Phasing Down" Scenarios. According to S&P, up to $120 billion in new US LNG direct expenditures are at risk between these two scenarios. Note: it should be emphasized that continuously evolving market dynamics—including a number of new U.S. FID announcements—since this report's original publication in May 2025 would significantly change the modeled outcomes if updated today, the broader conclusion that U.S. project development and market opportunities are heavily influenced by sanctions policy still holds.

Figure 10. Global Natural Gas Liquefaction Project FIDs by Scenario (2025-27)



Source: S&P Global Commodity Insights

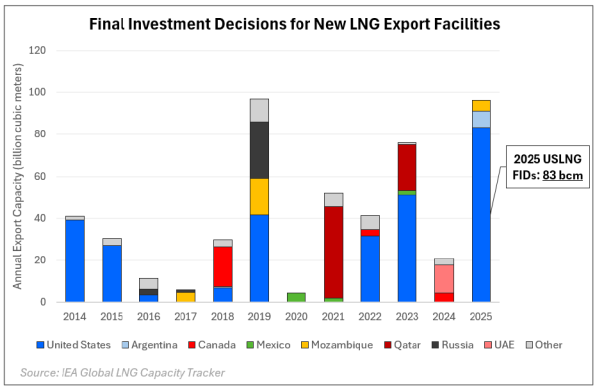
Fortunately, the transatlantic political consensus on the importance and urgency of eliminating Europe's energy vulnerabilities is strong. In late January, the EU approved legislation mandating the complete phase-out of Russian gas imports by the end of 2027, and in March, member countries will submit implementation plans showing how they plan to secure alternative gas supplies.[6] The Trump Administration

[6] https://www.consilium.europa.eu/en/press/press-releases/2026/01/26/russian-gas-imports-council-gives-final-greenlight-to-a-stepwise-ban/pdf. The phase-out timeline is as follows: new contracts for Russian gas and LNG

has strongly encouraged these developments, and in December convened the Partnership for Transatlantic Energy Cooperation (P-TEC) forum in Athens, where several important business deals and policy goals were announced.

Of particular note, U.S. Energy Secretary Chris Wright and Greek Energy Minister Papastavrou issued a joint statement affirming that "the transatlantic bond is indispensable, just as an affordable, reliable, secure, and resilient energy future for Europe is central to freedom, prosperity, peace, and human flourishing. Energy is not merely a commodity, but the lifeblood that powers all modern industry."[7] The statement commits to enhanced transatlantic cooperation aimed at eliminating dependence on Russian energy, and the mobilization of public and private sector financing necessary to meet "diversification and integration of energy supplies and transmission routes to bolster Europe's energy security." The Chamber and its members strongly support these efforts and are eager to partner with governments to ensure its success.

For its part, the U.S. LNG industry is extremely well positioned to help European allies meet this challenge. After the Department of Energy's "Pause" on LNG export licensing was lifted in early 2025, **the U.S. has dominated global LNG project development**, with five new export facilities totaling a record 83 billion cubic meters (bcm) of new capacity reaching final investment decision in 2025. These projects represent more than $60 billion in new U.S. investment and account for 86% of all new global capacity.[8]



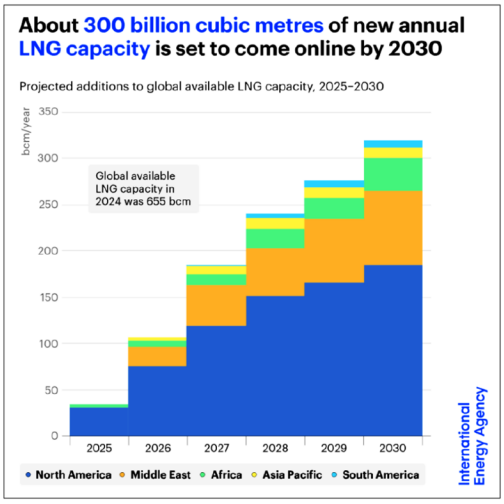
are prohibited immediately. Short-term contracts signed prior to June 17, 2025, are phased out in April (LNG) and June (pipeline) of 2026. Long-term LNG contract imports will cease by January 1st, 2027, and long-term pipeline import contracts end no later than November 2027.

[7] https://www.energy.gov/articles/joint-statement-us-energy-secretary-wright-and-greek-energy-minister-papastavrou-regarding

[8] https://www.iea.org/data-and-statistics/data-tools/global-lng-capacity-tracker

This project development was accompanied by a similarly strong increase in LNG contracting activity. According to the International Energy Agency, more than 130 bcm per year of LNG contracts were signed in 2025–representing the largest volume contracted in the past decade—and the U.S. alone accounted for half of those global volumes.[9] As these projects come online, America's market share of global LNG trade is expected to increase from 25% to 33% in 2030. This rapid expansion of LNG supply will not only address Europe's security challenges but will increase the liquidity of the Atlantic LNG market, helping lower import prices at a time Europe is struggling with economic competitiveness.

In short, **America's growing LNG supply is an obvious and timely solution to Europe's growing supply gap, and the industry stands ready to support our allies.** Bolstered by the aforementioned political commitments, as well as the EU's $750 billion energy purchase commitment that forms a cornerstone of last summer's trade deal, U.S. and EU alignment presents an historic opportunity for further strengthening of the transatlantic energy and commercial relationship.



Regulatory Obstacles

Beneath this high-level momentum, however, are a number of significant obstacles that require attention and political leadership. First and foremost are EU regulations that are hampering trade and transatlantic commercial relationships, most prominently the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Methane Emissions Regulation (EUMR).

[9] https://iea.blob.core.windows.net/assets/f746c0aa-03f3-47ba-a0d9-b45c3c758150/GasMarketReport%2CQ1-2026.pdf

Corporate Sustainability Due Diligence Directive

CSDDD requires large companies to identify, prevent, mitigate, and address human rights and environmental risks across their operations, subsidiaries, and value chains. It captures companies based on economic turnover in the EU regardless of where they are headquartered or where they operate.

The Chamber has argued that CSDDD challenges traditional principles of sovereignty in international law, where jurisdiction is typically tied to physical presence or conduct within a specific territory. Under CSDDD, however, U.S. companies must align their *global operations* with EU standards derived from international instruments that are not binding under U.S. law, and may be held liable in EU courts for U.S.-based conduct that is lawful in the U.S. **The EU is in effect asserting regulatory primacy even across company operations with no territorial link to the EU.**

The Chamber led U.S. businesses in joining European industry to call for fundamental changes to the CSDDD and its companion legislation, the Corporate Sustainability Reporting Directive (CSRD), which requires companies to report on Scope 1, 2, and 3 emissions. The EU recognized the potential economic harm from these directives on their own industrial competitiveness and on their trade relationships. The August 2025 U.S.–EU Joint Statement (issued as part of the Framework on an Agreement on Reciprocal, Fair, and Balanced Trade) explicitly committed the EU to ensure that the CSDDD and CSRD "do not pose undue restrictions on transatlantic trade" and "to address U.S. concerns regarding the imposition of CSDDD requirements on companies of non-EU countries with relevant high-quality regulations."[10]

The amendments reached by the EU brought some very positive changes, including deleting climate transition plan requirement and rejecting an EU-wide civil liability regime. However, they did not result in any changes to extraterritorial overreach of CSDDD.

Members of the U.S. Senate and Congress have long been aware of the risk to companies and U.S. regulatory sovereignty posed by CSDDD, and we are grateful that they have called on principals in the Executive branch to engage with the EU to refocus CSDDD exclusively on European territory.

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[10] https://www.whitehouse.gov/briefings-statements/2025/08/joint-statement-on-a-united-states-european-union-framework-on-an-agreement-on-reciprocal-fair-and-balanced-trade/

EU Methane Emissions Regulation

Meanwhile, the EUMR, finalized in July 2024, requires importers of oil and gas to report *producer-level* emissions data and ensure all shipments meet yet-to-be-defined methane intensity standards, subject to non-compliance penalties of up to 20% of the importer's total worldwide revenues. Despite numerous statutory deadlines for various reporting requirements and intensity thresholds,[11] the European Commission and EU member countries have provided little regulatory clarity or guidance on how to successfully comply with the EUMR.

The large and complex nature of the U.S. oil and natural gas system—with countless market participants involved in production, transport, processing, trading, and export of energy—makes compliance uniquely challenging for American exporters. Concerningly, the EU has not provided clarity on compliance pathways necessary to report the methane intensity of the fuel or secure an exemption through demonstration of an equivalent monitoring, reporting, and verification system.

As a result, the EUMR has imposed significant risks that are hindering negotiation of new supply agreements with U.S. exporters. Absent greater legal certainty, including assurance that contracts signed while revisions are made will be protected from future penalties—negotiations involving European buyers will continue to stall. Accordingly, the Chamber and several U.S. industry partners have called on the EU to delay statutory implementation requirements until compliance concerns are adequately addressed, while also allowing the grandfathering of contracts signed during the revision period to avoid further supply risks.

It is important to emphasize that concerns with the EUMR are not limited to the United States. In Europe—where importers responsible for keeping the lights and heat on face enormous non-compliance penalties—various industry coalitions have issued increasingly urgent warnings that the law is "unworkable," jeopardizes European energy security and competitiveness, and is likely to lead to higher energy costs, among other things (see Appendix 1 for additional details).

[11] The EUMR obligates importers of crude oil and natural gas into the EU to meet phased in requirements. In 2025, importers must report methane emissions to EU member state authorities. By 2027, importers must prove to authorities that the fuel originates from production operations that have methane measurement, reporting and verification (MRV) procedures in place that are equivalent to what the EU is implementing for its own producers (OGMP 2.0 Level 5, which is site level reporting). By 2028, importers must disclose the methane intensity of imported oil and gas, calculated using a methodology yet to be published, and by 2030 must ensure methane intensity remains below a threshold yet to be set by the EC or face to-be-determined penalties.

While progress toward a solution is frustratingly slow, we are heartened that the August 2025 joint statement on the U.S.-EU trade framework agreement committed to address non-tariff barriers such as the EUMR,[12] and we appreciate the efforts of the Department of Energy and other federal agencies in support of a workable solution.

Strategic Infrastructure Needs

Enhancing infrastructure to enable LNG imports to reach regional markets is another critical challenge that must receive priority attention to fully ensure Europe's energy security. It is important to recognize that Europe's security challenges and dependence on Russian energy vary widely by country, with Central and Eastern European nations disproportionately vulnerable.

A number of strategic infrastructure projects will reduce these vulnerabilities, and the Vertical Gas Corridor—which aims to create a continuous south-to-north gas transport route from Greece through Ukraine—stands out as an immediate and top priority. Once fully built and operational, the Corridor would provide countries such as Bulgaria, Romania, Moldova, Ukraine, Hungary, Slovakia, and Austria a reliable alternative to Russian pipeline gas or problematic "Turkish Blends" reaching the EU boarder from Turkey.[13]

It would also feed Ukraine's large gas storage facilities (more than 30 bcm in total, accounting for about 20% of total European storage capacity), which are not only critical to Ukraine's own energy security amid war and supply disruptions, but valuable to the rest of Europe as a price and supply buffer, particularly during winter drawdown months. For example, due to a relatively cold winter in Europe, EU gas storage sites have drawn below 42% capacity—16 percentage points below the five-year average for the end of January.[14] While security of supply is not currently at risk, the large drawdowns place upward pressure on demand and prices during summer and fall storage replenishment efforts. Better utilization of Ukrainian storage enabled by the Vertical Gas Corridor would help avoid these price pressures.

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[12] https://www.whitehouse.gov/briefings-statements/2025/08/joint-statement-on-a-united-states-european-union-framework-on-an-agreement-on-reciprocal-fair-and-balanced-trade/

[13] "Turkish Blend" refers to natural gas that Türkiye may export or re-export that consists of a mix of supplies (Russian, Azeri, Iranian, and Turkish domestic) that becomes difficult to trace once it enters the Turkish gas transmission system. Critics argue this could effectively launder Russian gas into European markets outside the EU's Russian gas ban framework.

[14] https://energiedashboard.admin.ch/gas/eu-gasspeicher. Data as of January 31, 2026.

At P-TEC, the energy ministers of Bulgaria, Greece, Moldova, Romania, Ukraine and the United States issued a joint statement highlighting:

> "...the enormous potential of the Vertical Corridor to supply Central, Eastern, and Southeastern Europe with abundant natural gas from sources diversified from Russia. Bulgaria, Greece, Moldova, Romania, and Ukraine are cooperating to continue to increase the use of pipeline routes through their countries to bring natural gas from Greece to meet the needs of Ukraine. The United States stands ready to pave the way for its suppliers to provide LNG to import terminals in Greece for this purpose."[15]

Despite this strong political support, the project faces commercial and regulatory barriers that must be resolved for it to fully proceed. We urge Congress, the Executive Branch, and European leaders to coordinate with the private sector and accelerate ongoing efforts to de-risk investment in physical upgrades necessary to unlock the enormous potential of VGC. With targeted financial support and expedited regulatory action from the European Commission and key member states, this strategically important network will attract off-take commitments required for its success.

We similarly commend and support ongoing transatlantic cooperation to advance the Three Seas Initiative (3SI) and ensure enhancement of energy infrastructure of EU member states between the Baltic, Adriatic, and Black Seas. As with VGC, 3SI's support for connecting LNG terminals to north-south pipeline systems will facilitate alternative gas supplies as the ban on Russian imports is phased in.

Environmental Advantages of USLNG

The U.S. natural gas and LNG export industry remains fully committed to reducing methane emissions across the value chain and enhancing the contribution of natural gas to cleaner and more sustainable energy systems. As variable renewable energy comprises a larger share of Europe's power supply, natural gas power plants will play a growing complementary role in backing up these evolving systems and the challenges they pose for electricity planning and grid stability.

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[15] https://www.energy.gov/articles/joint-statement-regarding-vertical-corridors

Moreover, it is well established that U.S. LNG has a lower emissions footprint than most other imported gas into the EU, and exciting technological and operational advances are helping add to this advantage. Consider the following:

- A comprehensive March 2025 study by S&P Global undertaken for the Chamber found that development of six U.S. LNG projects "paused" in 2024 would reduce 780 million tons of greenhouse gas emissions through 2040.[16] The reductions from those six projects alone is **equivalent to 1/3 of the European Union's cumulative energy-related emissions reductions over the last decade**. Other findings from this analysis include:
- The average methane emissions intensity of Russian LNG and pipeline gas is 44% and 59% higher, respectively, than the comparable intensity of U.S. LNG export projects halted by the 2024 "Pause" on new licenses. The methane emissions of Algerian pipeline gas—a growing supply source for Europe—are 161% higher than U.S. LNG.
- S&P Global's methane emissions observations across the U.S. natural gas value chain are between **20 and 300 times greater than measurements in other countries.** This major advantage of "eyes in the sky" enables operators to detect and address leaks with greater speed and accuracy. Conversely, the relative lack of methane emissions measurement and transparency outside of the U.S. could mean that the environmental benefits of American LNG exports are significantly understated.
- A separate July 2025 analysis published by S&P Global in partnership with methane management firm "Insight M" found that the methane intensity of oil and gas production in the Permian Basin—an area responsible for half of U.S. oil production and one fifth of natural gas—declined by more than 50% between 2022-2024.[17] Cumulatively, since the end of 2022, absolute emissions have declined by 55.2 billion cubic feet (bcf), equivalent to 28.8 million metric tons (MMT) of carbon dioxide emissions avoided. To put these figures in perspective, this reduction over a two-year period was:
    - 15% greater than the emissions avoided by all electric vehicles sold in the United States *and* the European Union

[16] https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-2
[17] https://press.spglobal.com/2025-07-24-Methane-Emissions-Intensity-of-Permian-Basin-Declined-by-More-than-Half-in-Two-Years,-New-S-P-Global-Commodity-Insights-Analysis-Finds

- Equal to 2.2 *billion* trash bags recycled instead of landfilled
- Greater than the greenhouse gas emissions from cooling and heating all the homes in California.

According to study author Raoul LeBLanc, this progress is the result of systematic approach by energy producers in which methane emissions management has been normalized as a standard component of field operations. According to LeBlanc, "oilfield service manufacturers are now producing equipment that includes emissions reduction as an important feature, and operators are increasingly utilizing AI and machine learning to not only 'find and fix' but 'predict and prevent' emissions."

Economic Importance of the U.S. LNG Industry

While today's hearing is obviously focused on international issues and the geopolitics of energy security, it is important to emphasize that U.S. LNG's role as a guarantor of global energy security is accompanied by remarkable economic benefits here in America. S&P's LNG Impact Study undertaken for the Chamber included the most comprehensive economic analysis of the industry, the key findings of which are summarized here.[18]

LNG Export Benefits to date:

- +$40 billion in GDP
- 273,000 jobs
- +$54 billion in federal and state tax revenue
- U.S. LNG industry exports are greater than corn and soybean exports, 2X U.S. movie and TV exports, and nearly half of U.S. semiconductor exports.
- 2023 U.S. LNG export value of $34 billion improves the balance of trade and is equivalent to 16% of America's trade deficit with the EU.

Projected Benefits of USLNG Through 2040

- +$1.3 trillion in GDP
- +495,000 jobs
- +$166 billion in federal and state tax revenue
- +1.1 million barrels per day of natural gas liquids (NGL) production—a key feedstock supporting domestic U.S. manufacturing and competitiveness

[18] Phase 1 of the study on national-level impacts is available here: https://www.spglobal.com/content/dam/spglobal/global-assets/en/special-reports/lng-study/USLNGImpactStudyPhase1.pdf. Phase 2, addressing state-level and environmental benefits, is available here: https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-2

Other Key Findings

- Thanks to abundant low-cost supply, **natural gas production has grown at 3 times the rate of LNG exports since 2010**. As a result, natural gas prices have trended *lower* even as the U.S. became the world's dominant LNG exporter, and domestic prices for U.S. families and businesses remain among the lowest in the world.
- The U.S. has an enormous supply of affordable and accessible natural gas resources, estimated at ~1,300 trillion cubic feet (tcf) gas resources with break-evens below $4 per million btu—an amount equivalent to 35 years of demand at current levels.
- Continued export growth will have a "negligible" impact on U.S. residential natural gas prices (less than 1%).

LNG Economic Benefits Extend to All 50 States

- Of the nearly 495,000 jobs supported by the LNG industry, **37 percent—or 183,000 jobs**—are based in non-producing states. Similarly, **$383 billion**, or 30 percent of the expected $1.3 trillion in GDP benefits attributable to LNG through 2040 will occur outside of the seven core energy producing states.
- In fact, **39 different states have at least one thousand jobs supported by the LNG industry**, and in 21 states the supported employment exceeds 5,000 jobs.
- The sourcing of inputs for LNG export value chains extends throughout the country and support businesses that supply equipment, materials, logistics, IT, construction, and services. States such as Indiana, Kansas, Illinois, and Minnesota will realize **more than $2,000** in per capita economic benefits from LNG through 2040.

Appendix: Recent communications regarding the impact of EU methane regulations on LNG contract development and European energy security

(Emphasis added in all excerpts)

- April 2025 Eurogas letter: *Urgent Need for Regulatory Clarity to Safeguard EU Supply Security*[19]

  > "Already today, the Methane Emissions Regulation is complicating and, in some cases, **impeding, the signing of new gas supply contracts**. Market participants face considerable uncertainty regarding compliance with yet-to-be-defined requirements, unmanageable liability risks, and potential penalties of up to 20% of an importer's annual turnover. This regulatory uncertainty makes it difficult for parties to assess risks, thereby posing significant challenges to them for moving forward with agreements. This, in turn, **is creating unintended consequences for Europe's energy security and affordability**, exacerbating an already tight market."

- June 2025 IOGP Europe statement: *IOGP Europe welcomes EU Energy Ministers' call for Inclusion of the EU Methane Regulation in upcoming Energy Omnibus*[20]

  > **"Let's be clear, this isn't about pleasing specific supplier countries: it's about avoiding self-imposed risks to Europe's own security of supply.** By imposing disproportionate and **unworkable requirements for domestic production and imports**, the Regulation would lead to reduced EU supply options and increased costs for compliant molecules. These issues cannot be solved through secondary legislation, and we remain ready to work constructively with the Commission on targeted adjustments to the Regulation itself through the Energy Omnibus; if we don't do so, we risk regulatory failure."

- July 2025 EU industry joint paper: *Action plan to address key challenges on importers' requirements in the Methane Regulation*[21]

  > "Contractual counterparties may be purely trading entities with no direct involvement in natural gas or crude oil production, leading to a disconnect between the importer and the original producer. This lack of transparency greatly complicates efforts to ensure compliance with the EU Methane Regulation…This is linked to the implementation of complex technical/operational requirements, the demanding timelines of the MR, the remaining regulatory uncertainties and the MR's extraterritorial implications. **These challenges are creating risks for the security and affordability of energy supply and feedstock to the EU…This comes at a time when the EU faces a significant and growing natural gas supply gap in coming years.** The regulatory uncertainty is impacting market participants with, for example, undefined future compliance rules and severe liability risks with potential penalties of up to 20%

[19] https://www.eurogas.org/wp-content/uploads/2025/04/250428-Current-impact-of-MER-on-EU-SoS.pdf
[20] https://iogpeurope.org/news/iogp-europe-welcomes-eu-energy-ministers-call-for-inclusion-of-the-eu-methane-regulation-in-upcoming-energy-omnibus/
[21] https://www.eurogas.org/wp-content/uploads/2025/07/250709-Action-plan-to-address-the-issues-of-the-importers-requirements-in-the-Methane-Regulation.pdf

of an importer's annual turnover. In addition, Member States are finding it hard to match the timeline: some are delaying implementation and enforcement as a result. Taken together, these issues stall risk assessments, **delay contract negotiations, the conclusion of deals and could ultimately threaten Europe's energy security."**

- August 2025 EU industry coalition letter: *Integrating the EU Methane Regulation into the Simplification Agenda*[22]

  "the Regulation imposes requirements without allowing sufficient time for obligated parties to take the necessary steps to achieve compliance. Several technical and operational solutions, necessary for feasible implementation, such as a proper instrument to certify comingled products, are yet to be deployed. Finally, all the elements required for proper implementation of the Regulation, including key secondary legislation and relevant CEN/ISO standards, are still missing.

  To ensure the Regulation's success in delivering its environmental objectives while remaining feasible in practice, targeted adjustments are necessary to:

  - Establishing alternative in primary legislation and flexible compliance pathways where MER sets technically unfeasible or disproportionate requirements (both domestic production and imports).
  - Provide legal certainty regarding obligations and the necessary time and implementation flexibilities;
  - Adjust disproportionate non-compliance penalty provisions (up to 20% of annual global turnover in case of legal person) according to the real implementation progress and existing compliance options;"

- October 2025 EU industry coalition paper: *Description of principles for solutions addressing the challenge for EU importers to identify the producer of natural gas or crude oil to achieve compliance with the EU Methane Regulation*[23]

  "if no effective and pragmatic solutions become available in a timely manner, then ***the various challenges set by the EUMR are likely to exacerbate serious risks for the liquidity and security of gas and crude supplies to the EU and their affordability for EU consumers,*** *ultimately affecting EU competitiveness…*

  Ultimately, ***industry requires competent authorities and/or Member States to formally recognize solutions/schemes that provide importers with legal certainty to use paths to comply with EUMR in what we call in this paper "complex value chains".***

[22] https://www.fuelseurope.eu/publications/publications/joint-letter-integrating-the-eu-methane-regulation-into-the-eu-simplification-agenda
[23] https://iogpeurope.org/wp-content/uploads/2025/10/251015-DEF2-EU-MR-Industry-Coalition-solution-to-address-the-tracing-issue-.pdf

- November 2025 Eurogas statement: *Securing Affordable Gas for Europe: Why Importer Provisions in the Methane Regulation Must Be Fixed Now*[24]

  "Europe faces a critical window to secure affordable gas supply

  If European importers do not secure contracts now, Europe will be at a disadvantage in terms of both cost and supply security compared to other regions in the years and decades ahead. Delaying or cancelling contract negotiations, or paying a premium for optionality and flexibility in the volumes to be purchased, endangers our security of supply, damages the affordability of our energy and decreases our competitiveness…these EU legislations are also putting at risk progress in key strategic trade partnership, such as with the United States, which view these EU rules as non-tariff barriers."

- December 2025 joint statement of 15 EU and U.S. industry groups: "*Calling for reducing methane emissions while ensuring EU energy security.*"[25]

  "The undersigned representatives of Europe's energy suppliers **support the EU's ambition to reduce methane emissions and share the objective of delivering meaningful reductions. The industry has made significant progress in reducing methane emissions, while developing best practices and acquiring operational know-how along the way.** Precisely because of this, we wish to express concerns about the growing pressure on EU's industrial base, where high energy costs are increasingly eroding competitiveness. As Europe emerges from one supply crisis, certain provisions in the EU Methane Regulation (EUMR) already are creating supply constraints that could further drive-up energy costs.

  By introducing significant regulatory uncertainty and prescriptive compliance obligations with challenging timelines, **the EUMR could make a number of natural gas and crude oil importers de facto non-compliant as of 2027 and expose them to penalties of up to 20% of previous year's annual turnover.** Combined with disproportionate requirements put on domestic producers, **the EUMR thereby jeopardizes the EU's energy security of supply and is likely to lead to higher energy costs**, while threatening domestic production, putting at risk strategic autonomy, and hindering the development of low-carbon hydrogen in the process."

- January 2026 joint statement of 24 EU and U.S. industry groups: *Enabling a pragmatic and legally certain implementation of the import provisions under the EU Methane Regulation* [26]

  "Considering the deadlines and the time required for assessing and revisiting the Regulation, **it is of critical importance to stop the clock of the implementation deadline to deliver the needed legal certainty to market players/operators** and preserve the Union's Security of Supply."

[24] https://www.eurogas.org/wp-content/uploads/2025/11/251113-Eurogas-Briefing-Securing-Affordable-Gas-for-Europe-EU-MR.pdf
[25] https://iogpeurope.org/wp-content/uploads/2025/12/251215-Joint-Statement-on-MER-4-1.pdf
[26] https://www.eurogas.org/wp-content/uploads/2026/01/260127-DEF-EU-MR-Joint-letter-to-enable-import-provisions-implementation.pdf

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Senator DAINES. Mr. Byers, thank you.

I know I heard the name Senator McCain invoked here a couple of times, and I think it was back in 2014, when Senator McCain had that famous line about Russia, just a great-big gas station masquerading as a country. The more things change, the more things they don't, don't they, in terms of it is still true today.

And you mentioned that Vertical Corridor today. The other exciting development, you see long-term geopolitically what is hap-

pening, and, in fact, Senator Murphy and I are working on this on Central Asia with the Jackson-Vanik restrictions, but as Brzezinski once said, "The caucuses are the cork, and Central Asia is the wine bottle." You know, popping that cork here with the Armenia-Azerbaijan peace agreement now opening up an east-to-west flow now with energy toward Europe and the west is going to be another important part, rather than seeing energy flowing north or back to the east. Vice President Vance, in fact, will be in Yerevan and in Baku this week.

So there are exciting things going on there, which are really, in many ways, underreported around the world. But as we all know, we have been watching this issue for a lot of years progress, and that is why, also, Senator Murphy and I are just committed to getting those Jackson-Vanik restrictions lifted for those important Central Asia partners.

As both of you know, the EU is looking at implementing its Corporate Sustainability Due Diligence Directive, or as you mentioned, Mr. Byers, the CSDDD, a regulation that amounts to nothing more than regulatory extortion designed to drive American producers out of Europe, or even out of business. Economic analysis that we have seen indicates that the full adoption of the regulation could cost up to 800,000 American jobs and over $1 trillion. These are massive numbers.

While the regulatory omnibus passed by the EU Parliament last fall amended the CSDDD to remove some of the more objectionable portions, the regulation still has the capacity to cause major damage to both Europe's energy security as well as global energy producers' ability to do business on the continent.

Mr. Byers, could you tell me a little bit more about the potential economic impact of CSDDD, that you brought up part of that in your testimony, as well as changes you might like to see to the regulation?

Mr. BYERS. Yes. Well, thank you for that question, Senator. It is a top priority for our members. I think the first thing I should mention about CSDDD, it is economy-wide, so this is not just an energy regulation. It hits all sectors—automotive, banking, *et cetera.*

And it is really remarkable and unprecedented in its reach. As I said in my testimony, it can reach not just to any company that has more than $1.5 billion of revenue into the EU. They do not even need to have an employee there. It forces them and their subsidiaries and suppliers to take certain measures to be consistent with EU standards in their global operations, not just their U.S. operations. So it can make a U.S. company liable for actions that are completely lawful in the United States, liable in an EU court.

As you said in December—and we were fortunate the Chamber led a large effort alongside European business and industry to explain the harm of this to both Europe's competitiveness and the transatlantic relationship. So a number of very challenging provisions were removed, including Article 22, which requires net zero commitments—not just a commitment but an implementation plan for companies through their entire supply chain. So that has been next steps. It is a very positive step. But the extraterritoriality that

I mentioned, the reach into the U.S. operations, remains, so that is what we are going to continue to try and fix in the year ahead.

And I will say I think this has been recognized as a major non-tariff barrier, and we were pleased that in the trade agreement, the U.S.-EU Framework Trade Agreement, CSDDD was explicitly called out as a hindrance. And so we hope there will be continued cooperation to address extraterritoriality.

Senator DAINES. Mr. Byers, thank you.

Ambassador Pyatt, can you talk a bit more about, as you see it, the impact that this regulation might have on European energy security, particularly Europe's reliance on Russian energy, if LNG exporters are unable to do business in Europe?

Mr. PYATT. Thank you, Mr. Chairman, and I would like to start by underlining my own sense, from having been engaged intensively on these issues with European officials in Brussels while in government, but also having lived in an EU member state for 6 years, as U.S. Ambassador.

The gist is in U.S. democracy. A lot of these legislative actions in Europe are the product of balancing constituencies' competing priorities. And importantly, as Dan alluded to, as regards to these two big measures in the energy-adjacent area—CSDDD and the EU Methane Regulations—we see a strong orientation toward pragmatism in the European approach.

It is important to remember that today Europe represents 65 percent of American LNG exports, but more important, the United States is 58 percent of Europe's supply on LNG, and closely behind the United States is Qatar. Both Secretary Wright and his Qatari counterpart have delivered strong messages to Brussels and to European capitals about making adjustments on these provisions.

And then I would also note that European companies—the CEO of TotalEnergies, the CEO of Siemens—together signed a letter a couple of months ago, in October, on behalf of 46 European companies, calling for a full repeal of the CSDDD.

I think European democracy is functioning on these issues, and ultimately I think the driving factor is Europe's determination never again to become dependent on Russian energy, and the importance of the transatlantic energy relationship, which is also reflected in the Europe trade agreement that President Trump reached with President von der Leyen last year.

Senator DAINES. Ambassador, you spent a lot of time working on the ground in Europe. Based on your assessment and in terms of the way things are shaping up there, do you think the Europeans are receiving those concerns well and will make adjustments accordingly?

Mr. PYATT. I think so. There has clearly been an adjustment in the European level of ambition. As Senator Murphy said, Europe is very clear: They want to find reliable, affordable energy with, as you said yourself, Mr. Chairman, an all-of-the-above approach. But they have realized that to sustain all of their wind and solar power they are also going to need that baseload supply. So U.S. LNG is going to be a critical component of the European energy mix for decades and decades to come.

We have to get this right, and as I said, I am confident, from my own conversations both as a U.S. Government official and now as

a private citizen, that the European Commission also understands the importance of finding a middle ground on these issues because there is really not a good alternative. So much of what is evolving in terms of the energy alliance between the United States and Europe is driven ultimately not by political proclamations on one side of the Atlantic or the other but by market factors, and the fact, as I said in my opening statement, that U.S. energy, U.S. LNG, is the most affordable, reliable, and importantly, the cleanest option.

And maybe if I can make one other observation, especially on the issues around methane and climate impacts, it is important to recognize the leadership that American companies are demonstrating in this area. American gas producers have become increasingly efficient in terms of using electricity for a lot of their production, in terms of monitoring and capturing and abating, venting, and flaring of associated gas.

There is a very strong alignment of interests here, and I am very confident that the officials who are now responsible for negotiation these issues will be able to find a constructive way forward.

Senator DAINES. Thank you, Ambassador.

Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. Let me inquire on the flip side of this equation. I do not think it is a smart strategy for the United States to build our entire energy relationship on hopes that Europe is going to continue to import and need access to fossil fuels. Europe has made a commitment to renewable energy. That is real today. You know, 50 percent of their consumption comes from renewables. It is going to be even more true in the future.

Our relationship has to be built both with a knowledge that they are always going to need some access to fossil fuels, and the United States can be a player, but that we are really disadvantaging the American economy if, as Europe's share of power generation continues to move toward renewables, China, rather than the United States, is their primary partner for business.

Maybe I will ask Mr. Byers and Mr. Pyatt to both speak to that. Speak to the fact that whereas a lot of time is spent on this committee now talking about LNG, appropriately, I do not really understand what our President is doing in trying to hamstring our ability to stand up advanced battery technology, solar technology, wind technology, and essentially cede that ground to the Chinese. They will become the preferred partner of Europe if we do not have an industrial policy in the United States that allows us to catch up. There is just no way that without an industrial policy—and you can tell me if you think I am wrong—a combination of incentive and tariff, that we are going to be able to be competitive with China as Europe is bidding out a lot of work and a lot of product when it comes to renewables.

So a question for both of you on that subject.

Mr. BYERS. Yes, thank you, Senator. I will go ahead and start. I think you are absolutely right. We want to open markets into Europe for all technologies, all of the above. We have got a lot of exciting investment and support from U.S. companies and a lot of opportunity there.

I think, realistically, China has the market cornered on solar panels, so that is a supply chain where I do not know that there is a pathway to come in. So I think we have to be strategic and targeted on where the opportunities are. Nuclear is a big one. We are really excited about opportunities in nuclear, and Europe is sort of changing its attitudes there. We have, thanks to your work on DFC, we have some exciting opportunities for support on nuclear.

And I will say, on gas, we watch this very closely, just sort of overall energy demand and the market share that is expected in the coming years. Europe is going to need a lot for the long term, and it is actually going to increase Europe's gas demand in the short term, over the next 5 to 10 years. And then once it peaks it is going to probably plateau. And this is, by the way, with assuming continued rapid buildout of renewables, because even in Eastern Europe you are having continued economic growth, and that is just leading to more energy demand. And if they adopt data centers, for example, in the same way that we are, they are way behind us on that. But if that starts to materialize in Europe the way it is in the U.S., the overall energy demand will also continue to stay higher than projected.

We are going to need all the energy sources. You are absolutely right about that. But I think we have to be strategic about exactly where the best opportunities are for U.S. companies to come in and sell products and technologies.

Mr. PYATT. Senator Murphy, I agree completely, and I will tell you a short story that I think illustrates the point.

In September, I had the opportunity to go back to Kiev, and I was there for the inauguration of Eastern Europe's largest battery storage facility. It was a project run by DTEK, a private energy company, using technology from a company called Fluence. Fluence is headquartered just across the river from us, in Boston, and I went to go talk to the CEO there when I came back from Kiev. It is a fantastic story. Fluence is an American champion in the battery energy storage space. Their main competitors in the market today are BYD and CATL, two of the Chinese State-supported companies that are operating in battery storage.

DTEK went with Fluence because it was American technology, but they also delivered a competitive price, and importantly, DTEK is now taking exactly the same Fluence battery product and they are developing in Poland.

It is absolutely vital that we remain competitive across all of these spaces. I would second Dan's point, as well, on nuclear, and especially SMR. When I was in government, tremendous, tremendous interest across Central and Eastern Europe on SMR opportunities in Bulgaria, in Romania, in Poland, and certainly in Ukraine. And here we have got a number of American developers.

And I remember I used to say, with my counterpart, Eliot Kang, when Eliot was Assistant Secretary for Nonproliferation, and we were thinking about these issues, the global market for SMR development outside the U.S. is going to be decided in Central and Eastern Europe, because that is the place where you have a huge hole that needs to be filled to replace electrons that formerly came in the form of Russian gas.

Senator MURPHY. One of the advantages we do have over China is the fact that generally, when you are dealing with the United States and with U.S. companies, you are dealing with above-board transactions, whereas when you are dealing with the Chinese or many other suppliers you are often required to pay bribes, to deal with under-the-table requests.

I mentioned in my opening remarks, and I will ask this question to you, Ambassador Pyatt, there is news coming out of the Balkans that suggests the Trump administration is pushing on Bosnia a particular partner to help them build a critical interconnection, and this partner seems to be run by two individuals who have no history in actually producing energy projects but who were supporters of the President's attempt to overturn the 2020 election.

You are free to comment on this particular, what appears to me to be grift, but at the very least maybe offer thoughts on how important it is for the United States to make sure that we are not pushing political cronies on countries overseas, that we are not engaged in the same kind of corruption that China is. This seems to me to be corruption, and projects like this, where we are pushing friends of the President who are woefully unqualified to do the work, seems to be the kind of thing that will push other countries toward China, not toward the United States.

Mr. PYATT. Senator, thank you for that. Let me answer it two ways. First, I would underline the point that the energy sector is particularly capital intensive. Most projects run in the billions of dollars, and they all take many, many years to roll out. I lived through this during my 6 years in Greece, as I was working on the Southern Gas Corridor, a project that began under my predecessor as Assistant Secretary, three times removed, Dick Morningstar. And it took us almost 20 years to get that project done, and it is going to take decades for that project to return the value that was invested into it. But it was hugely important in terms of unlocking Southern Europe's dependence on Russian gas supplies.

So this is a sector where industry and the market has to look beyond simply a 4-year election cycle in the United States. So having that consistency of purpose that we have enjoyed in this area, through Republican and Democratic administrations engaging in Europe, on energy diversification and on U.S. reliability is tremendously important.

And it is even more so because of what we started talking about today, which is the fact that we are only in the first years of what is going to be a fundamental remapping of Europe's energy infrastructure. For several decades, as Chairman Daines noted in his opening statement, Europe made the mistake of anchoring its energy security strategy on cheap Russian gas. That has now, thankfully, come to an end. It is a tragedy that it took an invasion of Ukraine and millions of casualties to make that reality sink home in Europe. But I am confident today that Europe will never again look to Russia as a reliable energy supplier.

But we need to be there for the long term, working with Europe, with our best companies, operating in a transparent and above-board way, and we also have to maintain trust, because as I learned through 35 years as an American Foreign Service officer, proudly representing this country, that trust is the coin of the

realm when you are involved in diplomacy. And so building that kind of long-term confidence in the way that hearings like this, and a bipartisan message from the Hill can do, is of tremendous importance.

Senator DAINES. Senator Barrasso.

Senator BARRASSO. Thanks so much, Mr. Chairman. Ambassador, good to see you again.

A couple quick questions. American energy resources have been a lifeline to our allies in Europe. Last month, the United States supplied 60 percent of the European Union's liquified natural gas. Since Russia's invasion of Ukraine in February 2022, the U.S. has exported over 3,000 cargos of liquefied natural gas to Europe.

To put it into perspective, one cargo of LNG provides enough heat for about a million people in Europe for one winter month. So do you believe the United States is a secure, reliable, and strategic energy partner?

Mr. PYATT. Absolutely. Unequivocally.

Senator BARRASSO. And what additional efforts can the United States take to help our allies increase their energy security?

Mr. PYATT. First and foremost, Senator, we need to keep doing what we are doing. We need to continue to expand America's industry, and I talked in my opening statement about the tremendous accomplishment of American producers who have more than doubled America's liquefaction capacity in recent years.

I also think we need to find a way to keep talking about the issues around climate and the environment. I had the opportunity, for the first time in my life, late last year, to be in Lake Charles, Louisiana, and I was there with the Governor, and with a number of our biggest LNG producers. But I was also there with some of the Europeans, and they had spent the day before our conference visiting CP2 and some of the other LNG facilities around Lake Charles. And they all said to me one version or another of, "Wow, I expected something that looked industrial, with flares and rusty chains, and I saw something that looks more like a high-tech manufacturing facility."

And I think telling that story—and if I can make one other anecdote in this area: As Assistant Secretary I had the opportunity to travel in Western Pennsylvania and visit some of the fracking pads operated by a great Pennsylvania company, EQT. And what was most striking to me about that visit, when you see what our gas producers are doing in the Marcellus region, these are people who are incredibly proud of the work they are doing, but they are also producing, sometimes within a mile or two of farms and schools and communities. They are incredibly attentive to issues like methane and flaring and how to produce their goods in the cleanest way possible. We should be proud of telling that story.

Senator BARRASSO. I want to switch to uranium if I could, because as you know, Russia has dominated the global uranium market. As of 2024, Putin controlled roughly 40 percent of the world's enrichment capacity, supplied nearly a quarter of America's enriched uranium. So I worked on a bipartisan basis to enact a prohibition on Russian uranium imports into the United States, which takes full effect 2 years from now.

European nations remain even more dependent on Russian nuclear fuel but are now trying to reduce that reliance. As the West shifts away from Russian nuclear fuel and global demand rises, what kind of strain does that put on our European enrichment capacity?

Mr. PYATT. I would highlight two issues on this, Senator. First of all, I would applaud what you and others did to implement a legal ban on imports. And I remember sitting in this very chair being asked by Chairman Risch about this same issue, and it is tremendous to see the action. And I think it was also important that Congress included in its ban on uranium imports a provision for a circular fund to help capitalize the investment that we are going to have to make in order to build a non-Russian supply chain.

But I would also flag, importantly, that as we see a new generation of nuclear reactors, and if our scientists and engineers are successful with building out an SMR infrastructure, we are going to need greatly increased volumes of nuclear fuel supply. So that means uranium. It connects with what Chairman Daines talked about in terms of Central Asia, the role of Kazakhstan, for instance, as a major uranium supplier. And then just like every other mining and mineral issue here in the United States, where do we source both the ores but also the processing that makes these commodities useable, in this case, for nuclear power.

Senator BARRASSO. So the other question is, how important is it that our own Department of Energy prioritize building out more U.S. enrichment capacity for not only domestic use but also to support our allied nations?

Mr. PYATT. Critically important. Last night I had the opportunity to have dinner with the head of one of Japan's largest utility companies, in Osaka. He was here. He spent 2 days in the United States visiting some of our nuclear reactors, and Japan, of course, is looking at a new generation of nuclear reactors, after having spent 15 years since the Fukushima disaster shutting down facilities. He was incredibly enthusiastic about what he saw happening here in the United States. But we have to build partnerships with the Japanese, with Korea, with Canada, with our European allies.

And I should emphasize, I talked in my opening statement about the Repower EU initiative and the tremendous progress that Brussels has made in committing to phasing out of Russian energy. And that includes gas, oil, and importantly, nuclear. So Europe is going to have the same exact dilemma that our operators of reactors have here in the United States.

Senator BARRASSO. Thank you. Thank you, Mr. Chairman.

Senator DAINES. Senator Barrasso, thank you. And you mentioned Kazakhstan, back to Central Asia here for a moment. Turkmenistan has the fourth—or fifth—largest natural gas reserves in the world. It is one of these little known facts. Again, as we open up that east-west corridor it will be very important here as we think long term about energy security.

Ambassador Pyatt, there have been a number of European countries that have pursued investments in energy that would create, we believe, long-term stability for their grids. Greece—you are an

expert on Greece. They announced last year that they will be starting a new offshore gas drilling project for the first time in 40 years.

Look at Croatia, another bright spot in Southeastern Europe, their Krk Floating Regasification Terminal has opened up 6.1 billion cubic meters in annual gas supply, fully offsetting their prior reliance on Russian gas.

For the last decade, the Baltic States have been working to cut all ties with Russian energy. And we are seeing the full development, as you mentioned, Ambassador, of the Vertical Corridor.

So here is my question, Ambassador Pyatt. Do you believe that these projects represent a change in sentiment of the EU bloc or are these solely strategic investments being made by the countries most threatened by Russia?

Mr. PYATT. So, Mr. Chairman, I think these projects, first and foremost, are a reaction to the huge wake-up call that Europe received at the end of 2021 and the beginning of 2022, when Putin demonstrated his willingness to use energy as a weapon against the European Union. And I can remember vividly conversations with German and other officials who insisted that Russia would never cutoff supplies, because Russia needed the European market. But, in fact, Putin saw energy cutoffs as an essential element of his strategy for destroying Ukraine, and as Senator Murphy alluded to, he thought that Europe was going to cave. And I would give the Biden administration tremendous credit for the work we did, including the LNG Task Force that was agreed between President Biden and President von der Leyen, and then a lot of on-the-ground work with our LNG producers to make sure that Putin would fail in that effort.

Now, you see a new generation of investment. I would put a particular spotlight on the leading role that American companies are playing in this area. So for instance, it is ExxonMobil, which is working on the Greece project that you alluded to. Chevron is playing a leading role offshore of Cyprus, offshore of Israel, offshore of Egypt, working to build energy opportunities to feed into that European market. And I hope that our companies will continue to play an important role, which is another reason why, as Dan said, we have got to get CSDDD right, because this is one important element of what remains, despite all of the frictions. I was in Davos 2 weeks ago, and the level of anxiety around Greenland was off the chart.

But in the long term you have trillions of dollars of trade and investment that flow across the Atlantic Ocean, so we need to find a way to continue to reinforce that partnership, and it is the private sector investments in both directions—European companies investing in energy here in the United States and American companies investing in energy in Europe—that are going to help to stabilize that relationship in the years ahead.

Senator DAINES. On that investment comment you just made, do you think there is an opportunity for targeted investment or financing from the Development Finance Corporation or EXIM Bank that might help facilitate other projects?

Mr. PYATT. Absolutely. And I was so grateful that Senator Murphy mentioned the work that he did with Senator Johnson on the NDAA in 2019, which gave DFC authorization to work in Greece

when I was Ambassador. That turned into a $125 million investment into a shipyard that otherwise would have gone to China. And there is potential for DFC to do more on the Vertical Corridor, to do more on transmission lines, to do more on gas storage, hopefully to do more, also, on battery storage, which is going to be such an important part of the story for Europe and for the United States as we seek to stabilize our grid in an all-of-the-above environment, where we are also going through a super-cycle of expanded demand.

Senator DAINES. Senator Murphy.

Senator MURPHY. Thank you very much. Just one final question, and keep you on the spot, Ambassador Pyatt. You really have been our most adept and capable Ambassador over the last two decades, turning around the U.S. relationship in Greece but then also helping to midwife Ukraine through its most turbulent, troubled time.

On Thursday, January 26, the President announced that Putin had agreed to pause attacks on Kiev and other cities because of the freezing temperatures. Obviously, Russia is directing attacks at Ukraine's energy infrastructure. And then on February 2, just a few days later, the biggest attacks of the year came, attacking Ukraine's energy infrastructure. A bunch of us, Democrats and Republicans, got a closed-door briefing yesterday on the situation in Kiev, and it is dystopian right now, the fact that there is virtually no electricity that is reliable amidst a winter that is already off the charts with respect to record cold.

Instead of criticizing Putin for these attacks, President Trump tried to explain it away, saying that the moratorium on attacks had been secretly post-dated and, in fact, what Putin was doing was outside the moratorium, instead of doing what any human would have done which is to talk about the immorality of making families and children freeze deliberately. That is a war crime.

I just want to ask you, what do you see as the path forward to try to shore up, in the short term, Ukraine's energy infrastructure? They are not through this awful winter. It probably will just harden their resolve to continue the fight. Air strikes very rarely have the intended effect, which is to cow a population into acquiescence. But what should our role be, as a Congress and a country, to help stop this deliberate assault on Ukraine's energy infrastructure? What are some next steps to get us out of this moment?

Mr. PYATT. Thank you, Senator Murphy, and I think you put it very well. I would just emphasize, first and foremost, your point about the humanitarian catastrophe that Putin is inflicting on Ukraine today. It is about minus 20 degrees in Kiev right now. The situation is extremely difficult. And we need to understand, Putin is attacking civilian energy infrastructure, conducting what is unambiguously a war crime, because he is failing on the battlefield, and he is trying to break the will of the Ukrainian people. I am very confident that he will fail in that regard, but we need to be doing everything that we possibly can to help them in that regard.

First and foremost, we need to call it out for what it is. I was very glad to see Senator Graham and others speaking out in exactly these terms this week. Second, I think it is important that the United States continues to find whatever resources we have available that can be brought to bear to source the materials that

Ukraine needs to keep the lights on. When I was in government I led the G7-plus task force that was created by Secretary Blinken in order to support Ukraine's energy infrastructure. I had a team of officials in the Energy Bureau that was working every single day to find transformers and switch gear and generators, and working with all of our allies. That is an effort that generated more than $5 billion of equipment, most of which was not paid for by the American taxpayer, and a lot of which was sourced from American manufacturers.

I understand that there are still certain accounts that are floating out there, which related to the demise of USAID, AEECA funds and others, that could be channeled for this purpose, and I hope that that will happen quickly.

Senator MURPHY. But just underscore that. USAID was a critical player for a long time in helping to shore up Ukrainian energy infrastructure. Correct?

Mr. PYATT. USAID, Department of Energy, and the State Department's Energy Bureau under Secretary Blinken's directive. And I must say, it is a source of great satisfaction to me that when I go back to Ukraine that effort is still very well remembered, precisely because it touches every single Ukrainian civilian.

Senator MURPHY. Senator Graham's comments were strong, but he is not the President of the United States. He is not the Secretary of State. We need the White House to be condemning the war crimes that Putin is committing, rather than as President Trump was, excusing or explaining them away. But I appreciate your comments. Thanks.

Senator DAINES. Senator Murphy, thank you. We are going to wrap this hearing up. I just was thinking, as we were exchanging thoughts here today, it is worth thanking the Indian government for their agreement on Monday to continue to reduce and end their Russian oil imports. I was over in Delhi 2 weeks ago, working with the leaders there in India, and I was glad to see President Trump, Prime Minister Modi come to an agreement on that trade deal, but importantly, India's work to continue to reduce its dependence on cheap Russian oil.

Without objection, today's complete agenda as well as all written statements and letters that have been sent to the subcommittee will be included in the record.

Senator DAINES. A sincere thank-you to our witnesses today. I think we had a thoughtful back-and-forth, a thoughtful dialog on some very serious issues that are facing Europe, and providing us with the benefit of your testimony.

For the information of members, the record will remain open until the close of business tomorrow. We ask witnesses to respond as promptly as possible. Your responses will also be made a part of the record.

With the thanks of the committee and a warm thanks to my ranking member, Senator Murphy, this hearing is now adjourned.

[Whereupon, at 4:07 p.m., the hearing was adjourned.]

Additional Material Submitted for the Record

RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED TO HON. GEOFFREY R. PYATT BY SENATOR CORY A. BOOKER

Breaking From Longstanding Climate Agreements

Following President Trump's earlier withdrawal from the Paris Agreement for the second time, he recently withdrew the United States from the United Nations Framework Convention on Climate Change along with 65 other international organizations. This undermines U.S. leadership and our commitment to addressing the climate crisis on an international scale.

Question. In what ways does withdrawing from critical climate organizations and agreements weaken U.S. international leadership, limit our ability to address the global climate crisis, and isolate America from its partners?

Answer. When the United States is not a part of major multilateral organizations and agreements, we lose the ability to shape the debate, set norms and lead globally on issues related to energy abundance and energy transition where American companies can be international pace setters. In short, our disengagement or threat to withdraw from institutions that the United States helped to establish (like the International Energy Agency, established at the State Department, during the Nixon administration) undermines America's economic advantage and leaves the field clear for adversaries like China that have a very different vision of how the world should be organized.

Beyond climate concerns, countries participate in the UNFCCC, for instance, because they recognize that having a seat at the table in those negotiations gives them the ability to shape norms and policies across a broad range of industries that are also important to America's economic competitiveness and job creation.

Enhancing EU Energy Security

The EU has high energy import dependency and is actively trying to diversify its energy sources through green energy investment.

Question. What role can renewable energy technologies play in creating long-term energy independence and security for the EU?

Answer. As I discussed during the hearing and in my written testimony, there is a major opportunity for American LNG, which has made and continues to make significant strides in emissions reductions and methane abatement, to be the major source of Europe's energy security as the EU implements a full phase out of Russian gas and oil by 2027. Importing high quality U.S. LNG and rapidly curtailing use of coal power is one of the major ways for the EU to meet its emissions reduction goals.

For both the U.S. and the EU, accelerating deployment of renewable energy technologies is another means to advance energy security and resilience. In this regard, it is worth remembering that in many cases today the fastest way to get additional electrons on the grid is solar and wind deployment, often paired with grid scale batteries. Deploying renewable energy technologies is not just a "nice to have," but essential for resilience and affordability in an era when fast growing power demand requires a true "all of the above" approach.

Question. President Biden invoked the Defense Production Act (DPA) to strengthen domestic supply chains and promote clean energy technologies, including solar panels and heat pumps. How would the continuation of this policy have supported the ability of the U.S. to export clean energy technologies to the EU, thereby enhancing economic prosperity for American businesses and enhancing energy security for the EU?

Answer. The Biden administration invoked the DPA so that the Department of Energy and DOD could "accelerate domestic production of five key energy technologies: (1) solar; (2) transformers and electric grid components; (3) heat pumps; (4) insulation; and (5) electrolyzers, fuel cells, and platinum group metals." This "[allowed] the federal government to invest in companies that can build clean energy facilities, expand clean energy manufacturing, process clean energy components, and install clean energy technologies for consumers."

This DPA action, passage of the Inflation Reduction Act and the work of DOE's Loan Programs Office accelerated investment and innovation, spurred U.S. manufacturing and increased U.S. production of clean energy and grid components which could also be exported to Europe, enhancing the energy security of our allies.

I would also highlight the considerable progress we made in getting European companies and governments to recognize the risks of excessive dependence on China for many of these energy technologies. The best example of this is the great progress we made in the U.S.-EU dialogue on diversification of critical mineral supply chains. I welcome the fact that the Trump administration is building on this foundation, including with the proposed U.S.-EU critical minerals partnership, the State Department's Forum on Resource Geostrategic Engagement (FORGE), and enhanced lending initiatives from DFC and the Export-Import Bank, both of which are crucial tools for advancing America's energy security diplomacy.

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