

Pundit, Politician Demands to Solve Crimean Crisis Fueled by Gas Lobby

By Lee Fang

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A small group of pundits and politicians with close ties to the fossil fuel industry are using the crisis in Crimea to demand that the United States promote natural gas exports as a quick fix for the volatile situation. But such a solution, [experts say](#), would cost billions of dollars, require years of development, and would not [significantly impact](#) the international price of gas or Russia's role as a major supplier for the region. Rather, the move would simply [increase gas prices](#) for American consumers while enriching companies involved in the liquified natural gas (LNG) trade.

On Capitol Hill, House Energy and Commerce Committee Chairman Rep. Fred Upton (R-MI) was [among the first](#) to use the crisis in Ukraine to demand that the Department of Energy speed up the approval process for new LNG terminals. "Now is the time to send the signal to our global allies that U.S. natural gas will be an available and viable alternative to their energy needs," said Upton in a statement. As we've [reported](#), Upton's committee is managed in part by Tom Hassenboehler, a former lobbyist who joined Upton's staff last year after working for America's Natural Gas Alliance, the primary trade group [pushing](#) to expand natural gas development and LNG exports.

Paul Bledsoe, in an opinion column for *Reuters*, [wrote](#) that the U.S. should expedite natural gas exports to "bolster transatlantic solidarity and help to form a united U.S.-EU response to Russian intervention in Crimea." He was identified in the piece as a member of the "White House Climate Change Task Force under President Clinton." What wasn't disclosed, however, is that Bledsoe is an official with a pro-fossil fuels think tank called the Bipartisan Policy Center, which is funded by the American Gas Association and energy companies with a financial stake in promoting the natural gas industry. (Although he's not listed on the website, a representative with BPC told *Republic Report* that Bledsoe continues to work there.)

Groups created and funded by Charles Koch, chief executive of Koch Industries, have also demanded that America should respond to the crisis in Crimea with LNG exports. "A serious President would also fast-forward permits on new liquefied natural gas terminals that could ship to Europe," claims a [column](#) posted by Americans for Prosperity, a Koch-run advocacy group. A similar [argument](#) is advanced by the Koch-founded Cato Institute.

What's left undisclosed, however, is the huge financial stake in the debate for Koch Industries. A brochure for the company shows that Koch has deeply expanded its footprint into the natural gas market, and is now actively engaged in shipping, sourcing, marketing LNG, in addition to becoming a leader in developing financial instruments related to natural gas. "To complement existing North American activities from Houston and to optimize their global portfolio, KS&T companies are expanding a Europe-wide natural gas business from Geneva and an LNG trading business from offices in Houston and London," reads the [document](#). Further, Koch federal lobbying [disclosures](#) show that the firm has pushed a bill to expedite LNG exports from America to NATO countries.

In perhaps the most ironic twist of this public debate around how to respond to Russia's incursion into Crimea, American lobbyists with ties to Russia are calling for a solution that would not only shield Russian gas oligarchs, but enrich them. The National Association of Manufacturers has opposed tough sanctions on Russia. Instead, NAM has [used the crisis](#) in Ukraine to "urge speedier approval of liquified natural gas exports, arguing that the move would weaken Vladimir Putin's control over Europe's energy supply." NAM's chief lobbyist Jay Timmons [told Politico](#) that an LNG-export response would "send a strong signal to the Russian Federation, our NATO allies, our trading partners and the rest of the world that energy exports matter and are a critical tool of American foreign policy."

What Timmons did not mention is that ExxonMobil is a [leading member](#) of his trade association, and that ExxonMobil has extensive ties to Russian gas giants, including partnerships to develop natural gas in the United States and around the world. (For more on the business ties, see [Kert Davies](#) and [Steve Horn's](#) recent reporting on the Putin-sanctioned alliance between ExxonMobil and Russian state-owned oil and gas giant Rosneft.) In short, Timmons' strong signal to Russia would help Russian gas businesses.