

Congress of the United States
Washington, DC 20515

March 4, 2025

The Honorable Chris Wright
Secretary, U.S. Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

Dear Secretary Wright:

We write to congratulate you on your confirmation as our nation's 17th Secretary of Energy. We appreciate your refreshing perspective on the fundamental benefits of energy abundance, including its betterment of human lives. We look forward to helping you quickly realize your vision to “unleash American energy here at home and abroad to restore energy dominance.”

An immediate opportunity for the Department of Energy to achieve that goal is present in our home state of Alaska in the form of a project that President Trump has identified as a national priority—Alaska LNG. As you know, Congress first authorized the Department of Energy to provide a loan guarantee for an Alaska natural gas pipeline project more than two decades ago, in 2004. Congress modified the loan guarantee authority in 2021, which languished during the prior administration, to provide for an export project from southcentral Alaska.

To date the Department has not issued any guidelines or regulations needed to accept applications for the loan guarantee authority. The previous administration misleadingly contended that Congress must appropriate separate funding before the Department can develop guidance or regulations. However, that politically motivated position ran counter to congressional intent, and was only consistent with the previous administration's agenda to shut down nearly all resource development opportunities in Alaska during a time when our state is facing an unprecedented energy shortage. This foot-dragging created market confusion regarding Alaska LNG. Urgent action under your leadership to develop the necessary guidance or regulations will accelerate progress on this vital project.

It was unreasonable to conclude that Congress twice passed legislation to provide for a loan guarantee for an Alaska natural gas pipeline project, and, in both instances, intended for appropriations to carry out those provisions to be provided at a later date. In reality, the cost of developing such procedural standards remains insubstantial and can and should be undertaken with all due haste in full accordance with the law with the Department's existing funding.

Federal law explicitly provides that “the Secretary *may* issue regulations” for an Alaska natural gas pipeline loan guarantee and further authorizes federal appropriations “to cover the *cost* of loan guarantees” under the provision.¹ Importantly, those are not the same thing and are clearly

¹ The statute governing the Alaska natural gas pipeline loan guarantee is 15 USC § 720n.

distinguished from one another. “Cost” is defined consistent with the Federal Credit Reform Act as “the estimated long-term cost to the government of a [loan guarantee] or modification thereof, calculated on a net present value basis, *excluding administrative costs* and any incidental effects on governmental receipts or outlays.”² (Our emphasis added throughout.)

Based on the plain language of federal law, we conclude the Department of Energy has sufficient authority to rapidly issue guidance or regulations for an Alaska natural gas project loan guarantee. There is a legally defined difference between the comparatively small, upfront administrative costs for guidance or regulations and the larger, longer-term costs associated with credit subsidy and compliance.

The Department’s record on the broader Title XVII loan guarantee program further demonstrates how this is possible. The Department undertook preparatory activities “establishing and maintaining a [website] for the program, developing policies and ‘guidelines’ for the program and publishing them in the *Federal Register*, and issuing a solicitation announcement inviting interested parties to submit ‘pre-applications’ for title XVII guaranteed loans.”³ The Department relied upon funding from three different accounts—Departmental Administration, Energy Supply and Conservation, and Science—to undertake those activities.

A 2007 report from the Government Accountability Office (GAO) examining the initial implementation of the Title XVII program recommended the Department replace its guidance with regulations.⁴ GAO did not, however, tie the issuance of such regulations to further appropriations from Congress, nor did officials from DOE.

We encourage the Department to take the same view for the Alaska natural gas pipeline project. We urge you to review the Department’s position on the development of any required guidance or regulations for this important project, which will create jobs, generate revenues, reduce the cost of energy in Alaska, and add to our nation’s immense geopolitical power—provided, of course, that the Department swiftly establishes the administrative framework necessary for the project to apply for low-cost federal financing.

Thank you for your consideration of this request following four years of inaction and squandered time. We stand ready to discuss it further and answer any questions you may have.

Sincerely,



Lisa Murkowski
United States Senator



Dan Sullivan
United States Senator



Nick Begich
Representative for All Alaska

² See 2 U.S. Code § 661a(5)

³ Available at <https://www.gao.gov/assets/gao-07-339r.pdf>.

⁴ Ibid.