Written Testimony of
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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 Ambassador to Greece and 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 and 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 US 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 US is Europe's largest provider at 58% of LNG imports. The EU is also the largest buyer of US LNG at 65% of US exports. For context, before the Russian invasion of Ukraine, the EU relied on Russia for more than 45% of its gas imports. This is now at 12% 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% 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, US 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 US-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: I.) replacing Russian molecules with other sources (with Norway, US LNG, and Qatar being the most important), II.) accelerating the build out of renewable energy to replace Russian molecules with clean energy wherever possible, and III.) 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% 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.