U.S. Chamber of Commerce

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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 energy security for the U.S. 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.

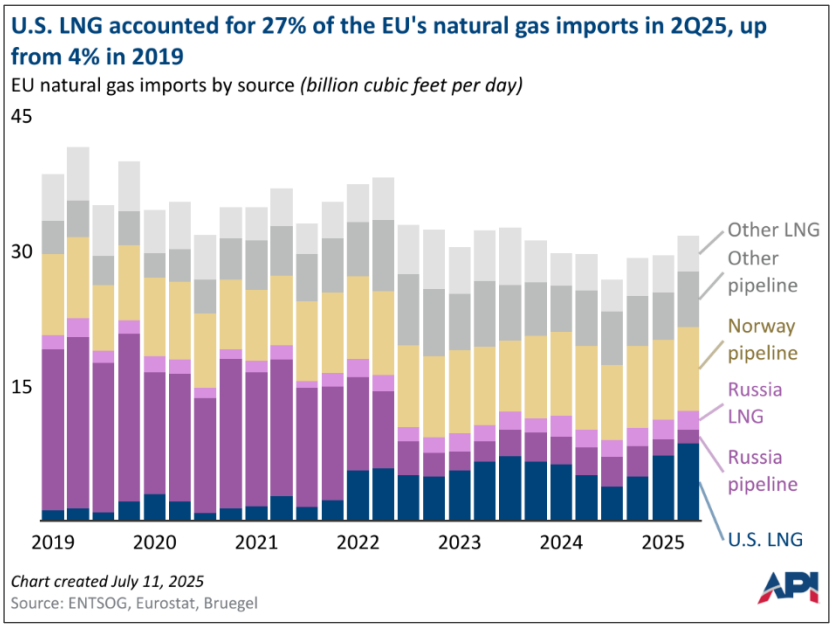
## U.S. Liquified Natural Gas: Global Guarantor of Energy Security

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

[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

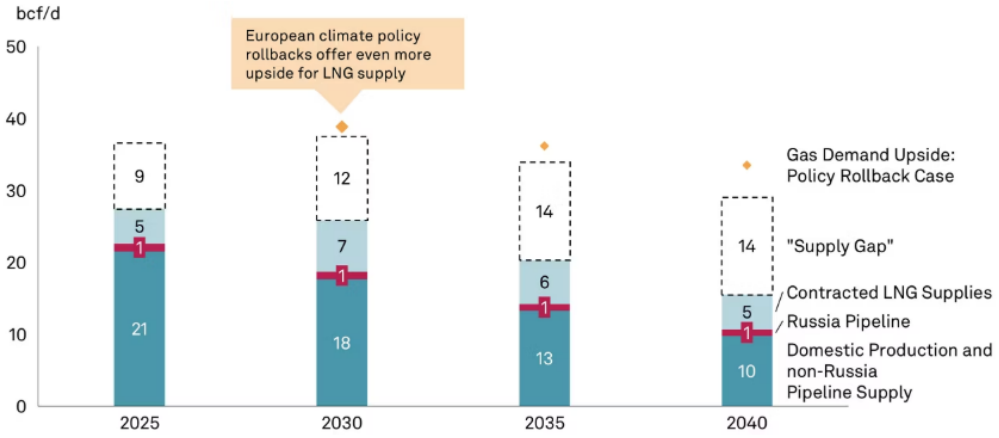
As we enter 2026, while Europe's dependency on Russian gas imports has fallen sharply, it remains significant. Russian gas still accounted for an estimated 13% of EU imports in 2025, worth over €15 billion annually.[4] According to the European Centre for Research on Energy and Clean Air (CREA), the 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).

[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.

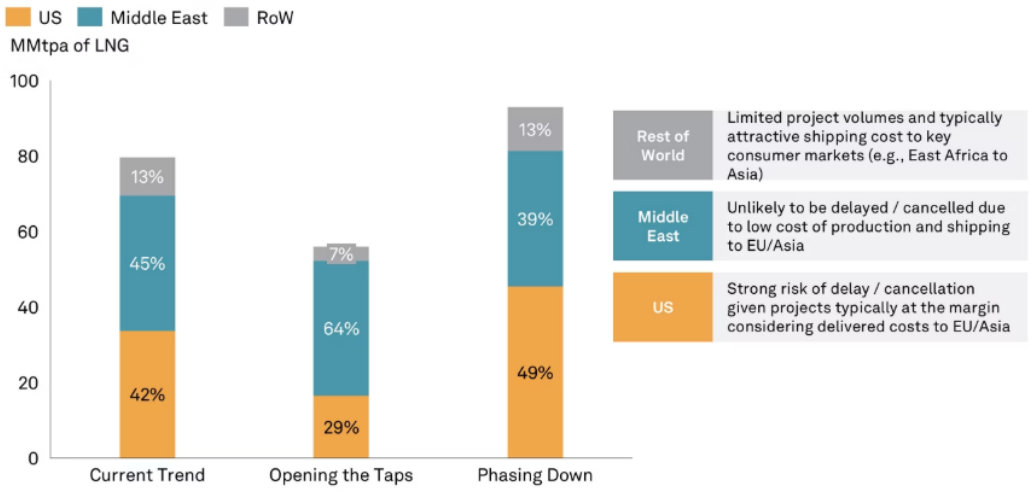
**Figure 6. European Natural Gas Uncontracted Supply Gap 'Current Trend' Scenario**




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.

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 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.

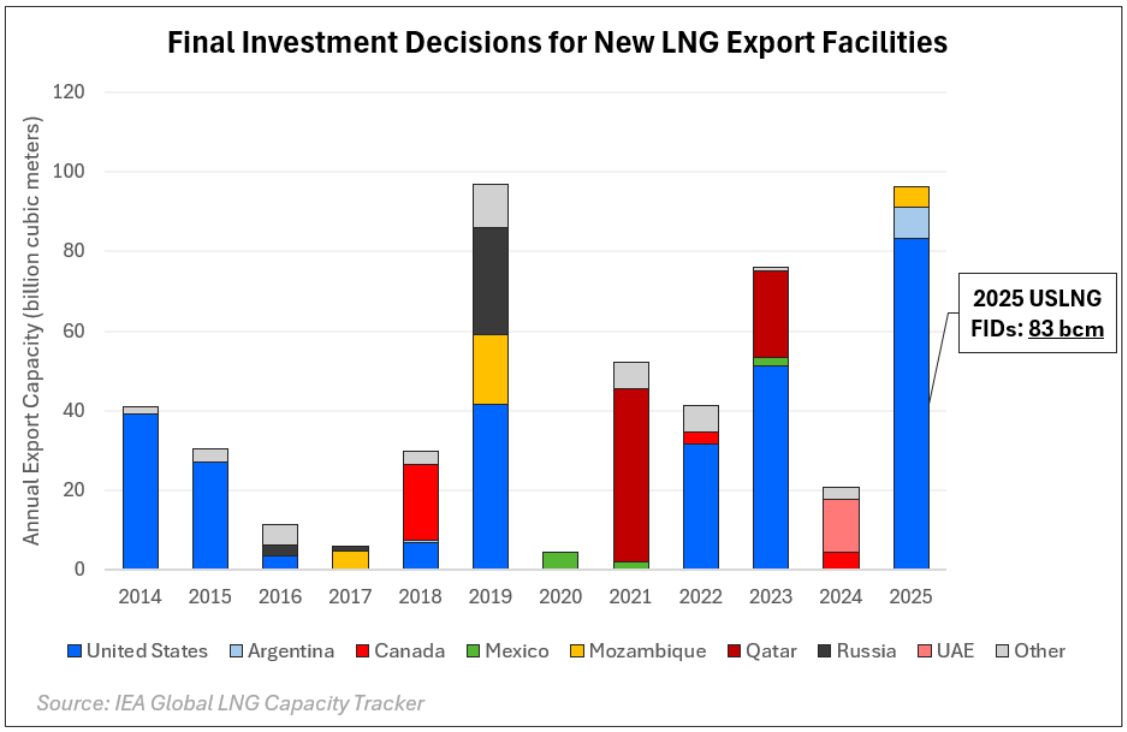
Of particular note, U.S. Energy Secretary Chris Wright and Greek Energy Minister Papastavrou issued a joint statement affirming that "the transatlantic bond is indispensable, just as an affordable, reliable, secure, and resilient energy future for Europe is central to freedom, prosperity, peace, and 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

[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 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

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, which represent more than $60 billion in new investment in the U.S., account for 86% of all new global capacity.[8]

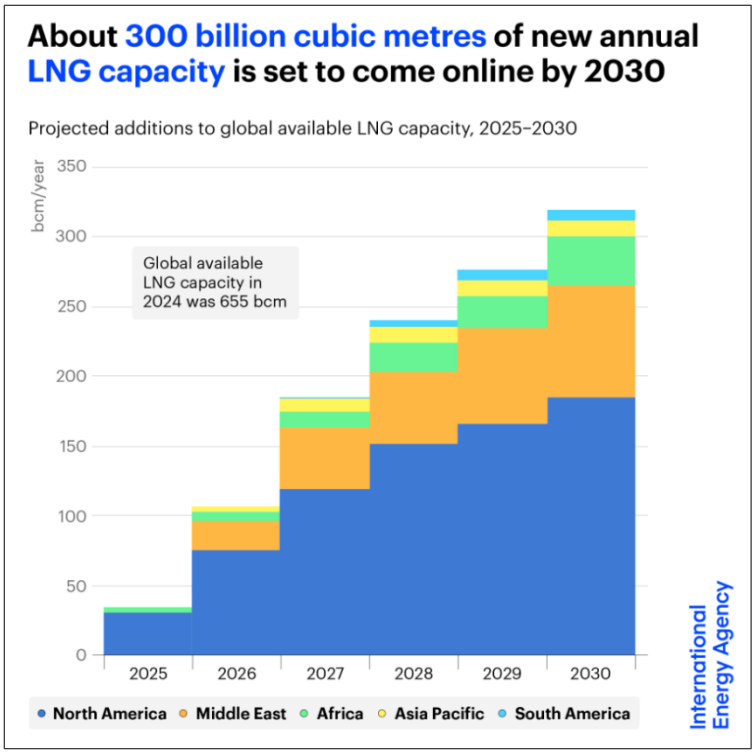



This project development was accompanied by a similarly strong increase in LNG contracting activity. According to the International Energy Agency, more than 130 bcm per year of LNG contracts were signed in 2025–representing the largest volume contracted in the past decade—and the U.S. alone accounted for half of those

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

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 help lower LNG 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).

### Corporate Sustainability Due Diligence Directive

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

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

[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/

they have called on principals in the Executive branch to engage with the EU to refocus CSDDD exclusively on European territory.

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

[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.

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).

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. If fully built and operational, the Corridor would provide countries such as Bulgaria, Romania, Moldova, Ukraine, Hungary, Slovakia a reliable alternative to Russian pipeline gas.

It would also feed Ukraine's large gas storage facilities, 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.[13] 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] 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."[14]

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.

[14] 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.[15] 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.[16] 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] https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-2
[16] 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

- 15% greater than the emissions avoided by all electric vehicles sold in the United States *and* the European Union
- 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.[17]

### 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

[17] 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

- +$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

## 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*[18]

  > "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*[19]

  > **"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*[20]

  > "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

[18] https://www.eurogas.org/wp-content/uploads/2025/04/250428-Current-impact-of-MER-on-EU-SoS.pdf
[19] https://iogpeurope.org/news/iogp-europe-welcomes-eu-energy-ministers-call-for-inclusion-of-the-eu-methane-regulation-in-upcoming-energy-omnibus/
[20] 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

regulatory uncertainty is impacting market participants with, for example, undefined future compliance rules and severe liability risks with potential penalties of up to 20% 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*[21]

  "**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*[22]

  *"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***

[21] https://www.fuelseurope.eu/publications/publications/joint-letter-integrating-the-eu-methane-regulation-into-the-eu-simplification-agenda

[22] https://iogpeurope.org/wp-content/uploads/2025/10/251015-DEF2-EU-MR-Industry-Coalition-solution-to-address-the-tracing-issue-.pdf

*use paths to comply with EUMR in what we call in this paper "complex value chains".*

- November 2025 Eurogas statement: *Securing Affordable Gas for Europe: Why Importer Provisions in the Methane Regulation Must Be Fixed Now*[23]

  **"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.*"[24]

  "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."

[23] https://www.eurogas.org/wp-content/uploads/2025/11/251113-Eurogas-Briefing-Securing-Affordable-Gas-for-Europe-EU-MR.pdf
[24] https://iogpeurope.org/wp-content/uploads/2025/12/251215-Joint-Statement-on-MER-4-1.pdf

- 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* [25]

> "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."

[25] https://www.eurogas.org/wp-content/uploads/2026/01/260127-DEF-EU-MR-Joint-letter-to-enable-import-provisions-implementation.pdf