

119TH CONGRESS
1ST SESSION

S. 1035

To prohibit certain exports of natural gas produced or refined in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 2025

Mr. SULLIVAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To prohibit certain exports of natural gas produced or refined in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds that—

5 (1) natural gas that is produced or refined in
6 the United States should be exported from domestic
7 terminals given the economic and national security
8 concerns associated with exporting that natural gas
9 from countries with corrupt governments such as
10 Mexico;

1 (2) Mexico is ranked 140th out of 180 coun-
2 tries in the 2024 Transparency International Cor-
3 ruption Perceptions Index, with corruption perme-
4 ating political and economic segments of society in
5 Mexico;

6 (3) according to the 2024 Investment Climate
7 Statement of the Department of State, “Mexico’s
8 current executive administration has been said to
9 erode the autonomy and publicly question the value
10 of specific antitrust and energy regulators and it has
11 proposed dissolving some of them to cut costs. Fur-
12 thermore, reporting suggests that corruption con-
13 tinues to affect equal enforcement of some regula-
14 tions.”;

15 (4) the corruption permeating Mexico is illus-
16 trated by the significant fuel theft in Mexico, which
17 is so rampant that—

18 (A) Roberto Díaz de León, the former
19 President of the National Fuel Retailers Asso-
20 ciation in Mexico, referred to fuel theft net-
21 works as main competitors of gas station own-
22 ers;

23 (B) according to Roberto Díaz de León,
24 there were at least 4 illegal fuel stations for

1 every 1 of the 13,000 legal fuel stations in Mex-
2 ico, as of 2020; and

3 (C) the former president of Mexico, Andrés
4 Manuel López Obrador, suggested that as much
5 as $\frac{4}{5}$ of fuel theft is orchestrated by elements
6 of the Mexican state, and fuel thieves depend
7 on complicit politicians, police, and insiders at
8 state-controlled oil companies to make fuel theft
9 possible;

10 (5) employees of the Mexican state-owned pe-
11 troleum company, Pemex, have reportedly been
12 threatened, kidnapped, and tortured by criminal car-
13 tels in Mexico to provide information on pipelines;

14 (6) Pemex has faced frequent allegations of cor-
15 ruption, and, in 2018, Adrián Lajous Vargas, the
16 former chief at Pemex, stated that corruption was
17 rampant and “everywhere in all areas and at all lev-
18 els of the hierarchy”;

19 (7) Mexico has centralized governmental power
20 in its executive branch, including through judicial re-
21 forms in September 2024 that asserted political con-
22 trol over the judiciary of Mexico by subjecting all
23 judges to replacement through elections that favor
24 the ruling political party;

1 (8) the politicization of the judicial branch in
2 Mexico imperils the principle of impartiality and
3 casts doubt on whether laws will be applied without
4 favor, contracts will be honored, and trade disputes
5 will be fairly resolved;

6 (9) Mexican judicial reforms are expected to re-
7 sult in changes to regulatory agencies that are crit-
8 ical to upholding labor, environmental, and trade
9 standards enshrined under the United States-Mex-
10 ico-Canada Agreement;

11 (10) Mexico has also been in violation of its en-
12 ergy commitments under the United States-Mexico-
13 Canada Agreement through violations such as—

14 (A) granting Mexican state-owned energy
15 companies priority over private investors, in-
16 cluding adopting several measures to favor
17 Pemex and the state-owned electrical utility, the
18 Comisión Federal de Electricidad, at the ex-
19 pense of foreign investors, the United States,
20 and Canada; and

21 (B) erecting new barriers to foreign trade
22 and investment; and

23 (11) the export of natural gas that is produced
24 or processed in the United States and exported to
25 terminals located in Mexico—

1 (A) is not in the national interest of the
2 United States; and

3 (B) is a national security and trade con-
4 cern to the United States.

5 **SEC. 2. PROHIBITION ON EXPORTS OF NATURAL GAS.**

6 Notwithstanding any other provision of law, no per-
7 son shall export any natural gas produced or refined in
8 the United States to a foreign country with the intent of
9 further exporting that natural gas through a foreign LNG
10 terminal (as defined in section 2 of the Natural Gas Act
11 (15 U.S.C. 717a)).

○