



Department of Energy  
Washington, DC 20585

March 11, 2019

John Decker  
Vinson & Elkins  
2200 Pennsylvania Ave. NW  
Suite 500 West  
Washington, DC 20037

**RE: Notice of Change in Control**  
American LNG Marketing LLC  
FE Docket Nos. 14-209-LNG and 15-19-LNG

Dear Mr. Decker:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to your letter filed on January 9, 2018, on behalf of American LNG Marketing LLC (ALM) in the above-referenced proceedings.<sup>1</sup> In the letter, you give notice regarding changes to the equity ownership of ALM's ultimate parent company, Fortress Investment Group LLC (Fortress), in light of DOE/FE's Change in Control Procedures.<sup>2</sup>

## **I. BACKGROUND**

ALM currently holds three long-term export authorizations issued by DOE/FE. First, in two separate authorizations issued in FE Docket No. 14-209-LNG, DOE/FE authorized ALM to export liquefied natural gas (LNG) in a total, non-additive volume equivalent to 3.02 billion cubic feet per year (Bcf/yr) of natural gas from a facility located near Medley, Florida (Hialeah Facility). Under DOE/FE Order No. 3601, ALM is authorized to export this LNG to countries with which the United States has, or in the future may enter into, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries).<sup>3</sup> Under DOE/FE Order No. 3690, ALM is authorized to export this

---

<sup>1</sup> American LNG Marketing LLC, FE Docket Nos. 14-209-LNG, 15-19-LNG, and 16-33-LNG, Notice of Change in Control (Jan. 9, 2018) [hereinafter ALM Notice].

<sup>2</sup> See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter DOE/FE Change in Control Procedures].

<sup>3</sup> *Am. LNG Mktg. LLC*, DOE/FE Order No. 3601, FE Docket No. 14-209-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at the Proposed Hialeah Facility Near Medley, Florida, and Exported by Vessel to Free Trade Agreement Nations (Mar. 18, 2015).

LNG to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries).<sup>4</sup>

Additionally, in DOE/FE Order No. 3656 (FE Docket No. 15-19-LNG), ALM is authorized to export LNG in a volume equivalent to 30.2 Bcf/yr of natural gas from a facility located in Titusville, Florida, to FTA countries.<sup>5</sup>

## **II. DESCRIPTION OF CHANGES IN CORPORATE OWNERSHIP**

In the Notice, ALM states that the change in control results from the acquisition of ALM's ultimate parent company, Fortress, by an indirect, wholly-owned subsidiary of SoftBank Group Corp. (SoftBank). ALM states that SoftBank is a global holding company headquartered in Tokyo, Japan.<sup>6</sup> According to ALM, this acquisition was consummated on December 27, 2017 (Transaction). As a result of this Transaction, SoftBank—through Fortress—ultimately controls the manager of investment funds that indirectly own the equity interests in ALM. ALM further states that: (i) the Transaction has no effect on ALM's day-to-day management or operation; (ii) ALM retains its current form and domicile as a Delaware limited liability company with its principal place of business in New York, New York; and (iii) ALM continues to be the holder of the DOE/FE authorizations identified above.<sup>7</sup>

## **III. DISCUSSION AND CONCLUSIONS**

DOE/FE construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.<sup>8</sup> A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.<sup>9</sup>

---

<sup>4</sup> *Am. LNG Mktg. LLC*, DOE/FE Order No. 3690, FE Docket No. 14-209-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at the Proposed Hialeah Facility Near Medley, Florida, and Exported by Vessel to Non-Free Trade Agreement Nations (Aug. 7, 2015).

<sup>5</sup> *Am. LNG Mktg. LLC*, DOE/FE Order No. 3656, FE Docket No. 15-19-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at the Titusville, Florida and Exported by Vessel to Free Trade Agreement Nations (May 29, 2015).

<sup>6</sup> ALM states that SoftBank holds ownership interests in a wide range of telecommunications and technology ventures. SoftBank conducts its business through various subsidiaries and partnerships with companies located in Japan and other countries, including the United States. *See* ALM Notice at 1-2.

<sup>7</sup> *See id.* at 2. ALM is advised that its described change in control may also require the approval of the Committee on Foreign Investment in the United States (CFIUS). DOE expresses no opinion regarding the need for review by CFIUS. Additional information may be obtained at: <http://www.treasury.gov/resource-center/international/Pages/Committee-on-Foreign-Investment-in-US.aspx>.

<sup>8</sup> *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

<sup>9</sup> *See id.*

**A. FTA Authorizations (DOE/FE Order Nos. 3601 and 3656):**

DOE/FE's Change in Control Procedures provide that, upon receipt of a statement of change in control relating to existing FTA long-term natural gas export authorizations, DOE will give immediate effect to the change in control and will take no further action.<sup>10</sup> Accordingly, the change in control described above has taken effect insofar as it relates to the FTA authorizations issued in DOE/FE Order Nos. 3601 and 3656.

**B. Non-FTA Authorization (DOE/FE Order No. 3690):**

DOE/FE's Change in Control Procedures state that, with respect to existing non-FTA authorizations, DOE/FE will give effect to the change in control and will publish a notice of the change in the *Federal Register*.<sup>11</sup> If no interested person protests the change in control and DOE takes no action on its own motion, the amendment to the non-FTA authorizations will be deemed granted 30 days after publication in the *Federal Register*.<sup>12</sup>

Consistent with these procedures, DOE published a notice of ALM's proposed change in control in the *Federal Register* on March 16, 2018.<sup>13</sup> DOE/FE invited protests, motions to intervene, and written comments to be filed no later than April 2, 2018.<sup>14</sup> In response to the notice, DOE/FE received one comment from an anonymous commenter.<sup>15</sup> Although the comment generally was supportive of LNG exports, it did not address the change in control described in ALM's Notice. Therefore, the comment is considered non-responsive.

Because more than 30 days have passed since the notice was published in the *Federal Register*, the amendment to ALM's non-FTA authorization (DOE/FE Order No. 3690) has been deemed granted. No further action is required.

Sincerely,

Amy R. Sweeney  
Director, Division of Natural Gas Regulation

---

<sup>10</sup> See DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

<sup>11</sup> See *id.*

<sup>12</sup> See *id.*

<sup>13</sup> U.S. Dep't of Energy, Notice of Change in Control, American LNG Marketing LLC, 83 Fed. Reg. 11,745 (Mar. 16, 2018).

<sup>14</sup> See *id.*

<sup>15</sup> DOE received five separate comments that appear to be from the same anonymous commenter. As such, DOE considers these comments to be a single anonymous comment. See, e.g., FE Docket No. 14-209-LNG (documents #16 through #20).