

Kerry, Brown, Reed, Whitehouse Seek to Bar LNG Facility in Fall River

FOR IMMEDIATE RELEASE: Thursday, November 4, 2010

WASHINGTON, D.C. – In an effort to protect communities in Massachusetts and Rhode Island, U.S. Senators John Kerry (D-Mass.), Scott Brown (R-Mass.) Jack Reed (D-R.I.), and Sheldon Whitehouse (D-R.I.) sent a bipartisan letter to the top members of the Appropriations Subcommittee on Energy and Water Development urging them to prohibit the Federal Energy Regulatory Commission (FERC) from using federal funds to approve a liquefied natural gas (LNG) terminal in the city of Fall River, Massachusetts.

This request is similar to a provision inserted into a House Appropriations bill by Congressmen Barney Frank (D-Mass.) and James McGovern (D-Mass.) stating that “no funds made available by the act may be used to take any action to authorize the construction of any liquefied natural gas terminal or its infrastructure to be located within five miles of the city of Fall River, Massachusetts, or to authorize vessels carrying liquefied natural gas to serve such terminal.”

The full text of the letter is below:

The Honorable Byron Dorgan, Chairman

The Honorable Robert F. Bennett, Ranking Member

Committee on Appropriations

Subcommittee on Energy and Water Development

United States Senate

Washington, DC 20510

Dear Chairman Dorgan and Ranking Member Bennett:

We write in support of language that has reportedly been included in the House Energy and Water Development Appropriations bill that would prohibit the Federal Energy Regulatory Commission (FERC) from using federal funds to approve a liquefied natural gas (LNG) terminal in the city of Fall River, Massachusetts.

As you may be aware, Weaver's Cove Energy has proposed an LNG marine receiving terminal in Mount Hope Bay that would require approximately 70 annual deliveries of LNG to be transported by ship through Narragansett Bay, off-loaded at an offshore berth into subsea cryogenic pipelines, and transported more than four miles up the Taunton River through the pipes to its facility in Fall River, MA. Because of the numerous safety, security, environmental, and economic issues raised by this proposal, our constituents have long opposed it, as have federal, state, and local political leaders representing the affected communities in both states. Indeed, citizens and leaders in both states worked together to convince the Coast Guard, the Secretary of Commerce, and other federal officials that an earlier version of this proposal was not suitable, effectively killing it. The fact that FERC has allowed this project to gain new life is deeply concerning to us and our constituents.

With the recent tragedy in San Bruno, California, reminding us of the risks associated with the close proximity of energy transportation infrastructure to residential areas, it is important to note that the site for the proposed Fall River terminal is in a densely packed residential neighborhood with over 9,000 people living within one mile. Moreover, there are significant questions regarding the safety of the pipeline technology that would be deployed in this project. Besides the risks to nearby residents and property, taxpayers and local law enforcement will be forced to take on extra burdens to ensure adequate safety and security.

The increased vessel traffic will be significant, affecting commerce, tourism, transportation, and recreation in Narragansett and Mount Hope bays. According to the proposal, tankers will make 70 deliveries of LNG per year. The Rhode Island Turnpike and Bridge Authority passed a resolution stating that the Newport (Pell) and Mount Hope bridges, which have a combined daily traffic of 43,800 vehicles, would have to be closed to traffic while tankers are transiting under these bridges in order to ensure public safety. In addition, recreational and commercial waterways could also be disrupted by the LNG tanker deliveries and off-loading of natural gas. We believe the disruption of commercial and tourism activities surrounding Narragansett Bay for the needs of one facility is out of balance.

The development of this project will also impact fishing activities and environmental stewardship in the area. Part of the development of this project will involve the dredging of a new 1,110 yard long navigation channel and turning basin in the Taunton River and Mount Hope Bay, which the National Marine Fisheries Service has designated as "essential fish habitat" for 14 species, including the commercially and recreationally critical Southern New England winter flounder. Declines in this winter flounder stock have led to

severe restrictions in commercial fishing in Southern New England, particularly over the last two years. Among many concerns that dredging and vessel traffic raise is that the basin has the potential to trap finer organic sediment, which could deplete dissolved oxygen to levels that could result in permanent habitat loss within this important fishery. Moreover, it could undo years of work to improve the health of Mount Hope Bay, including a \$500 million investment to reduce the thermal impact that the Brayton Point Power Station has on the waters of the bay. Finally, dredging and barge shipment activities associated with the construction of the pipeline would stir up years of industrial sediment containing PCBs and heavy metals that would be best left settled where they are rather than kicked back into the river. While these connections should be studied closely, the risks posed to the fish habitat far outweigh any potential gains from the additional supply of LNG in the area.

Finally, New England already has access to ample supplies of natural gas. In fact, an analysis by the Massachusetts Department of Energy Resources asserted that it is “unclear to what extent, if any, Weaver Cove’s LNG supply is needed to meet the region’s gas supply needs...” Within this past year two new or expanded LNG facilities – Canaport LNG and Neptune LNG – were completed, creating a combined new capacity over twice that of the proposed facility. With the large excess of supply already in the natural gas market, combined with these new facilities, it is unclear why there would be demand for additional LNG infrastructure.

Both of our states will be negatively impacted by this proposed LNG terminal and we strongly encourage you to include language in the final appropriations bill that would prohibit the use of federal funds to support this ill-advised project.

Sincerely,

John F. Kerry

United States Senator

Jack Reed

United States Senator

Scott P. Brown

United States Senator

Sheldon Whitehouse

United States Senator