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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number
KEYSPAN LNG FACILITY UPGRADE PROJECT : CP04-223-000
: CP04-293-000
: CP04-358-000
- - - - -x

Roger Williams Middle School
278 Thubers Avenue
Providence, Rhode, Island

Tuesday, January 11, 2005

The above-entitled matter came on for scoping
meeting, pursuant to notice at 6:53 p.m.

MODERATOR: DAVID SWEARINGER
Federal Energy Regulatory Commission

P R O C E E D I N G S

(6:53 p.m.)

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3 MR. SWEARINGEN: I'm going to go ahead and get
4 started. My name is Dave Swearingen, and, on behalf of the
5 Federal Energy Regulatory Commission, I want to welcome you
6 all here tonight. I'm the Environmental Project Manager for
7 the production of the Environmental Impact Statement for the
8 Keyspan facility upgrade project.

9 Also with me tonight are Larry Brown, Fran
10 Lowell, Steve Holden with NRG -- the contractors that are
11 helping us prepare the Environmental Impact Statement. The
12 rest of the panel we have here, we have Captain Mary Landry
13 with the U.S. Coast Guard at the end of the table. Next to
14 her, we have William Hubbard with the U.S. Army Corps of
15 Engineers, and Robert Smallcomb with the U.S. Department of
16 Transportation.

17 I know in the audience tonight we have Nancy
18 Langroll, who is representing Senator Jagreed's office, and
19 Charlie Hawkins, who's representing Senator Chaffee's
20 office. We have Representative John Savage is with us
21 tonight. And is there anybody that I've missed?

22 (No response.)

23 MR. SWEARINGEN: I know that Mayor Cicilline will
24 be here shortly as well.

25 The purpose of this meeting is for FERC to get

1 your comments on our Draft Environmental Impact Statement
2 that we recently released. The Coast Guard and the Corps of
3 Engineers are also using this meeting to fulfill their
4 respective agency obligations. In a few moments, they will
5 have a chance to discuss their agency roles regarding the
6 Keyspan project.

7 To speak tonight, we have a sign-up sheet at the
8 table that you passed as you came in. If you haven't signed
9 up and you wish to speak, please, please do so. If you
10 prefer not to speak tonight, you can submit your comments in
11 writing. There's a form back there that you can write your
12 comments down and give them to us tonight or you can mail
13 them in to the FERC or you can submit them electronically.
14 It doesn't matter how you get us your comments, we will
15 consider all comments equally, whether you speak tonight or
16 submit them in a different form.

17 Right now, the process, we are in the midst of
18 the 45-day comment period on the DEIS. I know that recently
19 we have received requests to extend the comment period.
20 That right now is under consideration at the FERC and
21 whether or not that is extended, is something that -- it's
22 made -- the decision will be made at a level much higher
23 than me and that's actually all I can say about that. So as
24 it stands right now, the comment period ends on January
25 24th. All the comments that we receive within the comment

1 period will be addressed in our final impact statement.

2 Again, the purpose of the meeting tonight is to
3 get your comments on the Draft Environmental Impact
4 Statement that we released. We're going to take those
5 comments and we will address them when we make our
6 production of the Final Environmental Impact Statement,
7 which will also be released to the public. So when you give
8 a -- when you stand up to give comments, the more specific
9 your comment is in relation to the Draft Environmental
10 Impact Statement, the more useful it will be for us.

11 If you received a copy of the draft in the mail,
12 you're automatically on the mailing list to receive a copy
13 of the final. If you're not on the mailing list, you can
14 sign up in the back to make sure that you're on the mailing
15 list.

16 Once we get you the Final Environmental Impact
17 Statement, that analysis will be considered by the
18 Commissioners at the Federal Energy Regulatory Commission.
19 However, the EIS is not a decision-making document. It is
20 one part of the entire aspect of this project that they will
21 be looking at. So they will be looking at the environmental
22 analysis that we've done and they'll be looking at non-
23 environmental issues as well.

24 Now I'm going to go ahead and turn the meeting
25 over for a few moments to Bill Hubbard, and he will say a

1 few words on behalf of the Corps of Engineers.

2 MR. HUBBARD: Thank you, and good evening, folks.
3 I'd like to welcome you to this public hearing and a request
4 for an afuducia (ph) on Keyspan LNG for a U.S. Army Corps of
5 Engineers permit to construct a new berthing and unloading
6 structures at an existing Olympic Natural Gas LNG facility
7 located seaward of the high-tide line in the Fox Point area
8 of the Providence River, Providence, Rhode Island. I'm
9 William Hubbard and I'm the Acting Deputy District Engineer
10 for the U.S. Army Corps of Engineers. My headquarters are
11 located in Concord, Massachusetts.

12 Before we begin, I'd like to thank you for
13 involving yourselves in this environmental review process.
14 Please feel free to bring up any and all topics you feel
15 that need to be discussed on the Corps of Engineers record.
16 I assure you that all of your comments will be addressed
17 during this permit process.

18 Other Corps of Engineers representatives with me
19 this evening are Robert deCista, Chief of the Permits
20 Branch, and John Admita, from our Office of Counsel,
21 appearing with us.

22 This hearing is being conducted as part of the
23 Corps of Engineers regulatory program to listen to your
24 comments, to understand your concerns, and to provide you
25 the opportunity to put your thoughts on the record should

1 you care to do so.

2 I'd like to point out that no decision has been
3 made by the Army Corps of Engineers with regard to the Corps
4 permit decision. My job tonight is simply to listen to your
5 comments, make sure the Corps of Engineers is fully informed
6 of all the issues so we can begin our deliberations on the
7 permit application.

8 I'd like to just briefly review the Corps of
9 Engineers responsibilities in this process. The Corps
10 jurisdiction in this case are Section 10 of the Rivers and
11 Habor Act, which authorizes the Army Corps of Engineers to
12 regulate structures and work in navigable waters of the
13 United States, such as this, and Section 404 of the Clean
14 Water Act, which regulates the discharge of dredge or fill
15 materials in wasters of the United States, including
16 wetlands. The detailed regulations that explains the
17 procedures for evaluating this permit and other permit
18 applications and unauthorized work is Title 33 of the Code
19 of Federal Regulations, Parts 320 through 330. If you're
20 taking notes, that's 33 CFR 320 through 330.

21 The Corps' decision rests upon several very
22 important factors. First, the Corps must make a public
23 interest determination. That is, we must determine whether
24 or not the project is in the overall public interest based
25 on the probable impacts of the proposed project on a wide

1 variety of public interest factors. All factors which may
2 be relevant to the proposal will be considered in our
3 decisionmaking process. Those factors do include, but are
4 not limited to, conservation, economics, aesthetics, the
5 environment, fish and wildlife values, navigation,
6 recreation, water supply, food production, and, in general,
7 the needs and welfare of the American people. The public
8 interest determination is done by weighing the benefits that
9 may reasonably accrue from the proposal against the
10 reasonably foreseen detriments. Only a project deemed not
11 contrary to the public interest may receive a permit from
12 the Army Corps of Engineers.

13 Second, our decision will reflect the national
14 concern for both the protection and utilization of important
15 resources.

16 Third, in accordance with the National
17 Environmental Policy Act, NEPA, any project that
18 significantly affects the environment, must have an
19 environmental impact statement. In this case, the Federal
20 Energy Regulatory Commission -- also known as FERC -- is the
21 lead federal agency preparing this EIS. All factors
22 affecting the public will be included in our evaluation.
23 Your comments will help us in reaching our decision.

24 The record of the hearing will remain open for
25 the Corps of Engineers written comments until 28 January

1 2005. You may submit written comments tonight or by may
2 until the 28th of January. All comments will receive equal
3 consideration. As we said, all or any will get equal
4 consideration. Lastly, to date, no decision has been made
5 by the Army Corps with regard to this program. It's our
6 responsibility to evaluate both the environmental impacts
7 and the socioeconomic impacts prior to our permanent
8 decision. In order to accomplish that, we need to have your
9 input. Your testimony and comments from this hearing will
10 be posted on the FERC website after this hearing and the
11 Corps of Engineers will be considering them.

12 Again, it's indeed crucial to the public thought
13 process that your voice is heard. And I thank you very much
14 for your involvement and your dedication in coming out
15 tonight for this environmental review. Thank you.

16 MR. SWEARINGEN: Okay. Thank you, Bill.

17 Next, we have Captain Landry with the Coast
18 Guard.

19 CAPTAIN LANDRY: Good evening, and welcome to
20 tonight's public meeting. I'm Captain Mary Landry, I'm the
21 Commanding Officer of the Marine Safety Office in
22 Providence. One of my responsibilities as Federal Maritime
23 Security Coordinator and I'm also Captain of the Port for
24 all of Rhode Island and Southeastern Massachusetts, which
25 includes Narragansett Bay and Fall River.

1 Before we get started, I'd like to thank
2 everybody for attending the meeting and participating in the
3 review process. I recognize and understand the public's
4 concern over the safe and secure shipment of LNG and want to
5 hear your comments and concerns. Port safety and security
6 are very high priorities for the Coast Guard and I'd also
7 like to thank FERC for allowing the Coast Guard to
8 participate in their meeting.

9 I have two objectives for tonight's meeting.
10 First, I want to brief you on the Coast Guard's role and
11 process for reviewing the Keyspan LNG proposal. Secondly, I
12 plan to take the input you provide tonight for consideration
13 during the Coast Guard review. The Coast Guard's role and
14 my responsibility is to conduct a thorough and fair
15 assessment of both the safety and security issues associated
16 with the Keyspan LNG facility. We are following a
17 systematic process that includes several components.
18 Navigation safety issues are reviewed under what's called
19 the letter of recommendation process specified under federal
20 regulation. The Coast Guard has specific authority under
21 the Maritime Transportation Security Act of 2002 and
22 associated regulations for vessel and marine facility
23 security. Finally, as a cooperating agency with the Federal
24 Energy Regulatory Commission, we ensure that marine safety
25 and security issues are addressed in the Environmental

1 Impact Statement.

2 The Coast Guard's letter of recommendation
3 process is fully described in Title 33, Code of Federal
4 Regulations, Part 127. It was developed under the authority
5 of the Port Waterway Safety Act of 1972 and involves several
6 steps. First, an applicant who intends to site a new LNG
7 facility must submit a letter of intent to the appropriate
8 Coast Guard Captain of the Port. I received a letter of
9 intent from Keyspan on August 20th, 2004. Upon receipt of
10 the letter of intent, we conduct an assessment of the
11 suitability of the waterway from a navigation safety
12 perspective to accommodate vessels of the size typically
13 used to carry LNG.

14 Eight specific considerations are specified in
15 the regulations for evaluating the suitability of the
16 waterway. The first is the density and character of the
17 marine traffic in the waterway. The second is locks,
18 bridges, and other man-made obstructions in the waterway.
19 The third is the depth of the water. The fourth the tidal
20 range. The fifth, protection from high seas. The sixth,
21 natural hazards including reefs, rocks, and sandbars. The
22 seventh is underwater pipelines and cables. And the eighth
23 is the distance of berthed vessels from the channel and the
24 width of the channel.

25 Additionally, as part of the LOR process, we

1 formally request public input via a Federal Register notice.
2 On September 1st, 2004, I issued a Notice of Federal
3 Register seeking public comments and related material
4 pertaining specifically to maritime operation and waterways
5 management aspects of the proposed Keyspan facility. Only
6 four comments were received. However, over 40 comments were
7 received from the Weavers Cove/Fall River LNG project, and
8 many of them requested that I hold a public meeting to
9 provide an additional opportunity to receive public input.
10 We held a public meeting in Fall River on December 9, 2004
11 to receive additional comments. In an effort to ensure
12 consistency for both LNG projects, I asked FERC if I could
13 participate in this public meeting as well, so that I could
14 explain the same process and take your comments. Although
15 the Coast Guard's public comment period for the Keyspan
16 project officially ended November 1st, 2004 with regard to
17 navigation safety, all comments related to safety and
18 security received tonight will be considered.

19 Upon completion of the assessment, I'm required
20 to issue a letter of recommendation to the operator of the
21 facility and to state local authorities having jurisdiction.
22 Although we use the term "letter of recommendation," it does
23 not necessarily provide a positive endorsement for the
24 facility. It merely provides the Coast Guard's assessment
25 of the suitability of the waterway for LNG marine traffic

1 from a navigation safety perspective. Much of our
2 navigation safety evaluation will be based on the results of
3 a ports and waterways safety assessment that was conducted
4 through Narragansett and Mt. Hope bays on September 7th and
5 8th of 2004. The port and waterways safety assessment was
6 sponsored by the Coast Guard and represents a consensus of
7 local waterway fishers and safety experts, as well as
8 recreational and commercial vessel users participating in
9 that forum. Additionally, we will factor ship simulation
10 conducted by Marine Safety International of Newport, Rhode
11 Island into our recommendation.

12 It's very important to note what the letter of
13 recommendation does not do. It does not address security
14 issues, nor does it address safety hazards associated with
15 the cargo or the release of cargo from LNG vessels. The
16 Maritime Transportation Security Act regulations and the
17 Environmental Impact Statement address those issues.
18 Additionally, a letter of recommendation is not necessarily
19 required for Keyspan to obtain a siting permit from the
20 FERC, but it is required before any LNG facility would be
21 permitted to operate and actually receive LNG. This is a
22 small but important distinction.

23 As I mentioned, one area not addressed in the
24 letter of recommendation but of significant concern to the
25 Coast Guard is security. The regulations outlined in the

1 LOI and LOR process dated from 1988 and clearly did not
2 contemplate the maritime security challenges we face today.
3 Because the Coast Guard and FERC recognize that these
4 regulations did not completely address the security issues
5 associated with the maritime transportation of LNG, in
6 February 2004, we entered into an interagency agreement.
7 Under this agreement, we work together to ensure that both
8 land and marine security issues are addressed in a
9 coordinated and comprehensive manner. In particular, we
10 agreed that maritime security related information would be
11 addressed by FERC in the Environmental Impact Statement and
12 disclosed to the public to the extent permitted by law.

13 Security considerations include the vessel, the
14 facility area maritime security plans, the vessel and
15 facility security plan is require under the MTSA
16 regulations. As well as ensuring there's a viable plan for
17 protecting the LNG vessels during transits in Narragansett
18 Bay and its tributaries, additional, we must ensure that
19 there are adequate federal, state, and local law enforcement
20 assets to carry out the plan.

21 We are going to implement a security plan for LPG
22 vessels that routinely transit Narragansett Bay. Vessel
23 security is a joint effort by many law enforcement agencies,
24 and we rely heavily on federal, state, and local resources
25 to maintain the security during the transit and offload of

1 cargoes.

2 Keyspan has been required to identify marine
3 security vulnerabilities associated with their proposal and
4 resources at the federal, state, local, and private sector
5 that will be needed to provide an acceptable level of
6 security. This information will be submitted to the Coast
7 Guard for review and comment prior to the completion of the
8 EIS.

9 The Federal Energy Regulatory Commission has
10 committed to take this information into account as part of
11 the decision and order process. We have invited key
12 federal, state, and local stakeholders from the law
13 enforcement community to help identify and validate the
14 applicant's submittal and will conduct a review of these
15 during a series of workshops. These workshops involve
16 security-sensitive information and require each participant
17 to sign a non-disclosure agreement. Although the general
18 public may want to know specific details, the security-
19 sensitive nature of the information requires that you trust
20 your local law enforcement representatives who are
21 participating in plan validation. We have held three
22 workshops to assess security considerations for the Keyspan
23 project, and the next meeting will be held on January 18th,
24 2005. We will continue to hold these workshops until an
25 acceptable incident action plan is developed. We will also

1 take your comments with regard to security into
2 consideration as we conduct the security workshops.

3 We hope that everyone who wants to speak tonight
4 has an opportunity. However, if you do not get an
5 opportunity tonight, you may also provide comments in
6 writing via electronic means and have it as part of the
7 official comments. All comments, whether given verbally
8 this evening or submitted in writing prior to the close of
9 the period will be considered.

10 We're here tonight to listen to your comments on
11 navigation safety issues as part of our letter of
12 recommendation process. We're also here to listen to your
13 security concerns. Please keep in mind that all comments
14 made in previous public meetings sponsored by FERC have been
15 recorded and are already part of the public record, so
16 there's no need to repeat the comments here unless you feel
17 it is necessary.

18 You're also encouraged to provide written
19 comments to us. There's no limit to the amount of detail
20 you may include in your written comments. And I'm going to
21 go ahead and turn the mike back over to FERC. Thank you.

22 MR. SWEARINGEN: Okay. Thank you, Captain
23 Landry.

24 Before we go on, I notice that we have
25 Representative Raymond Gallison is with us tonight and also

1 Representative Joe Almeda is also with us. Thank you.

2 I need to -- I'm going to go ahead and make a
3 statement for the record. This concerns an issue on this
4 project that has been getting some press and some comments
5 on it and I want to make sure it's very clear what the FERC
6 position is and what the FERC Environmental Staff position
7 is.

8 It's a subtle but it's a very important
9 distinction. The issue of whether Keyspan is in compliance
10 with current federal codes. The existing Keyspan facility
11 is currently operating in compliance with applicable federal
12 safety regulations. The Department of Transportation
13 regulates compliance with operational standards of LNG peak-
14 shaving facilities such as Keyspan. And, again, I repeat:
15 Keyspan is operating in compliance with those regulations.

16 What we -- that is, the FERC Environmental Staff
17 -- have pointed out in the Draft Environmental Impact
18 Statement is that if the Keyspan facility is converted into
19 a marine import terminal, it would need to be in compliance
20 with current federal safety standards and, as the project is
21 proposed, it is not. It would not do that. So we have
22 required Keyspan to address the code compliance issue in its
23 comments on the Draft Environmental Impact Statement, and,
24 as of this point, they have not yet filed a response.

25 So with that, I'm going to turn the meeting over

1 to Bob Smallcomb with the Department of Transportation, and
2 he'll have a few words to say, and then we will start on our
3 comment list.

4 MR. SMALLCOMB: Thank you, Dave.

5 My name is Robert Smallcomb. I want to thank
6 everybody for coming tonight and I want to tell you a little
7 bit about the DOT function with regard to this process.

8 I work for the Office of Pipeline Safety, Eastern
9 Region, which is based out of Washington. My position is
10 Inspector of the New England area. It is my function and
11 there are others like me that basically go out and ensure
12 that operators of natural gas systems are in compliance with
13 Part 192, Part 193, Part 199 of the Federal Code.

14 In this particular process, we -- as Captain Mary
15 Landry stated -- the memo of understanding, we work with
16 FERC, we work with the Coast Guard, and our responsibility
17 lies in -- to ensure that the operator is in compliance at
18 an LNG plant at the point -- at the last valve at the inlet
19 to the plant; we have everything downstream of that. FERC is
20 also involved in conduction of inspections of many things.
21 So this would include anything in the plant from that last
22 valve which supplies gas to an LNG plant from a ship.

23 When we inspect, we basically -- we go out and we
24 will look at violations. First we are looking for
25 compliance, but should an operator be in a state of non-

1 compliance, we can issue civil, remedial, or criminal
2 actions against them to effect compliance.

3 We work jointly with FERC -- and FERC doesn't
4 have those options, they have other options which would
5 basically be remedial, to make sure that the operator is in
6 compliance with the FERC certificate and they may be ordered
7 to operate the plant in a certain way or do whatever they
8 want to make them come back into compliance with the FERC
9 certificate.

10 I might add that up until about four or five
11 years ago, the State of Rhode Island actually performed the
12 function that I perform now as an agent of DOT. So for many
13 years prior to, say, 1990, the state itself had been
14 overseeing operation of this plant. And I might add in that
15 time there really were not any findings that we would
16 consider grievous offenses and we feel that, as Dave just
17 said, Keyspan has a very good track record in Providence.

18 I know that in 1992, there were some questions
19 that arose -- I'm not sure what the origin was, but the
20 State of Rhode Island did a study and they checked the plant
21 from soup to nuts -- they checked the integrity of the tank,
22 they checked the containment system, vapor dispersion, the
23 insulation, they checked the gunnery tank penetrations. They
24 check the tracking operations, the stability of the fill on
25 which the plant resides. Winds, the forces that the tank

1 would withstand, seismic events, security. And the only
2 questions that were left outstanding after the 1992 study
3 was that they needed more information and they had Stone and
4 Webster conduct a study on the winds and the seismic events.
5 And I think this tank is capable right now of withstanding
6 155 mile an hour winds, which is way above the criteria that
7 was required when the tank was built. It was 100 miles an
8 hour back in the early 1970s.

9 With regard to seismic events, Stone and Webster,
10 Haley and Aldrich and others, found that the plant in the
11 preparation of the ground for this tank, they excavated up
12 to 30 feet to remove the organic material, they replaced it
13 with clean fill, and they compacted it to 95 percent of
14 primary density -- which is pretty good -- which basically
15 means that the tank is residing on very sound earth and it
16 should definitely be able to withstand any earthquake that
17 could possibly occur in Massachusetts -- I'm sorry, Rhode
18 Island.

19 But anyway, I just wanted to pass that on to you
20 and I want to state that there should be no question about
21 the compliance of the tank in its present state. And I
22 think in the DDIS, FERC has proposed many enhancements that
23 would make this a better plant, should it be -- should the
24 project be approved and I think that with FERC and with the
25 OPS staff, we would keep a vigilant eye on it for the life

1 of the plant. So I thank all of you for listening to me and
2 I hope if you have any comments you feel free to submit them
3 and thank you very much.

4 MR. SWEARINGEN: Okay. Thank you, Bob.

5 I also notice that we have Patty Fairweather, a
6 representative in Governor Carcieri's office is here also.

7 Okay. With that, I'm going to go ahead and start
8 taking speakers from the speaker's list. I have 27 people
9 that have signed up to speak, so if my math is correct, if I
10 limit you to seven minutes and everybody takes seven
11 minutes, we'll be here a little over three hours. And
12 that's about how much time until we are required to be off
13 the premises. So if you tend to start going past seven
14 minutes, I'm going to give you a little nudge and that way
15 you can wrap it up.

16 So with that -- oh, I need to mention that
17 Keyspan has provided Spanish language and Portuguese
18 language interpreters here tonight, so if you feel like you
19 want to give comments and you feel more comfortable giving
20 them in Spanish or Portuguese, they can be translated here
21 for the record. All you have to do is just let me know and
22 I'll be glad to make that arrangement for you.

23 Okay. The first person that we have to speak
24 tonight is Mayor Cicilline

25 MAYOR CICILLINE: Good evening. I'd like to

1 begin by thanking FERC for hosting this meeting and for
2 providing the people of Providence with the opportunity to
3 comment on this proposal.

4 I'm here this evening to express my strong
5 opposition to the proposed expansion of the LNG facility
6 here in Providence.

7 (Applause.)

8 MAYOR CICILLINE: First of all, this expansion is
9 incompatible with my vision for economic development along
10 the city's industrial waterfront. Our waterfront must be
11 valued and the value of the waterfront must be highest for
12 the best interest of the city. The Providence waterfront
13 should be one of the city's greatest assets, but much of it
14 now is marked by the declining remains of an old economy.
15 We have a very exciting vision for Narragansett and have
16 hired an internationally-recognized urban planning firm of
17 Society Associates to develop comprehensive plans to turn an
18 eyesore into an economic engine for our city, a new
19 residential/commercial neighborhood with recreational and
20 public spaces will open new employment opportunities and at
21 the same time expand our city's tax base for the benefit of
22 all city residents. Therefore, while I understand the need
23 for a natural gas access point for New England, I strongly
24 oppose any expansion of the terminal here in the City of
25 Providence.

1 (Applause.)

2 MAYOR CICILLINE: This type of facility simply
3 does not fit our long-term vision for the neighborhood and
4 is not in the best interest of the residents of Providence.
5 The Draft EIS document failed to give the proper
6 consideration that it should have to the city's long-term
7 plans for this area. In addition to the long-term
8 incompatibility of this proposal, we also face the more
9 immediate financial risk to the City of Providence and to
10 its residents of declining property values in this area
11 because of the perceived danger of an expanded facility. At
12 the very same time that the city could face increased public
13 safety demands from this proposed expansion, we would face
14 the very real risk of a declining tax base in the same area.

15 There are also very serious safety issues that
16 remain unresolved, and I would like to reiterate a point
17 that we have made repeatedly during this process: no Final
18 EIS or permit from beginning this project should be issued
19 until there is a comprehensive executable emergency response
20 plan in place and agreed to by all affected parties.

21 (Applause.)

22 MAYOR CICILLINE: A plan for developing a plan is
23 not acceptable.

24 Additionally, I firmly believe that if this
25 project goes forward, the entire facility must be, at the

1 very least, brought up to current safety standards. If it
2 cannot, for this reason alone, the expansion should not be
3 approved and FERC should seriously consider opportunities to
4 relocate the existing facility.

5 (Applause.)

6 MAYOR CICILLINE: This proposal is a major change
7 to the current facility. And the increased risk associated
8 with that and the risk in a post-September 11th world
9 dictates that there should be no expansion without upgrading
10 to current safety and science standards. Simply put, a
11 facility that would not be allowed to be built today should
12 not be expanded today.

13 And finally, with respect to the process, the
14 City of Providence has formally requested that the comment
15 period for the Draft EIS be extended. The comment period
16 leaves insufficient time for the general public or elected
17 officials to thoroughly analyze the extensive report and
18 data and the large number of issues raised by the proposal.
19 Chief Costa from our Providence Fire Department will speak
20 in greater detail to the safety risks that this proposal
21 presents in just a few moments.

22 Let me close by restating the City's position.
23 We oppose the expansion of the LNG facility because it is
24 incompatible with the City's long-term vision to create a
25 vibrant mixed-use commercial residential neighborhood and to

1 revitalize this important section of our City's waterfront,
2 and because this proposal also presents very serious safety
3 concerns that have yet to be addressed.

4 Thank you all.

5 (Applause.)

6 MR. SWEARINGEN: Okay. Thank you, Mayor
7 Cicilline.

8 Before we go any further, I want to -- I didn't
9 bring this up. I need to. We have a transcription service
10 here that is going to transcribe this for the record, so
11 when you come up, please state your name very clearly and,
12 if you have a name that's not intuitive how to spell it,
13 please spell it out for us.

14 Okay. Next on the list, we have Chief David
15 Costa.

16 MR. COSTA: Chief David Costa, C-o-s-t-a, Chief
17 of the Providence Fire Department. I'd like to thank you
18 for allowing us here to make these comments. And I would
19 also like to point out in the audience I have Leo Messia
20 here with me, although he has not planned to speak, he is
21 our Director of the Providence Emergency Management Agency
22 and he shares my concerns as well.

23 I have many comments and concerns I would like to
24 make, but I will focus on just a few things this evening. I
25 will expand on those concerns when I raise them in my formal

1 writing to FERC on the Draft EIS.

2 The Sandia Lab report must be studied and its
3 findings must be incorporated into the final EIS.

4 (Applause.)

5 MR. COSTA: Recently, Sandia Labs issued a report
6 commissioned by the U.S. Department of Energy that proposes
7 some dramatic rethinking of certain assumptions about LNG
8 risks and hazards. The Draft EIS should be reevaluated in
9 accordance with the Sandia Labs report.

10 The Sandia Labs report discusses the
11 ramifications should a terrorist act occur and identifies
12 the risk zone for flammable vapor dispersion of
13 approximately 1.5 miles from a leak causing a vapor cloud.
14 Measuring from the facility itself, this zone includes
15 several schools, higher education campuses, hospitals, and
16 permanent residences. And this is not a worst-case
17 scenario.

18 The Sandia Labs report reemphasizes a key concern
19 that FERC is using outdated inaccurate science to form its
20 underlying assumptions about safety and to analyze the risks
21 of LNG and, in particular, the risk in a post-9/11 world.
22 Terrorism is a real possibility and we must know the true
23 ramifications should it become a reality in Providence.

24 The issuance of the Final EIS and the permitting
25 of this and any other LNG facility must be put on hold until

1 key questions are resolved. The Sandia Labs report calls
2 into question the assumptions used to calculate thermal
3 radiation and flammable vapor dispersion zones for
4 accidental and intentional breach scenarios used in the
5 Draft EIS. The holes assumed in the Draft EIS are notably
6 smaller than those used in the Sandia report. Changing
7 those assumptions indicates that an LNG pool fire will burn
8 considerably longer than specified in the Draft EIS.
9 Additionally, very serious questions have been raised about
10 the assumptions, science, analysis and calculations used by
11 FERC to reach its conclusions in all of its environmental
12 impact statements. The questions raised by Dr. Taven from
13 Fall River which also applied to the EIS in the proposal in
14 Providence must be carefully studied and the final EIS
15 should await the resolution of these disputes.

16 The actions of FERC indicate that FERC itself
17 recognizes there are flaws in its processes. It is my
18 understanding that FERC has contracted with a Boston-based
19 consultant for a thorough evaluation of its internal
20 processes, including the very process that we are currently
21 engaged in. Any further actions by FERC concerning this
22 proposal in Providence should await the conclusion of that
23 study and implementation of its recommendations.

24 Additionally, I believe that stricter
25 requirements should be implemented for thermal exclusion

1 zones anyway. For example, the current level for thermal
2 radiation floods at a property line that can be built upon
3 is 1600 Btu's per hour per square foot according to the NFPA
4 59-A standard. This level for radiation floods can cause
5 first-degree burns in 20 seconds, second-degree burns in 30-
6 40 seconds, and third-degree burns in 50 seconds. This is
7 also the same level that is considered safe for firefighters
8 to perform emergency operations in full protective clothing.
9 While firefighters may be safe at that level, this does not
10 allow sufficient time for safe evacuation of the general
11 public who do not have protective clothing. A level of 800
12 Btu's per hour per square foot may be more appropriate at
13 the property line and can be built up. In the written
14 comment, I intend to file with FERC, I will offer more
15 detail and critique of the DRAFT EIS. Let me be clear: we
16 should not accept minimum standards. The time has come to
17 demand and expect more than the minimum.

18 In conclusion, I would like to reiterate two
19 points made by the Mayor: the Final EIS should not be
20 issued until safety and emergency response plans are in
21 place. While we are engaged in that process to develop
22 those plans, that is taking time and is such a critical
23 piece of this that we should wait until they are finalized.

24 And lastly, at the very least, this facility
25 should be brought up to current standards.

1 Thank you.

2 (Applause.)

3 MR. SWEARINGEN: Okay. Thank you, Chief Costa.

4 Next we have John Torgan.

5 MR. TORGAN: Good evening. I'm John Torgan with
6 Save the Bay, the environmental group. Thank you very much
7 to the Coast Guard, the Corps, DOT, FERC and cooperative
8 agencies for holding this hearing and giving us an
9 opportunity to speak. In prime areas earlier, and that's
10 one we've heard a lot about, people's perceived risks and
11 potential changes that could come about as the result of an
12 LNG terminal, but tonight I just wanted to offer you Save
13 the Bay's perspective on what we think the actual real
14 impacts will be that we are fairly certain will happen if
15 this project goes through as proposed.

16 Before talking about that, I just first want to
17 say we would support the request from the Mayor and that of
18 the City of East Providence, the Attorney General's office,
19 for a 30-day extension of the comment period. We think that
20 the public still has not had adequate opportunity to review
21 and comment on this information and it's quite technical and
22 deserves that extra time. Also, the comment period ran
23 through the holidays so perhaps some people missed notice of
24 this hearing and other opportunities to provide input.

25 Our concerns on this primarily are it would

1 potentially disrupt the impact of the security zone around
2 LNG tankers, that moving security zone on the existing
3 diversity of uses in Providence Harbor and in the river and
4 in the channel. Save the Bay's vision for the Providence
5 River and the bay and the harbor does include a mixed --
6 balance mix of uses that include commercial and industrial
7 uses, as well as recreational uses, and with no one single
8 dominant use. But we are concerned that these moving
9 security zones will impact our ability, for example, to do
10 education programming for kids on research vessels during
11 the times that they're coming in and leaving port, perhaps
12 even during those times that they're in the dock.

13 The Providence River channel presently is a
14 narrow and congested waterway and is intensively used by
15 many different interests, so the presence of these tankers
16 and their security will interfere with those existing and
17 planned uses of the waterfront, so that does represent a
18 change over the present existing level of shipping uses.

19 While public safety -- we're primarily interested
20 in environmental health and the shared use -- public trust
21 uses of the bay. We have to also be mindful of -- the
22 report referenced by the fire chief by the Sandia National
23 Laboratory indicating that these kinds of extensive security
24 measures, the moving security zone, would certainly be
25 necessary and essential to ensure public safety of the LNG

1 zone terminal, were it to be built. And we remain concerned
2 that the Coast Guard and the State of Rhode Island do not
3 presently have adequate resources to ensure the safe and
4 secure operations at this proposed facility.

5 The DEIS, as we read it, fails to address the
6 security and safety issues in sufficient detail and so we do
7 request a supplemental draft and we think FERC should
8 require this to consider a wider range of alternative sites.

9 We believe and echo the call of the Congressional
10 delegation and the governor on this, that this is a major
11 regional siting decision and not a case-by-case reactive
12 permanent decision, that New England state and federal
13 agencies should work cooperatively to adopt a comprehensive
14 regional approach to the siting of new energy
15 infrastructure, and that this should include elements of
16 conservation and renewable energy, as well as a thorough
17 analysis of remote siting alternatives for LNG, including
18 offshore terminals. And we join the cause of our Green
19 Energy partners, the other environmental groups in the
20 region, for a sensible and planned approach: that we plan
21 our energy needs rather than through a reactive case-by-case
22 review.

23 Thank you very much for the opportunity to
24 comment.

25 (Applause.)

1 MR. SWEARINGEN: Okay. Thank you, Mr. Torgan.

2 Next, we have Ronald Thomas.

3 MR. THOMAS: Good evening. My name is Ronald
4 Thomas, T-h-o-m-a-s.

5 My first concern is remote siting that Congress
6 mandated back in 1972. I mean, if Congress wants to say
7 yeah LNG is safe, the country does need it, but it's got to
8 be placed properly. I don't think this is -- seeing the
9 siting of Providence on this plot is considered remote
10 siting. I mean, then it comes along to try to get exclusion
11 zones. What distance do you consider safe?

12 I mean, here you've got a tanker tied up for God
13 knows how long and -- such as in scrapyards which are, you
14 know, less than a quarter mile away which can be an ignition
15 source. I mean, they had tankers tied up down there back in
16 the early '80s loading the scrap metal, it took them two
17 weeks to put out that fire. I mean, the ship actually sank
18 right alongside the pier before they could get that fire
19 out. Now what if something like that happened to an LNG
20 tanker that was tied up to that same pier. I mean, you
21 don't just unplug these tankers and put them out to sea
22 right away. I mean, to me I think it's a real folly, you
23 know, to even consider leaving a tanker there that long
24 under those kind of circumstances.

25 Also, you've got the act of God of being hit by

1 lightning and stuff. I mean, accidents do happen. I mean,
2 we're asking for more, you know, than what we can really
3 protect. I mean, yeah, you know, extenuating circumstances
4 are going to be brought into play here.

5 The other reason we're saying, you know, the
6 stuff belongs offshore. They say the technology isn't
7 there. I disagree. They're still working on the technology
8 but it is available, a lot better than what we're proposing
9 to do here.

10 The other thing I'd like to bring into the
11 picture is also security. Who's paying for all the
12 security? The cities and towns along the route of these
13 tankers are not capable, they're not qualified, to pay for
14 all this type of security along this route. I mean, who's
15 going to end up paying? Yeah, we'll save a little money for
16 the gas customers that are using the gas but who's paying
17 for it in the long run? All the people who retire --
18 including, you know, the stuff going under one bridge,
19 you're still going past the Newport Naval Base down there,
20 which is the only one in the country that provides that type
21 of services. I mean, let's stop and think of what we're
22 doing.

23 Thank you very much. I appreciate it.

24 (Applause.)

25 MR. SWEARINGEN: Okay. Thank you, Mr. Thomas.

1 Next we have Jerry Landay.

2 MR. LANDAY: Thank you. I'm Jerry F. Landay,
3 that's L-a-n-d-a-y, as opposed to Captain Landry.

4 I'm here representing Save Bristol Harbor, which
5 is an organization of activists based in Bristol, Rhode
6 Island. What is being decided here that's material to
7 Bristol? Because, if the Fall River/Weavers Cove project
8 happens and if Keyspan Providence happens, there will be
9 some 300 transits by 900-foot LNG tankers past the western
10 shores of Bristol, and that makes it very material to us.

11 The two most frequently abused words in
12 government Draft Environmental Impact Statements on Weavers
13 Cove and Keyspan Providence are "negligible" and "remote,"
14 as in the sentence: "The chance of accidents happening are
15 remote," and "the impact upon the environment is
16 negligible." That is true if you're hundreds of miles away
17 in Washington, D.C.

18 We're also told that the complex systems involved
19 in siting major LNG terminals in two densely populated
20 rivers at Fall River and right here in Providence can be
21 managed. That's another popular phrase. If it's so easy
22 sitting in Washington, knowing what the Commissioners want
23 and expect to write the words "remote" and "negligible" and
24 "can be managed." They haven't seen the location with their
25 own eyes of Keyspan and of Weavers Cove. Keyspan, by the

1 way, is here in the first place because of a mistake by the
2 old administration of this city that should never have
3 happened. But accidents can happen here, terrorism aside,
4 when those 909-foot LNG tankers begin to arrive.

5 After all, let me tell you about in the space of
6 just three days a number of events that I have noted in the
7 newspapers: Graniteville, South Carolina, nine people were
8 killed by chlorine gas leaking from a wrecked railroad
9 tanker in the middle of town. More than 5,000 remain
10 evacuated. What happened? The railroad crew that had
11 shunted their train onto a siding forgot to turn the switch
12 back to the main line and the freight train plowed into a
13 parked train. Human failure is neither negligible nor
14 remote. It can be catastrophic. Accidents happen through
15 human failure and the more complex the industrial system
16 involved, the greater the consequences and the greater the
17 failure.

18 Industry, Pennsylvania in the past few days: a
19 tugboat and three barges sank after being pushed over the
20 dam in an unexpected flood by currents caused by very heavy,
21 heavy rain. Three crewmembers are dead; one missing. These
22 are neither negligible nor remote. Accidents happen through
23 human failure. And the more complex the industrial system
24 involved, the greater the consequences.

25 Honolulu: a U.S. nuclear submarine ran aground

1 350 miles south of Guam in the Pacific. One is dead, 23
2 injured. Human failure is neither negligible nor remote.

3 But these are mere fender-benders when placed
4 alongside industrial catastrophes described in this book
5 which ought to be required reading by every official
6 involved in this decision. It is called Inviting Disaster -
7 Lessons from the Edge of Technology: An Inside Look at
8 Catastrophes, Why, and How they Happen. This book, by James
9 R. Childs is in print and published by Harper Business. I
10 urge you to get a copy and read it carefully.

11 Here we sit in this school which is within one
12 mile of the present Keyspan Providence tank that they want
13 to make bigger. Within that one mile are a score of tank
14 farms containing petroleum, gasoline, liquid propane. This
15 is within the danger zone defined by the Sandia Federal
16 Laboratory within which people get cooked and buildings are
17 shattered by the explosion and flames of a major LNG
18 incident. So is the redevelopment zone in which billions
19 are being spent to upgrade the harbor area of East
20 Providence, just across this narrow river. Just one more
21 mile farther out from here are two major Providence
22 hospitals and a major medical center. How can this be put
23 at such risk?

24 I want to cite some of the lessons drawn from the
25 terrible events described in this book and then reverse the

1 take and some of the disasters the book details so we'll get
2 a good sense of measurement of what is remote and what is
3 negligible and what should be put at risk.

4 First, let me tell you what some of the
5 conclusions are: one, if a product, system, or technology
6 has the potential to cause catastrophic accidents, choose
7 the best solution to avoid the worst-case scenario. Don't
8 put a major LNG terminal in the middle of a city. Being
9 sorry later is too late.

10 Two: most industrial accidents happen through
11 human failure and the more complex the industrial system,
12 the more latent energy it contains, then the greater the
13 consequence of an accident.

14 Three: when there are alternative solutions
15 available -- as there are in this case, and DOT knows it
16 because they approved offshore LNG terminals -- that are
17 truly remove from people, from potential environmental
18 damage, from densely populated places where we work, live,
19 go to school, and church. They can take the same solution
20 for LNG offshore or, as in Governor Carcieri's position,
21 locations such as the site in the Canadian Maritimes, New
22 Brunswick and Nova Scotia.

23 Four: on your list of criteria for evaluating
24 plans to expand use and profits is not profit, nor the
25 convenience of nearby pipelines that make it really easy to

1 hook up. It's the safety and security of the people who
2 live, work, and go to school on these affected shores.
3 Accidents are not managed, they happen. Someone makes a
4 mistake, someone is tired, someone is poorly trained,
5 someone cracks under pressure, something breaks.

6 Let me give you some examples: the grounding of
7 the cruise ship Royal Majesty. In June 1995, the ship
8 grounded on the shoals near Nantucket Island, shoals clearly
9 marked on the chart. The antenna of the ship's global
10 positioning satellite had come loose. Nobody on the bridge
11 even noticed, but the ship was moving miles off course. The
12 depth alarm didn't work because it was set only to go off
13 when the depth under the keel reached zero. It should have
14 been set to go off with 10 feet of water beneath the ship.
15 Tell me how the infallible huge LNG tanker is and I'll
16 remind them of the Royal Majesty and also what they said
17 about the Titanic, which was unsinkable.

18 A very relevant event, April 16th, 1947, Texas
19 City in Texas. There was an explosion and fire aboard a
20 French freighter, the Grand at the dock. 2300 tons of
21 ammonium nitrate went up. With it went a chemical plant
22 onshore and other industrial facilities. The vessel itself
23 blew up an hour and 15 minutes later. Right next to the
24 Grand was the freighter Hire Flyer, also carrying ammonium
25 nitrate. It caught fire. While being towed out of the

1 harbor, it also blew up. There were some 400 known
2 fatalities; 63 bodies could never be identified; another one
3 hundred went permanently missing. Fires burned for a week.
4 This is the worst disaster still in U.S. history prior to
5 9/11. Now where would you tow a burning vessel in the close
6 quarters of the Providence River?

7 January 27th, 1967, the combustion of the Apollo
8 1 crew in their capsule while training. It was an accident.
9 The crew was reclining in their couches running through a
10 checklist of things they would do in space. There was a
11 spark which touched off the pressurized overly rich oxygen
12 mixture they were breathing. A copper wire had accidentally
13 become stripped of its insulation -- unplanned, unmanaged --
14 all six astronauts died.

15 December 3rd -- and this is most relevant --
16 December 3rd, 1984, Bhopal, India. The Union Carbide
17 pesticide manufacturing plant located in the very heart of
18 this Indian city. There was an accidental man-made leak of
19 40 tons of methylisocyanate. A work crew had accidentally
20 introduced water into the holding tanks. A violent chemical
21 reaction happened. More than 3,000 were killed outright.
22 As many as 600,000 injured; 15,000 of them would die later
23 on. Precautions, it was reported, had been reduced because
24 of cost cutting operations. Many of the living victims have
25 yet to collect -- have yet to collect reparations from the

1 Indian government.

2 Now I could skip through the Chernobyl nuclear
3 reactor, the Three Mile Island nuclear accident, they all
4 have the same theme: fatigue, poor training, mistakes under
5 pressure.

6 But let me end -- because this is most relevant
7 to LNG, let me end with January 19, 2004. That's one year
8 ago this month. In Algeria, the LNG loading terminal, a
9 leaking pipe was reported to management. Nothing was done.
10 It ignited. 1,000 were killed or injured in a sparsely
11 populated area.

12 Let me conclude, the historic record of follies
13 and foibles of homo sapiens is endless, but this much is
14 clear: LNG is potentially lethal. Knowing that accidents
15 can happen, then live up to the federal law and site LNG
16 terminals away from densely populated areas. It's just that
17 simple.

18 Let me quote a conclusion from *Inviting Disaster*,
19 the book I mentioned: each year, the margin of safety draws
20 thinner as the energies we harness grow in power in the
21 cause of cost cutting, our machines keep getting bigger. We
22 are putting more eggs in fewer baskets, system fractures
23 grow out of a chain of errors. Don't be driven by political
24 priorities into making poor and hasty judgments and bending
25 the rules and putting LNG in the wrong place. If you do, it

1 will come back to haunt your departments and this city.
2 Your principal loyalty is not to for-profit corporations but
3 to those who pay your salaries, the people of the United
4 States.

5 (Applause.)

6 MR. SWEARINGEN: Okay. Thank you, Mr. Landay.

7 Next, we have Harry Staley, and following him
8 will be Christopher D'Ovidio.

9 MR. STALEY: My name is Harry Staley, that's S-t-
10 a-l-e-y. I am the President of the Rhode Island Shoreline
11 Coalition. The Coalition is an organization of about 3800
12 residents of Rhode Island, most of whom live along the
13 shoreline. Our mission is to address quality of life issues
14 in Rhode Island, particularly those affecting those who live
15 along the shoreline.

16 In view of the time tonight, I'll not repeat much
17 of what has been said, because there have been a very, I
18 think, a very complete putting forth of the major issues
19 that concern the Rhode Island Shoreline Coalition members.
20 Mayor Cicilline, the Providence Fire Chief, Mr. Torgan from
21 Save the Bay, and Mr. Landay have done a very excellent job,
22 I think, of expressing the very concerns that we have.

23 Again, I will not repeat those but I do want to
24 stress that the safety problems involved in this, the
25 environmental problems that Mr. Landay mentioned -- which

1 could affect all of us, whether we live along the shoreline
2 or not, but certainly along the shoreline -- and those
3 problems are problems which cause us to feel very strongly
4 that we should not be expanding this LNG operation here in
5 the Providence port.

6 I would also like to endorse and support the view
7 of Save the Bay and others who have asked for an extension
8 of time for consideration of the -- of other comments that
9 could be made. And so I would ask the Commission to
10 consider that and again I'd like to make it clear that the
11 Rhode Island Shoreline Coalition opposes any expansion of
12 this facility.

13 Thank you.

14 (Applause.)

15 MR. SWEARINGEN: Okay. Thank you, Mr. Staley.

16 Next is Christopher D'Ovidio and then followed by
17 Joseph Carravo.

18 MR. D'OVIDIO: Good evening. I want to thank the
19 Commission for providing the Conservation Law Foundation the
20 opportunity to provide comments on the Draft Environmental
21 Impact Statement. I realize you want the spelling of my
22 last name, which is D'O-v-i-d-i-o. I'm the Director of
23 Rhode Island Advocacy and Staff Attorney for the
24 Conservation Law Foundation.

25 The Conservation Law Foundation is a regional

1 environmental advocacy organization that works to solve
2 environmental problems that threaten people, natural
3 resources and communities of New England. CLF advocates use
4 law and armies of scientists to design strategies that
5 conserve natural resources, protect the public health, and
6 promote vital communities in our region. We are a non-
7 profit support organization with offices in Boston,
8 Providence, Montpelier, Concord, and Brunswick, Maine.

9 Just by way of introduction of our position on
10 LNG overall from a regional perspective, CLF strongly
11 supports the development of adequate LNG supply for the
12 region to promote the benefits provided by additional LNG in
13 the energy sector. Demand for natural gas in New England is
14 partially driven by an environmental agenda in that natural
15 gas is an important transitional fuel until we move to a
16 comprehensive energy-based structure of renewables and
17 efficiency. Simply put, more natural gas supply means lower
18 prices. Lower prices mean cleaner, operating natural gas
19 plants supply more energy for demand with significant air
20 quality benefits accrue through natural gas power plants --

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25

1 MR. D'OVIDIO: -- that now make up a substantial
2 portion of the generating base of New England. were fully
3 utilized. CLS -- for natural gas is expensive.

4 We helped site the natural gas electric facility
5 in New Hampshire. We were instrumental in the development
6 of the Massachusetts -- regulations.

7 These regulations are designed to force the
8 Massachusetts coal- and oil-fired electric plants to reduce
9 the emission of smog and greenhouse gas pollutants,
10 resulting in the release of natural gas. We intervened in
11 the emissions control plan in -- Point and Salem power
12 plants, which resulted in cleaner emissions, partly due
13 to -- natural gas.

14 While we are advocates for increased supplies of
15 natural gas, new or expanded LNG terminals present
16 significant impacts, particularly now with the risk of
17 terrorist attacks. The risk of catastrophic events would
18 seem to argue against siting in urban areas such as Rhode
19 Island and Massachusetts.

20 While the extent of this risk is the subject of
21 considerable debate, we believe that such risks are, at a
22 minimum, sufficiently credible to require review as part of
23 the regional approach to siting.

24 Because we are a regional organization, we began
25 to confront LNG proposals in Massachusetts and in Rhode

1 Island. Understanding the complexities of LNG siting and
2 the issues confronting the communities within the region
3 that we represent, we sought a viable and sensible solution
4 to LNG siting.

5 In May 2004, we launched a campaign, asking FERC
6 to conduct a regional siting evaluation for natural LNG
7 terminals throughout the region. The natural gas supply is
8 a regional issue.

9 Siting and providing the supply is a regional
10 issue. Trying to site these facilities on an ad hoc basis,
11 that is, as the market presents them to you, is the tail
12 wagging the dog.

13 If you pull a page from the play book of the
14 Department of Interior, there's been a slew of proposals to
15 develop wind farms in 11 states out West, which is probably
16 the whole size of the East Coast. The Department of
17 Interior endeavored to prepare a programmatic EIS.

18 Rather than responding to the market, they said
19 we're going to be proactive; we're going to look across the
20 region and identify suitable areas for LNG siting, the most
21 suitable, less suitable, and the least suitable.

22 From that process, project opponents can come
23 with proposals to the Department. The programmatic EIS was
24 within FERC's ability to implement. In fact, the CFR
25 provides for it when it says "it shall," when there are

1 commonly timed or geographically common projects, and that's
2 what we have here.

3 There's been proposals, at least six of them in
4 Maine, two in Massachusetts, and at least -- three in
5 Massachusetts and one in Rhode Island.

6 Despite the fact that we've asked for a regional
7 analysis from FERC, despite that we held a conference to try
8 to bring in the stakeholders -- this was in July of 2004 --
9 FERC has refused to do this regional analysis.

10 Now, the Rhode Island Congressional Delegates and
11 the Rhode Island Congressional Delegates have asked for a
12 regional analysis. The Governors of both states, the AGs of
13 both states, Mayors, state representatives and many
14 organizations have asked for a regional analysis.

15 FERC's response is that we need to move forward
16 with the permits that are in front of us, so that we can
17 stave off a crisis which nearly reached in the previous
18 winter. The CLS's position is that if FERC continues on
19 this path of simply reviewing what's in front of them, it's
20 going to retard the building of this infrastructure. It's
21 not going to expedite it.

22 People are digging in their heels and saying we
23 don't want it.

24 Another region for a regional and programmatic
25 approach to siting LNG, is that a site-specific area such as

1 the one --, forecloses options to more suitable sites.
2 There are several proposals, either proposed or planned for
3 the region, and as your Chairman Wood, the Chairman of FERC,
4 Mr. Wood, stated back in September at a meeting of the ISO
5 in Boston, Massachusetts in September of 2004 -- he was
6 commenting on the slew of proposals that were being
7 presented in the region.

8 And he specifically referred to the Canadian
9 Maritimes, and what he said was that supply was the issue,
10 that the supplies in the Canadian Maritimes and maybe one
11 other terminal in southern New England, could adequately
12 provide for the natural gas supplies that we need for the
13 future.

14 If we continue on this ad hoc basis, reviewing
15 plans that are in front of you, allowing the market to
16 dictate what you're going to review, that may foreclose
17 other options that be more suitable. So, for example, if
18 the Providence facility is approved, the market can only
19 bear so many LNG facilities.

20 If Providence is approved, maybe a better site,
21 the -- facility, won't be economically viable for --
22 Wouldn't that be a shame?

23 Just because they got to the starting line first,
24 doesn't mean that they're better. That would be the
25 equivalent of me going to a race with an 80-year old woman,

1 and because she got her sneaks on first, she should cross
2 the finish line, and then we've got her as the winner of the
3 race. That doesn't make her faster; it just makes her --
4 and that's what we have right now, going out with these
5 proposals.

6 I think I need to elaborate on the Sandia report.
7 One of the things that I want you to bear in mind is that
8 the Department of Energy, DOE, which FERC is with them,
9 commissioned the Sandia report, partly because they were
10 trying to resolve the conflicts amongst a half a dozen other
11 reports, reports that this DEIS relies upon.

12 So, clearly, this DEIS -- there must be something
13 in the DEIS to reflect the new information provided in the
14 Sandia report, and I would also echo that it -- information
15 both in the DEIS and the Sandia report, we should have it.
16 It's intuitively fair to provide more time for people to
17 digest information.

18 And another aspect -- or the information that
19 comes out of the Sandia report is that the hazard zone -- I
20 think some are saying up to 3500 meters, but even a
21 conservative measure of 1600 meters is considered a moderate
22 risk.

23 And within that 1600 meters, as you traverse the
24 channel, beginning down near Newport, past -- Island,
25 Bristol, into Providence, there are numerous communities.

1 And to say you can store hazardous and chemical
2 substances -- and the DEIS admits the Coast Guard has not
3 determined it's capable yet -- it hasn't determined that --
4 if they're able to manage those risks.

5 I would suggest, it's beyond -- for the Coast
6 Guard or any entity to be able to say that they can secure -
7 - that they can ensure that a terrorist attack will not come
8 from --

9 Within the distance of this LNG facility, you're
10 sitting in Jamestown in a home, open up your bathroom window
11 and launch something at the ship, or there could be hundreds
12 of boats in Narragansett Bay and anyone of them could be a
13 terrorist attack. It's simply impossible for them to be
14 absolutely sure that they can manage it.

15 We have the best Army in the world in Iraq, and
16 these folks are bombing our mess halls, not just roadside
17 attacks, but our mess halls. These are our best trained
18 soldiers, focused each and every day on terrorist attacks,
19 and they can't handle that risk.

20 The DEIS also needs to do a better job on its
21 alternative analysis. This is probably more to the heart of
22 what you're trying to find out here tonight, what's wrong
23 with the DEIS.

24 The DEIS looks at the system alternatives and in
25 the DEIS, first FERC says that the -- offshore is

1 economically and technologically impractical. In our
2 comments, we felt that FERC is not in a position to critique
3 the business model of an entity like --

4 At least in this DEIS, they recognize now that
5 the technology is available. It needs to be further
6 developed to understand exactly what will be employed, but
7 they conclude that the offshore facility is not viable
8 because it doesn't provide for LNG storage.

9 LNG storage is needed to provide for trucking,
10 trucking to peak shaving facilities. Now, this is just an
11 example of how the DEIS doesn't look at all the options,
12 and, clearly, options would be more visible through a
13 regional analysis.

14 We would get more supply from the Canadian
15 Maritimes, not fully to satisfy the supply, according to the
16 DEIS. We would get more supply into our system through the
17 offshore facility, freeing up the vapor supply from Everett,
18 and allowing Everett to continue to be the regional trucking
19 depot, just as they are right now.

20 Those trucks come down from Everett, to the
21 Providence facility. By adding more supply from the
22 Canadian Maritimes, offshore facility, again, could free up
23 Everett to be the primary trucking depot for those peak
24 shaving facilities during the highest demand points of the
25 Winter.

1 I presume that would be when we would need the
2 peak shaving.

3 In conclusion, these complicated issues of
4 safety, supply, system alternatives, should not be done or
5 not be analyzed through a site-specific EIS. I again ask
6 FERC to take one step back, take two steps forward, exercise
7 your authority under 40 CFR, Section 1502, Section 1500 and
8 1502, to perform a programmatic EIS.

9 Again, learn from your fellow agencies, as the
10 Department of Interior has done. They are looking at the
11 regional issue of wind farms. This is a regional issue.
12 Let's do it right, let's not be reactive, let's not be
13 dictated to by the market forces.

14 This is too important an issue to leave to those
15 circumstances. Thank you.

16 (Applause.)

17 MR. SWEARINGEN: Thank you. Next we have Joseph
18 Carvalho, followed by Peter Gangler.

19 MR. CARVALHO: Good evening. My name is Joseph
20 Carvalho, C-A-R-V-A-L-H-O. I'm the Chairman of the
21 Coalition for Responsible Siting of LNG Facilities. We are
22 here to support the opposition to the expansion of the
23 Keyspan program, and also to publicly state that we are
24 against the Wheeler's Cove Project in Fall River.

25 The Coalition, in and of itself, is not opposed

1 to liquified natural gas as an alternative energy source for
2 the country's needs, however, we do find that placing any of
3 these facilities or ships' transit where it would really
4 imperil thousands, literally thousands of people, is an
5 insane and inane idea.

6 It speaks to profiteering, it speaks to the kind
7 of scurrilous investment that the companies want to make.
8 They don't want to go offshore because it costs too much
9 money.

10 This is really a case of profits before people.
11 The Sandia Study -- I'm just going to mention one item here.
12 It said that a spill from a 16-foot hole, if ignited, would
13 create a thermal blast that would set buildings on fire and
14 melt steel out to 1,281 feet -- melt steel and give people
15 second degree burns up to 4,282 feet away. I invite people
16 to really take a look at that study. It's online in several
17 places.

18 So, given that information, we have Narragansett
19 Bay, reclamation by Save the Bay and other environmental
20 groups, the Sierra Club, and you name it, who have made
21 tremendous strides in recovering the beauty that the Bay is,
22 but we have to remember that part of the fragility of this
23 Bay lies, in fact, in its size. It's 147 square miles.

24 So you want to bring a 1,000-foot long, 145-foot
25 wide tankers with four or five compartments on them, with

1 120-foot tractor tugs guiding them, which is a whole other
2 issue, by the way. People talk about the vulnerability of
3 the tankers, but at some point in the transit, these tugs
4 take over the guiding of those ships.

5 What if one of the tugs gets attacked or there is
6 an accident, as Mr. Landay so appropriately pointed out?
7 We've got catastrophic situations going on here.

8 San Francisco Bay, by comparison, is 1600 square
9 miles. Narragansett Bay is 147 square miles. San Francisco
10 Bay is 1600 square miles.

11 A recent LNG proposal for Viejo, California, that
12 was rejected due to public safety concerns and concern the
13 safety of the Golden Gate and San Rafael Bridges. Again,
14 Narragansett Bay is 147 square miles. The Chesapeake Bay is
15 2500 square miles, and that's the site of the Cove Point LNG
16 facility -- 2500 hundred square miles of Bay.

17 The tank itself is located on a 1,000 acre
18 peninsula with 800 of the acres under conservation
19 management. As a matter of fact, the Maryland Sierra Club
20 is the caretaker for that piece of property. Narragansett
21 Bay is 147 square miles.

22 It's insane, and when they talk about that we
23 should listen to FERC and the Federal Government will manage
24 and mitigate, they're not managing and mitigating your
25 families, your loved ones, your communities. There will be

1 nothing left to mitigate or manage, god forbid, there is a
2 terrorist attack or a human error.

3 Let's get to what the Federal Government tells
4 us. They wrote a letter to Congressman Markey in May and in
5 that letter, they said that they -- they denied that
6 polystyrene insulation was used on LNG tankers. The reason
7 that they gave for that conclusion was that it's not used on
8 LNG carriers, precisely because it's susceptible to melting
9 and deformation in a fire.

10 Well, low and behold, the report says that
11 officials now describe that statement as incorrect, and
12 granted that many important questions remain.

13 So that's one -- that the Coast Guard had
14 originally said that the very material that people were
15 concerned about, that lined the compartments of these LNG
16 tankers, would, in fact, not be flammable, and wasn't even
17 used, just because of its volatility.

18 Then they do an about face and say, oh, no, it
19 is. So, if one compartment goes, you can bet that the rest
20 of them will be compromised. Again, melting steel and burns
21 to people 4,282 feet away, in a matter of seconds.

22 The industry touts its so-called accident-free
23 history. But I have three pages here with 27 accidents
24 involving LNG tankers, starting with the Cleveland disaster
25 and then in one Trinidad-Tobago in 2004. Like I said,

1 there's 27.

2 But there's accidents in all kinds of areas of
3 the marine industry. As a matter of fact, World Maritime
4 News, which has a marine website -- just in the last two or
5 three days, the American Salvage Association responded to a
6 Delaware River spill from a tanker; collision closes the
7 Houston ship channel -- that was on December 17th; January
8 5th, a mere six days ago, a tanker hits a peer on the
9 Mississippi River, a 793-foot tanker struck a peer; a
10 freighter -- this is yesterday -- a freighter briefly
11 grounds in the Columbia River, and, unfortunately, there was
12 the tow-boat incident where the boat went down and three
13 people were killed.

14 Some of what you hear, sounds kind of horrific,
15 and there's a good reason for that. If you read the Sandia
16 Report or even the ADS report, you'll see the kinds of
17 conflagrations that can result from an accident, a terrorist
18 attack, or human error involving one of these tankers.

19 They would have you believe that they can manage
20 it. Personally, I have a lot of trouble believing that
21 myself, and that they would mitigate it. When the Sandia
22 report came out, the Fall River Herald had this as the front
23 page headline. It said "Doomsday Scenario," with a map of
24 the proposed Weaver's Cove site.

25 You can interchange Providence or any of the

1 communities down the Bay or up River for that kind of a
2 scenario. Professor Higgins from Arkansas, who is
3 considered one of the experts on LNG, said that the tanker
4 situations are much more dangerous than the storage tanks
5 themselves, because of what can happen when one ruptures.

6 I think it's 30 million gallons that's carried in
7 one of these tankers, ordinarily, and you're looking at 50
8 to 60 trips a year. It doesn't make much sense.

9 One of the Coalition members, Peter Hofstetter,
10 from Bristol, a member of Safe Bristol -- and they're here
11 tonight, as well -- did a closest-point-of-approach to shore
12 of these tankers traveling up the East Branch of
13 Narragansett Bay to Providence.

14 And there's three -- this is -- and how he
15 measured it was the distances were calculated from the
16 center of the ship's channel, to the nearest shoreline or to
17 a distinct structure or feature inside the shoreline that
18 was roughly 90 degrees relative to the ship's course.

19 So, for the purposes of this meeting, its point
20 in Riverside is a thousand yards from the center of the
21 channel, Patucksick (sp.) is 800 yards, and I think it's
22 Savin Point and Riverside that's 600 yards. So if you think
23 about those places, think about the people who live there.

24 Think about the children who go to school there,
25 think about the elderly people in nursing homes, as we have

1 in Fall River, within a very close proximity, a public
2 housing project -- at Fall River, the closest facility is
3 1200 feet away.

4 Those people are not listening to words like
5 "mitigate" or "manage." They're not.

6 It was mentioned at a previous meeting that
7 people have about 15 seconds to get behind something, if
8 something happens -- 15 seconds. The audacity that someone
9 would even mention that and say that that's the kind of time
10 that you have to protect yourself and your loved ones from
11 some kind of catastrophe like this, unnecessarily -- do the
12 damn offshore.

13 So you cut your profit margin. If you save
14 thousands of people's lives, isn't that worth it? I don't
15 begrudge you from making a profit, but I certainly begrudge
16 it at the expense of people's well being.

17 The people in Fall River right now are living in
18 terror, because of the proposed project, as, I dare say,
19 people here are as well. We've got people protecting us
20 from perceived weapons of mass destruction, and yet right
21 here, what do you have coming up and down the channel?

22 This is crazy; it's insane; it should be
23 defeated. I'm going to say, too, that there have been
24 requests in the past for extensions of the commenting
25 period. The Federal Energy Commission, out of hand, and

1 routinely denies those requests.

2 As compelling and monumental an issue as this is,
3 and, out of hand, it's dismissed. That's an affront to the
4 people of the United States of America by a federal agency
5 that's supposed to have our well being at the forefront.
6 It's a disgrace.

7 And for those people who are not outraged by this
8 entire project, whether it's in Fall River or Providence,
9 you're not paying attention. Thank you.

10 (Applause.)

11 MR. SWEARINGEN: Before we go on, we were doing
12 pretty well on time, and now we are really not doing so well
13 on time. We've gone through eight speakers and we have 27
14 lined up, so, again, I'd ask that you be succinct. If your
15 comment that you were planning on has already been made, you
16 can be confident that we've heard and will address it, so
17 you can -- if you could be more succinct. Okay, Mr.
18 Gangler?

19 MR. GANGLER: Yes, Peter Gangler, G-A-N-G-L-E-R.
20 I'll be brief. I agree with everything that's been said
21 before me, so I don't have a lot to add to that.

22 As President of the Board of Community Boating of
23 Providence, given that we live in a post-9/11 world, it
24 seems truly irresponsible that our community would even
25 consider this project.

1 The risks are simply too high. The recent Sandia
2 Report provides us with the information on a worst-case
3 scenario of an explosion. The risks are just too high.

4 We simply do not know enough about what would
5 happen if there would be a serious rupture in one of these
6 ships or in a holding tank. We are spending millions of
7 dollars to clean up the waterfront --

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1 opportunity to express my thoughts concerning this project
2 and the LNG siting process in general. It seems we're all
3 growing upstream, not only against the natural currents of
4 public indifference and it's a done-deal mentality; but also
5 against a number of government agencies, primarily, the U.S.
6 Coast Guard and the Federal Energy Regulatory Commission and
7 that makes our task that much more difficult.

8 It's been established that there's little
9 coordination between FERC and the Coast Guard when it comes
10 to siting LNG facilities. As a result, Senator Jack Reed
11 has authored a provision to have the agencies coordinate
12 their approval process. I encourage everyone in the
13 audience who support responsible sitings to support Senator
14 Reed's efforts.

15 A comprehensive study was released this month, a
16 study conducted by the National Fire Prevention Association
17 and commissioned by the U.S. Fire Administration and the
18 Federal Emergency Management Agency. The report entitled "A
19 Needs Assessment Study of U.S. Fire Service" examines the
20 needs and response capabilities of the U.S. Fire Services.
21 The report shows that many fire departments in Rhode Island
22 and Massachusetts are underfunded, understaffed and
23 undertrained to meet emergencies.

24 The San Francisco fire chief said about this
25 report "I think the most useful application for this

1 document would be at the federal level to indicate to
2 decision-makers how exposed and how unprepared different
3 parts of the country are for terrorist attacks.

4 In 2004 another report was released called "The
5 Rand Report." The report was commissioned by the U.S. Coast
6 Guard. And this study determined that the Coast Guard was
7 not prepared to handle its traditional mission, plus the
8 responsibilities that have arisen after the attacks of 9/11.

9 On July 1, 2004, Coast Guard Commander Tom
10 Collins said that U.S. ports remain vulnerable to the kinds
11 of speed boat attack that crippled the USS Cole. And he
12 said it would be very, very difficult to intercept a small
13 boat loaded with explosives and on a suicide mission.

14 Captain Landry herself has explicitly told us on
15 numerous occasions she cannot guarantee our safety. And
16 yet, with these incredible reports in hand, along with many
17 others, FERC continues to tell us the risks on these
18 projects can be managed.

19 I would like to close with a quote from the late
20 Senator Daniel P. Moynihan who said some time ago "the single
21 most exciting you encounter in government is confidence
22 because it is so rare." We can only hope we will encounter
23 confidence on this panel.

24 We believe you already have all the information
25 you need to deny these applicants. And we are calling on

1 each government agency represented on this stage here
2 tonight to meet their obligations and responsibility to the
3 public and do just that -- deny these applicants.

4 (Applause.)

5 MR. MIOZZA: Our communities should never need to
6 fear the future. Thank you.

7 (Applause.)

8 MR. SWEARINGEN: Thank you, Mr. Miozza.

9 Next we have Paul Roberti and then followed by
10 Hope Pilkington.

11 MR. ROBERTI: Good evening. My name is
12 Paul Roberti. I'm the Assistant Attorney General for the
13 State of Rhode Island. I'm here tonight on behalf of
14 Attorney General Patrick Lynch and more than one million
15 citizens of Rhode Island that he was elected to represent
16 and defend.

17 I come with an important request that the state,
18 the effected cities and towns and the citizens be given more
19 time to analyze and understand the EIS document. For every
20 sailboat, recreational boater, kayaker, commercial shell
21 fisherman you push over to the side with this passage of the
22 Providence River while the security entourage moves through,
23 you owe a much opportunity to review and understand the
24 implications of this proposal, which the citizens of this
25 state will have to endure for decades to come.

1 Additional time is even more necessary given the
2 failure of the DEIS to consider pertinent information
3 contained in the Sandea National Laboratories study. The
4 short 45-day period over a busy holiday season in order for
5 us to personally review the contents of this 600-plus page
6 document is totally insufficient.

7 The people of Rhode Island respectfully request
8 that FERC extend the comment period for an additional 60 to
9 90 days, conduct more public hearings in the affected
10 communities and prepare a supplemental DEIS which
11 incorporates critical information that did exist when the
12 DEIS was issued.

13 We do not make this request lightly, but we
14 believe that there are serious procedural and substantive
15 defects in the way that this licensing process is being
16 conducted and that these defects prejudice the legal rights
17 of Rhode Island citizens to participate in the review
18 required by the National Environmental Policy Act.

19 Procedurally, FERC has rushed to judgment by not
20 waiting for the Sandea National Laboratories imminent
21 release of what FERC knew to be the critical component of
22 any genuine environmental analysis. That study was due in
23 May and we waited the pursuing months. And I know I e-
24 mailed the laboratory back a couple of months ago, knowing
25 that this information is so vital to this analysis. And

1 you've provided insufficient time to critically review and
2 analyze the DEIS, which the applicant and FERC have been
3 working on for months.

4 Substantively, FERC has failed to take a hard
5 look at this project, which is required NEPA. In fact, it
6 seems more like you looked the other way in concluding that
7 the risks associated with LNG supertankers was "acceptable"
8 and that the risk could be managed.

9 Now I'd like to turn to some of the charts.
10 Given FERC's failure to do its job, that is, to take a hard
11 look at the issues raised in this case, we decided to do
12 some of the work for you.

13 (Applause.)

14 MR. ROBERTI: Incidentally, all the images that
15 I'm going to show there are extra copies out in the lobby.
16 And I invite everybody to take copies home and spread the
17 word so that more people understand exactly what's at stake
18 in this case.

19 (Slide.)

20 MR. ROBERTI: Now Image No. 1 -- we obtained a
21 highly qualified visual expert to generate images concerning
22 the latest information of the Sandea study. Image 1 shows
23 the regulation zones for when the tanker is docked at the
24 terminal. As you can see, in the event of a deliberate
25 attack, the consequences are devastating, particularly,

1 within the red zone where buildings would ignite and severe
2 public safety hazard would exist to people.

3 The area includes critical energy infrastructure,
4 chemical plants and the MDC's sewage treatment facility that
5 serves the entire Providence metropolitan area. The orange
6 zone is the area where risks of second-degree burns to
7 people would exist. It includes multiple schools,
8 universities, two interstate highways, hospitals -- two to
9 four hospital, including the state's trauma center and many
10 residences.

11 (Slide.)

12 MR. ROBERTI: This second image extrapolates the
13 same information from the Sandea study, which shows where
14 FERC proposes to allow LNG supertankers to pass every two
15 days up and back down Rhode Island greatest natural and
16 recreational resource, Naragansett Bay. As you see, for
17 example, in the event of a deliberate attack down around the
18 Newport area, a serious threat would exist to the Newport
19 toll bridge, the U.S. naval base facilities along Newport
20 and Middletown, including the Naval War College as well as
21 Newport Harbor and the adjacent areas of the city. The
22 impacts are really extraordinary.

23 (Slide.)

24 MR. ROBERTI: Image No. 3 represents the expected
25 security moving zone. And this fell off here but this

1 represents an approximate size of the security zone that
2 would be need to be around these ships. And, in that zone,
3 as it moves up the bay, the entire east half of Providence
4 River recreational and commercial vehicles will be
5 prohibited if a tanker passes through.

6 Here, the path of America's premiere yachting
7 destination and rely on its largest horse destination, which
8 is visited by tens of thousands of people on an average
9 summer day. Tourism happens to be a multi-billion dollar
10 industry in Rhode Island and is probably the state's largest
11 industry. And, incidentally, there are a number of
12 additional marinas all up and down the east passage because
13 that's the path that Rhode Island wants to follow with its
14 resource -- Naragansett Bay.

15 (Slide.)

16 MR. ROBERTI: Image No. 4 -- in contrast, this
17 image, despite the death and destruction zones for an
18 offshore terminal proposal by Accelerate Energy, called the
19 Northeast Gateway Project, which is situated about 12 miles
20 off of the Massachusetts coast in federal waters. And I
21 point out that, as you probably -- you may or may not know,
22 Accelerated Energy is expected to activate similar offshore
23 terminal operations in the Gulf of Mexico in a matter of
24 weeks.

25 As you can see, in contrast to the urban setting,

1 a breach of an LNG supertanker, whether deliberate or
2 accidental, poses no dangers to any schools -- and this is
3 the zone right out here. We've represented the superimposed
4 scene, thermal radiation zones and poses no danger to any
5 schools, highways, hospitals, other LNG/LLP fuel tanks and
6 critical infrastructure.

7 Note also that the cost of security out here are
8 de minimis compared to what is necessary to secure the 29-
9 mile nautical route up Naragansett Bay; and, additionally,
10 the area around the terminal itself while the tankers are
11 parked there for a 24-hour period.

12 Now regarding your analysis concerning safety
13 issues posed by converting the KeySpan facility into an LNG
14 terminal. I have brought today -- yesterday I did receive a
15 report -- and our office has retained Dr. Jerry Haden from
16 the University of Arkansas, who, as you know, is the
17 preeminent expert in the field concerning the calculation of
18 thermal radiation and vapor exclusion sites.

19 His primary conclusion is that FERC's analysis is
20 "incomplete, erroneous and misleading" and that it contains
21 "significant omissions and errors." He has raised a serious
22 safety concern regarding the potential for a catastrophic
23 failure and collapse of the LNG tank in the event that a
24 stow were to occur in the terminal operations.

25 This study prepared by Dr. Haden should make it

1 very clear that not only does he want everything analyzed
2 because FERC has accepted all of KeySpan's calculations,
3 just as it has accepted its threat analysis and just as it
4 has accepted its assumption that recreational boaters will
5 only delayed 16 minutes. But the report makes clear that
6 the converted, antiquated, 30-year old facility just simply
7 cannot be converted into a state-of-the-art LNG terminal
8 without poses serious safety issues.

9 FERC's blessing for allowing KeySpan to park
10 1000-foot LNG tankers within the federal channel, which is
11 the state's major nautical thoroughfare up Naragansett Bay,
12 is unwarranted and objectionable. This can hardly be deemed
13 to be in the public interest.

14 (Slide.)

15 MR. ROBERTI: I want to show you one last image.
16 This image shows the future of the Providence and East
17 Providence waterways, which have been given a shortshift in
18 the DEIS. FERC is essentially ignoring the real and immense
19 revitalization efforts that are unfolding along the
20 waterfronts of Providence and East Providence to the tune of
21 billions of dollars.

22 And lastly, on the security issue, the upcoming
23 issue -- the security and safety of our citizens around the
24 terminals and along the 29-mile nautical journey up
25 Naragansett Bay, I'm sorry to say that you have fallen down

1 on the job. You somehow have reached the conclusion of the
2 LNG supertankers are manageable and acceptable. However,
3 the Sandea National Laboratory now provides confirmation
4 that the consequences and potential breach of the LNG
5 supertanker are extraordinary.

6 More over, the Sandea study makes it clear that a
7 credible attack on an LNG supertanker could involve the
8 breach of more than one container, which up until this point
9 was deemed incredible by both FERC and the industry. We now
10 know that it is credible. For instance, if a terrorist
11 could obtain access to one of these ships -- say, when they
12 are docked in the board of origin such as Nigeria, Algeria,
13 Oman, Katara, Trinidad, Egypt and then planted explosives in
14 more than one location on the ship and simultaneously
15 detonated the explosives, then you would likely have a
16 breach of three containers as cited in the Sandea study.

17 And you will note on page 51 or 53 of the Sandea
18 study that there's a statement in there that there is an
19 assumption that three breached scenarios assumes at the
20 release of the contents of the LNG from the three
21 compartments happens simultaneously as it's showing the
22 emission of a potential threat.

23 These ships are almost a thousand feet long.
24 And, if you've every been on one of them, as I did when I
25 accompanied Attorney General Lynch on the tanker of Boston

1 on its 7 mile journey through Boston Harbor to the terminal
2 in Everest, you will agree with my contention that one would
3 have great difficulty finding hidden explosives because the
4 size of the ship is absolutely immense. The chance for a
5 cascading failure in the remaining compartments is real as
6 attested to by the Sandea study as well as Dr. Haden in his
7 report. In other words, we could have a total release of
8 the LNG contents in a supertanker in the event of a
9 deliberate attack.

10 The consequences and the impacts of such a
11 scenario need to be examined in a supplemental DEIS. This
12 is especially the case since we now know that contrary to
13 the early representation by the Coast Guard to a
14 representative of Congress that the insulation in some ships
15 is, in fact, highly flammable.

16 In the DEIS, however, for both the KeySpan and
17 the English Cove proposal, FERC has always assumed that a
18 supertanker, in the event of a deliberate attack, would
19 release no more than one half of one compartment of the five
20 compartments for about 10 percent of the supertanker bode.
21 That assumption can no longer stand. The DEIS has failed to
22 consider and evaluate what are the consequences of a much
23 larger release of LNG and therefore the supplemental DEIS is
24 necessary.

25 While the risks and consequences of an LNG spill

1 along densely populated communities along these waterways is
2 the most important issue in the case, FERC has opted to
3 accept the contents of a threat analysis financed by the
4 applicant KeySpan. At the DEIS scoping sessions back in
5 May, I believe it was, we specifically asked FERC to examine
6 what would happen if a plane crashed into a LNG supertanker.
7 The suggestion was dismissed out-of-hand as unrealistic.
8 Prior to 9/11, no aircraft could be used as a weapon to
9 attack and kill people. And the U.S. Department of Defense
10 headquarters at the Pentagon would have said it's not
11 realistic, but it happened.

12 Since you represent the same federal government
13 which could not prevent such an attack on its own military
14 headquarters, we find it extremely difficult to accept your
15 conclusion that the same military apparatus could prevent
16 such an attack here.

17 (Applause.)

18 MR. ROBERTI: It all comes down to threat. If
19 the threat exist, the project cannot go forward. The
20 federal licensing process will only work when it respects
21 the will of the states that seeks to govern it.

22 I'm here to tell you that the Attorney General
23 has commissioned an independent threat analysis. We've
24 retained Richard Clark from Good Barber Consulting out of
25 Monroe, Virginia to provide us with an independent threat

1 analysis. Mr. Clark, as many of you may know, is highly
2 qualified to conduct such an analysis as he is
3 internationally recognized as an expert on homeland security
4 and counter-terrorism issues. And he also worked as a
5 presidential advisor for 11 years, spanning three
6 presidential administrations.

7 In conclusion, it is clear that at this point
8 this proposal raises far more questions than there are
9 answers. A supplemental DEIS is clearly necessary to
10 resolve the unanswered questions. But, most of all, we need
11 more time. Thank you.

12 (Applause.)

13 MR. SWEARINGEN: Thank you.

14 Next is Hope Pilkington followed by
15 Representative Raymond Ellison.

16 MS. PILKINGTON: Good evening. My name is Hope
17 Pilkington. I reside in the Edging section of Cranston. My
18 home is located on Still House Cove, which is just north of
19 the Paxtuent area. I strongly oppose the proposal.

20 After 9/11, during a conversation with a public
21 safety official I asked what would happen if terrorism
22 occurred at Fields Point. His reply -- it would be felt 8
23 miles in all direction, depending on the weather. We're
24 told that only 2000-plus homes for one mile would be burned
25 to a crisp. But, for the sake argument, let's say it's 4

1 miles. That's Route 95, 37, Route 10 -- all the highways
2 burned down, three universities, a college, a junior college
3 campus in town, a dozen high schools in two cities, 6 junior
4 highs, 15 elementary schools and the Mokeva Farm, 4
5 hospitals -- the Rhode Island campus, plus St. Joseph's
6 Hospital, the state's major trauma center, T.F. Green
7 Airport and many, many thousands of homes. That is if it
8 occurs either by accident or by design.

9 We've been assured that proper care will be
10 taken. The Coast Guard will stop all LNG transportation,
11 all recreational boating on Naragansett Bay during LNG
12 transportation. The state police will stop the bridge
13 traffic regardless of commuter or tourist timelines.
14 Traffic on the newly relocated 195 will most likely be
15 impacted. In addition, commuter traffic on roads leaving in
16 and out of Providence, the homes over the lovely bay will
17 most likely suffer devaluation affecting local taxes. So
18 what is the real cost of lowering fuel expenses for the New
19 England region and why must Rhode Island bear the burden?

20 The financial cost is not my major concern.
21 Fields Point will not be attacked by sea or land when it is
22 so easily accomplished from the air. The LNG facility lies
23 near and under the arrival point path of T.F. Green's main
24 runway. Planes arriving from the south and the west all
25 turn or approach right over the tanks. This runway, R23,

1 serves the airport all day and all night. During inclement
2 weather conditions and when planes are stacked up, yes, the
3 control tower is closed. Planes are shepherded in from
4 Nashua, New Hampshire. The airport is not closed that
5 night.

6 T.F. Green is posed to expand in spite of the
7 health, the safety, the pollution problems, which will bring
8 bigger planes, more traffic right over the LNG tank. This
9 is a recipe for disaster.

10 In the months since September 11th, it became
11 apparent that those governmental agencies charged with the
12 one thing that all Americans expect from their government,
13 protection, were not communicating effectively. What will
14 it take? Will the lowering of an economic utopia blind FERC
15 and the FAA? Will the supposed needs of a region supersede
16 the safety of hundreds of thousands of souls? Or will
17 common sense prevail?

18 Now we are at Roger Williams Middle School. Will
19 the very land that Roger Williams was given to establish the
20 13th colony be the victim of greed disguised progress? All
21 the unheeded lessons of history repeat themselves, thus,
22 making Rhode Island the expendable, the unlucky 13th colony.

23 (Applause.)

24 MR. SWEARINGEN: Thank you.

25 Next Raymond Ellison followed by -- I can't read

1 it but it's the town administrator for the Town of Bristol.

2 MR. ELLISON: Good evening. I just want to say
3 first of all my name is Raymond Ellison, Jr. I am a member
4 of the House of Representative from District 69, which is
5 Bristol and Portsmouth. Previously, Save Bristol Harbor had
6 submitted a petition with over 1000 petitions which were
7 opposed to this proposal as well as the Williams Cove
8 proposal. I also want to note that for the record, please.

9 I am vehemently opposed to the expansion of the
10 KeySpan facility. The expansion of this facility will
11 seriously compromise the safety of the residents, not only
12 in the area but also those living along the tanker route.
13 Also, within this particular area is Rhode Island Hospital,
14 Hasborough Children's Hospital, Women and Infants Hospital
15 and much of the downtown Providence and the waterfront along
16 East Providence.

17 I'm also concerned for the tank on the KeySpan
18 facility. Previously, a state building code's official
19 noted that this tank was built prior to 1976 and it does not
20 meet the current Rhode Island State building code. It is
21 also located on an earthquake fault and no one can say with
22 certainty when an earthquake is going to happen or what
23 magnitude will happen in this particular area. And we all
24 just have to look to what happened recently in the Indian
25 Ocean with the earthquake and tsunami. You can see that

1 they are so unpredictable and that this particular tank
2 being on an earthquake fault, we cannot guarantee the
3 safety.

4 The Sandea Lab's report also calls into question
5 the safety of the tankers entering into Narragansett Bay. The
6 Sandea report notes the one-mile radius for the fallout area
7 from a tanker fire -- parts of Bristol, parts of Portsmouth,
8 all of Prudence, Iowa are within that one-mile radius.

9 The commandant of the Coast Guard previously
10 stated that the Coast Guard cannot guarantee the security or
11 safety of a port or a tanker from a terrorist on a suicide
12 mission. With that in mind, the tank and these tankers
13 entering Narragansett Bay present targets of opportunity.
14 Enforcement of the safety zone around tankers present
15 disruption to commerce on Narragansett Bay. It also calls
16 into question the enjoyment of Narragansett Bay which was
17 previously testified to by Paul Roberti and disrupts the
18 entire use of Narragansett Bay. Narragansett Bay is a vital
19 economic link for the State of Rhode Island, not only for
20 commerce purpose, but also for recreational purposes.

21 Enforcing the safety zone along the route of a
22 tanker coming into Narragansett Bay adversely affect the
23 communities along the tanker route. There would be serious
24 financial concerns that these communities will have in
25 providing safety for the tankers. As FERC has previously

1 noted, some 30 to \$40,000 have to be expended by each
2 community for the safety of one of these particular tankers.

3 Even along the route, the shoreline facilities
4 that would be along the route of a tanker coming into
5 Naragansett Bay -- facilities such as Cole State Park may
6 have to be closed as one of these tankers would be entering
7 the Bay.

8 I also urge FERC to extend the comment period
9 beyond January 24th for an additional 90 days. By limiting
10 the comment period to January 24th, which was over the
11 holiday period, raises serious concerns that this project
12 may not be on the proverbial fast track and the citizens or
13 what have you be damned.

14 (Applause.)

15 MS. MEDERIS: I am Diane Mederis. I am the
16 Bristol County Administrator, newly elected, I might add.
17 My purpose this evening is place on the record, on behalf of
18 the citizens of the Town of Bristol, our opposition to the
19 expansion of liquified natural gas terminals in the Fields
20 Point area of Providence.

21 As the elected town administrator, and by virtue
22 of our town charter as the director of public safety, I join
23 with the Bristol Town Council who will be reiterating their
24 opposition at tomorrow night's council meeting to this
25 proposal. I will outline our concerns. With public safety

1 and security attacks associated with this proposal yet to be
2 thoroughly studied, and an estimated 75 tankers per year
3 circling our Bay to make these deliveries, the close
4 proximity of the proposed site to our town and residence is
5 most disturbing concerning the catastrophic results in the
6 event of an accident or an attack.

7 The impact on the environment, particularly, the
8 sensitive shellfishing industry in Bristol, and recreational
9 boating, due to this tanker traffic will be dramatic and
10 disruptive and potentially devastating. Financial resources
11 will be necessary to provide for the safety and security
12 associated with the deliver of the natural gas. And local
13 communities have not planned for, nor have they budgeted
14 for, these additional expenses.

15 Bristol is one of the communities designated as
16 being at highest risk according to the Coast Guard.
17 Bristol's officials are concerned that no assurances can be
18 given that our citizens will be protected in the event of
19 possible terrorist attacks or accidents. As Rhode Island's
20 Attorney General has said, LNG should not move ahead until
21 the public safety and security impacts associated with any
22 conceivable worst-case scenario are identified. We echo his
23 sentiments in opposing the KeySpan terminal upgrade proposal
24 and join with numerous public officials in Rhode Island and
25 thousands of our residents opposed to this expansion of the

1 Fields Point facility. Thank you.

2 (Applause.)

3 MR. SWEARINGEN: Next we have Mr. Keyworth
4 followed by Lloyd Turrett.

5 MR. KEYWORTH: Thank you for the opportunity to
6 be here. My name is Michael Keyworth. I'm speaking for the
7 Rhode Island Marine Training Association.

8 One might wonder why we're here. But, according
9 to a study done by the Economic Development Corporation, the
10 marine industry is a \$4.1 billion industry in the State of
11 Rhode Island and it seems like we have a stake in things.

12 Our major objection to the project would be its
13 disruption to the marine activities. Last year there were
14 over 162 maritime events that were sanctioned -- regattas,
15 boating events that would be seriously disrupted by the
16 transportation of LNGs up and down the Bay. The proposal
17 calls 50 to 60 trips a year, which would greatly impact
18 every event that occurs.

19 We recognize the need for additional gas supplies
20 to the region and suggest and recommend strongly that other
21 alternatives are sought. We also expect to submit formal
22 public comments, but would also echo the thought that we
23 extend the comment period so that we have a chance to review
24 it more completely.

25 Again, I would like to seriously voice our strong

1 opposition to the proposal. Thank you.

2 (Applause.)

3 MR. SWEARINGEN: Thank you.

4 Next we have William Turrett followed by Carolyn
5 Swift. Mr. Turrett?

6 (No response.)

7 MR. SWEARINGEN: Okay. We'll move on to
8 Carolyn Swift.

9 MS. SWIFT: I'm Carolyn Swift. I'm here
10 representing myself. I live within two miles of Fields
11 Point -- really right across the river and I am scared. And
12 the more I've listened tonight the more scared I became. I
13 do not feel protected by the government. I feel, indeed,
14 that at this point they're more interested in protecting
15 industry.

16 I'd like to know where the CEOs of KeySpan live?
17 Where are their offices? We have some lovely houses near
18 Brown -- colonial houses that I'd be very glad to try to
19 sell them. Or they could, perhaps, buy beautiful estates
20 near Metacolic Golf Course. All of these are within two to
21 three miles of Fields Point -- lovely areas. I bet they
22 don't live there.

23 That's really all I have to say. Thank you very
24 much for all the testimonies. Thank you.

25 (Applause.)

1 MR. SWEARINGEN: Thank you, Mrs. Swift.

2 Before we go on, is there anybody that's signed
3 up to speak who is in need of an interpreter?

4 (No response.)

5 MR. SWEARINGEN: Okay. The next person that we
6 have signed up is James Tarragon followed by Mark Russo.

7 Mr. Tarragon?

8 (No response.)

9 MR. SWEARINGEN: We'll move on to Mark Russo.

10 MR. RUSSO: My name is Mark Russo and I'm like
11 Mrs. Swift that just talked. I don't just represent myself.
12 I'm the attorney for the City of East Providence. And we've
13 been very active in the FERC and will obviously file written
14 comments. But I wanted to use tonight to echo some of the
15 statements made by Paul Roberti. And not to point to FERC,
16 but to point to some agencies in our own state.

17 I brought with me here, and I'll leave a copy --
18 I've heard many people talk about the plans for East
19 Providence and the waterfront. Well, they're depicted in
20 this with high density residential development, mixed
21 commercial. This is the future of the city. And you heard
22 Mayor Cizilini talk about the future of Providence across
23 the river. It's just the same. Yet, if you go into the
24 application filed by KeySpan at Section 5, you'll find a
25 land use plan that has none of this. And, in my business

1 where I represent clients before courts, if I filed an
2 exhibit like that, that bear no resemblance to the truth,
3 I'd probably end up writing a check to somebody.

4 So we don't have to just look to FERC to say how
5 do we get to the bottom of this? How do we get some of the
6 information that people have mentioned here tonight?
7 They've all been very good points. Not only is this plant
8 part of East Providence's comprehensive plan, it's part of
9 the state guide plans, the state guide plans administered by
10 the Office of Statewide Planning. They're suppose to have
11 detailed procedures on this and they're suppose to submit
12 comments to FERC. Well, guess what, they haven't done
13 anything and they've asked for an extension. I just talked
14 to them today and they're going to ask for another
15 extension. So get on the phone, call the Office of
16 Statewide Planning and say let's submit the comments.

17 KeySpan is also suppose to do a physical impact
18 analysis. You've heard many people say what is this
19 actually going to cost. Well, KeySpan hasn't done that. If
20 you look at Section 5.9 of the application, there's no
21 physical impact analysis. That's something else Statewide
22 Planning should insist upon.

23 Coastal Resource and Management Council --
24 they've had an application pending. They're supposed to
25 have detailed hearings. They haven't done anything yet.

1 Get on the phone to them. Get on the phone to the
2 governor's office. There's lots of things that we can do
3 right here in Rhode Island. There was, I think, a woman up
4 here a few minutes ago that mentioned the airport and the
5 potential threat in the air. East Providence has written to
6 the Airport Corporation saying can you assess this for us?
7 We've got nothing back. Call them.

8 We've got to come at this from a number of
9 different points. The state has got to group together. The
10 Attorney General has taken the lead. We've worked closely
11 with them. They've been very active. You can see the type
12 of experts that they've hired. Well, it's kind of like one
13 hand clap because we haven't gotten the assistance from
14 other state agencies. So I urge a lot of the people here,
15 not only to get your comments to FERC, but we've got to
16 force our own folks to do their job and to properly assess
17 this so, at the end of the day, it's just not us pointing
18 out to FERC that KeySpan has submitted an application with
19 exhibits that have no bearing to the truth, but its our
20 Office of Statewide Planning saying it. It's our governor's
21 office saying it. It's Cultural Resources Management
22 Council saying it. Because I can pretty much assure you
23 that this plan and Providence's plans for their waterfront
24 will not come to fruition if you put and expand an LNG
25 facility there. It won't happen. And it would be a shame

1 if the only people commenting on this for the state is the
2 two cities and the Attorney General's office.

3 Hopefully, more communities and more people in
4 the state will be like the Town of Bristol tonight and come
5 here and take an active participation, get comments in and
6 do what they're supposed to do so that FERC has the
7 information that they need.

8 That's what we came here to say tonight. There's
9 a lot of other people that should be involved in this and I
10 appreciate FERC's time tonight and offering the draft EIS
11 that FERC's staff has implemented in their comments that
12 they made. We're going to have more coming.

13 We join in asking for an extension. I don't have
14 any confidence it will be granted. I think on the 24th
15 we'll probably see our comments. But I hope we can get an
16 supplemental DEIS to be issued so that we can get some of
17 these other comments, specifically, from the Office of
18 Statewide Planning so that you can see how adversely
19 impacted our state guide plans and our future plans for our
20 state will be by this development. Thank you.

21 (Applause.)

22 MR. SWEARINGEN: Thank you, Mr. Russo.

23 Next we have Fox Point Business Association.

24 MS. SCHNEPEL: I have a hard name.

25 MR. SWEARINGEN: The handwriting was throwing me

1 for a loop up here.

2 MS. SCHNEPEL: My name is Daisy Schnepel. I am
3 now the acting secretary of the Fox Point Citizens
4 Association. Our neighborhood is within two miles of the
5 Fields Point suggested area. Our board of the Fox Point
6 Citizens met last night. We oppose the terminal for all the
7 reasons aforementioned and because it naturally will
8 adversely impact our shoreline neighborhood were there to be
9 a catastrophe. You will receive a letter confirming our
10 position and I thank you very much for this forum.

11 (Applause.)

12 MR. SWEARINGEN: Thank you, Ms. Schnepel.

13 Next we have Steven Fischeach who will be
14 followed by -- I'll get to the next person after this.

15 MR. FISCHBEACH: Hi. My name is Steven Fischeach.
16 I'm also here representing myself.

17 It's even truer now that most people have gone,
18 but I'm probably one of the few people in this room when it
19 was full from Rhode Island that has been in all of the
20 scoping meetings in Providence that was held about this
21 project.

22 And, based upon my participation in those
23 hearings, and based on the record that FERC has created, I
24 have to strongly urge that FERC be removed from any
25 additional role in considering environmental impacts related

1 to this project because it has proven incapable of
2 objectively assessing those environmental issues.

3 (Applause.)

4 MR. FISCHEACH: I want to go through the
5 record --

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1 MR. FISCHBEACH: -- of the prior events, because I
2 think it clearly proves the point that no matter what we say
3 here it doesn't matter. I find that extremely offensive
4 that you all from FERC have the nerve to come here and say
5 oh we want to hear your opinion and then you completely
6 ignore it and say we had a public process. Your process has
7 been a sham. You should go back to Washington and remove
8 yourself from any further role in this project.

9 (Applause.)

10 MR. FISCHBEACH: Many of the other speakers have
11 made some of the points that I wanted to make about the
12 Draft EIS. I think the fact that the EIS came out just
13 before the Sandia report alone shows the bad faith of FERC.
14 FERC is a part of the Department of Energy and Sandia Labs
15 is related to Department of Energy, and surely one knew what
16 the other was doing. We're not a bunch of fools here. You
17 could have waited for the Sandia report came out before
18 issuing this, now people here are saying issue a new Draft
19 EIS. I agree with that, but it shouldn't be done by you,
20 because again you've proven yourself incapable of
21 objectively assessing environmental impacts.

22 One of the clear errors in your report is your
23 conclusion that there are no environmental justice impacts.
24 This is an outrage, because you've equated the risk of
25 people who live near this facility who are overwhelmingly

1 people of color and low-income to those who live in the
2 transit route, who are much higher income and predominantly
3 white. That's not just incompetence, members of FERC,
4 that's racism. Plain, clear racism.

5 (Applause.)

6 MR. FISCHUACH: This facility exists today and
7 the risks that are on the Attorney General's charts are
8 already borne by low-income people of color who live in this
9 neighborhood. You ignored that. You act as if it doesn't
10 even exist. That is another indicia of your bias and your
11 incompetence and your lack of qualifications to
12 independently and objectively assess environmental impacts.

13 Now let me turn to the record, because the record
14 speaks for itself. At the July 7th scoping meeting, I asked
15 a question, and I'm going to read from pages 41 to 42:

16 "Participant: I have one more question, and I'll
17 be finished. Worst-case scenario in this project. If it
18 was catastrophic and you had an accident or terrorist
19 attack, how many people are projected to die and how many
20 people are projected to be seriously injured either by
21 burning or in any other type of injury.

22 "Answer: Okay. If you're asking the question
23 about the specific project, in general, what we're doing
24 here tonight is to get your concerns. We look at it and
25 we'll present the results in an EIS. This forum is not, you

1 know, for this particular project. It's not set up to deal
2 with questions like that off-the-cuff. That would require
3 several months of our analysis. When the DEIS comes out,
4 there will be a safety section and that -- I'm not going to
5 speak to that, but there will be a safety section that, you
6 know, may address your question and at that point if you
7 feel like an answer is not adequate, then you can make a
8 comment and we'll look at it again."

9 Well, here I am again. Your Draft EIS did not
10 make any estimate of the number of people who would be
11 killed or the number of people who would be injured. Like
12 other parts of the Bush Administration, when there is a fact
13 that does not support your course of action, you ignore it.
14 And when the facts don't exist to support your position, you
15 make them up. And your lack of finding of significant
16 environmental impacts and finding lack of environmental
17 justice concerns is exactly that, it's a manufactured fact
18 to support the result which is approval of this project.

19 Now let's turn to the first scoping meeting where
20 I asked during my testimony that certain factors be
21 considered in a draft EIS, so I'm going to go through them
22 one by one and state whether or not they have been done.
23 This is on page 45 of the transcript from the June 3rd
24 scoping meeting. And this is my testimony:

25 "So the type of factors that you should consider

1 in your EIS need to include the number of housing units that
2 are destroyed compared to other sites." Not done.

3 " -- the number of schools that are destroyed
4 compared to other sites." Not done.

5 " -- the number of hospital facilities that are
6 destroyed compared to other sites." Not done.

7 " -- the environmental impact of the construction of
8 a sewage treatment plant located right nearby both on the
9 Narragansett Bay environment and on the communities whose
10 sewage will likely be backing up." Not done.

11 " -- the destruction of interstate highways and the
12 impacts that will have on the ambient air." Not done.

13 " -- the synergistic effect of an explosion in an
14 area containing multiple fuel tanks, because this LNG tank
15 is not the only fuel tank in the surrounding vicinity." Not
16 done.

17 " -- the release of toxic materials into the air as
18 a result of a catastrophic explosion both coming from the
19 facility itself and from the facilities in the adjoining
20 area." Not done.

21 Because if you go on to the environmental justice
22 mapping tool that EPA has available, there are a number of
23 facilities in this area where toxic materials are handled on
24 a daily basis. Your record shows your bias. You are
25 incapable of adequately and independently assessing the

1 environmental impacts. I asked for all of those things to
2 be included in a Draft Environmental Impact Statement. Not
3 one of them was included. You should be ashamed of
4 yourself. You are not capable of objectively assessing this
5 project and you should remove yourself -- and in fact our
6 Congressional delegation, our state delegation, elected
7 officials all need to call Washington and ask that FERC be
8 removed from any future role with this project.

9 (Applause.)

10 MR. SWEARINGEN: Thank you, Mr. Fischuach.

11 Next we have State Senator -- and I apologize,
12 but I'm unable to read that handwriting.

13 (No response.)

14 MR. SWEARINGEN: Okay. I don't want to miss you
15 if you're here.

16 Okay. The next person that we have is
17 Representative Joe Almeda.

18 (No response.)

19 MR. SWEARINGEN: Okay. The next on the list is
20 Jennifer Bonvoloir.

21 (No response.)

22 MR. SWEARINGEN: Okay. The next on the list Mike
23 Carreiro.

24 MR. CARREIRO: Good evening, Mr. Chairman, and
25 members of the Committee. My name is Michael Carreiro, C-a-

1 r-r-e-i-r-o. Tonight I'm here on behalf of the United
2 Association of Plumbers, Pipefitters, and Sprinkler Fitters
3 of the United States and Canada, Local 51, with a place of
4 business on Hemingway Drive in East Providence. Tonight I
5 thank you for the opportunity to address you. You know,
6 this is true democracy, you know, in action where citizens
7 can come together, offer their opinions, and you, in turn,
8 will take them into consideration when you make your
9 deliberations.

10 You know, having the ability to participate in
11 this process, you know, I'm proud to be a citizen of this
12 nation. And I do think you're a competent, you know, to
13 make this decision. No matter who the president of this
14 country is, the members of my organization when they get
15 together monthly to meet, they start with the Pledge of
16 Allegiance. You know, we believe -- you know, we have our
17 elections every two to four years and whoever is in charge
18 is in charge and we believe they will put the proper people
19 in there to do business. We might disagree and have
20 different opinions, but so be it.

21 The fact remains this country is terrorized,
22 terrorized as a result of 9/11. And it's also the fact that
23 we're in the middle of an energy crisis. And people in this
24 country have the not in my backyard attitude, be it a
25 nuclear plant, a fossil fuel, you look what's happened off

1 Cape Cod, there's a group that wants to put in, you know,
2 wind turbines out in the water. And there's people against
3 that.

4 But that's the beauty of being a citizen of this
5 country. What the Plumbers and Pipefitters Union has to
6 offer, together with the 14 other building trades which
7 represent about 30,000 working men and women of Rhode Island
8 and Southeast Massachusetts -- we're skilled workers, we
9 live in the region, we pay taxes, and what we'll bring to
10 the table when this project is permitted is skilled local
11 residents to build this. They're not going to import labor
12 to do this. We live in the communities. What the Plumbers
13 and Pipefitters Union asks is -- practically every
14 tradesmen, men and women, are graduate apprentices. They're
15 certified welders and certified pipefitters, plumbers, and
16 sprinkler fitters with state licenses. I'll list the jobs
17 we work on: nuclear, pharmaceutical, the hospitals, the
18 heat that you put in your schools -- obviously, it's not
19 working too well there, but I think they may have turned the
20 thermostat down.

21 But I mean that's what we bring to the table. We
22 develop a relationship with the developers and the
23 permitting process, the insurance -- they're using our labor
24 because they know we're the best in the business. Done once
25 and done right is our motto and that's what we happen to

1 bring to the table. I hope you'll take those comments into
2 consideration in your deliberations.

3 And one thing I'd like to just comment on, I
4 don't know if this is fair but I wasn't prepared for it, but
5 I heard officials from East Providence and the Mayor of the
6 City of Providence. They discussed a plan for the
7 waterfront property. Now to the best of my knowledge, the
8 existing facility is planned -- it's zoned for this type of
9 facility. It's industrial. I think what the Mayor is
10 talking about, taking existing industrial commercial
11 property and turning it into residential. That's their
12 plan.

13 If we look at the history of, you know, the city,
14 when cities were formed, people came to the waterfront, that
15 was industry and commerce -- were turned into a waterfront.
16 Everybody wants to live on the water. But I think we have
17 industrial land on the waterfront in the City of Providence
18 and that's what's going to generate the tax basis and
19 economic development.

20 I thank you for your time and hope you'll take
21 this into consideration when you deliberate. Thank you.

22 MR. SWEARINGEN: Thank you, Mr. Carriero.

23 Next, we have Tim Byrne.

24 MR. BYRNE: My name's Tim Byrne and I'm
25 representing the Rhode Island 21st Century Labor/Management

1 Partnership. I would like to submit the following testimony
2 relating to the Draft Environmental Impact Statement for the
3 proposed Keyspan LNG facility.

4 Based on the findings of the DEIS, I would like
5 to urge the Federal Energy Regulatory Commission to approve
6 Keyspan's application to upgrade its existing LNG facility
7 in Providence. This is an important economic development
8 and energy project that will benefit the State of Rhode
9 Island. The 21st Century Labor/Management Partnership is a
10 coalition of unions and contractors that together represent
11 17 construction trade unions and their 400 signatory
12 contractors. Our union members are the skilled craftsmen
13 and -women that comprise the many different unions of the
14 Rhode Island Building Trades Council. Our unique
15 partnership is devoted towards fostering a beneficial
16 working relationship for labor and management in our
17 industry additionally. Our combined resources will provide
18 the construction industry marketplace with the best skilled
19 craftsmen available.

20 Contract members include the Rhode Island Chapter
21 of Associated General Contractors, the Rhode Island-
22 Southeastern Massachusetts Chapter of the National
23 Electrical Contractors' Association, the New England
24 Mechanical Contractors' Association. Construction trade
25 unions include Rhode Island Building Trades Council, the

1 Rhode Island Laborers District Trades Council, and the local
2 unions representing bricklayers, boilermakers, ironworkers,
3 plumbers, and pipefitters. Together we are committed to
4 working to improve the state's economy and to promote
5 policies and projects that will create jobs. The
6 construction phase of the Keyspan project alone will inject
7 upwards of \$100 million into the Rhode Island economy. It
8 will mean more than 100 construction jobs and 20-25
9 permanent new jobs.

10 The long-term effects of this project will be
11 far-reaching and will stimulate the Rhode Island economy.
12 Rhode Island is not alone in being impacted by this national
13 recession. Real median household income has declined in the
14 state since 2001 and is significantly below that for
15 Massachusetts. Rhode Island can do better and needs to take
16 steps to improve its economic climate so that more jobs and
17 better paying jobs can be created. It's not a stretch to
18 say that the high energy costs in this state are doing
19 nothing to attract or retain good high paying jobs.

20 Energy costs put our state at a competitive
21 disadvantage and are costing us jobs. The Providence
22 Journal wrote in 2003 that the Keyspan project could
23 indirectly create thousands of jobs. Natural gas is the
24 cleanest burning fossil fuel and more and more of the
25 region's power plants are running on it.

1 LNG is a crucial part of the energy picture here
2 in Rhode Island. We depend on natural gas to heat our homes
3 and workplaces and to generate almost all of our
4 electricity. But as it stands right now, we are literally
5 at the very end of the pipeline and there is only so much
6 gas that can flow through those pipelines. The only way to
7 keep up with the demand for natural gas and control the
8 energy prices that are costing us jobs is LNG. Let's not
9 forget that during the coldest days of last January in
10 Providence and throughout the rest of New England, close to
11 50% of the natural gas that warmed homes and created
12 electricity came from LNG. If LNG were not available on
13 those cold days, there would have been mass outages
14 throughout the regions.

15 Let me close by saying something about the safety
16 issues that have been raised. We live in a complicated
17 world. We face risks and safety issues all around us.
18 Those of us in the labor community are used to working with
19 those issues and working hard to minimize those risks. We
20 need to look at this proposal for what it is: an economic
21 driver that will impact every member of this community in
22 one way or another. In terms of the risks, I have faith in
23 the United States Coast Guard and the expertise and the
24 abilities of the people who will keep us safe from the risks
25 all around us every single day. Yes, it's an issue, but

1 it's one that is being managed. Knowing how much we need
2 the energy to heat our homes and fuel our economy, I urge
3 FERC and the working men and women throughout the state to
4 support this project.

5 Thank you.

6 MR. SWEARINGEN: Okay. Thank you, Mr. Byrne.

7 Next we have Alfred Lima.

8 MR. LIMA: My name is Alfred Lima and I'm a
9 resident of Fall River, Massachusetts, representing -- and
10 also a member of the Coalition for the Responsible Siting of
11 LNG Facilities.

12 I'd like to relate to the panel the experience
13 that we've had with taking the dry data that was in this
14 report and the other reports I've received and trying to
15 develop scenarios that would explain to us just what the
16 real-life impact would be from a spill from both a tanker
17 and the terminal. And what we did with it was to take the
18 scientific data that has been presented to my professor and
19 confirmed by the Sandia report.

20 And basically the conclusions that we've come to
21 are several. First of all, concerning the tankers, what
22 we've found and seems to be supported by the evidence is
23 that the tanker just can't be protected; they're entirely
24 vulnerable. The whole idea that it is possible to manage or
25 protect a tanker full from attack is virtually impossible

1 from what we can see. A speedboat can come from the
2 shoreline -- in the case of Fall River, only a short
3 distance from the shoreline, but also in Providence the
4 shoreline wouldn't be that far from a tanker and attacking
5 the ship could be done through internal sabotage or several
6 other different ways. So we have to accept the fact that
7 there's no way that, even though we have a flotilla, a fleet
8 of ships around a tanker to protect it, there really is no
9 way you can effectively protect a tanker. All you'd need to
10 have is one incident to be devastating. So that's our first
11 conclusion.

12 Secondly is that the EBS study and Professor Faye
13 basically made the assumption that only one-half of one
14 compartment of a tanker would explode. But in point of
15 fact, that's been presented in various forums, that
16 demonstrate -- and the Sandia report finally confirms it --
17 not just one tanker would be released, that the tanker would
18 be -- the fire from the initial compartment would result in
19 the release of at least two of the other compartments, but
20 probably all five because it's unlikely that only one or
21 three of the compartments would be destroyed because of the
22 effect of the melting of the insulation on the other
23 compartments or also the cracking of the steel based on the
24 supercooled liquid coming out of the compartments.

25 So basically even though Sandia says that the

1 overall intensity of the fire wouldn't increase that much by
2 the release of additional compartments, certainly the
3 intensity would increase somewhat, as would the length of
4 the fire -- or the term of the fire would increase.

5 Thirdly, from what we've seen on the experience
6 at Fall River that the evacuation for extensive near to the
7 tanker and, of course, to the terminal would be virtually
8 impossible. Certainly anyone living within a quarter of a
9 mile of the tanker would perish; there would be no way they
10 could escape. And even up to a half a mile and beyond that,
11 the intensity of the fire would be such that for all intents
12 and purposes, and especially given the panic of the
13 situation and the inability of the fire and police personnel
14 to remove individuals from neighborhoods -- whether they're
15 in Fall River or Providence -- there would be complete
16 inability to remove individuals from at least a half a mile
17 from the tanker. We have to assume that people will die
18 within a certain range of the tanker, and especially of the
19 terminal.

20 Fourth, from what we've been able to determine,
21 the compartments -- the first compartment will be punctured
22 and will be released, but the second and third and fourth
23 and fifth compartments will tend to explode because in the
24 sense of the melting of the insulation because the
25 compartments will tend to heat up and have no release -- or

1 the release valves won't be adequate to basically allow the
2 release of the gas as the LNG heats up. So what you'll find
3 is that instead of a fire, you'll have an explosion of the
4 additional compartments, the first, the second, and then the
5 third, the fourth, almost simultaneously -- certainly within
6 a half hour of one another -- which will tend to cause a
7 spray and far further, either fire or else the vapor would
8 extend beyond probably beyond the one mile radius that's
9 used in the current studies. But that fact hasn't been
10 factored into the APS study or the Sandia study, and so we
11 consider those studies rather very conservative.

12 The fifth point that hasn't been mentioned is
13 that these tremendous fires that will result -- the fire
14 will be anywhere between 900 feet and 1500 feet high -- and
15 I believe that's higher than the Hospital Trust Building.
16 These are very tremendous fires, very intense. One tanker
17 holds the Btu equivalent of 63 Hiroshima bombs. The heat
18 that you would find in 63 Hiroshima bombs is a tremendous
19 amount of heat.

20 And that would result not only in a certain
21 radiation zone but the conflagration and the fire storm that
22 will tend to spread along the whole area beyond the one mile
23 or the two mile radius of the immediate fire. This is the
24 kind of fire that no fire department can ever extinguish, so
25 the fire will basically keep on burning and burning until it

1 burns itself out and create its own windstorm.

2 And again it only has to happen once. That's the
3 scary thing about this whole thing. All we have to have is
4 one incident to destroy a whole city. It's a very scary
5 thought. I know that Condoleeza Rice and Commander Landry
6 have said that the government has to be right every time,
7 but a terrorist has to be right only once. And I think that
8 in the case where you have that kind of extreme risk, that
9 the only way to prevent this kind of awful event from
10 happening is to locate them and to locate LNG facilities in
11 remote areas.

12 Thank you.

13 (Applause.)

14 MR. SWEARINGEN: Thank you, Mr. Lima.

15 That's the end of our -- oh, come right up.

16 MS. BONVOULOIR: My name is Jennifer Bonvouloir,
17 I live in Jamestown, Rhode Island. That's B-o-n-v-o-u-l-o-
18 i-r.

19 We've heard a lot of things this evening. I'm
20 not going to go over all of them. I am actually very much
21 in favor of the LNG industry, but I'm in favor of it
22 offshore in a remote area, in an unpopulated area where it
23 makes sense.

24 As I mentioned, I live in the City of Jamestown,
25 or the Town of Jamestown. That's right here. I work in the

1 City of Providence; that's right here.

2 Dave, may I ask you, where do you live?

3 MR. SWEARINGEN: I live in Manassas, Virginia.

4 MS. BONVOULOIR: And may I ask the other FERC --

5 PARTICIPANT: I live in Gloucester, Rhode Island.

6 MS. BONVOULOIR: So --

7 PARTICIPANT: And I live in Smithfield --

8 PARTICIPANT: And I work in Providence.

9 MS. BONVOULOIR: The problem that I have found
10 with this whole scenario is that FERC has unilaterally --
11 can unilaterally make this decision. And the people who
12 live in any of these areas have no say in the matter
13 whatsoever. It seems incomprehensible to me that this
14 proposal has been considered, much less pushed through, by
15 yourself, Dave, by you -- and honestly, you know, it has.
16 And with the safety considerations and everything else, the
17 regional approach makes so much sense.

18 Captain Landry, I ask you: certainly the Coast
19 Guard can say, as you've said before, there is no way to
20 protect our waterway. There's no way to protect the
21 citizens with the terminal or with these tankers, these
22 thousand-foot tankers traveling through Narragansett Bay.
23 So I defer to you as well and beseech you to please make
24 your comments known so that you could do the responsible
25 thing. So that you, Dave, can please, I beseech you, do the

1 responsible thing, which is -- there shouldn't be an
2 extension. There should be no extension at all. The
3 proposal should just be denied for this particular site, for
4 the Fall River site, for sites in populated areas.

5 This is not a NIMBY thing, as I read in the
6 Providence Journal a few weeks ago and it got me so
7 incensed, because this is not not-in-my-backyard, this is
8 for my friends, my relatives, for like the people in
9 Southeast Asia where we all care about fellow citizens of
10 the world. You need to care about United States citizens
11 here.

12 So my last comment would be the government's
13 obligation and its responsibility, FERC's responsibility,
14 the Coast Guard's responsibility -- you all took oaths -- is
15 to protect the health and safety of its citizens. If this
16 project goes through, you will be failing us miserably. It
17 may not be in a month, it may not be in a year, but an
18 accident will happen. It will. Don't let it be on your
19 heads, don't let it happen, just please do the right thing
20 and put these in responsible areas where they belong. So
21 thank you.

22 (Applause.)

23 MR. SWEARINGEN: If there's anyone else who
24 wishes to make a comment on the Draft Environmental Impact
25 Statement, you're welcome to step forward and make those

1 comments.

2 (No response.)

3 MR. SWEARINGEN: Okay. If not, I'm going to go
4 ahead and close the meeting. Anyone who wishes to purchase
5 a copy of the transcripts, to do so, they will be available
6 for free after 10 days on the FERC website. If you are
7 anxious to get them before that, then you can meet with the
8 transcript fellow back here and make that arrangement.
9 Within our website, there's a link that gets you to those --
10 to the transcripts.

11 So on behalf of the Federal Energy Regulatory
12 Commission, I want to thank you all for coming here tonight,
13 and let the record show the meeting concluded at 9:40 p.m.

14 (Whereupon, at 9:40 p.m., the meeting was
15 adjourned.)

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