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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number
WEAVER'S COVE ENERGY L.L.C. AND : CP04-36-000
MILL RIVER PIPELINE L.L.C. : CP04-41-000
- - - - -x

Hearing Room 1
Federal Energy Regulatory
Commission
888 First Street, N.E.
Washington, D.C.

Monday, January 24, 2005

The above-entitled matter came on for conference,
pursuant to notice, at 9:35 a.m.

APPEARANCES:

COMMISSIONERS PRESENT:

CHAIRMAN PAT WOOD, III, Presiding
SUEDEEN G. KELLY

P R O C E E D I N G S

(9:35 a.m.)

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3 CHAIRMAN WOOD: First of all, I just want to say
4 that we've got a Court Reporter here, since this is an
5 ongoing proceeding and we're having a meeting on it, but the
6 best way to meet is on the record. So this transcript will
7 go into the record later.

8 But I want to thank you, Senator Kennedy, for
9 your interest, certainly, on behalf of your constituents.
10 And I know that Mayor Lambert has a lot of thoughts, and I
11 appreciate the other officials from the state and area here.

12 I just wanted to introduce my colleague, Suedeem
13 Kelly, who is a member of the Commission. Our other two
14 members are out of state today. They send their regards, as
15 well.

16 Mark Robinson is the head of our Projects area,
17 and if you've got any particular questions, the Project Team
18 for the Fall River Weaver's Cove Project is sitting right
19 behind us. We'll introduce those guys as they see fit.

20 If any of you all are interested in listening in,
21 the purpose of the day is to allow the Mayor and me to meet,
22 just like I do with anybody else in my office, but since
23 this is a case that's already been filed before the
24 Commission, to comply with our ex parte communication rules,
25 we're doing this as a publicly-observed meeting between the

1 officials and the Commissioners.

2 If y'all can't hear, feel free -- again, in an
3 informal format, feel free to pull up a chair a little
4 closer and listen in.

5 Senator Kennedy?

6 SENATOR KENNEDY: I want to thank you very much
7 and thank the Commissioners for giving us an opportunity to
8 join with you. We know we have approximately an hour of
9 time, and I think there are probably more of the public
10 officials here. That gives you some kind of an indication
11 of the importance and the significance of this particular
12 project.

13 My good friend, Jim McGovern, our representatives
14 that we're going to have -- my colleague, John Kerry, I know
15 is on his way, and we've had very strong representation from
16 the state of Rhode Island, and an extraordinary gathering.

17 First of all, we very much appreciate the chance
18 to visit with you, to underscore the importance that this
19 has to so many of the people that live in this community.

20 We know you've got a lot on your plate in terms
21 of making judgments and decisions. We also know that this
22 is a judgment and decision that is vital, not only because
23 of the energy issues that are raised with this, but because
24 of the security issue, as well.

25 I'm a member of the Armed Services Committee, and

1 I'm on the Research and the Advanced Technology
2 Subcommittees of the Armed Services Committees. We're
3 always looking at our labs, who have some of the best
4 scientists and researchers that exist in the country, and
5 one of the most important laboratories that we have is the
6 Sandia Lab.

7 They have done a rather exhaustive and extensive
8 review in terms of the security issues that are presented by
9 this kind of a siting. I know you'll have the chance to go
10 through that.

11 It does point out in its Executive Summary, the
12 kind of large, un-ignited LNG vapor releases that are
13 likely. It talks about the dangers of accidental or
14 potential spills and about a hazard range extending 2500
15 meters, well over a mile.

16 There are 9,000 people that live in that
17 community and 2,000 homes. I know that the Mayor will get
18 into this issue.

19 We feel that there should be -- there's a need
20 and a particular need in our part of the country,
21 particularly on a day like today when the temperatures are
22 so low, we need as reasonable-cost energy as we possibly
23 can, number one, but we also believe that because we exist
24 in an older part of the country, that we have to some
25 consideration based upon the population, the crowded

1 conditions that exist, and that there are different kinds of
2 areas for locations.

3 This particular one just doesn't meet the kind of
4 standards and the kinds of security standards that we
5 believe are absolutely essential, number one.

6 Secondly, we would hope that the Agency would
7 review, either the Coast Guard regulations and the post-9/11
8 provisions, which we think have some direct impact and
9 effect on this. We'd hope that you'd look at the 1979
10 pipeline considerations where it talks about various safety
11 conditions, which we think have some impact.

12 Finally, we don't really think that this is
13 timely. There's not going to be a completion of the bridge
14 at the state level until 2011, 2012, so it's virtually
15 impossible for the ship to get up into that area, and then
16 it's only going to have a very narrow -- 50 feet -- in terms
17 of being able, when it's completed and finished, to be able
18 to get up there. So, with regard to the timeliness of this,
19 we really feel this is an issue that is premature.

20 In the meantime, we think there are other steps
21 that could be taken on siting that could reach the
22 objectives of the lower-cost energy and also the safety and
23 security issues.

24 The Mayor and our other colleagues, are the
25 experts on this, but these are some of the things that I

1 know you're going to want to give consideration to. We're
2 very appreciate of the chance to speak briefly.

3 CHAIRMAN WOOD: Thank you, Senator. Mr. Mayor?

4 MAYOR LAMBERT: Mr. Chairman, thank you very
5 much. I want to thank Senator Kennedy and our Congressional
6 delegation for helping to arrange this opportunity. I
7 appreciate how gracious you are with your time, and
8 Commissioner Kelly's, and the ability to come down here to
9 Washington and press the City's case, which is exactly what
10 we'd like to do today.

11 We apologize that the weather has kept a good
12 number of other folks who wanted to come with us today down
13 here, particularly many of the neighbors and the people who
14 live in the closest proximity to the facility. Their voices
15 will be heard today through their elected officials and
16 others, but we feel badly that those folks that might have
17 wanted a chance to come down and speak to you directly might
18 not have that opportunity today, but we certainly appreciate
19 the chance that you've given us.

20 We feel very strongly in our community about this
21 project -- passionately, in fact, and are very strongly
22 opposed to it. We want to very much preserve the way of
23 life that we've worked very hard to secure for our working
24 class community, the people in our City of Fall River, and
25 the surrounding towns and region who want to be able to live

1 in safety, free from fear.

2 We agree with you wholeheartedly that there is a
3 need to increase the energy supply in this country. We
4 recognize the difficult decisions you have to make, and the
5 balance that you need to find, but we very strongly believe
6 that this is not the proper location for such a facility,
7 not in an urban, densely populated working class community.

8 We're here today to tell you about some of the
9 problems and the challenges that we think this project will
10 face and why, on its face, we believe it clearly makes no
11 sense. So we appreciate the opportunity to speak to you
12 face-to-face.

13 Before I give a larger overview, I wanted to ask
14 Congressman McGovern to weigh in a little bit. He's also
15 been a very strong opponent standing with us, and a very
16 important part of our delegation. Congressman?

17 REPRESENTATIVE MCGOVERN: Thank you, Mayor, and
18 Mr. Chairman. Thank you for receiving us today and giving
19 us an opportunity to express our concerns. I represent the
20 City of Fall River, with Congressman Barney Frank, who
21 couldn't be here today. If he were here, he would be every
22 bit as passionate in opposition to this as myself, the
23 Mayor, the Senator, and the others who you will hear from
24 today.

25 I want to be brief, because I want to give the

1 City officials more of the time. We have carefully reviewed
2 the draft EIS that the FERC has prepared.

3 Some of our concerns are that the draft report
4 doesn't acknowledge a lot of the challenges that exist at
5 this particular site like the density of the neighborhood
6 that the Mayor mentioned. It's a heavily populated area.

7 There are four bridges that the ships have to go
8 under to get to this area. Senator Kennedy mentioned the
9 Brightman Street Bridge construction, which has been
10 delayed. It's going to be years before the new bridge is
11 constructed, and the old bridge needs to be taken down.

12 The environmental impact of the dredging on the
13 Taunton River -- you know, we're told by some that, to make
14 this ready, you'd have to dredge 24 hours a day, seven days
15 a week, 365 days for three years in order to get this thing
16 ready. And I'm not quite sure that the Army Corps would
17 permit that kind of dredging.

18 The potential separation of emergency services
19 from the community -- a number of the hospitals in Fall
20 River, the chiefs of the hospitals have expressed concern
21 about if the bridges would have to be maybe potentially
22 closed down when some of these ships are passing under, that
23 that, in turn, might deny people who live in Somerset, right
24 over the bridge, the ability, if they needed to get
25 emergency services, to be able to get access to that.

1 The other thing is the economic impact. You
2 know, the Mayor has outlined a great positive vision for
3 economic development along the waterfront at Fall River.
4 This is a city that's been struggling for many years, and is
5 kind of the edge of making a comeback.

6 You know, this potential kind of renaissance
7 along the Taunton River gets ruined, quite frankly, if this
8 project were to go forward. Again, I would agree with
9 Senator Kennedy on a number of the safety and security
10 concerns that have been raised over and over again, but for
11 a whole range of reasons, I feel very strongly that this is
12 the wrong place to site this facility.

13 I hope that after you hear all of us here today,
14 that you will agree with us on this. I thank you very much
15 for giving us the time. I'll turn it back over to the
16 Mayor.

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1 MAYOR LAMBERT: Congressman, thank you very much.
2 In a couple of minutes, I'm going to ask some of the other
3 folks who are with us today -- Ranch Kimball, who is
4 Director of Economic Affairs for Massachusetts, representing
5 Governor Romney; and Representative David Sullivan, a state
6 legislator whose district encompasses this particular site.
7 I'll ask both to speak in a couple of minutes.

8 I also want to point out that in the event that
9 there are additional questions on details, Dr. Jerry Havens
10 is with the City today from the University of Arkansas, and
11 Tom McGuire, the City's Corporation Counsel, who's helped to
12 prepare some of the legal briefs that the City has
13 submitted, is also here with us.

14 Again, thank you for the opportunity. I thank
15 our Congressional delegation, and I hope that today in this
16 meeting, we can not only state our opposition directly to
17 you, but we might have an opportunity to ask some questions,
18 to dialogue about the process and some of the issues and
19 concerns we have, and hopefully to convince you that even
20 though your mission is a very important one, that ultimately
21 this is a project that we don't believe will be done in such
22 a way, or at least in a timely enough way, to really fulfill
23 the need to bring energy online as quickly as possible here
24 in the United States.

25 Our primary concern is safety and security,

1 obviously. The ABS Report, the Sandia Report, recently
2 completed, all confirm for us the dangers that we think
3 exist both in the transport of liquified natural gas and the
4 siting of terminals. We believe strongly that they should
5 not be in populated areas and that remote siting, which is
6 what we believe Congress intended in the 1979 Pipeline
7 Safety Act, is exactly where the federal policy ought to be
8 in regard to these.

9 The Company, Weaver's Cove Company, Hess LNG, has
10 charged the City with NIMBYism and we understand the phrase,
11 we know what it means. We recognize that we need allies in
12 this fight, but we think we have easily been able to enlist
13 the help of people who do not live in our community, who do
14 not live in these neighborhoods, but also, on its face,
15 reviewing the facts, believe strongly that this project
16 should not be located in this particular area.

17 There are 25 miles of coastline that the
18 transport ships would need to traverse by, from the Bay up
19 to the particular site, and, as such, there are 11
20 communities in Massachusetts and Rhode Island who have taken
21 formal votes through their elected representatives in
22 opposition to this.

23 The opposition has been bipartisan, it has been
24 bicoastal; it has crossed the borders of both Massachusetts
25 and Rhode Island. Both Governor Romney and Governor

1 Carcieri from Rhode Island have expressed their opposition.

2 Both Attorneys General -- both of whom, by the
3 way, I know planned on being here today, but I'm assuming,
4 due to the weather, were not able to be here -- but Attorney
5 General Tom Reilly from Massachusetts, and Attorney General
6 Patrick Lynch from Rhode Island have both voiced their
7 strong opposition to the project.

8 Obviously, our Congressional delegation, our
9 legislative delegation; the Massachusetts Legislature is on
10 record in opposition, and also, specifically, their
11 Committees on Public Safety and Homeland Security.

12 The Fall River City Council has now voiced its
13 unanimous opposition to the project. The Fall River Chamber
14 of Commerce also had hoped to have a representative here
15 today. They are on record in opposition, which, obviously,
16 is counterintuitive, you may think, from businesses who rely
17 on energy sources, but they also feel very strongly that
18 this is not a good project for our community.

19 All of the city's neighborhood associations, and
20 even federal and state agencies, particularly in the
21 environmental realm -- the EPA, the CZM, the Army Corps of
22 Engineers, state environmental agencies -- while their role
23 is not to necessarily take a position for or against, each
24 of them, as we have gone through the environmental review
25 process, has expressed very serious reservations and

1 concerns about the ability of this project to get sited.

2 The Massachusetts Public Interest Research Group,
3 the Mass Toxic Action Center, the Nature Conservancy, the
4 Conservation Law Foundation, we think all of those folks
5 with stakes outside of our particular community have
6 determined that this is not a good project.

7 Mr. Chairman, simply put, we don't believe that
8 there could be a worse site for this facility. Its location
9 would make it the closest to any residential neighborhood in
10 the United States, even closer than the Everett facility is
11 to the neighborhoods in that community.

12 There are 9,000 people who live within one mile
13 of this proposed facility, and, in fact, Lt. Patrick McAdam,
14 who is the Commissioner of Operations at the Everett
15 facility, in the aftermath of the 9/11 incident, was quoted
16 as saying, "All things being equal, I don't see a reason to
17 put one in a residential area, unless it's already there.
18 If there's no risks, why incur one?" I think that phrase
19 encapsulates probably better than any other, our belief and
20 our feeling about this particular project.

21 We believe that there are more remote sites.
22 There are the possibilities of two projects in eastern
23 Canada that we believe FERC has taken notice to, and
24 potentially could service the need in New England.

25 We believe there are offshore capabilities and

1 that the technology continues to expand on that. There is a
2 proposal offshore of Gloucester, and other offshore
3 proposals, I believe, either before FERC or before other
4 agencies. There's absolutely no reason to take this risk.

5 If you were to visit our community and see the
6 particular site, and, in particular, see the topography that
7 exists around that site, the site is a fairly small site,
8 limited in ground area, right off the Taunton River, within
9 which there are not only these 9,000 residents, but many of
10 whom live on hills that go up from the site to dead ends,
11 which are cut off by Route 79, which is also in the Coast
12 Guard Security Zone area, and sees 40,000 vehicles a day
13 pass through. If there were ever an incident at that
14 particular site, folks would essentially be trapped in that
15 neighborhood, making evacuation almost impossible.

16 There are schools, there are at least two public
17 housing facilities, which we consider ironic, in that HUD
18 regulations would not allow the construction of such housing
19 within a mile of that facility, if the facility were already
20 there. Yet, conversely, there is no prohibition against
21 putting such a facility so close to those types of
22 residences.

23 We believe -- and I'm going to talk briefly about
24 the Coast Guard Security Zones -- that this particular map
25 will show you, demonstrate clearly, some regulations that

1 the Coast Guard adopted after 9/11, as it relates to certain
2 types of cargo sitting in certain types of waterways in the
3 United States.

4 This is the site as you see it here. These post-
5 9/11 regulations were adopted specifically for LNG and
6 specific to the Taunton River, as they were across the
7 country. The security zone that the Coast Guard has
8 established, which is essentially a little more than a half
9 mile from the center of the site, as you can see,
10 encompasses thousands of residents, has a highway, Route 79,
11 that runs through it.

12 The regulations very specifically state that for
13 the security purposes of communities and the country, that
14 within these security zones, no one will be allowed without
15 the permission of the Coast Guard. You see how impractical
16 the siting of this facility would be in contrast to what the
17 security zone requirements are that are currently in place
18 by the Coast Guard. So, for those purposes, just to try to
19 give you a visual, we want to offer that to you.

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1 Obviously, we have other issues as well. The
2 Senator mentioned that there are four bridges that the ships
3 would have to go under. We would like to talk briefly a
4 little bit later on, about the scheduling for the Brightman
5 Street Bridge.

6 We think that that makes this a project that is
7 not timely. Mass Highway has submitted information to the
8 Federal Energy Regulatory Commission, which shows that the
9 construction of the new bridge, which is necessary for the
10 siting of this facility and the demolition of the old bridge
11 and the like, is at least five or six years away.

12 I suppose we would then question the timeliness
13 of Weaver's Cove's application. In their initial
14 application, they said they could be operational by 2007.
15 That is clearly impossible, based on what is physically able
16 to be accomplished right now by Mass Highway.

17 When the new bridge is constructed, the width
18 opening in that bridge will be 200 feet, with the girth of
19 the ships being, apparently, 150 feet, leaving only 25 feet
20 on either side for the ships to traverse through. In
21 Everett, the Tobin Bridge is closed for 17 minutes for
22 security purposes as the ships go through. A similar
23 closure of our Braga and Brightman Street Bridges in Fall
24 River would create public safety issues, as the two
25 hospitals for that region are on the Fall River side of

1 those bridges, as well as what it would mean in terms of
2 economic development and the like.

3 From an economic development perspective, our
4 waterfront is an area where we put a lot of investment, both
5 with state and federal assistance. A hundred trucks a day,
6 traveling from that facility on our pedestrian-friendly
7 boulevard that's proposed, would create significant hardship
8 for the City. The environmental agencies have all weighed
9 in already, relative to some of the dredging issues and the
10 disposal on the site and the like.

11 But again, our overriding issue is safety. While
12 mitigation might help in other areas, it is clear to us,
13 based on the Sandia Report and other evidence that we have,
14 that there is absolutely no way to completely mitigate the
15 risks inherent in this project for the people of my
16 community and for our region.

17 And unless a 100-percent guarantee can be given
18 -- and I think we recognize that that is not possible --
19 there is no need to put this facility in a populated area
20 when we believe alternatives exist.

21 We are concerned about language that might
22 suggest risks are minimal and can be managed. That is
23 concerning to us, and we want to have some dialogue about
24 that today, because we don't know whether or not that means
25 that there is a foolproof safety plan or that that risk is

1 just something that we will have to live with.

2 I think we want to talk about that and what the
3 alternatives might be. But, again, I'm very appreciative of
4 the time you've given us.

5 Without further ado, I'd like to thank Senator
6 Kerry for his presence and ask if he would like to weigh in?

7 SENATOR KERRY: Sure, thank you, Mayor. Mr.
8 Chairman, thank you very much. My apologies again for being
9 a little late here.

10 Let me begin by thanking the Mayor for his work,
11 and the effort of people locally. You know, I think this
12 thing is fairly straightforward, very practical, and sort of
13 a matter of common sense more than anything else.

14 You have the Governor, the Attorney General, the
15 Mayor, all of the Congressional delegation, and all of the
16 residents of the South Coast are opposed to this. They're
17 not opposed to this on the basis of this NIMBY attitude, you
18 know, not in my backyard.

19 There are a series of very practical
20 determinations that have been made about what this costs in
21 terms of anxiety and security, costs in terms of
22 practicality -- the bridges, the other issues, costs in
23 terms of the environment, the recovery of the fisheries, the
24 shellfish, et cetera; the dredging, the disposal, and
25 finally, just the cost, plain old economics. It doesn't make

1 sense in economics. It will cost the community more to do
2 this than it is going to return in terms of taxes.

3 You've got 47 percent of the cost that's going to
4 be picked up by the local community and at one shipment per
5 week, if that's what it's going to be, you're looking at
6 about \$4 million, versus the \$3 million of income. We all
7 know that those costs are always probably low-balled and you
8 wind up with a higher cost.

9 Then you have to balance that against other
10 potential sites; that's the other side of it. I mean, you
11 know, I understand the economics that the Company wants to
12 do it and so forth, but the down side, it just seems to me,
13 far outweighs that, if you look at this in a practical
14 sense.

15 Now, the Corps of Engineers and the regional
16 Interior folks have also come up with their own set of
17 questions, questioning the EIS that was already performed.
18 I think you've got a really strong foundation of question
19 marks, of inquiry, of doubt here, that ought to really send
20 some warning signals to you.

21 You know, in this day and age, post-9/11, when
22 we're trying to find ways to minimize targets and minimize
23 anxiety in the general population, it just doesn't make
24 sense to turn around and slap an anxiety target, and a real
25 target, down in a highly-populated area.

1 I know what the Sandia Labs say about the
2 probabilities, but who measures probabilities? Who would
3 have said what the probability of the Twin Towers was?
4 People who want to commit an act of terrorism find soft
5 targets. They find places that you can create easy havoc.

6 We've gone through this in Boston. We've had all
7 the issues. Right after 9/11, we had all the site
8 security, we had to stop LNG tankers coming and there was a
9 huge plan necessary in order to deal with the potential of
10 fire, if there were any consequences.

11 So, why would we turn around and willfully create
12 a new target, create a new situation that's just going to
13 cost a lot more for communities who can't pay for it now,
14 particularly when the Federal Government has the ability to
15 say no? The Federal Government is not meeting its
16 responsibilities with respect to the reimbursement of
17 communities all across the country.

18 So, I think that when you add those pieces up,
19 you have a very powerful argument that says the Federal
20 Government ought to step in and make certain that this
21 mistake is not made -- bottom line.

22 MAYOR LAMBERT: Senator, thank you very much.
23 Director Ranch Kimball is representing Governor Romney, and
24 he's been briefed by both Doug Foy, the Secretary for
25 Commonwealth Development, Secretary Ed Flynn. He has his

1 own thoughts as well and I'd like to ask him to speak.

2 MR. KIMBALL: Mayor Lambert, thank you. It's
3 nice to see you again. Chairman Wood, nice to see you
4 again. I appreciate, Mayor Lambert, your efforts in
5 bringing together this delegation. It's probably
6 appropriate that a Governor named Mitt sent his senior
7 Cabinet Secretary named Ranch down here to substitute for
8 him.

9 (Laughter.)

10 MR. KIMBALL: But the reason I mention names is,
11 I want to take you on a two-minute tour of the region by its
12 varied lexicography. The town that Mayor Lambert
13 represents is called Fall River because as we all know,
14 Massachusetts was built on water power, and an amazing
15 portion of our economic activity and our population occurs
16 right along the banks of our rivers and our estuaries.

17 The fact that actually the project is sited at a
18 point called Weaver's Cove is further suggestive. It's the
19 most inland part of that estuary on the Taunton River and
20 therefore, almost by definition of the way we grew up as a
21 Commonwealth, there are homes, economic activities, schools,
22 bridges, all around that area.

23 Years ago, early one day about 5:00 a.m., Frank
24 Honowa and I hopped in a canoe and paddled the length of the
25 Charles River. For those of you interested in paddling

1 canoes, it's a wonderful thing, but you realize just how
2 much of Massachusetts you see during that 70-mile voyage,
3 how many homes, how many schools, how many factories, how
4 many roads are there, built along the Charles River.

5 I've also sailed up the Taunton River. When
6 you're actually at water level, and having read some of the
7 Weaver's Cove material, I can visualize that tanker going by
8 all the homes that you see right along the waterfront just
9 up on the hills that Mayor Lambert talked about.

10 So, I bring the Governor's concern about this
11 project with many of the same concerns that members of our
12 Congressional delegation and Mayor Lambert expressed -- the
13 density of housing, the need to close the roads.

14 It took me about 13 hours to get here yesterday
15 from Boston. That is less, I might note, than the transit
16 time up and back in the Taunton River with the unload.

17 Having slowly pondered this meeting on the Amtrak
18 train, I was also very aware of just how long that LNG ship
19 with two or three or four Bcf equivalent of gas would be in
20 the River.

21 We're also mindful that the region does need
22 natural gas. Natural gas is now the largest single source
23 of electricity supply in Massachusetts. As you well know,
24 given the sort of IPP wave in the '90s, that's where almost
25 all the new plants are.

1 We are working aggressively with other Governors
2 in the New England region. Governor Romney is to develop a
3 regional plan. We are very open towards other sites,
4 including, as Mayor Lambert suggested, offshore sites in
5 Massachusetts coastal waters. We would urge your support
6 for our continued work and Governor Romney's continued work
7 on the regional plan.

8 We also recognize that this particular site at
9 Weaver's Cove, up the Taunton River along the town called
10 Fall River, is not the right project, not in the right
11 place. Thank you.

12 MAYOR LAMBERT: Thank you, Mr. Kimball.

13 Representative David Sullivan represents the
14 district that the immediate terminal is in, and I wanted for
15 him to speak for a couple of minutes about his thoughts, as
16 well as the Legislature's perspective on this project.
17 David?

18 REPRESENTATIVE SULLIVAN: Thank you, Mr. Mayor,
19 and thank you, Mr. Chairman, for this opportunity to have a
20 dialogue with you and to present the case.

21 I find myself in a position where it's sort of
22 twofold, as a state legislator representing those people,
23 and those people being my neighbors. Unfortunately, a large
24 group of people did want to come out, but I'm sure you're
25 aware that we're buried under three feet of snow,

1 particularly my district and the Mayor's City, so I'm going
2 to try to break up my quick presentation into that fact.

3 But I want you to understand the sensitivity,
4 that I know these people intimately, who are living down
5 there, and their concerns are very serious.

6 First of all, the Sandia Report, saying about the
7 Zone 1 area that they have defined. The people in my
8 district are living in there. We're talking about 9,000
9 people, and the people are very sensitive to that.

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1 The route of the tankers is coming up within 250
2 to 500 meters of the City shoreline, traveling 26 miles.
3 The bottom line on this is that there are concerns about
4 thermal radiation. People are very much within the zone and
5 are at a high risk.

6 Secretary Edward Flynn of the Executive Office of
7 Public Safety, where I'm a member of the Joint Committee on
8 Public Safety, in a dialogue with him during a Joint
9 Committee meeting, I had the opportunity, in regard to this
10 particular project, to have a dialogue with him.

11 The question that I did ask Secretary Flynn was,
12 considering that the issue of mitigation is being frequently
13 talked about, I asked him: are you able or do you perceive
14 in any form or fashion, to be able to provide the same type
15 of resources that are provided in Boston Harbor to the area
16 of Fall River if this terminal is developed?

17 He was very candid. He basically told me and
18 told the Committee, in general, that there is no way that
19 they have the resources that they can provide down to the
20 Fall River area, if this terminal is developed.

21 That begs the question; does that leave us as
22 second-class citizens?

23 CHAIRMAN WOOD: This is what the state agency --

24 MR. SULLIVAN: This is what the state agency, the
25 Executive Office of Public Safety, within a hearing of the

1 Joint Committee on Public Safety.

2 As a matter of fact, at that same particular
3 hearing, the Boston Pilots Association had subsequently sent
4 a letter to the Committee in regard to problems or questions
5 that were being addressed in regard to the difference of LNG
6 pertaining to other dangerous cargos that were being
7 addressed, and the Pilots Association was very, very clear
8 in regard to the fact that there is an enormous difference
9 between the other dangerous cargos that are carried through,
10 like gasoline and others types of oil fuels. They can be
11 mitigated and the fires can be put out.

12 But the Boston Pilots Association was very clear
13 in saying the LNG fire cannot be put out, which, in respect
14 to the people that I represent, leads me to the next point I
15 would like to make. It's in regard to the Sandia Report.

16 One of the Sandia Report recommendations is that
17 if there is a breach and there is a dispersion cloud that
18 escapes from the ship's hull, that one of the mitigation
19 issues should be that they should ignite the dispersion
20 cloud so that it doesn't continue to travel.

21 Frankly, I can't begin to imagine that there is a
22 recommendation that my district, the people that I know --
23 some are relatives, some are just good friends, others, I
24 don't know, but I represent them -- that they would be put
25 at risk as a mitigation level because of thermal radiation

1 that would be created. I mean, to intentionally light this
2 thing, you're basically writing these people off to prevent
3 a much larger type of catastrophe. I really hope someone
4 can sit down and explain that to me, because I truly, truly
5 don't understand that rationale.

6 Quickly, before the dialogue, I'd just like to
7 say that the President has been very clear that we live in
8 different times now, and that we need to be vigilant and we
9 need to go about our regular business. Mr. Chairman, siting
10 this type of facility, at the size of this facility, within
11 close proximity of our residents, is not regular business;
12 it's creating a soft target.

13 I haven't touched on human error; I haven't
14 touched on mechanical failure, which are all high-risk types
15 of issues, but the public safety is paramount, and I'd like
16 to ask you to seriously consider that. Thank you.

17 MAYOR LAMBERT: Thank you, David. If it's all
18 right with you, Mr. Chairman, there might be some specific
19 questions that we have, that we'd like to raise, and maybe
20 offer a chance for some dialogue. Again, thank you for
21 listening to the presentations thus far.

22 The first revolves around some legal issues. The
23 City of Fall River has filed a petition with the Department
24 of Transportation to promulgate regulations that we believe
25 were not promulgated as a result of Congress's passing the

1 1979 Pipeline Safety Act, that call for minimum safety
2 standards when it comes to the siting of such facilities,
3 and specifically calls for the remote siting of these
4 facilities.

5 We've also asked the Coast Guard to promulgate
6 regulations relative to extending the exclusion zone concept
7 for the transport of ships, as well. We think the ABS and
8 Sandia Reports call for that.

9 Right now, exclusion zones are required as part
10 of the process for siting facilities, but not relative to
11 the transportation. We believe that that is a flaw in the
12 process.

13 As a result of both of those petitions, we have
14 filed with FERC, a request for a stay of these proceedings
15 until such time as those issues are dealt with. Can I ask
16 what the status is of that stay, and whether or not that is
17 something actively under consideration before the
18 Commission?

19 CHAIRMAN WOOD: As of now, it's not, but let me
20 just kind of step back. This project was started in 03.

21 The applicant came in, we had a process called
22 the prefiling process, that allows officials, the state
23 regulatory entities there, environmental entities there, the
24 Coast Guard, the DEP, the CZM -- there's an agency that does
25 the Coastal Zone Plan for Massachusetts -- the Corps of

1 Engineers.

2 I know that Mark and some others --

3 MR. ROBINSON: Every state, federal, and local
4 agency that has an interest, including the Mayor's Office,
5 have been involved in our prefiling process.

6 CHAIRMAN WOOD: That's what got this started. At
7 some stage -- when did it kick over to filing at the end of
8 03, first of 04? So, it was about a year or so ago that it
9 became a formal filing.

10 In that process in 03, which is something we've
11 used on the other LNG entities and actually used for hydro
12 and for pipelines around the country, that's when we had
13 gone through a lot and identified what the hard issues are
14 going to be.

15 I think, to be fair, this project identified a
16 lot of what you're saying here today. Some of it has been
17 built upon in the past few months with the Sandia Report and
18 others, certainly, in a lot more detail.

19 The draft report, which you referenced, Mayor,
20 was put out last year. There have been some responses to
21 that.

22 We're in the period now between when that
23 document went out, which is what our Staff has prepared,
24 based on collaboration with all the other environmental and
25 safety and other reviews that are required, and we're in the

1 process now of getting comments on that, and that will be
2 extended a little bit.

3 There are some requests for some information that
4 we've recently resolved, some legal issues as to how to
5 disclose some critical energy infrastructure information to
6 some of the requesting parties, so those parties will be
7 given a chance to weigh in with their assessments, as well.
8 The final environmental statement will be deferred until
9 later than we had anticipated, due to that issue.

10 We're honestly in the process now of listening
11 and reading. We've gotten a lot of comments in response to
12 this, front end, including a number from you that I've read
13 before, and that we read again yesterday to prepare for
14 today.

15 But the issues of the pending applications are on
16 deck. The Commission will have to look at all of those.

17 Our problem is that we have to do the final
18 environmental statement. We have a couple of other agencies
19 that have to weigh in at the end of next month, maybe?

20 MR. ROBINSON: I would think that it would be
21 sometime in February that we hope to hear from the Coast
22 Guard, if not early March. That's a pretty big one.

23 CHAIRMAN WOOD: You do say, I think, correctly,
24 that the exclusion zone regulations have not been
25 promulgated for a moving ship. They are adopted for the

1 final location, and we have those, of course, here, and in
2 the Everett Terminal and all the others as well.

3 But as far as -- the stay requests are pending
4 with the final environmental statement. The Commission will
5 have to take those all up at the same time. We honestly
6 want to hear everything first before getting all of this
7 out.

8 The issues from the Highway Department certainly
9 are ones that I've read about. I'm a highway person myself,
10 and those are unique issues here that we have not seen in
11 some of the other ones.

12 For the bridge and the width and the height
13 issues, and the dredging issues that come up a lot, I know
14 there are a lot of mitigations that were placed in the
15 draft, which, I expect, will carry through to the final on
16 mitigation for dredging. In fact, there may need to be some
17 improvements on that as well.

18 The short answer to your question is, it's
19 pending, but we have not acted on it.

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1 MAYOR LAMBERT: Is it conceivable that the
2 Department of Transportation and/or the Coast Guard, might
3 have the ability to request FERC to delay its process until
4 their consideration of our legal petition, whether it be the
5 fact that they agree that the City has a strong case to be
6 made relative to the remote siting, and that their
7 regulations don't currently line up with that, or the Coast
8 Guard's concerned, possibly?

9 The Coast Guard, actually, is currently
10 soliciting public comment through the Federal Register on
11 our petition relative the establishment of exclusion zones
12 around transport. I would imagine that that is a
13 significant enough issue that it would affect not only this
14 project, but every project in the queue after ours.

15 Is it feasible to suggest that FERC may take a
16 step back or consider taking, in general, a step back from
17 consideration of a number of projects as this process goes
18 forward, or would you need to request one of those agencies
19 to do that?

20 CHAIRMAN WOOD: Honestly, at the end of the day,
21 this is the permit that he has to get; he has to get the one
22 from us. He also has to get the CZM, probably something
23 from the Corps, the Coast Guard clearance, everything from
24 the local fire department to the local fire plan and police
25 plan, and then of course, the highway issues all have to be

1 done.

2 Those permits are all required before he can go
3 out with the project. Whether that is a reason why the
4 Commission wouldn't go ahead and finish its work,
5 recognizing that other items have to happen, probably not.
6 We wouldn't sit around and be the last call.

7 The Securities and Exchange Commission is always
8 the last one to approve a merger. We can move ahead and do
9 our work. Those applicants though are subject, as even the
10 old terminal was, the Everett Terminal, which was built in
11 '76, is subject to the regulations of the DOT as they move
12 forward, subject to the Coast Guard protocols, as they
13 change over time. They had to shut down that terminal right
14 after 9/11. Ours kind of moves in parallel, not kind of the
15 front boat.

16 MAYOR LAMBERT: The Coast Guard -- what role
17 would Homeland Security and/or the Coast Guard play? I
18 think you singled them out as maybe playing a particular
19 role that you need something from at least the Coast Guard
20 before you can act.

21 Are you suggesting there's a security plan in
22 place?

23 CHAIRMAN WOOD: We signed a Memorandum of
24 Understanding with them and the Department of Transportation
25 about a year ago, to coordinate our efforts, because a lot

1 of the issues at that time remain in the pipeline to be
2 looked at by this Commission and the others.

3 What we agreed to do was for the applications
4 that were forthcoming, the ones that had not yet been filed,
5 we would pursue more of a sequential approach there. That
6 may actually end up happening here, by circumstances,
7 because of the Lloyd's report being released late, in the
8 past couple of weeks, extending the timeline for the Final
9 Environmental Impact Statement, the successor to this
10 document.

11 So, it was not intended to be that way. They
12 were intended to move, again, in parallel, but for future
13 applications and perhaps for this one, we'll hear from the
14 Coast Guard, which is, of course, common sense. But they
15 are, in a big part, in the driver's seat, as to whether
16 these projects go forward or not.

17 MAYOR LAMBERT: For our own knowledge, then, you
18 can at least for this project, act, absent a final review by
19 the Coast Guard?

20 CHAIRMAN WOOD: Correct, but the project cannot
21 go forward without really our EIS, their EIS and a couple of
22 other EISs as well.

23 MAYOR LAMBERT: I know this is not your
24 bailiwick, but the Coast Guard's decision relative to a
25 project like this is based on what? The ability that they

1 might have to provide security for the ships?

2 CHAIRMAN WOOD: I think so. Mark?

3 MR. ROBINSON: I hate to respond for the Coast
4 Guard, but as I understand it, they have to do a security
5 analysis to determine whether or not it's safe to bring the
6 tankers in. If they believe they have the ability to
7 protect and the dynamics of just bringing the ship in are
8 appropriate, that's what we're looking for around the March
9 timeframe.

10 MAYOR LAMBERT: Is something such as this,
11 relative to the Coast Guard's current regulations relative
12 to security zones -- obviously, the impracticality of having
13 a security zone in which you would not allow people for more
14 than a half a mile around this facility, that's just not
15 going to happen.

16 Is that something that the Commission would
17 consider, aside from the Coast Guard's consideration of it?

18 CHAIRMAN WOOD: The exclusions zones, actually,
19 Mayor -- I'm trying to think. I know I saw a map in here
20 that didn't have that circle on there, and that is a more
21 recent one.

22 We've got exclusion zones that have to be
23 complied with by all the existing and future terminals. I
24 wasn't aware of -- and I would have to look -- that no one
25 is allowed within that zone.

1 MAYOR LAMBERT: The Coast Guard regulation, I
2 think, says that no one -- and these are specific to each
3 port and to each type of cargo. They were developed post-
4 9/11.

5 The Coast Guard went through a very exhaustive
6 review for the Taunton River and for LNG shipments in-berth.
7 Interestingly enough, the regulations do not cover
8 transport, but in-berth.

9 This was before Weaver's Cove came on the scene,
10 that there was this thousand yards, I believe, circle, in
11 diameter, around where the ship was berthed, where no one
12 would be allowed.

13 In order for the Coast Guard to adequately
14 provide security, no one would be allowed without the
15 permission of the Coast Guard, which is obviously, now that
16 this proposal is on the drawing board, completely
17 impractical.

18 We prefer to see the Coast Guard not amend its
19 regulations, but to live with them, and suggest that there
20 is no possible way that they could provide the level of
21 security that they determined that they needed to provide
22 before Weaver's Cove came along. This is that circle.

23 As it relates to exclusion zones, there was
24 another question that we wanted to raise. We understand
25 that you do deal with exclusion zones.

1 We have significant problems with the data
2 provided to you by Weaver's Cove as it relates to the
3 exclusion zones. I don't know whether or not you want to go
4 into detail on that. Dr. Havens is here.

5 But both relative to what we believe was an
6 inadequate review of the thermal radiation exclusion zone,
7 and, quite frankly, a miscalculation on the vapor cloud
8 exclusion zone, as most people in this room know, Dr.
9 Havens, more than 20 years ago, worked with officials at the
10 Department of Transportation to actually develop the formula
11 to determine these zones.

12 So, he is an expert at applying them. He has
13 applied them in this case for Fall River, to determine that
14 the information given to you by Weaver's Cove is actually
15 wrong, and that the exclusion zone, as it relates at least
16 to the vapor cloud exclusion zone, extends 2800 feet off the
17 property, with the nearest residents being 1200 feet.

18 In his professional opinion, that miscalculation
19 presents a very clear danger to the public. So we are very
20 concerned, even within the rules, that the rules at least
21 are not being complied with by the Company, relative to the
22 information they have provided to you.

23 Is that something that you have consulted with
24 the Department of Transportation on? Have they run the
25 numbers? Do they completely agree with the Company's

1 presentation, or do they share our concerns, if you know?

2 MR. ROBINSON: They actually set the regulations
3 and we run the numbers. Your concerns with our calculation
4 from the Draft EIS, you made that really clear to us. Our
5 technical experts have been reviewing them since you filed
6 them.

7 As with every comment we get on our Draft EIS, be
8 it security zones or effects on wetlands or bridge closings,
9 every single comment will be brought up and addressed
10 directly, so that you can see exactly what we think of those
11 things, and we would have no hesitancy of asking for a
12 technical conference, if we felt it was necessary to fully
13 understand the concerns you have.

14 But, as I understand it, you were pretty specific
15 and laid out exactly what you thought, where we made an
16 error, and we're deep into that analysis.

17 MAYOR LAMBERT: That is under review?

18 MR. ROBINSON: Absolutely.

19 MAYOR LAMBERT: Thank you. Can I talk about the
20 bridge, if I could? That's also a significant issue
21 relative to the timing.

22 CHAIRMAN WOOD: I know that there's a new bridge,
23 correct, that's going to be built?

24 MAYOR LAMBERT: I believe that's the new bridge.

25 CHAIRMAN WOOD: That's the old bridge, right

1 here?

2 MAYOR LAMBERT: That's correct.

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1 The Commission asked Mass Highway, right after
2 the issuance of the draft EIR, to comment specifically on
3 the time schedule for the bridge. Commissioner Cagliano has
4 made it clear to the public and myself, directly, and to
5 everyone involved, that there are five contracts, I believe,
6 still be let out, relative to the reconstruction of this
7 bridge.

8 Currently, with the old bridge, it's not
9 physically possible for the tanker ships to go through. The
10 new bridge is not to be completed until, at the earliest,
11 2010.

12 I would suggest -- and I think the Commissioner
13 is a great guy and he's working very hard on this project;
14 we've actually been waiting about 40 years for this bridge
15 to be completed -- but I would suggest that that is an early
16 date. Beyond that, relative to demolition of the old bridge
17 and some of the environmental issues, 2010 is optimistic.

18 So, to the extent that we could be five to seven
19 years away from the facility even physically being capable
20 of operating, I have to ask about the timeliness of its
21 application, particularly given FERC's mission to site or to
22 enhance the energy supply as quickly as possible, and when
23 exercising your powers under the public need, to question
24 whether or not that public need exists, or we can predict
25 that it will still exist, five to seven years from now,

1 given other projects that you have in queue, other projects
2 that could clearly come online and impact the supply prior
3 to that.

4 It would seem that making a decision and allowing
5 them to go forward now with so much time in front of us,
6 might not be timely and certainly contradicts their
7 application where they said 2007. I don't know if you can
8 respond to that.

9 CHAIRMAN WOOD: Generally, in the last several
10 years, we've had LNG, not as many, but we've had pipelines.
11 Sometimes pipelines get approval six months before they go
12 into place; sometimes they get approval in three years.

13 We analyzed the alternatives to this project that
14 might be better on the environment and socioeconomics and
15 what have you. As to the timeline issue, quite frankly, a
16 lot of these things do slide. It's not really been
17 something where we've said, no, we're not going to give it
18 to you.

19 We recognize that we do give our more permits
20 than ever are used. Our job is to say, does it meet
21 environmental, safety, ratemaking, and other requirements of
22 our law?

23 We recognize that obviously, the customer demand
24 is the driver as to whether projects actually get built or
25 not. This impacts the case, and 2010 is when this is going

1 to come on, and you've got two or three others around New
2 England, both north and south, and maybe nearby there's
3 another one.

4 If they get built, the first one in the market
5 tends to be the winner, so an item like this could well
6 drive that. It's not generally been something that we make
7 that decision on behalf of an applicant for a license here.

8 SENATOR KENNEDY: May I make just an observation?

9 A lot depends on this highway bill. We've got \$318
10 billion. The House is 276. The Administration is 250. I
11 don't know where that's going to go.

12 That's having a major impact in terms of the
13 state's planning and what kind of money that you're going to
14 have in terms of the next six years. That's money for the
15 next six years, and the money here, this has been set aside,
16 this far out.

17 I don't know enough about how they handle that in
18 Massachusetts. That would be very, very set aside. This is
19 going to be a big, major, major deal in terms of that.

20 The other point is, with the logic of the
21 argument is, we're talking about all kinds of new technology
22 in terms of offshore, about how things can be done, and if
23 we're talking about granting a permit now for something that
24 may be ten years out, putting at risk the community, when
25 you've got all kinds of potential advances in offshore

1 transportation on it, that doesn't make a lot of sense to
2 me.

3 You talk, you know, about six months, eight
4 months, a year or something of that kind, but we're looking
5 down a longer road. I really question whether the state is
6 going to have the money.

7 You know, I don't know the way that some of our
8 other colleagues would go, but I think it would be very
9 useful if we could submit the best judgment. We want, I
10 think, the higher figure, because we've got the third worst
11 roads and the fourth worst bridges in the country.

12 There is a whole new sense about changing that
13 highway formula, too, to move this thing back. Jim McGovern
14 has heard about some of the others, but, you know, that
15 money is going to be out there in terms of that bridge. It
16 might be of some value.

17 I think, just generally, just looking where the
18 money is going to be for all of these matters nationwide, is
19 something you'd want to be alert to in terms of approving
20 this. If these things aren't going to happen within a
21 framework, then it does kind of call into question, whether
22 other types of technologies could be available to provide a
23 safer, more secure kind of way. We could send that over to
24 you, Mr. Chairman.

25 At least I don't have a particular -- that's an

1 item that's heavily debated and discussed now among the
2 leadership up there, but I don't know where the state stands
3 on that, too.

4 CHAIRMAN WOOD: The communication that we got
5 from the Mass Highway Chairman, is that that was included in
6 the discussion about federal dollars.

7 MR. ROBINSON: I don't think we went into that
8 detail. We do have estimates on the timeframe for the
9 bridge, but those have been fluid, at best.

10 We've asked the applicant to respond and tell us
11 what would happen, if it did extend out to that timeframe.
12 It's another one of those issues that we will address in the
13 final EIS and put before the Commission as part of the final
14 record to make their decision from.

15 MAYOR LAMBERT: I admit that it is fluid, but
16 there's no way that it's before 2010.

17 REPRESENTATIVE McGOVERN: Even in the best case
18 scenario, it's 2010, but as Senator Kennedy pointed out,
19 depending on what comes out of Congress, I think it's safe
20 to say that the climate for additional spending is not as
21 great this year as it was last year, unfortunately,
22 especially on transportation stuff.

23 But if the state gets a significantly lower
24 number, which it's probably going to get, a whole bunch of
25 projects are going to be put off even more. It's 2010 under

1 the best case scenario, with all the money allocated, but
2 with what we're going to provide the state, it's probably
3 going to even go beyond that.

4 SENATOR KENNEDY: You're going to have an idea on
5 this in five or six months, maybe less, but I don't think
6 that's dragging along out there.

7 As you note, there will be a figure sometime, I
8 expect, but I think you don't know how that thing is going
9 to come on through.

10 MR. KIMBALL: There are a couple of issues in the
11 Commonwealth that are in substantially worse shape than
12 that.

13 MAYOR LAMBERT: I know our time is running short,
14 and I'll try to move things along. On that point, let me
15 close with this: Surely, with all due respect to the
16 Commission, I understand your role, and as you said,
17 oftentimes you site more than occur and the marketplace
18 deals with it.

19 Quite frankly, I see the FERC approval as a sign
20 of viability of this project, whether it's viable or not.
21 It's a sign of viability that the Company would use and that
22 would continue the process.

23 It makes it very difficult for me, as Mayor, over
24 the next several years, if I have to wait for the
25 marketplace to kill this project. It makes it very

1 difficult for me to develop my waterfront, bring people to
2 the community, to market and do my job as Mayor, to spend
3 all of my time and resources fighting a project that the
4 marketplace may eventually kill, but which I cannot take the
5 chance on what will happen in that regard.

6 So, while approval gets it out of your hands and
7 moves it elsewhere, it ties up the City; it ties up all the
8 other agencies, still, and continues with a cloud over us
9 for the next several years.

10 While I agree that it may not ever get done, it's
11 really problematic to us.

12 SENATOR KENNEDY: The point that Ed spent a lot
13 of time, is his alternative development of this area.

14 CHAIRMAN WOOD: He wrote that up real well.

15 REPRESENTATIVE McGOVERN: Where does this fit in
16 in terms of being a disqualifier for FERC?

17 CHAIRMAN WOOD: It's an alternative use that we
18 have to look at under NEPA, certainly. On a pipeline deal,
19 it's easier, because you've got two points: You've got a
20 number of ways to get from here to there. With LNG, it's
21 kind of an on or off switch, the alternative uses of that.

22 As to the zoning, I did go back and re-review
23 that. The place has been zoned for and is zoned for
24 industrial use, you know. I don't know that it had been
25 taken off the books as far as different usage by your zoning

1 authority.

2 I assume that in Mass, it's local.

3 MAYOR LAMBERT: It is, but certainly from our
4 perspective, zoning is historical there. It's been zoned
5 that way for forever, and as we've just recently completed
6 our waterfront plan, the voters don't look at our zoning
7 throughout our waterfront. It's really not what we intended
8 there. It's just the vestige of what, historically, has
9 existed.

10 COMMISSIONER KELLY: Mayor, how is your
11 relationship with Weaver's Cove Energy?

12 MAYOR LAMBERT: It's not very good. I'll be
13 blunt about that. I think that the Company has been
14 arrogant in its approach to the City.

15 At one point, the Company's CEO, on a local talk
16 show, indicated that unless the City gets serious about
17 accepting this project and cutting a deal relative to what
18 benefits they might want to pass on to us, that that window
19 would close, if we continued to oppose them.

20 I think that's the type of economic blackmail
21 that, frankly, I take great exception to on the part of my
22 community. I don't believe that the situation has gotten
23 much better. In fact, if you look at some of the Company's
24 responses to our comments to the EIR, I don't know that I've
25 ever seen a document prepared for public purposes, that is

1 so personal in nature about myself, Dr. Havens, and about
2 the hassle I believe that the Company thinks we've given
3 them.

4 They have taken this very personally, and it's
5 not personalities; it's really about passion for our
6 community.

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1 There is no amount of tax revenue that could give
2 us, there's no amount of job creation that they could
3 produce -- and, frankly, this is not a big job producer
4 either. There's nothing, monetarily, that they could give
5 this community that would allow acceptance of this project.

6 I guarantee you, on behalf of my community, that
7 the opposition is overwhelming. It's not even a silent
8 majority; it is very significant. It's not only in my
9 community, but across the region.

10 I think that people who know this region
11 understand that it's simply a bad project for that
12 particular location.

13 CHAIRMAN WOOD: I notice -- I recall when this
14 was first started, that there was more of a mixed opinion on
15 your Council about this project, and you indicated that they
16 were unanimously in support of --

17 MAYOR LAMBERT: In opposition. There were only
18 two Councilors who did not support the original resolutions,
19 because they wanted to get further information from the
20 environmental reports. They have both recently announced
21 their opposition, as well.

22 I have to present to you, a copy of the most
23 recent resolution, signed by all nine City Councilors in
24 opposition.

25 (Handing document to Chairman.)

1 REPRESENTATIVE SULLIVAN: Mr. Chairman, also from
2 the state level, I'd like to piggyback on what Mayor Lambert
3 is saying. The particular committee, the Homeland Security
4 Committee, the Federal Affairs Committee for the state, who
5 is charged with looking into this, held two complete public
6 hearings, one in Boston and one in Fall River, in regard to
7 this project.

8 They actually took a vote, unanimously, to oppose
9 this project. They were charged with looking at this very
10 seriously. They collected information, collected testimony,
11 and heard from both sides.

12 So, on top of what the City Government has done,
13 I want you to understand that the Legislature and the
14 Committee that collected the information, were very much
15 opposed to this project.

16 I do have another question. My concern in regard
17 to port security and the Coast Guard doing the letter of
18 recommendation, my concern is this: The Coast Guard can
19 come up with a port security plan, but the details -- the
20 devil is in the details.

21 Just for a second, if you'd bear with me, Captain
22 Landry, who is the Captain of the Port, basically said about
23 that letter, that if it was forthcoming additionally, we
24 must assure that there are adequate federal, state, and
25 local enforcement assets to carry out the plan.

1 We rely heavily on federal, state, and local
2 resources to maintain security during transit in the
3 offloading of high-interest cargos. My question to you is,
4 how much weight are you going to put to a plan that may not
5 be feasible?

6 Just to piggyback on top of that too, as well, we
7 are all aware that these cargo tankers that are double-
8 hulled and presented as more protected, being that they are
9 double-hulled, we know that they're actually insulated with
10 polystyrene, and it has been -- the Department of Homeland
11 Security, in recent months, has actually released a
12 statement saying that, yes, that material is flammable.

13 I'll bet the opinion on this is that the double
14 hull isn't as much more protection as it is to maintain the
15 polystyrene, which is going to keep the LNG cold, and is not
16 going to be a protective measure. That is something I'd
17 like you to take serious consideration of. Thank you.

18 MAYOR LAMBERT: Mr. Chairman, you've been
19 generous with your time. If I could maybe just wrap things
20 up and ask one final question, which goes to the crux of
21 what our concern is?

22 We have heard and seen the phrase often, that
23 while there are risks inherent with the transportation of
24 LNG and the siting of terminals, that we or whomever the
25 project proponents believe, that the risk is minimal and can

1 be managed. We haven't seen a clarification of that
2 statement anyplace.

3 Does it mean that security plans can be put in
4 place to assure zero risk? Or is there some risk that we
5 will ask residents of my community or of this country to
6 tolerate, relative to the increase in our energy supply,
7 particularly as it relates to this project?

8 I don't mean to be impertinent about the
9 question, but it really, I think, is very significant for us
10 and may be what drives our passion on this.

11 What is that risk? Can there be a definition of
12 what you mean by the management of that risk?

13 CHAIRMAN WOOD: That's an excellent question, and
14 it's one, honestly, that I go around with with Mark and his
15 staff all the time about.

16 MAYOR LAMBERT: Feel free to include me in that
17 discussion.

18 (Laughter.)

19 SENATOR KERRY: Can I fill that question out a
20 little bit, if you don't mind? The Sandia Report
21 specifically said that weighing sort of an accident or the
22 prospect of a terrorist attack, low probability -- that's
23 the way they phrased it -- but they said if it were
24 successful, which means there is the ability to be
25 successful, and we accept that, that it would be a high-

1 consequence event.

2 How do you, in this process, weigh -- and I think
3 this is really important for people to have great
4 specificity on -- low probability, i.e., what are the
5 various scenarios, specifically, by which you measure a,
6 quote, "low probability," and how do you ever get there?

7 And then if it's a high-consequence event, where
8 does that come out in your policies? Do you have a scale
9 that looks at this thing of low probability versus high
10 consequence? I think people really want some specificity on
11 that.

12 CHAIRMAN WOOD: I'm not going to have the answer
13 for you right now, Senator.

14 SENATOR KERRY: I understand that.

15 CHAIRMAN WOOD: I agree that it's one that we've
16 had to do, to an extent, with two applications we've done.
17 I think one was in the Corpus Christi area of Texas, and the
18 other one -- I was going to answer on a personal level. We
19 had one that I voted on a month ago. It's in my home town,
20 where my mom and dad live. They don't live within the
21 3,000-foot exclusion zone, but they're about 5,000 from it.

22 If you don't think I don't care about the safety
23 issues and the low probability versus high-consequence math
24 and what that equals, you're wrong, because I do. It's a
25 critical issue. It's not just a balance of jobs and cheap

1 energy versus lives.

2 That's a callous way of looking at it, but it
3 does require a lot of confidence in the Coast Guard,
4 certainly in that region of the country where it is very
5 thoroughly -- and without the caveats that I think
6 Representative Sullivan was pointing out, they know they
7 will get those resources.

8 It does concern me when other agencies of
9 government are not provided with the resources to make all
10 this work, but it is something that I will have to face on a
11 personal level.

12 I haven't been to Fall River. I haven't been
13 there since the application was announced. I went to law
14 school up in that area and knew people down there and went
15 sailing, kind of down this way.

16 It's a different area than some of the areas of
17 Texas. There are a lot more people there; it's a lot more
18 crowded. We've got a lot different considerations to weigh,
19 and we will weigh them.

20 The fact that the Commission -- I know you kind
21 of stated and it kind of stung a few times -- about the
22 Commission having already decided this. We have not.

23 The Commission has a very thorough process. We
24 have said no to things in the past, and if they don't fit,
25 then they don't get the okay. But if they do fit, then we

1 move forward.

2 If things can be mitigated, we will do that in
3 the Final Environmental Impact Statement, which Mark and his
4 staff do, just to put that in context.

5 This and its subsequent response, which is the
6 final statement, are part of the record. At that point,
7 that and any other issues come to the full Commission, to
8 me, Sudeen, and the two other Commissioners who do that.

9 So, if the Final Environmental Impact Statement
10 is deficient in some regard, we'll hear all that before we
11 make a final decision. That's the process on that.

12 So, if those are some of the concerns you've
13 raised today, that our Staff has heard about, that have not
14 been thoroughly addressed in the Final, at that point, let
15 us know, personally. That's where we hear about it, through
16 you and in the public record that way.

17 COMMISSIONER KELLY: I wanted to add to what the
18 Chairman said. The issue of low probability versus high
19 consequence is very concerning. You've said many times that
20 there are a lot of people, but to a certain extent, it
21 doesn't matter how many people are there.

22 We have other projects and what we decide on this
23 case will be precedent for the other cases that we decide.
24 It's a concern, and in areas where there are few people,
25 it's the same concern.

1 MAYOR LAMBERT: I understand. I appreciate your
2 input, I appreciate your honesty. I think you're an
3 honorable man, and I'm very appreciative of the opportunity
4 you have given us.

5 You had a chance to make a decision about your
6 parents. I don't have that chance; you do. I guess that on
7 behalf of my community, I want to ask you to consider that
8 there are, I believe, alternatives where there is less risk
9 to the public.

10 I understand that your process right now doesn't
11 necessarily allow for that, as you take these applications
12 in queue, as opposed to going through a planning process
13 that will serve the needs of New England, the West Coast and
14 the Gulf Coast, each and every time, maybe providing
15 incentives for offshore alternatives that put no one at
16 risk.

17 I believe that would be a better process, rather
18 than just suggesting that this project get a green light and
19 we find out later, what the mathematical formulas may or may
20 not tell us, but in the real world, suggest that it would
21 have been a mistake to place this in a populated area. I
22 thank you very much for your time.

23 CHAIRMAN WOOD: Thank you very much.

24 (Whereupon, at 10:45 a.m., the meeting was
25 adjourned.)