



Federal Energy Regulatory Commission
October 19, 2006
Open Commission Meeting
Statement of
Chairman Joseph T. Kelliher

**Item C-2: Regulations Implementing the Energy Policy Act of 2005;
Coordinating the Processing of Federal Authorizations for
Applications under Sections 3 and 7 of the Natural Gas
Act and Maintaining a Complete Consolidated Record
(RM06-1-000)**

"One of central policy goals of the Energy Policy Act of 2005 was to strengthen our energy infrastructure. One of provisions of the Act that did just that was amendments to the Natural Gas Act providing for coordination of federal authorizations and mandating the development of a consolidated record. Today, we issue a final rule to implement these provisions of the Energy Policy Act of 2005.

Under the final rule, the Commission would establish a schedule for federal agencies and state agencies with delegated authority to administer federal laws to review requests for federal authorizations required for a jurisdictional natural gas project, such as an interstate natural gas pipeline, a liquefied natural gas facility, or a gas storage facility. The final rule also authorizes the Commission to compile a consolidated record of each agency's decisions, to serve as basis for appeal or judicial review.

In my view, the Energy Policy Act provisions are entirely reasonable, and today we faithfully implement them in a manner consistent with Congressional intent.

The Energy Policy Act provisions in no way undermine the review by other federal agencies and state agencies with delegated authority to administer federal laws. They will continue to review applications by project developers in same manner, applying the same standards. That review may be subject to a schedule set by the Commission. I should also emphasize that we have been coordinating and will continue to coordinate with the agencies issuing federal authorizations for certain aspects of jurisdictional natural gas projects to develop a complete environmental review that meets each agency's needs.

Even though our rule is only now final, and subject to judicial review, there has already been a legal test of the statutory provision. There was a test in the Islander East proceeding, and the challenges to the constitutionality of the statutory provision were soundly rejected."