

FEDERAL ENERGY REGULATORY COMMISSION  
COMMISSIONS'S OFFICE OF ENERGY PROJECTS  
AND  
UNITED STATES DEPARTMENT OF TRANSPORTATION

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OREGON LNG EXPORT PROJECT  
PUBLIC SCOPING MEETING

The above public scoping meeting came on at  
the Woodland High School/Middle School Commons, 755  
Park Street, Woodland, Washington, on October 16,  
2012, at 6:06 p.m.

Cheryl L. Vorhees, CSR, RPR  
Court Reporter

## APPEARANCES:

Medha Kochhar  
Environmental Project Manager  
Federal Energy Regulatory Commission, FERC  
888 First Street, D.C. 20426

## Also Present:

Pat Terhaar  
Tom Finch, DOT  
Heather Ferree - Sign-In Table  
Amy Dammarell  
Matt Hutchinson  
Peter Hansen - Oregon LNG

## PUBLIC SPEAKERS:

Jose Perry  
Carl Kisaberth  
Joanna Connolly  
Tim Maddox  
Dale Clark  
Rudy Martinez  
Harold Gaskin  
Varonica Koon  
Steve Lawhorn  
Kevin Weller  
Hank Mroczkowski  
Robert Crane  
Anthony Harbison  
Jason Sweeney  
Ben Embree  
Steve Dragich  
SPEAKER LIST (Continued)  
Dan Serres  
Juan Sanchez  
Carlos Martinez  
Gayle Kiser  
Larry Lovelady  
Mike Karnofski  
Dale Boon

1 TUESDAY, OCTOBER 16, 2012, WOODLAND, WASHINGTON

2 6:06 P.M.

3 PROCEEDINGS

4 MS. KOCHHAR: Good evening. Welcome to our  
5 scoping meeting for Oregon LNG Export Project. On  
6 behalf of Federal Energy Regulatory Commission, the  
7 FERC, I would like to welcome all of you here tonight.  
8 This is an environmental scoping meeting for the  
9 Oregon LNG Export Project proposed by Oregon LNG  
10 Development Company, LLC, and Oregon Pipeline Company.  
11 We will call them collectively as Oregon LNG.

12 Let the record reflect that the public  
13 scoping meeting in Woodland, Washington began at 6:06  
14 p.m. on October 16, 2012. The primary purpose of this  
15 meeting is to provide you an opportunity to comment on  
16 the project or on the scope of the environmental  
17 analysis being prepared for the Oregon LNG Export  
18 Project.

19 My name is Medha Kochhar, and I'm an  
20 environmental project manager with the Commission's  
21 Office of Energy Projects. With me at the table  
22 tonight is Pat Terhaar. She's from HDR, a third-party  
23 contractor. Next to her is Joe Subsits. He is with  
24 DOT Washington state. And then we have Tom Finch from  
25 DOT, USDOT.

26

1           And at the sign-in table today we Danette,  
2           and Matt Hutchinson. Both of them are from HDR.

3           The FERC is an independent agency that  
4           regulates interstate transmission of electricity,  
5           natural gas, and oil. FERC reviews proposals and  
6           authorizes construction of interstate natural gas  
7           pipelines, storage facilities, liquified natural gas  
8           LNG terminals, as well as licensing and inspection of  
9           hydroelectric projects. As a federal licensing  
10          agency, the FERC has the responsibility under the  
11          National Environmental Policy Act, NEPA, to consider  
12          the potential environmental impact associated with a  
13          project which is under its consideration. I don't see  
14          Russ Berg, otherwise I would have introduced him also  
15          today. It looks like he didn't make it here.

16          Anyway, with regard to the Oregon LNG Export  
17          Project, the FERC is the lead federal agency for the  
18          NEPA review and preparation of the Environmental  
19          Impact Statement. We call it EIS, the Environmental  
20          Impact Statement. The U.S. Army Corps of Engineers,  
21          U.S. Environmental Protection Agency, the U.S. Coast  
22          Guard, and the U.S. Fish and Wildlife Service have  
23          agreed to participate as cooperative agencies in the  
24          preparation of the EIS. These agencies plan to use  
25          our EIS to meet their respective NEPA responsibilities  
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1 associated with issuing their permits, approvals, and  
2 reviews.

3 As I said earlier, the primary purpose of  
4 this meeting tonight is to give you an opportunity to  
5 comment on the project or on the environmental issues  
6 that you would like to see covered in the EIS. It  
7 will help us the most if your comments are as specific  
8 as possible regarding the potential environmental  
9 impacts and reasonable alternatives of the proposed  
10 Oregon LNG Export Project. These issues generally  
11 focus on the potential for environmental effects, but  
12 may also address construction issues, mitigation, and  
13 environmental review process.

14 In addition, this meeting is designed to  
15 provide you with an opportunity to meet with the  
16 Oregon LNG's representatives, to ask them questions,  
17 and to get more detailed information about their  
18 proposed facility locations and construction plans.  
19 The company representatives will be available here and  
20 they will be available to you to answer questions  
21 after the meeting, and some of them I know were asking  
22 them questions before the meeting, too, which is very  
23 good.

24 Keep in mind, the project is still in its  
25 developmental stage. So the project can change. This  
26

1 is only pre-filing right now. It's the intent of  
2 Oregon LNG that it may accommodate any comments that  
3 it receives, so it may refine this project.

4 So tonight's agenda is very simple. I'm  
5 going to describe what the FERC process is and then we  
6 will have Tom Finch from DOT to speak a little bit and  
7 tell us what DOT's role is in this project. And then  
8 we will maybe a word or two from Joe Subsits to  
9 explain how DOT with Washington state is affiliated  
10 with this project.

11 After we are done with this presentation, you  
12 can ask them questions but after the meeting is  
13 completed, not during their talk or right after their  
14 talk.

15 And at the end, we will hear from all of you  
16 who have signed the speakers' list to make a  
17 presentation and express your comments. Now, I'm  
18 going to describe the environmental review process. I  
19 have this poster here. I know it may not be easy for  
20 you all to read it. And the NOI that was sent out  
21 that had this same review process, and I'm sure you're  
22 aware of it.

23 Like I said, this project is in pre-filing  
24 phase, forecast, pre-filing phase and also certificate  
25 phase. Pre-filing phase is mandatory for all energy  
26

1 projects. It is not required for pipeline projects,  
2 however, as it is LNG pipeline, it's the pre-filing  
3 phase. During this process we have no formal  
4 application from the project sponsor. They come in  
5 and ask for an approval to enter into pre-file review  
6 phase. They formally request that, we formally  
7 approve or whatever. We approved this project for  
8 pre-filing phase on July 16, 2012. This chart here  
9 explains the entire step-by-step process right from  
10 the beginning of the pre-filing phase to the end of  
11 the certificate issuance of the authorization.

12 The three gray areas here that you see are  
13 the areas where we officially involve the public to  
14 give their -- to receive their input and comments in  
15 this area. That does not restrict you from giving us  
16 comment during any other time of the analysis. This  
17 is just to highlight for the NEPA requirements that  
18 these are the pre-filing phases that we need your  
19 input. And we give you a time period for that.

20 So, where we are today? We are at this  
21 stage, we are the holding scoping meetings. The  
22 applicant work-up, assess the market, request the use  
23 of pre-filing process. We receive the applicant's  
24 request, we formally approved the pre-filing request  
25 on July 16th, I believe, and now we are in this phase  
26

1 here.

2 The applicant did not hold any open houses  
3 during the pre-filing phase. Opened houses were in  
4 June, which we were not part of at that time. We  
5 issued a Notice of Intent, that is what I just showed  
6 you, and it was mailed out to everybody that was on  
7 our mailing list. That included folks that were there  
8 on the mailing list on the previous project, CP 09-6  
9 and 09-7. Those people are still on the list and they  
10 were sent the Notice of Intent. The new people, new  
11 stakeholders, public officials, anybody else on the  
12 federal, state agencies, local agencies, everybody, we  
13 sent something like 6,880 NOIs, and some of them came  
14 back with wrong address, and I'll explain to you what  
15 we need from you for that.

16 Anyway, issuance of the Notice of Intent was  
17 done. That officially opens a scoping period for us.  
18 And in that you have a date given, November 8, that is  
19 is the close of the comment period. So, therefore,  
20 your comments on the NOI should come to us by November  
21 8th. How to send those comments is given in the NOI.  
22 If you look at pages seven and eight, you will get  
23 enough information on that. Your comments should be  
24 sent to the secretary of the division. Not to me, not  
25 to just anybody. That is the way the formal comments  
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1       come in. You can also e-subscribe and send your  
2       comments through e-subscription that we will also get.  
3       You can sign in and there's no charge for that.

4               Then we are holding public scoping meetings  
5       which were the locations were notified by Notice of  
6       Intent. We have a total of eight meetings, and I'll  
7       explain to you why we have eight. There are three in  
8       Oregon -- let's see, one, two -- two in Oregon and  
9       then the rest are all in Washington state. The  
10       project is from Astoria to Woodland for the export  
11       part of the project, but it is associated with the  
12       pipeline that is being constructed -- that will be  
13       constructed by Northwest, and they will provide gas to  
14       Oregon energy in Woodland, Washington. So we are here  
15       for that meeting today.

16               After this comment period is over, we will  
17       analyze all the comments, look at what your concerns  
18       are, what will we need to do, where else we need to  
19       get more data from the company, whereas we need to do  
20       something else, what are the other problems that are  
21       missing or anything, and we will get that. And then  
22       we work on that and request by date of request of the  
23       company and get the information.

24               Once we have all of those NOIs collected and  
25       we feel we are satisfied with that information that we  
26

1       need to develop an Environmental Impact Statement,  
2       which it will be the draft form at that time, NEPA  
3       requires us to produce a draft of Environmental Impact  
4       Statement. And that statement we can only develop  
5       once we have enough data for it. And that is where we  
6       will stop the pre-filing process at that time because  
7       we will know the resource reports are now almost  
8       complete.

9               At that point we will submit a formal  
10       application, which will be a CP docket. It will be  
11       given a new docket number. It will begin with CP  
12       instead the PF. At this time the docket number is  
13       PF12- 18 for Oregon LNG, and PF12-20 for Washington  
14       Expansion Project. I'll mention that later, too, so  
15       we get it on the record.

16              So once an application is filed, formal  
17       application is filed, there will be a Notice of  
18       Application. Notice of Application is out and within  
19       ten days people who want to file for a grievance  
20       status, they need to submit their request for that.  
21       And that officially begins our formal analysis session  
22       and then we begin to analyze the data, developing the  
23       draft EIS. The draft EIS is mailed out to everybody  
24       who is on the mailing list, including interveners,  
25       including the state, federal and local agencies, or  
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1 anybody who is interested -- or any citizen who is  
2 interested, not just the landowner. That gives you an  
3 idea as to where we are, what we are thinking of the  
4 project, and how we are analyzing and what the company  
5 is going to do to minimize impact. And you will get a  
6 chance to comment on that.

7           Based on your comments, again, we will see,  
8 do we need to do any further study? Do we need to  
9 look for any other route alternatives? Do we need to  
10 get some more information which we do not know? Or do  
11 we need to clarify some of the things. So that will  
12 be another comment period. We will hold public  
13 comment meetings on the draft EIS. And I think the  
14 minimum time we are given is 45 days for the comment  
15 period. And your comments will be analyzed and we  
16 will respond to your comments in our next document,  
17 which we will call Final EIS.

18           We do not respond to individual comments. We  
19 respond to issues that are expressed, and those will  
20 be described all in the Final EIS. Once the Final EIS  
21 is to be developed, we send a Notice of Schedule that  
22 will tell you when our document is going to come out.  
23 Those dates can change because if we find more  
24 comments and we find that some more information is  
25 needed, we need more time to do it. So sometimes we  
26

1       may have to send more than one Notice of Schedule. We  
2       try not to do that, we try to do it once so people get  
3       one information at that time.

4               Once the Final EIS is issued, that Final EIS  
5       is used by the Commission to develop their decision.  
6       We do not make the determination. They make the  
7       determination. We only do our analysis, independent  
8       analysis. We may make some recommendations and the  
9       Commission may adopt them, may not adopt them, modify  
10      them, or whatever. They become condition to our  
11      authorization.

12              And that also opens a 30-day pre-hearing  
13      period. People who like to have re-hearing for one  
14      reason or the other, they will file a letter for  
15      requesting re-hearing status.

16              And then we issue Notice to Proceed with  
17      Construction, but that is done after the applicant has  
18      accepted the authorization and applicant will tell us  
19      in its implementation plan as to how they will  
20      implement all the recommendations that we have  
21      mentioned in our document.

22              We will review that. It is a 60-day period  
23      for that until and unless we are pleased or have all  
24      the information from them. We will not give them  
25      construction go ahead. So that is how our process  
26

1 works. So this chart tells you pre-filing as well as  
2 a little bit of the formal filing status. And I'll go  
3 ahead and read some of the information to give you  
4 more specific information.

5 Okay. Just to give you very quick and a  
6 short information of what the proposed project is, I  
7 will review that and then later on we'll have Peter  
8 give a presentation to explain how this -- what is  
9 proposed for this project.

10 The Oregon LNG Export Project will be  
11 comprised of liquefaction facilities to be located at  
12 the proposed import terminal site in Warrenton,  
13 Oregon, and about 39 miles of new 36-inch-diameter  
14 pipeline.

15 The new pipeline segment will traverse  
16 Columbia County, Oregon and end in Cowlitz County,  
17 Washington to interconnect with the interstate gas  
18 transmission system of Northwest Pipeline GP. After  
19 completion of FERC's first pre-filing review process  
20 for the Export Project, Oregon LNG plans to amend its  
21 pending application for an LNG Import terminal and  
22 send-out pipeline. So the pending project that we  
23 have, would be CP09-6 or CP9-7, both of those will be  
24 merged into this and it will be an amended  
25 application.

26

1           The total miles of the pipeline will be  
2 reduced from 121 miles to 86.5 miles. As I mentioned,  
3 Northwest is proposing the pipeline from where the  
4 Oregon LNG will receive the gas. So at this point  
5 Northwest is also proposing to expand the pipeline  
6 between Sumas and Woodland, Washington to provide  
7 natural gas to the proposed Oregon LNG Export  
8 terminal, and also to the growing migrates in the  
9 state of Washington. Washington Expansion Project is  
10 also in pre-filing at this time. The number for that  
11 is PF12-20.

12           The two projects are interconnected and will  
13 be analyzed in one single Environmental Impact  
14 Statement. Washington Expansion Project is intended  
15 to supply natural gas to Oregon LNG. In our  
16 discussion here tonight, we will focus more on the  
17 Oregon LNG project, but you can give comments on the  
18 other one also if you'd like to.

19           Once scoping is finished, our next step will  
20 be to begin analyzing companies' proposals and issues  
21 that have been identified during the scoping period.  
22 This will include an examination of the proposed  
23 facility locations as well as alternative sites. We  
24 will assess the projects' effects on waterbodies,  
25 wetlands, vegetation, wildlife, endangered species,  
26

1 natural resources, soils, land use, air quality, and  
2 safety, and also humans.

3 When complete, our analysis of the potential  
4 impacts will be published as a Draft EIS and presented  
5 to the public for a comment period that will be a  
6 minimum of 45 days long. This Draft EIS will be  
7 mailed to all interested parties. During the comment  
8 period of the Draft EIS, we will hold more public  
9 meetings to gather feedback on our analysis and  
10 findings. After making any necessary changes or  
11 additions to the Draft EIS, a Final EIS will be mailed  
12 to all interested parties.

13 Please note that because of the size of the  
14 mailing list, the mailed version of the EIS will be on  
15 a CD. That means, unless you tell us otherwise, you  
16 will find a CD in your mailbox. If you prefer to have  
17 a hard copy mailed to you, you must indicate that  
18 choice on the return mailer which is attached to the  
19 NOI. The back of the NOI is a return mailer. You can  
20 give us your choice if you want a hard copy. You can  
21 also indicate that on the attendance sheet tonight at  
22 the sign-in table.

23 As I mentioned earlier, our issuance of the  
24 NOI opened a formal comment period that will close on  
25 November 8, 2012. The NOI encourages you to submit  
26

1 your comments as soon as possible in order to give us  
2 time to analyze and research the issues. If you  
3 received the NOI in the mail, you are on our mailing  
4 list and will remain on the mailing list to receive  
5 the EIS and any other supplemental notices we may  
6 issue about this project unless you return the mailer  
7 attached to the back of the NOI and indicate you wish  
8 to be removed from the mailing list. I have received  
9 a few mailers already that say remove my name. If you  
10 did not receive the NOI and you should have, I  
11 apologize for that. And I would like to tell you this  
12 thing: When I get comments sometimes it's very  
13 difficult to read the names and the addresses.  
14 Sometimes the stamp from the post office come in where  
15 we cannot read it. So make sure you write your name  
16 and complete address. Include the zip code.  
17 Sometimes the zip code is missing. So some of these  
18 come back. Actually I have a big thick stack that has  
19 already come back. So make sure that you give us your  
20 address correctly if you want to remain on the mailing  
21 list.

22 The mailing list for this project is large  
23 and undergoing constant revision. You can be added to  
24 our mailing list by signing up at the sign-in table in  
25 the back of this room by submitting your comments on  
26

1 the project. I would like to add that the FERC  
2 encourages electronic filing of all comments and other  
3 documents. The NOI explains the process.

4 In addition, there's a small brochure that  
5 explains FERC's e-filing system at the sign-in table.  
6 It's a small brochure. There is this one and there's  
7 one more there. So you can look at the sign-in table  
8 for information how to do e-filing.

9 Also instructions for this can be located on  
10 our website, [www.ferc.gov](http://www.ferc.gov), under the e-filing link.  
11 If you want to submit written comments, please follow  
12 the directions in the NOI. It's very important that  
13 any comments you send either electronically or by  
14 traditional mail, include our internal docket number  
15 for the project. The docket number is on the cover of  
16 the NOI and is available at the sign-in table.

17 If you decide to send us a comment letter,  
18 please put the number on it, that will ensure that  
19 members of the staff evaluating the project will get  
20 your comments as soon as possible. The docket number  
21 for the Oregon LNG Export Project is PF12-18.

22 Now, I want to explain the role of the FERC  
23 Commission and of the FERC environmental staff. The  
24 five-member Commission is responsible for making a  
25 determination on whether to issue an authorization to  
26

1 Oregon LNG Development Company and a Certificate of  
2 Public Convenience and Necessity to Oregon LNG  
3 Pipeline Company. The EIS prepared by the FERC  
4 environmental staff, which I am part of, describes the  
5 project facilities and associated environmental  
6 impacts; alternatives to the project; mitigation to  
7 avoid or reduce impacts; and our conclusions and  
8 recommendations. These recommendations become  
9 conditions to the certificate. The EIS is not a  
10 decision-making document. Again, the NEPA document is  
11 not a decision-making document. And no decision has  
12 been made. No formal filing has been made. So don't  
13 think that we have already reached our conclusion so  
14 far.

15 It is being prepared to disclose to the  
16 public, and to the Commission, the environmental  
17 impact of constructing and operating the proposed  
18 project. When it is completed, the Commission will  
19 consider the environmental information from the EIS  
20 along with the non-environmental issues such as  
21 engineering, markets and rates, in making its decision  
22 to approve or deny Oregon LNG's request for a  
23 certificate. The Commission does not make a decision  
24 simply based on the Environmental Impact Statement.  
25 We have other don't requirements to evaluate; market,  
26

1 rates, and comments from you folks.

2 There is no review of FERC's decision by the  
3 President or Congress, maintaining FERC's independence  
4 as a regulatory agency, and providing for a fair and  
5 unbiased decisions.

6 So, now, at this point I will request Peter  
7 Hansen of Oregon Energy to make a short presentation  
8 about the proposed project. Peter?

9 MR. HANSEN: Good evening. My name is Peter  
10 Hansen. I'm the CEO of Oregon LNG and Oregon Pipeline  
11 Company. I have a brief presentation for you here  
12 that we'll go through in about ten or fifteen minutes,  
13 and then I'll be in the room the rest of the evening.  
14 I can take your questions individually when you come  
15 up.

16 In the interest of time, we should not take  
17 questions during this section here. Just come up to  
18 me individually when you have something.

19 What we have here is a view of the project as  
20 seen from the Northwest. The project consists of a  
21 dock for tankers out here, about a 2,000-foot concrete  
22 pier. Two tanks. They're 160,000 cubic meters each,  
23 which is the same at 42 billion gallons each. They're  
24 best described as a stainless steel tank, insulated  
25 stainless steel tanks surrounded by concrete bumpers.

26

1 The other comment features you see here are cooling  
2 towers. This facility is water cooled, and there will  
3 be two long cooling towers, one on each side of the  
4 equipment.

5 Another view from the southeast, again, the  
6 dock, the pier, the tanks, and the cooling towers.  
7 The facility will be designed to make about 9 million  
8 tons of liquid natural gas every year. That's about  
9 one-and-a-quarter billion cubic feet per day turned  
10 into liquids.

11 It will also have the capability to send gas  
12 back into the regional grid in case of emergencies,  
13 supply emergencies. We don't expect to use that much  
14 but that capacity will be there. And we expect to get  
15 between 100 and 125 ships per year, depending on the  
16 size of the ship, and we hope to be in service by  
17 2018. We're located here in Warrenton, which is a  
18 couple miles downstream of Astoria and the Astoria  
19 Bridge. The tankers will come in across the Columbia  
20 River bar here and meet up with the bar pilings.

21 At the first turn here, they will meet up  
22 with the tugboats and slow down and the tugboats will  
23 escort them up to the facility where the bar pilings  
24 with dock the ship. There will be two bar pilings on  
25 every ship, and what we're seeing here a little  
26

1 turning base, and it's basically a wide spot in the  
2 ship channel so we can turn the tankers around. That  
3 will require about 1.2 million cubic yards of  
4 dredging.

5 Looking at the general arrangements, the gas  
6 will come in down here in the southeast corner and go  
7 through a metering station and then there will a  
8 pre-treatment facility where we'll take out impurities  
9 in the gas, including any kind of acids, sulphur,  
10 water, any hydrocarbons, and a trace of mercury.  
11 There is a trace of mercury in all natural gas.

12 From there the natural gas goes into the  
13 liquefaction facility. That's the electrically-driven  
14 facility that will turn the gas into liquid, and from  
15 there the liquid goes into the tanks and then when the  
16 ship shows up, out the pier and can be re-loaded onto  
17 the ship. A few features here are three towers that  
18 will cool down the liquefaction process and the water  
19 treatment for that is here.

20 What you see here is a ground flare in case  
21 of process upsets, how hard it is and stuff like that,  
22 we would need to relieve pressure in various ways to  
23 save the facility, and that pressure will be burned  
24 off in this ground flare arrangement.

25 A Google Earth picture of the same thing.

26

1 This is the east bank of the Skipanon Peninsula and of  
2 course over here you have Warrenton, over here is  
3 Astoria, and this is the Young's Bay Bridge and the  
4 Astoria Airport. This is the pipeline that will come  
5 out of the facility and go down to Woodland.

6 Again, the dock and pier arrangement will  
7 require about 1.2 cubic yards of dredging, 2000-foot  
8 long concrete pier with deep foundations, a dock with  
9 loading arms and mooring dolphins for 100,000 ton  
10 ships. That will require three to four tugs depending  
11 on the size of the ship, with an 80-ton Bollard pull  
12 each, and that's all determined by the U.S. Coast  
13 Guard what the other requirements will be.

14 As far as seismic and tsunami issues are  
15 concerned, the project will be designed as per the  
16 federal guidelines, which continue to be updated and  
17 have been updated since the Japanese earthquake.  
18 There will be a lot of deep soil improvements and deep  
19 soil mixing. All structures will be on pile  
20 foundations, deep piles, and the tanks will also be  
21 built on seismic isolators which will allow the tanks  
22 to stay stationary if the ground is holding underneath  
23 the tanks. And then the facility will be surrounded  
24 by a tsunami berm.

25 We will use quite a bit of water, and we have  
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1 three water sources. The primary water source is  
2 drainage sewage water from the City of Warrenton,  
3 which we'll be buying from the City. The second  
4 source is surplus water. They have surplus water at  
5 certain times of the year, which we'll buy from them  
6 and use in cooling towers. And, finally, the backup  
7 supply is brackish water from the Columbia River,  
8 which we will take through a reverse osmosis system  
9 and dredge into fresh water.

10 Waste water will be discharged through the  
11 existing City of Warrenton outfall, where we will be  
12 paying them to take out sewage water. And the sewage  
13 water basically contains concentrated, made-up water,  
14 whatever minerals are in the water, and when you put  
15 it into the cooling tower those minerals will be  
16 concentrated up. You can evaporate water but you  
17 can't evaporate minerals. And of course the discharge  
18 water will meet all DEQ standards, including the  
19 temperature standards.

20 The pipeline route starts, again, in  
21 Warrenton, goes down to Clatsop County. That's the  
22 blue line. And then previously, when it was designed  
23 as an import project, the pipeline would continue down  
24 through the Yamhill and Willamette Valleys and next to  
25 the Williams pipeline down here in Mollala. As an  
26

1 export project, that does not work, primarily because  
2 there's no capacity to get from here to here. But,  
3 instead, the gas will be coming down from Canada in  
4 the Williams pipeline, and come down into Woodland  
5 where we will take the gas out of the Williams  
6 pipeline and run it through a new pipeline route that  
7 goes under the Columbia River through Columbia County  
8 and over to the Four Corners area where it will  
9 connect with the original island.

10 Before we had landowners 220 impacted in  
11 Oregon. Now we'll have 31 and approximately 16 in  
12 Washington. Again, I want to emphasize, this piece of  
13 pipeline will not be developed. That line has been  
14 abandoned. And in all pipelines projects, landowners  
15 will be compensated appropriately. It will be in  
16 negotiations with each landowner.

17 So why the West Coast? Well, in Canada an  
18 awful lot of gas had been found. There has been gas  
19 developed in this area for a long, long time. But  
20 since the capability to extract sale gas has been  
21 developed, there's now a huge quantity of gas in this  
22 area and there no longer is a market. The U.S. market  
23 on the west coast, and especially over in the Midwest,  
24 no longer need Canadian gas, and consequently that gas  
25 needs to go somewhere else. And it will be exported

26

1 to Asia through the West Coast either down through  
2 Oregon or directly out through the Canadian coast.

3 Asia is the biggest market and of course the  
4 West Coast has a huge competitive advantage supplying  
5 that market. Gas could come out of the Gulf Coast,  
6 but it takes 34 days for a tanker to get from the Gulf  
7 Coast to Tokyo. From here it takes nine days.

8 The Canadian government or the government in  
9 British Columbia obviously has plans to export gas  
10 directly out of BC. They're planning to have three  
11 projects online by 2010, and I'll openly talk about  
12 five projects like this one. However, we believe  
13 there's a competitive advantage down here for a number  
14 of reasons. The terrain is very difficult in British  
15 Columbia. It's a harsh winter, it's actually violent  
16 obviously parts of the year. There's the issue of  
17 unresolved native land claims, and there's a shortage  
18 of labor. Must be a nice problem to have. We don't  
19 have that here. And that's one or the reasons why  
20 we'd like to bring the projects down this way.

21 We believe there's great opportunity to move  
22 some of those jobs to Oregon and to the Southwest  
23 Washington region as well. Kitimat is sort of the  
24 center for LNG developments on the BC Coast. Of  
25 course Kitimat means being in the snow. And one of  
26

1 the problems in that area is that getting a pipeline  
2 across the bay rock is estimated at anywhere from 2 to  
3 8 billion, depending on which route we're looking at.  
4 And, of course, all proposed pipelines is about \$500  
5 million from Warrenton down to Woodland. In other  
6 words, we can be very competitive there and that would  
7 allow us to move some jobs down this way.

8 We have made certain commitments as far as  
9 work is concerned. We have an agreement in place with  
10 the Northwest Construction Alliance. That's the  
11 carpenters union and the operators and also in  
12 Columbia Pacific Building and Construction Trades,  
13 which is a group of trades, different trades. This  
14 agreement includes a carve-out for a lot of small  
15 group of contractors in the Warrenton area. It also  
16 includes a commitment to support apprentice programs  
17 and a commitment to women and minority-owned  
18 businesses.

19 There's also agreement in place with the  
20 Oregon Department of Energy. We will fund, or we have  
21 been funding for a while, emergency planning on behalf  
22 of the State of Oregon. We will also fund whatever  
23 emergency response requirements this project will  
24 create. For example, there will be more fire trucks  
25 and other issues that have to be addressed at the  
26

1 facility. The ODOE will get to specify what we have  
2 to pay and what we get to pay for.

3 As far as we know as far as standards and  
4 mitigation, we have also agree to ODOE's standards  
5 there. They are still being developed for the Export  
6 Facility. We would also be posting a retirement bond  
7 for the facility so that we don't end up with the hook  
8 if the world should change or if in 30 years the  
9 project becomes obsolete and needs to be removed.  
10 There will be a bond in place by us to do so. That is  
11 the FERC requirement but it's a Department of Energy  
12 requirement in Oregon.

13 Finally, we've had an analysis done of the  
14 impact of these projects. It was done by  
15 EcoNorthwest, the same company that's done the CRC,  
16 the Columbia River Crossing, and a number of other  
17 projects in this region.

18 I was done with IMPLAN model, which was  
19 developed and issued by the U.S. Forest Service in  
20 1972.

21 When you look at the construction costs, it's  
22 5.8 billion for the terminal, 0.5 million for the  
23 pipeline, for a total of 6.3 billion. The associated  
24 Williams Expansion, which is the project that Williams  
25 is undertaking to expand the pipeline from Sumas on  
26

1 the Canadian border down to Woodland is another .82  
2 billion dollars, for a total of \$7.1 billion worth of  
3 construction as a result of this project.

4 When you look at the jobs that are created by  
5 this project -- and by the way, this does not include  
6 the Williams Expansion -- you get an average of 2600  
7 Oregon and Washington residents four for a five-year  
8 period, and it's hard to see the number on, but it's  
9 3,011, an approximate 3,011 total jobs for a five-year  
10 period, it peaks out in the 16 time frame with about  
11 3400 jobs on the site.

12 That of course creates a bunch of other jobs  
13 because these are the direct employment jobs at the  
14 site and associated facilities. Then there are the  
15 business transactions resulting from these jobs. And  
16 then in addition to that we have the consumer  
17 spending. If you add it all up you get about 2500  
18 indirect business-to-business jobs created by the  
19 3,000 jobs and another 4800 jobs created by these two  
20 groups, for a total of 10,400 jobs created in Oregon  
21 primarily but also some in Southwest Washington as a  
22 function of this project. I think it's fair to say  
23 that that's a pretty important piece, 10,000 jobs for  
24 five years. That's exactly what we need right now.  
25 And you see here the distribution over time and peaks  
26

1 in the 16 time frame.

2 As far as permanent jobs created by this, you  
3 see here that's 149 approximate jobs at the site.  
4 It's hard to see down here, 145 at the terminal and  
5 another four for the pipeline. That leads to indirect  
6 jobs of about 782 caused by the spending associated  
7 with the \$6.2 billion through-put of the facility, and  
8 another 660 jobs induced, in other words from the  
9 consumer spending related jobs as a function of the  
10 direct and indirect jobs. That's adds up to 1591  
11 permanent jobs primarily in Oregon, some in Southwest  
12 Washington.

13 Tax receipts not so interesting in this area,  
14 but if you look at Salem, Oregon income tax receipts  
15 during construction, 220 million and after that about  
16 60 million a year. Property taxes during  
17 construction, 120 million. Annual property taxes, 57  
18 million in Clatsop County. That will pretty much  
19 double Clatsop County's tax revenues. They're right  
20 around 60 million dollars a year right now. That will  
21 make the watermill the second largest taxpayer in  
22 Clatsop County at 3.4, and we will be right at 57 in a  
23 year.

24 Finally, we believe that this project will  
25 have benign environmental impacts. It may change the  
26

1       Warrenton skyline. It certainly will because the  
2       tanks are large, you can't hide \$6 million worth of  
3       economic activity, but we do not believe that it will  
4       change the character of the community. There will be  
5       an influx of newcomers. Obviously there will be a lot  
6       of newcomers during construction with 3,000 people on  
7       site, but this is not a facility with a lot of traffic  
8       associated with it, and the public services required  
9       by this project are obviously minimal because we'll  
10      have to provide most of our own.

11                It will be a massive long-term boost to  
12      Oregon's economy and to some extent this region as  
13      well, and of course it will a massive boost for  
14      Clatsop County more than anywhere. That's all I have.  
15      Thank you very much.

16                MS. KOCHHAR: Now I would like Tom Finch of  
17      US DOT to make a short presentation and tell us what  
18      your role will play in this project.

19                MR. FINCH: Okay. Thank you very much. Can  
20      you all hear me if I just talk loud enough? At any  
21      rate, we are US DOT PHMSA, which is Pipeline and  
22      Hazardous Material Safety Administration. And we  
23      don't get involved in the actual siting of this or  
24      approval, but if this LNG got approved we would be  
25      expecting from the beginning for design, for  
26

1 construction insulation, and inspecting the current  
2 LNG plant that UTC inspects, is inspected at least  
3 annually. And that's basically our role. I didn't  
4 know if you all knew that basically pipelines, there's  
5 2.5 million miles of pipelines, that's including your  
6 distribution pipelines. But they do provide  
7 two-thirds of your energy in this country in one form  
8 or another.

9           So that's about, you know, trying to make it  
10 short and simple. I had a little PowerPoint or  
11 whatever. We are the western region. I'm out of  
12 Lakewood Colorado. We would handle anything in  
13 Oregon. And the reason I brought Joe Subsits with the  
14 Washington Utilities Transportation Division to talk a  
15 little bit is any pipelines or any facilities in  
16 Washington state, they do because they're an  
17 interstate agent, which means they act as us. The  
18 only thing they don't do is write the enforcement  
19 cases. Which I've had the pleasure of writing some of  
20 them for them. Maybe not fast enough for them.

21           On that line, we have had our enforcement  
22 double basically by Congress. We were just  
23 reauthorized, the president signed our reauthorization  
24 January 5th of this year, so now we're up to \$2  
25 million per occurrence and stuff like that. The  
26

1 largest fine I think we've had I think is like 3.8  
2 million. But that's where we're at if they don't play  
3 by the rules.

4 So I will introduce Joe Subsits. He's the  
5 pipeline safety supervisor with Washington Utilities  
6 Transportation Division. I've worked with him since,  
7 what 1999? Or 2000, yeah, on something in Bellingham,  
8 Washington.

9 MR. SUBSITS: Thanks Tom. My name is Joe  
10 Subsits. I'm the chief pipeline safety engineer with  
11 the Washington Utilities and Transportation Division.  
12 We're housed by the Utility and Transportation  
13 Division, which is the agency which is responsible for  
14 consumer protection for utilities and transportation  
15 services in Washington state.

16 Our role is specifically pipeline safety.  
17 There's numerous ways to pipeline safety. We do  
18 inspections, we do investigations, we handle citizen  
19 complaints. We'll go ahead and we will do technical  
20 assistance with some of our pipeline operators, we do  
21 public awareness programs, keep the public apprized of  
22 pipeline safety issues.

23 One thing we do not is we do not site  
24 pipelines. You'll determine where pipelines go, but  
25 once we're built then we're very active and work with  
26

1 pipelines. And that activity starts with the  
2 construction work. We're normally very involved in  
3 construction work, which takes place in the pipelines  
4 throughout the state of Washington.

5 We directly visit our facilities two to three  
6 times a year. Our higher risk operators, we tend to  
7 see them at least twice a year. We see them at least  
8 every two years, excuse me. Lower risk we feel is so  
9 important and that will give you an indication of how  
10 often we will inspect them. Because we inspect  
11 pipelines in Washington state, we see the same  
12 facilities over and over again, we become very  
13 familiar with them, and we feel this gives us an  
14 advantage of dealing with these pipeline operators.

15 If you're interested in pipeline safety  
16 issues, we have a pretty good web page, [utc.wa.gov](http://utc.wa.gov),  
17 and on that web page you can see all our actual  
18 inspection reports for all the pipeline inspections  
19 we've done in Washington state. So the results of  
20 those inspections can be found for your viewing on the  
21 web page. So after the meeting tonight, I'd be happy  
22 to answer your questions. I can give you business  
23 cards, if you have any questions any time, not just  
24 today, but I look forward to answering those  
25 questions. Thank you.

26

1           MS. KOCHHAR: Now we're going to begin with  
2 the most important and that is to hear from you all  
3 what your comments are. We will first take comments  
4 from those who signed on the speakers' list, which was  
5 at the table in the back. And if you prefer you may  
6 hand us your written comments or present it orally  
7 tonight, or you can mail it to our office. All of  
8 these comments will be given equal -- they will be  
9 considered equally.

10           And Pat is going to announce the names of the  
11 speakers one at a time. You have also noticed we have  
12 a court reporter here who is transcribing -- which is  
13 being recorded by a transcript service. So make sure  
14 you come up to the front, speak into the microphone,  
15 give your name first, spell it out, give your  
16 affiliation so that everything is recorded correctly.  
17 So Pat, I will give you the opportunity to call  
18 people. And we will also limit the presentations to  
19 three minutes at a time, because there are quite a  
20 few. If we have more time, you are welcome to come  
21 back and say more. So we'll start with the first  
22 speaker.

23           MS. TERHAAR: Okay. I'd like to start with a  
24 couple of ground rules. Audience, we ask that you to  
25 be respectful of the speakers, and, speakers, we ask  
26

1       you to refrain from making any personal attacks. As  
2       Medha said, your written comments will be treated the  
3       same as oral comments. And we're going to limit each  
4       speaker's time the first time you come up to three  
5       minutes, and after three minutes I'm going to hold up  
6       this red card as a gentle reminder for you to just  
7       kind of wrap things up, summarize what you're going to  
8       say. Again, you can turn in your written comments.

9               And if there's time at the end, after the  
10       speakers who have signed up have had a chance, then  
11       we'll open it up to other people who might want to  
12       come up and say something. And then after that,  
13       people who have spoken before may come up again if  
14       there's time.

15              With that, we'll start with our first  
16       speaker, who is Jose Perry.

17              MR. PERRY: Good evening, everybody. My name  
18       is Jose Perry. I'm with Pacific Northwest Regional  
19       Council of Carpenters. I'm a carpenter by trade. And  
20       for this project, because it's going to produce jobs  
21       and a media forum for construction, and it will give  
22       us jobs in the long term, stimulating our economy, and  
23       helping these different areas to bring in income that  
24       has been very much needed in this slow economy.

25              As a carpenter by trade, I say that we build  
26

1           it safe, we build it clean, and we build it  
2           professionally, but I'm for building. Thank you.

3                   MS. TERHAAR: Thank you. Our next speaker is  
4           Carl Kisaberth.

5                   MR. KISABERTH: Hello. I've been a union  
6           carpenter for Oregon and Washington for 33 years, and  
7           projects like this, it's a great boost.

8                   MS. KOCHHAR: Could you please say your name  
9           and spell it for the court reporter?

10                   MR. KISABERTH: Sure. It's Carl Kisaberth,  
11           K-i-s-a-b-e-r-t-h. And these projects are a great  
12           living wage income for the families of these men, and  
13           also a great tax base from our weekly paychecks to  
14           Oregon and Washington, and I'm gunning for this  
15           project. Thank you.

16                   MS. TERHAAR: Our next speaker is Joanna  
17           Connolly.

18                   MS. CONNOLLY: Hi. My name is Joanna,  
19           J-o-a-n-n-a, Malandrucollo,  
20           M-a-l-a-n-d-r-u-c-c-o-l-l-o, dash, C-o-n-n-o-l-l-y.  
21           The Oregon LNG project will not only provide hundreds  
22           of jobs during its construction, the operations of the  
23           plant will provide over 150 permanent high-wage  
24           careers to the county. I'm a carpenter, my husband is  
25           a carpenter, my son and my grandson are carpenters.

26

1 Both my son and my grandson have had to leave the area  
2 to find jobs to support their families.

3 My husband was out of work for almost two  
4 years. This will bring jobs back and hopefully  
5 families back together. Thank you.

6 MS. TERHAAR: Our next speaker is Tim Maddox.

7 MR. MADDOX: Hello. My name is Tim Maddox.  
8 I'd just like to say I'm supporting this LNG project.

9 MS. TERHAAR: Our next speaker is Dale Clark.

10 MR. CLARK: Yes. My name is Dale Clark.  
11 D-a-l-e, C-l-a-r-k. I'm in support of the project. I  
12 came here as a carpenter in Local 156, and I support  
13 this project. We need jobs, jobs, jobs. Thank you.

14 MS. TERHAAR: Our next speaker is Al Rudy  
15 Martinez.

16 MR. MARTINEZ: Good evening. Rudy Martinez,  
17 M-a-r-t-i-n-e-z, and I'd like to speak on behalf of  
18 the families affected by these jobs that are going to  
19 be created by this project. I think it's a good  
20 project, and any time you put carpenters, operators,  
21 and construction workers to work, you affect families  
22 in the area and I'm in favor of this project. Thanks.

23 MS. TERHAAR: Thank you. Our next speaker is  
24 Harold Gaston.

25 MR. GASKIN: Hello. My name is Harold,  
26

1 H-a-r-o-l-d, Gaskin, G-a-s-k-i-n. I'm a member of the  
2 Carpenters Local 156. I'm in favor of the LNG  
3 project. If it will create hundreds of new jobs it  
4 can't help but stimulate the economy in Oregon and  
5 Washington. I support the LNG project. Thank you  
6 very much.

7 MS. TERHAAR: Varonica Koon.

8 MS. KOON: Hi. It's Varonica,  
9 V-a-r-o-n-i-c-a, Koon, K-o-o-n. And I'm here to voice  
10 my support for the LNG project to create more jobs.  
11 Thank you.

12 MS. TERHAAR: Steve Lawhorn.

13 MR. LAWHORN: My name is Steve Lawhorn, and  
14 it's S-t-e-v-e, L-a-w-h-o-r-n. And I'm a member of  
15 the Carpenters 156. I support the Oregon LNG project.  
16 It's formulary seems sounds. I trust the geotechnical  
17 aspect will be in good hand of the best scientists and  
18 engineers. I think it offers a good deal for  
19 Warrenton and the surrounding communities, the jobs of  
20 construction, and the long-term job base.

21 It places Oregon as a leader in exports. I  
22 believe that the LNG monetary benefits outweigh the  
23 unnecessary an overblown concerns, so I support the  
24 project. Thank you.

25 MS. TERHAAR: Thank you. Kevin Weller.

26

1                   MR. WELLER: My name is Kevin Weller, and I'm  
2                   Carpenters District Council Carpenters, Portland  
3                   Oregon 156. K-e-v-i-n, W-e-l-l-e-r. I'm still  
4                   learning about all the aspects of this 7.1 million  
5                   dollars and the carpenters locals. I've been a  
6                   carpenter for 30 years. I've lived in Kelso, Cougar,  
7                   Vancouver, Portland, Scappoose, within 50 miles of  
8                   here all my life. And I understand that someone  
9                   here's going to spend some money, and this gas has got  
10                  to go somewhere. And they need to replace all the gas  
11                  lines from Canada to Oregon. And I support the LNG  
12                  project, and I think we have the technology, the know  
13                  how, and the capability, and the men on reserve to  
14                  build it. And I support union labor and the operating  
15                  engineers and the carpenters, and everyone that's  
16                  looking for work in this area needs to go back to  
17                  work. So that's about all I need to say. Thanks.  
18                  Have I nice day.

19                 MS. TERHAAR: Hank Mroczkowski.

20                 MR. MROCKOWSKI: Good evening. Hank  
21                 Mroczkowski, M-r-o-c-z-k-o-w-s-k-i. I'm a lead  
22                 representative for the carpenters union for the  
23                 Pacific Northwest Pacific Regional Council of  
24                 Carpenters. We have approximately 6,000 members in  
25                 Oregon and Southwest Washington, and in western  
26

1 Washington another 15,000. Many of our members have  
2 had to travel across the country in order to work over  
3 these last several years. Since '07/'08, the economy  
4 has dropped away and our workers have had to go  
5 anywhere there was work in order to survive.

6 This project, putting 3,000 workers to work  
7 for five years, brings that money and those people  
8 back home to their own communities to put that money  
9 back into the tax structure of their homes and areas  
10 they live in. This is a project that has been looked  
11 at and will be sited with all the safety concerns  
12 taken care of. I believe this project is good for the  
13 community, for the state of Oregon, and for the state  
14 of Washington. Thank you.

15 MS. TERHAAR: Robert Crane.

16 MR. CRANE: My name is Robert Crane,  
17 C-r-a-n-e. I'm a member of Local 701 Operating  
18 Engineers. I'm a third generation union member but  
19 more importantly I'm a fourth generation Oregonian,  
20 I'm a father to a fifth generation and I'm a  
21 grandfather to a sixth generation. If the numbers  
22 I've gotten are accurate, the construction period will  
23 last around four years on the pipeline and the LNG  
24 facility, with peak numbers running around 3,000 on  
25 both projects. After construction close to 150

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1 full-time family wage paying jobs.

2 In the construction trade, a three to four  
3 year project is almost unheard of so all the trades  
4 are very excited at this prospect. The union brothers  
5 and sisters that will be on this project are all  
6 highly skilled, trained, safety-minded professionals.  
7 We're excited at the prospect of being able to work in  
8 our own home state. Most of us travel extensively in  
9 order to raise our families here in the state we love.  
10 I myself, in the last nine years, have worked in ten  
11 different states and two different countries.

12 Tonight, what I would really like to do is  
13 I'd like to thank everyone here to be given this  
14 unique opportunity to express my opinion. Since I  
15 started on these rounds of meetings I've met  
16 politicians, tribal members, doctors, lawyers, union  
17 brothers and sisters, moms, dads, retirees,  
18 environmentalists and landowners. We all have a  
19 commonality. And that is, we believe passionately  
20 enough to bend and break our schedules, show up and  
21 speak to strangers about something we have a passion  
22 for. This is an American right and this process is a  
23 gift of freedom that was given to us by our  
24 forefathers. It's been an honor to have met so many  
25 passionate, gifted, and intelligent individuals.

26

1                   Whether this project is a go or not, I wish  
2                   to thank everybody here for showing me that the  
3                   unique, independent spirit of our founding father  
4                   still lives on, that a determination to have our  
5                   voices heard is never circumvented by policy or greed  
6                   or the removal of our civil liberties. I'd like to  
7                   thank the audience and the FERC panel for the time and  
8                   the honor to express my opinion. And I am 100 percent  
9                   for this project. Thank you.

10                   MS. TERHAAR: Anthony Harbison.

11                   MR. HARBISON: My name is Anthony Harbison,  
12                   H-a-r-b, as in beautiful, i-s-o-n. I'm a carpenter  
13                   out of Local 156. I've lived in Calama, which is  
14                   right over the bridge there for ten years. But in  
15                   those ten years I've had to go to Wyoming and work in  
16                   Montana, two different states. With this job, with  
17                   this LNG, it will bring more work here not only for us  
18                   older guys but for our youth that live in this  
19                   neighborhood. This will feed the families that are  
20                   here, the carpenters who are struggling for work in  
21                   the area who have to travel outside the area, who are  
22                   not working, who have to go to other places, by taking  
23                   on side jobs doing other things besides what we are  
24                   trained for.

25                   We're trained to be carpenters, skilled

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1       carpenters. With this work we'll be able to show what  
2       our brothers and our forefathers have taught us and  
3       has taught the ones before us the skills that keep us  
4       going. There's an old saying, if you build it, they  
5       will come. Let's build it.

6               MS. TERHAAR: Jason Sweeney.

7               MR. SWEENEY: Hi. My name is Jason Sweeney,  
8       J-a-s-o-n, S-w-e-e-n-e-y. I'm a member of Local 146,  
9       I'm a carpenter, and I believe that this project will  
10      bring jobs in a big way and help our community. Thank  
11      you for your time.

12              MS. TERHAAR: Thank you. Ben Embree.

13              MR. EMBREE: Ben Embree, E-m-b-r-e-e. I'm a  
14      representative for the Northwest Carpenters Union.  
15      And one thing we haven't talked about are the training  
16      opportunities that this job will give us. Because  
17      when we have hundreds of carpenters on the job, one in  
18      five will be an apprentice. They'll get their star  
19      and a lot of these apprentices will be women and  
20      minorities on this project. And some of them may be  
21      able to turn out as journeymen on this project if they  
22      stay there long enough. It's a four-year project,  
23      usually they're in an apprenticeship. And we need to  
24      train for the future and this is another aspect of  
25      this job that will help us out. Thank you very much.

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1 MS. TERHAAR: Steve Dragich.

2 MR. DRAGICH: I'd like to welcome FERC to  
3 Washington and Cowlitz County. You're in my house  
4 tonight. I was born and raised here. So was my  
5 father and my grandfather. I'm going to switch gears.  
6 Last night you heard me talk about CEII, and the  
7 audience behind me probably doesn't know that that  
8 means but I'm sure all four panel members understand  
9 that. And I talk about that Foya. Before I was a  
10 firefighter and EMT I started life at Oregon State in  
11 engineering. Spent three years there. Forester  
12 engineering is similar to civil engineering. They  
13 offer you a dual degree. I changed gears and  
14 graduated Portland State Class of '86, emergency  
15 management, police and fire.

16 I'm going to talk simply about geology  
17 tonight. Specifically, I have in my hand a FERC  
18 environmental assessment on another pipeline not more  
19 than 30 miles from where we stand tonight. It's  
20 called the KB Pipeline. I'm going to read you staff a  
21 FERC staff report on a similar pipeline which you're  
22 proposing to construct here in South Cowlitz County,  
23 specifically on geology.

24 Let me read you a FERC staff assessment. "In  
25 reference to geology in extensive areas of slope

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1 instability, areas with landslide or soil  
2 liquefaction, potential or fault areas are not known  
3 to exist along the proposed route."

4 The KB Pipeline was constructed in the summer  
5 and fall of 1991. Specifically the FERC staff,  
6 through their contractor at the time, Environmental  
7 Contractor, was known as a Basco out of Houston,  
8 Texas, a wholly-owned subsidiary of Enron. And I'm  
9 everybody in Portland and Oregon knows about Enron.

10 Your assessment, FERC's assessment of the  
11 geology of this pipeline, you found no faults,  
12 geologic faults.

13 Let me read you, "Geologic and mineral  
14 resources, Cowlitz County in Washington state under  
15 Governor Dan Evans 1966.

16 Fortunately, I know you probably can run my  
17 DVD and this shows you the construction and the fault  
18 which FERC said was not there. And here you have a  
19 map that's been in existence since 1966 put together  
20 by taking core samples in 1966 and going back to 1940.  
21 And right here, 262 feet, right on the fault line,  
22 right next to the KB Pipeline, guess who's there?  
23 Why, it's Steve Dragich's residence, right on the  
24 Harmony Creek Fault.

25 So when you're doing an assessment, an EIS,

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1 or an Environmental Impact Statement, which is a  
2 little more involved, make sure you look at all the  
3 scientific information. This report has been sent to  
4 Washington UTC and to PHMSA.us.DOT September 23, 2012.  
5 And I'm going to submit this report and my DVD of an  
6 actual construction of a pipeline in Cowlitz County to  
7 you today as part of the record.

8 MS. TERHAAR: Okay. Thank you. Our next  
9 speaker is Dan Serres.

10 MR. SERRES: Thanks for your patience. Dan  
11 Serres, Columbia Riverkeeper, 823 Southeast Main  
12 Street, number 126, 97214, Portland, Oregon. Again, I  
13 want to reiterate our request for a 45-day extension  
14 beyond November 8th. I think this is a very complex  
15 set of projects and it's important that the public  
16 have a chance to weigh in. There are probably people  
17 in the room who are landowners on the new proposed  
18 Oregon LNG Pipeline through Woodland and there are  
19 probably in the room who are affected by the  
20 Washington Expansion Project.

21 Riverkeeper strongly opposes both projects  
22 for pretty simple reasons. The first is that it will  
23 damage the environment. If you look at the resource  
24 reports that are on file, you know, there's a stale  
25 information about the impact of the environment,

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1 including stale information about the impacts to  
2 waterbodies. Resource Report 1 refers everyone back  
3 to the previous set of dockets, CP9-06 and CP9-07, and  
4 it tells you where to look there for waterbody  
5 crossing methods. They'll be site-specific.

6 Well, we're dealing with two new pipelines in  
7 fact, and it's not adequate to punt people back to  
8 previous review. This poses big safety risks. It  
9 poses a risk to every rate payer in the Northwest.  
10 When energy prices go up, that means America's  
11 competitive advantage is diminished in the global  
12 economy. It will harm the economy for that reason,  
13 and ultimately it's going to condemn land. And that  
14 affects families. It affects family farmers, family  
15 foresters, all kinds of businesses throughout the  
16 region.

17 There are two projects being scoped tonight,  
18 but really it's one project. It's one big project.  
19 And it's really important for everyone in the room to  
20 realize that. There is no Washington Expansion  
21 Project without the Oregon LNG Project; there is no  
22 Oregon LNG Pipeline without the Oregon LNG terminal.  
23 All three aspects are interconnected and  
24 interdependent. No terminal, no pipeline. This is  
25 dragged Bradwood dragged down Palomar. This is why  
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1 Oregon currently from of LNG terminals is because when  
2 the projects failed in Oregon, the Bradwood Project,  
3 it took out the Palomar Pipeline with it, which was no  
4 longer viable.

5 But for the terminals going forward, the  
6 pipelines cannot proceed. And I commend FERC for  
7 doing a joint review of all these projects and I urge  
8 FERC to issue no license for any one of these projects  
9 without the others. You need to look at the whole  
10 picture together and not to piecemeal this out. And  
11 you're doing this correctly with the environmental  
12 review by looking at them all together, and that's the  
13 right approach. I hope that that when you make a  
14 decision in the end you don't piecemeal it out and say  
15 license for one is a license for the other so we can  
16 start building a pipeline to nowhere, that we want to  
17 avoid.

18 In you're a landowner or public assistant who  
19 wants to stop the pipelines, you can achieve this goal  
20 by doing one simple thing, by stopping the terminal.  
21 There are a lot of reasons why a terminal doesn't make  
22 sense. If you'd been in Warrenton last night, you  
23 would have heard literally dozens of people standing  
24 up and talking about the impact to the city of  
25 Warrenton, the stupidity and arrogance of putting a  
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1 project like this in a highly unstable geologic area  
2 right in the middle of the city of Warrenton  
3 basically, right next to a major mooring base for  
4 fishing boats, for recreational boats. It just  
5 doesn't make sense.

6 So a few other issues I want to point out.  
7 The construction of highly erosive landslide slopes in  
8 Clatsop and Columbia and Cowlitz Counties with this  
9 project in particular is real troubling. If you look  
10 at the Columbia County route, it comes down some very  
11 steep routes. I know they said they wanted to skirt  
12 and on the ridge lines, well, where they drop down is  
13 very steep erosive country.

14 Cowlitz County itself is no stranger to  
15 pipelines being damaged by earth movement. Several in  
16 past 15 years have led to fires and pipeline failures  
17 that have interrupted service for natural gas  
18 pipelines.

19 At the site itself in the terminal, the water  
20 uses and discharge are enormous. Absolutely massive.  
21 The cooling water for the terminal alone would be 6.7  
22 million gallons per day, and that's from Resource  
23 Report 1 from Oregon LNG. The balance from the water  
24 tankers would be 12.8 billion gallons per tanker,  
25 which is interesting. And I get that figure from  
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1 Table 1.3-4 in the Resource Report 1, which estimates  
2 1600 million gallons per year. If you divide that by  
3 the number of tankers per year, 125, you get 12.8  
4 million gallons per tanker. That seems like a lot.  
5 Except for the fact that the estimate for Bradwood was  
6 20 to 50 billion gallons per tanker, coming out very  
7 high, coming out 17 degrees Fahrenheit above the  
8 ambient temperature. In the Columbia, in an area  
9 where trying to restore salmon, where a lot of jobs  
10 depend on fishing, and all the boating that goes  
11 around the salmon industry, a pool of water that's  
12 17 degrees higher than all the water around it  
13 stresses out salmon and essentially kills them. It's  
14 unacceptable.

15 So it's something you need to look at very  
16 closely and explain the discrepancy between the  
17 numbers that came out in a final Environmental Impact  
18 Statement for Bradwood and what Oregon LNG is putting  
19 forward in Resource Report 1.

20 And I want to kind of close by getting down  
21 to the pipeline. There's an excessive amount of space  
22 between the main line block valves. If you live in  
23 Clatsop County, there's a huge stretch across really  
24 rugged country at 19.3 between block valves. And I  
25 know that basically the block valve spacing is

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1 determined by more or population density.

2 I think you need to factor something else in,  
3 which is the fact that these landslides are moving,  
4 some of them are ancient and difficult to detect. But  
5 these are very erosive areas, they're areas where  
6 rivers move all over the place. The Lewis & Clark  
7 drainage coming up through Clatsop County is known for  
8 landslides. Those highways get knocked out every  
9 winter by landslides. And the idea that they're going  
10 to build this pipeline in 36 inches over a 1000 psi on  
11 a gauge, non-odorized, and have over 19 miles between  
12 block valves? That's a lot of gas to burn off of this  
13 property. Even imagining that the block valves  
14 engaged immediately, that the system worked perfectly,  
15 you still have a major, major risk to the people who  
16 live in this area. And it's not just the homes  
17 nearby, it's the entire Clatsop State Forest, and that  
18 risk pertains to the entire region. So we're very  
19 concerned about those aspects. And, frankly, we don't  
20 understand why the pipeline wouldn't be attached, and  
21 it should be.

22 The environmental impacts of this program are  
23 not done. The dredging at the terminal, the  
24 horizontal directional drills that are Oregon LNG is  
25 treating as if they have no environmental impacts will  
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1 have major environmental impacts, particularly if they  
2 fail. If you look at either side of those directional  
3 drills, you have huge pull back and laid-down areas  
4 for the pipe. And that's an impact, all that land,  
5 you know, Woodland block land, all that land on the  
6 other side of the river, and it doesn't go right.

7 A frack out basically would pop all that  
8 drilling fluid right in the middle the Columbia River  
9 or all the other streams they're trying to use  
10 directional drills for.

11 Finally, the price impact of this is really  
12 important to consider. Each tanker that would leave  
13 the Oregon LNG site would carry eight percent of the  
14 United States' use of natural gas. So this project is  
15 enormous in scope, and everyone in this room is going  
16 to pay more for energy if it goes forward. We're  
17 talking about taking our one -- in the world of the  
18 Cisero, a director of the Industrial Energy Consumers  
19 of America, this is our one competitive advantage and  
20 we're talking about exporting it. And that's just  
21 plain stupid. We need to do better than this. So  
22 thank you for your time.

23 If you're concerned, please come and talk to  
24 me. I've got a sign-up sheet, I've got a lot of  
25 information, a scoping guide. I'll be in the back  
26

1 near the door. And I do encourage anyone who does  
2 have issues and is concerned about, please come and  
3 talk to me. Thank you.

4 MS. KOCHHAR: I want to make one point clear  
5 for all of you. The resource reports that have within  
6 submitted, those are the very set of resource reports.  
7 Like I said, we are review it, this is pre-filing, and  
8 we always send two data requests to LNG to answer some  
9 of those questions. And of these questions we have  
10 brought up today and some were brought up yesterday.  
11 So don't think that we're blind to we are reading. We  
12 know. We have experienced that. We also have  
13 experience on track to specifically to assess tsunami  
14 and earthquake. We are looking into geology very,  
15 very seriously.

16 I don't know the old projects, I was not on  
17 it, I did not do that, I was not part of it, I can't  
18 speak to it. But you can see what will come up in the  
19 next projects. Okay? So we can't talk about the  
20 past, what we want to do is what we're doing right now  
21 doing. So be aware that this is only pre-filing and  
22 we are reviewing even that to help understand what  
23 more information we need. Okay? Thank you.

24 MS. TERHAAR: Our next speaker is Juan  
25 Sanchez.

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1           MR. SANCHEZ: Good evening. Can you hear me?  
2           J-u-a-n, S-a-n-c-h-e-z. I am a carpenter. Not just a  
3           union carpenter, a union carpenter. Quick question  
4           before I start: Do I get three minutes or ten  
5           minutes? I'm not sure.

6           MS. TERHAAR: Three minutes.

7           MR. SANCHEZ: Three minutes. Thank you. So,  
8           you see, with any construction project if you don't  
9           billed it, what happens? Nothing. Nothing at all.  
10          If you build this project you will have construction  
11          jobs, you will have people working, you will have  
12          training for the future generations. I love this  
13          project and I support it 110 percent. Thank you.

14          MS. TERHAAR: Next is Carlos Martinez.

15          MR. MARTINEZ: My name is Carlos Martinez,  
16          C-a-r-l-o-s, M-a-r-t-i-n-e-z. I was working for the  
17          union. I can tell you (unintelligible) because right  
18          now I'm making 35 dollars an hour. I have five kids.  
19          What can I do? (Unintelligible).

20          MS. TERHAAR: Next is Gayle Kiser.

21          MS. KISER: My name is Gayle Kiser,  
22          G-a-y-l-e, K-i-s-e-r. I'm from Kelso, Washington.  
23          I'm sure there's nothing new or redevelop that anyone  
24          speaking tonight can bring forth. We've been  
25          testifying before you for seven years. You've heard  
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1 all of our concerns a multitude of times. What's it  
2 going to take to lift the scales to the eyes of our  
3 regulatory commissions so that they can recognize what  
4 we have known all this time?

5 This is a fool's era. We're getting hoarse  
6 from shouting that the emperor has no clothes. The  
7 original intent of the Oregon LNG was to import  
8 because, quote, "We're running out of gas here in the  
9 Northwest." We knew this to be false and testified that  
10 this would turn into an export facility. All one had  
11 to do was look at the map in the proposed pipeline  
12 plans. The proponents of Oregon LNG poo-poo'd us and  
13 told the media that we didn't know what we were  
14 talking about, all the time knowing that we were  
15 right. Calling it pipeline bi-directional changes  
16 nothing. We know which way the gas will be flowing.  
17 We find ourselves here again, speaking in voices which  
18 are never planned for foreign national countries who want  
19 to exploit our energy resources to ship them overseas  
20 where they can make an obscene profit. But who pays  
21 the price?

22 Every resident of the United States faces  
23 higher prices here because the cost of gas will rise  
24 as the overseas market demands rise. We need a  
25 national energy policy that takes into consideration  
26

1 the future needs of the U.S. market and the effects on  
2 our national security as we continue to allow energy  
3 companies to dictate the terms.

4 Right now I'm taking the debate between two  
5 individuals who wish to become the most powerful men  
6 in this nation. Neither one has addressed this  
7 program and neither one will as well as Washington  
8 D.C. is owned lock, stock and barrel by energy  
9 companies empowered by the two 2005 Energy Policy Act,  
10 written by our then vice-president Dick Cheney.

11 Closer to home, our neighbors are once again  
12 finding their property listed as an alternative route  
13 just when they thought they could resume a normal  
14 life, free to use their land as they see fit, not as  
15 dictated by having a high pressure pipeline running  
16 through the middle of it. And you can add to them the  
17 farmers in the Woodland bottoms. Surely the most  
18 productive farmland in the county. They face the same  
19 restrictions on their land if the project is approved.  
20 There's no feasible way that one can look on this  
21 project as being in the public interest, and as much  
22 the use of eminent domain should be disallowed.

23 The only ones who will profit from this are  
24 the investors who have been hoodwinked into believing  
25 that such a project is possible. The company rides in  
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1 her on their jobs platform knowing full well that we  
2 have a huge employment problem in the Northwest. But  
3 they're merely trying to pit us one against another,  
4 union member against independent farmer and landowner.

5 Their tactics are the same wherever one of  
6 these projects are proposed. We see the same thing  
7 happening with the proposed coal export facilities.  
8 Open your eyes, folks. Again, these are foreign  
9 companies trying to divide and conquer so that they  
10 can take not only our manufacturing jobs overseas but  
11 also the energy needed to power them. The only jobs  
12 are to the lawyers and the psychopaths who do the  
13 public relations for those projects. They have no  
14 concerns regarding our Columbia River. This project  
15 will endanger every citizen in Astoria and Warrenton.

16 Our federal enlisted salmon will be further  
17 stressed in an area where the number of fish are  
18 available is already pitting commercial fishermen  
19 against sport fishermen.

20 The proposed site for the export facility is  
21 a sandy peninsula. What would happen when, not if, we  
22 have our next Cascadia earthquake. We're told we're  
23 over due for the big one now. And how would it  
24 withstand the tsunami that's sure to follow.

25 To summarize, we here in the Northwest will  
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1 pay the price for this foreign operating company to  
2 make profits while we enjoy none of the wealth.  
3 Quoting Nancy Reagan, "Just say no." Thank you.

4 MS. TERHAAR: Thank you. That is the end of  
5 our speaker list. Is there anybody who would like to  
6 speak who has not spoken yet? Larry Lovelady?

7 MR. LOVELADY: Larry Lovelady,  
8 L-o-v-e-l-a-d-y. I'm a rep for the operating  
9 engineers. I've been on numerous pipeline projects  
10 and they've always been able to work something out  
11 with landowners to make everybody happy. Maybe not  
12 exactly the way they wanted it, but they come to some  
13 kind of conclusion for them. What I've seen is these  
14 really work out pretty well. The ones I've been on  
15 are nowhere near the size of this one. So this one is  
16 going to take some work.

17 I hope that we can make everybody believe  
18 that this is going to be a good thing for us instead of  
19 saying it's going to tear up the fish, it's going to  
20 tear up the land. There's always a way to fix it or  
21 make it just as good or better than it was at the  
22 beginning. So we are obviously behind this project  
23 because it is going to put people to work and it is  
24 going to help our economy. I'm for it. Thank you.

25 MS. TERHAAR: Anyone else?

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1           MR. KARNOFSKI: I'M Mike Karnofski, and I'm a  
2 Cowlitz County Commission for this district, and it's  
3 spelled K-a-r-n-o-f-s-k-i. Certainly the two key  
4 things for the citizens of Cowlitz County are jobs,  
5 but also safety. In your discussion you talked about  
6 some subsidies for Clatsop County and safety and if  
7 this goes forward I'd also like you to consider  
8 Cowlitz County and the needs the safety for that.  
9 Thank you.

10           MR. BOON: Dale Boon, D-a-l-e, B-o-o-n. I  
11 wasn't going to speak but I think there's a couple of  
12 key issues that you've got to consider. One is the  
13 terrain that the pipeline will follow on the east side  
14 of the freeway coming down just before intersection  
15 two where it's going to intersect with 2 and go  
16 across. Also, the farm ground that you'd be  
17 disturbing and restrictions that are put on it, and  
18 also what the fellow was saying about the river, the  
19 fish, the temperature of the water, these things are  
20 great impacts that would negatively affect a lot of  
21 people in industries in the area. Thanks.

22           MS. TERHAAR: Is there anyone else or someone  
23 who spoke before that would like to speak some more?

24           MS. KOCHHAR: Well, if we have no more  
25 comments or commenters, we officially adjourn the  
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1 meeting, and it's 7:35. The meeting is officially  
2 adjourned. Again, I would like to thank you for  
3 coming here tonight and I appreciate you all giving us  
4 your comments. Thank you.

5 (Meeting concluded at 7:35 p.m.)

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