
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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CHAIRMAN PAT WOOD, III WELCOMES PRESIDENT'S SUPPORT OF FERC'S JURISDICTION OVER LNG FACILITIES

Federal Energy Regulatory Commission Chairman Pat Wood, III today expressed his appreciation to President Bush for his support for legislation that would clarify that FERC has jurisdiction over liquefied natural gas (LNG) facilities and that FERC should serve as the lead agency in the review of LNG proposals.

"I am pleased the President is asking Congress to make clear the language of the law affirming FERC's long-standing authority over the siting and operation of liquefied natural gas facilities," Chairman Wood said.

In over 20 years of oversight of interstate natural gas facilities and services, the Commission has always asserted its exclusive authority. However, it is very important that it is clear that what is being sought by the President will not change the states' current role in LNG project applications," the Chairman noted.

States would retain authority under other federal laws such as the Clean Air Act, the Clean Water Act and the Coastal Zone Management Act that provide the states oversight over interstate natural gas facilities within their boundaries.

As FERC processes 16 pending LNG projects, Chairman Wood reiterated his pledge to continue to work cooperatively with state and local agencies in analyzing the proposals to protect the safety and security of residents and minimize adverse environmental impacts.

As Federal Reserve Board Chairman Alan Greenspan has noted, assuring adequate supplies is important to the Nation's economy which has already been buffeted by a tripling of natural gas prices in the last few years, the Chairman said.

In a June 2004 order reaffirming its LNG oversight authority in the Sound Energy Solutions proceeding (Docket No. CP04-58-000), the Commission said, “This order serves the public interest by providing uniform federal oversight of the siting, construction, operation and safety of facilities to be used to import foreign LNG to meet the Nation’s critical energy needs.”

In addition, Chairman Wood said, “The Commission is committed to doing all that we can to expedite the reviews required for an Alaskan natural gas pipeline project in order to meet the spirit of the President’s desire to reduce the regulatory delays of energy projects.”