

## LNG Siting Bill Requires DHS Input

by Anthony L. Kimery  
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'We first make sure that we are not unnecessarily creating a giant terrorist target'

An amendment to the Coast Guard Authorization Act of 2007 authored by

Rep. Edward J. Markey (D-MA), a senior member of the House Homeland Security Committee, would require input from the Department of Homeland Security in decisions about the placement of proposed waterside Liquefied Natural Gas (LNG) facilities.

Markey's district contains the only urban LNG terminal in the nation.

'As we confront our nation's energy crisis, we're undoubtedly going to need more LNG. My amendment simply ensures that before we build a new LNG facility, we first make sure that we are not unnecessarily creating a giant terrorist target,' Markey said in a statement Thursday afternoon. 'In Boston, we've always known the LNG facility in my congressional district was a huge potential fire hazard, but after the September 11 attacks, we also know that it is a huge potential terrorist target.'

Markey's amendment calls for DHS to assess whether the waterway leading to a proposed waterside LNG facility meets security and safety concerns and would be suitable for the increased marine traffic that would result from any LNG facility. DHS would then communicate their assessment to the Federal Energy Regulatory Commission (FERC) and FERC, in turn, would be required to tell DHS what action FERC will take on the LNG application within 90 days or the expiration of any available appeal, whichever is later.

'The need for this kind of commonsense coordination between DHS and FERC has been highlighted recently by the situation in Fall River, Massachusetts, where the FERC has approved a license for an LNG facility that the Coast Guard says shouldn't be built because the waterway to the facility is not suitable. Despite this action by the Coast Guard, which effectively blocks the facility, the FERC license remains in place. This lack of coordination makes no sense and my amendment will ensure that this doesn't happen in future siting decisions,' Markey said.

Earlier last year, the Government Accountability Office (GAO) issued a report on the public safety consequences of a terrorist attack on a tanker carrying LNG. GAO examined the results of six recent studies on the effects of an LNG spill and convened a panel of 19 experts to identify areas of agreement on the consequences of a terrorist attack on an LNG tanker.

GAO reported that 'experts suggested priorities to guide future research aimed at clarifying uncertainties about heat impact distances and cascading failure, including large-scale fire experiments, large-scale LNG spill experiments on water, the potential for cascading failure of multiple LNG tanks, and improved modeling techniques.'

GAO said the Department of Energy's (DOE's) study involving large-scale LNG fire experiments addresses some, but not all, of the research priorities identified by GAO's expert panel.

GAO is recommending that DOE incorporate into its current LNG study the key issues identified by the expert panel. We particularly recommend that DOE examine the potential for cascading failure of LNG tanks.

Good Harbor Consulting, the private sector security firm of former White House counterterrorism czar, Richard Clarke, conducted a study several years ago on the terrorism risk to LNG facilities in urban areas.

"There is a spectrum of expert opinion on the precise extent of damage that would result from various levels of attack on an urban LNG facility and on an LNG tanker," the study concluded, adding, however, that "there appears, however, to be a high risk that catastrophic damage could occur if a large breach were made in the urban LNG facility's tank, if three of five containers aboard the LNG tanker were breached, or if an attack occurred involving both the facility and the tanker during unloading."

Additional LNG-related language in Markey's bill requires the Coast Guard to protect and enforce security zones around all existing LNG facilities and requires a certification that the Coast Guard has the resources to protect any new LNG facilities.