

<http://www.malibutimes.com/articles/2005/06/29/news/news2.txt>

Coast Guard says 'data gaps' exist in LNG terminal application

The U.S. Coast guard has a list questions for a proposed liquefied natural gas terminal proposed for off the coast near Malibu. Some concerns listed deal with pollution, ship collisions and danger to wildlife.

**By Hans Laetz/Special to The Malibu Times
6/29/05 p. 1**

The U.S. Coast Guard has released a list of more than 100 "data gaps" and unanswered questions in the application from an Australian energy company to build California's first floating liquefied natural gas terminal, proposed for off the Malibu/Oxnard coast.

Concerns about new sources of smog, ship collisions, earthquake dangers and the process for drilling two pipes across 20 miles of undersea wildlife habitat off Point Mugu are included in a comprehensive list of "data gap" questions from federal and state regulatory agencies obtained by The Malibu Times recently.

In a related matter, Rep. Lois Capps, a Democrat who represents parts of Ventura, said she is concerned that the U.S. Geologic Survey's requests for additional geologic and oceanographic studies have not been placed in the public docket used by the Coast Guard to gather evidence about the proposal's safety.

"The draft environmental impact statement for the proposed Cabrillo Port LNG terminal is full of holes ... (and) so flawed, it is not surprising the seismic information is not included," Congresswoman Capps said.

The draft EIR is being prepared under the direction of the Coast Guard and the California State Lands Commission at BHPB's expense.

In Sacramento, state project manager Cy Oggins said the State Lands Commission is reevaluating its examination of seismic and oceanographic issues raised in a 2004 USGS study that had gone unreported until it was briefly mentioned in federal docket papers submitted by anti-LNG activists last month.

The Environmental Impact Report "is a document that was prepared under a very tight time schedule, and it's possible we missed something," Oggins said in a telephone interview. "We feel that we had addressed the technical information in that (USGS) document, but now we are reevaluating that.

"We now have a copy of that report and we are revising the draft [EIR]," he said.

The U.S. Coast Guard's 17-page list of questions was sent by the Coast Guard's chief environmental assessment officer to BHPB's U.S. headquarters in Houston last February, shortly after the time limits for evaluation of BHPB's environmental

permits were suspended due to the incomplete data.

The questions deal with data gaps in the Australian company's application to tether a floating liquefied natural gas storage and regasification ship, called Cabrillo Port, in federal waters 13.8 miles off Malibu's western end. LNG is natural gas that is chilled to 260 degrees below zero so it liquefies, allowing it to be shipped by tanker. It is then "cooked" or regasified to expand to its natural state and then, if BHPB is allowed to build its port, would be piped onshore to Oxnard through undersea pipelines.

Some of the questions are as basic as confusion over how large the floating ship actually would be. Other questions are highly technical, including requests for additional detailed earthquake, tsunami and undersea landslide studies requested by the U.S. Geological Survey and by a Malibu resident, Kraig Hill, whose comprehensive analysis of the plant was cited in the USCG letter.

A review of what federal officials term a "data gap" indicates they are particularly concerned with BHPB's estimation of the amount of smog generated by the terminal, its natural gas cooking boilers and the LNG tankers that would tie up next to it.

Other information is sought about constructing and keeping safe the twin undersea pipelines that will cross "suspected active" earthquake faults between the offshore LNG terminal and Ormond Beach near Oxnard, where they would come ashore.

The Malibu Times repeatedly requested from BHP Billiton a copy of the list of questions from the Coast Guard. The newspaper obtained the list from a senior Coast Guard official after he said they were probably

subject to the federal Freedom of Information Act.

Not included in the Coast Guard letter are any questions related to security or possible terrorism acts against the floating storage tanks. Local coastal advocates have said the 11-story-high, highly compressed gas storage tanks, and the floating ovens in which the deeply frozen pressurized liquid is cooked to room temperature, would be a target for terrorists.

The Coast Guard's list of more than 100 complex questions includes projected smog emissions. The Coast Guard said Billiton did not include idling LNG carrier ships in its calculations of smog generation.

Local authorities say idling ships burning smoky bunker oil are the largest source of air pollution in the Los Angeles and Santa Barbara areas.

The Coast Guard also asks if large amounts of ammonia that will be emitted at the floating plant will be detectable downwind on local beaches.

Malibu Mayor Andy Stern, who has been actively watching the EIR process, said the Coast Guard questions prove that the safety planning for the proposed LNG tanks and warming oven to be tethered off the Malibu coast is deficient. "We've asked many questions about the EIR," he said.

"My concern is for the safety of our residents, and I've had no assurances that this LNG project would be safe," he said.

The Coast Guard has dozens of questions about how BHPB will drill 20 miles of twin pipelines without degrading the undersea and beach environment. It also asks how the pipelines and floating gas depot will be

insured, and how emergencies will be handled.

The Coast Guard wants to know how the additional LNG tankers will mix in with the hundreds of cargo ships that use nearby traffic lanes, and how the floating depot or LNG carriers will be handled if they become adrift or aground.

The Coast Guard also had numerous questions regarding noise levels from the LNG facility.

Lighting and daytime views of the 11-story-high offshore structure are also a subject of USCG questions. The letter asks for day and night photo simulations from high elevations at several locations, including Decker Canyon Road above Pacific Coast Highway, and information about how the ship's lights will be shielded.