

## **Australian minister in 'a snit' over LNG terminal**

**The high ranking official spoke with California's lieutenant governor about environmental review delays for the project proposed for off the coast of Malibu.**

**By Hans Laetz / Special to The Malibu Times  
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A high ranking Australian government minister reportedly "left the office in a snit" last Friday after he spoke with California's lieutenant governor about the delayed environmental review of the controversial BHP Billiton plan to anchor a liquefied natural gas terminal off the Malibu coast.

Ian Macfarlane, the Australian government's Industry, Tourism and Resources minister, was in California to campaign for the \$650 million LNG import terminal. The Australian government has made BHPB's project a cabinet-level priority, as it expects to export more than \$11 billion worth of natural gas to the United States through BHPB's "Cabrillo Port" plan.

Macfarlane had, on earlier trips, met with Gov. Arnold Schwarzenegger, but last week met with Democrat Lt. Gov. Cruz Bustamante. According to Bustamante press secretary Stephen Green, "Macfarlane left the office in a snit after he did not hear what he wanted to hear."

Bustamante said he told Macfarlane it was "an empty threat" for the Australian minister to suggest that California had better approve the controversial LNG terminal before losing out on natural gas contracts to other countries.

"I explained that California's environmental review process will be a comprehensive review," Bustamante said in a statement.

The Lt. governor said the state must ensure "there is no potential degradation of our coastal and ocean environment, or our air quality."

Last week, Macfarlane had told Australian reporters that his trip to Sacramento was aimed at finding out about the timeline for BHPB's environmental review, which is on indefinite hold.

The company had hoped to receive environmental permits this summer, but a list of more than 120 unanswered questions about how the LNG terminal would be built and operated has caused federal and state officials to freeze the application.

A spokesperson for Macfarlane told The Malibu Times that Macfarlane appreciates that California has environmental regulations that must be followed.

"He just wanted Californians to know that Australia has the gas, that we are good trading partners, and that we can deliver it safely and efficiently," said spokeswoman Kristy Boazman in a

telephone interview from Canberra, Australia's capital.

Bustamante said he stressed seismic and tsunami safety for the proposed floating LNG storage terminal and regasification plant will get utmost consideration. Macfarlane had told an Australian newswire last week that the Malibu project is held up while regulators assess the "extraordinarily unlikely impact zone of the facility blowing up."

Macfarlane has in the past pronounced BHPB's LNG ship to be safe in case of earthquake or tsunami, and Bustamante said Friday that the Australian minister called California's regulatory review "extremely cautious."

Macfarlane's spokesperson said the industry minister was not aware of a U.S. Geologic Survey study that said the LNG ship and undersea gas pipelines lie in an area highly susceptible to earthquakes as large as 6.5 magnitude from three active earthquake faults in the area.

The USGS said the seafloor is prone to landslides and sudden undersea storm-related canyon cutting, and said the possible safety of natural gas pipelines in such a hazardous seabed cannot be assured.

Additional seismic research as been ordered by the U.S. Coast Guard, which, along with the State Lands Commission and Schwarzenegger, have final regulatory approval for the plant. A final decision is at least 10 months away, Bustamante said.

Bustamante also said he was surprised to learn that Australian natural gas contains large percentages of carbon dioxide, so much so that the greenhouse gas must be stripped from the natural gas and disposed of before it can be transported.

"We will do our best to ensure that ... California's energy needs are not met at the expense of safety and environmental problems elsewhere," he said.

In another related LNG matter, the California Assembly has passed and sent to the floor a bill that would slow down the LNG licensing process until a statewide comparison is undertaken to see which of three competing proposals would be safest.