



BHP facing LNG wipeout

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BHP Billiton has hit another hurdle in its bid to build a \$US800 million liquefied natural gas receiving terminal off Los Angeles.

A US congressional committee is investigating a government agency's handling of the proposal to build the large gas terminal off the coast of Malibu, California.

The investigation centres on why the US Environmental Protection Agency decided the terminal would not be subject to strict local air quality rules.

EPA's ruling, made on June 29, 2005, was an abrupt reversal from its previous stance that BHP must meet tougher air quality guidelines.

Congressman Henry Waxman, the chairman of the House Oversight and Government Reform Committee, says he has been frustrated by the EPA's reluctance to hand over documents that could explain the EPA's reversal.

Waxman has set a deadline of March 16 for relevant documents to be reviewed by his committee's staff.

"Unfortunately, EPA's decision to withhold potentially important documents from the committee is impeding Congress' investigation into these issues," Waxman wrote in a letter to EPA administrator Stephen Johnson.

BHP has lobbied for almost four years to build the 14-storey high, 295m long LNG terminal, 22km off the coast of Malibu, north of Los Angeles.

The project has been vocally opposed by residents of Malibu, including celebrities Pierce Brosnan, Olivia Newton-John, Tom Hanks, Cindy Crawford and Martin Sheen, because they believe it will further degrade air and water quality in the region and become a terrorist target.

Resident groups from Ventura County, north of Malibu where gas from the terminal will be piped to the mainland, have also strongly opposed the BHP Billiton plan.

BHP distanced itself from the EPA controversy yesterday, describing it as a matter "between legislators and the regulators".

"It's really an issue between the elected officials and the regulators concerning the EPA's decision on the project," BHP spokeswoman Kathi Hann said.

EPA spokeswoman Jennifer Wood said EPA would respond to Waxman's letter "in a timely manner".

If approved, the BHP terminal would be one of Australia's most lucrative export deals worth an estimated \$15 billion.

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