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Companies & markets

BHP Malibu gas project hit by Congress

Bill Condie, Evening Standard
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London-listed mining giant [BHP Billiton](#), beset by protesting Hollywood stars over its proposed gas terminal off Malibu Beach, has suffered another setback in the project, with a Congressional committee launching an investigation.

BHP has been lobbying for four years to allow the \$800m (£207m) LNG terminal, which would take delivery of gas and pipe it to the mainland.

The company's campaign has even dragged in Australian Prime Minister John Howard, who recently pleaded with Californian Governor Arnold Schwarzenegger to approve the terminal.

But the project has met a hail of protest from high-profile Malibu residents including [Pierce Brosnan](#), Olivia Newton-John, Tom Hanks, Cindy Crawford and Martin Sheen, who say the terminal would degrade air and water quality in the region and become a terrorist target.

Now Congressman Henry Waxman, chairman of the House Oversight and Government Reform Committee, and other politicians have asked the Environmental Protection Agency (EPA) why they decided the project would not be subject to strict local air quality rules.

He says he has been frustrated by the EPA's reluctance to hand over documents that could explain a reversal of an earlier decision. The deadline for Waxman's demands expires today.

"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.

The massive terminal would be more than 300 yards long and stand 14 storeys high, located 14 miles off the coast of Malibu, north of Los Angeles. Under the plan, BHP would to import about 800 million cubic feet of gas a day from its Australian fields to meet about 12% of California's requirements.

BHP spent an estimated \$1.8m in California last year lobbying for the project. The company is trying to distance itself from the EPA controversy, 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 Billiton spokeswoman Kathi Hann told reporters.

'I think it's probably safe to say some project opponents don't like the EPA's decision and maybe that's how this all came about.'

Jennifer Wood of the EPA said it would respond to Waxman's letter 'in a timely manner'. 'EPA is committed to protecting public health and the environment, while increasing our domestic energy supplies by developing alternative sources of energy like liquefied natural gas,' she said.

Schwarzenegger is expected to make a decision on the project by the end of June.

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