

INTRODUCTION

I wish first to thank all of you who have come out tonight. We all have overwhelming demands on our time and coming out on a Thursday evening to hear about what I believe is a nightmarish topic, is no one's idea of having a good time. But we have to face the reality of this problem. More importantly, without you, there is really no chance of securing the safety of this neighborhood and every part of every town bordering on the river.

I wish also to acknowledge the work of the pastor of this church, Father Cardoza and Father Ciosek who had the idea of bringing us together. Odete Amarelo and her committee from St Michaels have done a wonderful job to put this work together.

I also want to acknowledge the presence of our community leaders who demonstrate their commitment to resolving this problem by their presence here tonight.

By way of introduction, I live 600 miles away in a suburb of Washington D.C. A logical question is why am I in front of you to speak about this LNG question?

I am a native son. I was born in Fall River. I spent my first days – two days to be exact. I left Fall River in 1944 and returned 55 years later in 1999.

Since 1999, I have visited Fall River on a more or less continuous basis as the Coordinator of the Portuguese American Citizenship Project which you may have heard of.

Most importantly, I know something about Liquefied Natural Gas. I was a diplomat in the U.S. Foreign Service for 24 years. Among other assignments, I spent 10 years working as an energy specialist at U.S. Embassies in Malaysia, Indonesia and Australia. I have visited and reported on both operating and planned LNG projects in each of these countries. I have seen them, I have studied them, I have written extensively about them.

Early this year, I met with the Santo Cristo parish committee on Faithful Citizenship and the subject of the Weaver Cover Liquefied Natural Gas (LNG) Project came to our attention. I was floored when I was told that the Federal government was actually considering a proposal to place an LNG terminal at the edge of a densely settled community.

But anger only goes so far in the political world. Washington is well equipped to deal with the most outraged citizens and continue on its path unfazed.

If we are to successfully secure the safety of this city, we have to be as cold and calculating as the LNG proponents. And that brings me to the subject we must discuss.

What I wish to speak on tonight is

- A description of LNG – we have to understand the process in order to understand the problem,
- How the regulatory process works or does not work for your interests, and
- What you can and must do to protect your community.

Let me be clear from the start that I am not speaking against LNG. On the contrary, I believe that LNG is a good fuel, reasonably abundant, and relatively non-polluting. From my understanding of the energy requirements of New England, it is a good new energy source.

That being said, it must be handled safely. We are not against LNG, we are for the safe handling of LNG.

This proposal clearly fails on virtually every possible safety standard.

LIQUEFIED NATURAL GAS – PRODUCTION, PROCESSING AND TRANSPORTATION

From 1978 to 1991, I made many visits to the three operating LNG projects in Southeast Asia and in Australia. I have also toured construction sites for an LNG projects on the island of Borneo and visited a planned site for a LNG plant on an Indonesian island in the South China Sea. As the Embassy energy and minerals specialist, I was able to meet with everyone from the planners, the plant managers, to the work crews. I have been on LNG tankers and spoken at length with the captains and officers of these vessels.

LNG Production

At the LNG production facilities, natural gas is normally associated with oil wells. The gas is separated from the oil and shipped to processing plants to prepare for transportation. It has to be refrigerated to very low temperatures – “-260°F” to be exact - to reduce its volume and make it economical to ship in the specialized container vessels.

The oil companies handle the production and liquefaction of this gas with incredible caution and extremely strict and expensive safety procedures. They locate the gas refrigeration plant and LNG storage tanks miles away from the company's workers' camp and from other expensive production facilities. The loading dock for the LNG is placed even further away – as far out to the shoreline as possible.

The liquefied gas when placed in the LNG ship itself contains more gas in a concentrated form and is therefore more dangerous. The captain of one ship told me that if his ship were to have a serious accident – it would be catastrophic. He said that the blast would be the equivalent of several hydrogen bombs – he did not say how many hydrogen bombs but I got the message. The potential blast zone of an LNG tanker extends up to five miles.

Risks

We are assured by a lawyers and company representatives that there is little chance of an accident, little chance of your schools, your hospitals, your churches, and your children will suffer a horrendous thermal explosion.

But what exactly is a little chance?

The oil companies spend a great deal of money and take extraordinary steps to minimize the risks to themselves in producing this material. Any chance of an explosion – because the explosion would be a calamity - is too much for them to risk.

These same companies are willing to place tens of thousands of citizens at risk to make some small cost savings which will in turn make a modest increase in their profits. In Fall River, these companies now talk are quite comfortable discussing acceptable levels of risk.

Does that sound right? Do these people have any consciences?

There are practical considerations in your daily lives to think about with an LNG tanker coming up the Taunton river several times a week. How do you live with LNG deliquefaction plant and storage tanks within hundreds of yards of your neighborhoods.

What do you do with your children? And when a tanker is scheduled to transit the Taunton River should you leave your children at the _____ school in Fall River or the _____ school in Somerset for the day and exposed to this clear danger or should you take them away to safety?

After all there is "little chance" of an accident so the LNG company would advise you to take a "little" risk with your children. Take that "little risk" with your sons

and daughters several times a week for a couple of years and tell me how your nerves are holding out

The heads of St Anne and Charlton hospitals recently wrote letters of concern about how they would be unable to handle the high number of casualties from an LNG explosion.

Actually, they would have little problems in the event of a catastrophe. Look at a map. Their concern is probably not a problem since an LNG tanker explosion below the Braga bridge would no doubt destroy St Anne's hospital completely anyway. An explosion above the Braga bridge or at the storage tanks would no doubt destroy Charlton Hospital. A worst case situation would destroy both.

Terrorism

I must just talking about the risks associated with the safe and prudent handling of this gas. We have not even mentioned the risk of someone along the twenty seven mile shoreline of the river picking up something like a high powered rifle or a rocket propelled grenade and taking a shot at these ships. That would be enough to create a gas explosion.

These vessels resemble very large buildings which will dwarf anything on the river. They are so large that a terrorist would have to be blind and pointed in the opposite direction to miss that target. And if they cannot hit that slowly moving target, they could take their time a take a few shots at the LNG receiving terminal. It is bad either way.

Does the oil company or the Federal government actually really think that the entire shoreline of the Taunton River can be secured for each and every ship traveling up the river?

I guess the theory is that the terrorists are no longer interested in blowing up an U.S. city and killing tens of thousands of Americans. Maybe that is why it is OK to put this risk in the middle of a city – who would want to blow up a working class town? Or maybe the notion of homeland security just does not apply to Somerset and Fall River.

THE APPROVAL PROCESS

You must understand the process for approving this project if you are to take any effective action to protect yourselves. The debate in Fall River and Somerset is virtually unanimous in rejecting this project – the “No LNG” signs in this section of the town are evidence of this.

Your State and Federal representatives here at this meeting have taken the lead in opposing this project. It is well and good that we are all – with some exceptions - in agreement here on the LNG safety problem but the decision will be made in Washington – not here.

We have to bring the debate back to the decision makers. Otherwise, we are just shouting at ourselves and accomplishing nothing.

Let me outline briefly, who is in charge of the approval process. We start and end with the Federal Energy Regulatory Commission which I have already mentioned.

According to its own publication, The Federal Energy Regulatory Commission is an independent agency which regulates and oversees energy industries in the economic and environmental interest of the American public. FERC approves the siting of interstate natural gas facilities, including pipelines, storage and liquefied natural gas.

As part of the licensing process, FERC receives an application from an LNG investor – an oil company, a natural gas consumer, a middle man or a combination of all three. They invite public comment, consider the net benefits of the project and then issue a ruling of approval or denial.

The public comment process is expressly designed to be democratic, open and transparent. It is all of these things if you are a \$10,000 a day LNG specialist lawyer/lobbyist in Washington D.C.

If you do not happen to have studied the Commission and LNG licensing for your entire life, the licensing and public approval process is a private club closed to outsiders. Worse yet, this approval process appears to be purposely designed to favor the Washington insider and the LNG investor who pays them. Look at the Commission's publications on LNG if you have any doubts.

As an example, the LNG investor, the applicant for a license, prepares his presentation for the Commission for as long as he needs. Once the application is accepted, the affected public has only 45 days to formally respond to become an official part of the discussion. To the credit of the mayor, he has met this deadline and the city has official standing in the approval process. How do you mobilize an entire community in 45 days – we have been talking about this since January and this meeting is the first public effort to get something done.

The public is also advised of the project and their comment is invited – what is wrong with that?

Unfortunately for Fall River and Somerset residents (but curiously fortunate for the LNG company), the invitation to comment on Weaver Cove was extended

only to people living within one-half mile of the LNG terminal. This limitation ignores the known potential blast of five miles from the terminal site and five-mile zone from the shoreline of the river where LNG carriers will transit, that is extending five miles on each shore of the Taunton River from the ocean, through Rhode Island communities, past the length of Fall River and Somerset. I guess FERC was not particularly interested in any unpleasant comments from these residents.

FERC is obligated to consider security concerns from the Department of Homeland Security, it is obligated to listen to groups and individuals who responded to the public comments invitations – the mayor met this deadline – and, whether more by practical necessity than by law, they listen to our political representatives.

But its very nature, FERC listens and listens very sympathetically to the applications of the LNG investors.

The general public is last on its list – last in many respects.

WHAT CAN BE DONE

Lets be clear that this fight has been going on for a long time. We are joining a battle which has been ably led by Mayor Lambert here in Fall River. Our representatives at the Massachusetts State House and in Congress have been engaged in this struggle since it began. We are not here to take the lead, we are here to lend our whole hearted support to this work being done in Washington and Boston on your behalf.

Before, I speak about what we must do, let me talk about what we cannot allow to happen.

The “Done Deal”

We cannot accept the defeatism of the “done deal.”

In the seven months I have been aware of the LNG project, I have heard people, whose opinions I respect, confide that the LNG is a done deal and nothing can be done to stop it. There have been two waves of this rumor – one in the early Spring and one now.

If the LNG investors and their gang of supporters did not actually start these rumors, they should have. The best of all possible developments for the LNG investors is for the community to become discouraged and no longer support their political leaders in this fight. Weaver Cove then wins by default.

Yet somehow, these rumors have proven untrue. There is not a done deal until you as a community say the debate is over. Even if FERC approves the project, if the approval process is demonstrably unfair and loaded against the community, I suggest the fight continue in courts and in the state and federal legislatures.

You cannot tell me that this project will go forward if the entire Massachusetts delegations led by Senators Kennedy and Kerry, Congressmen Frank and McGovern strenuously object. You cannot tell me that this project will go forward if Governor Romney chooses to defend the safety of your community. You cannot tell me that this project will go forward if the Massachusetts House of Representative led by Representatives Correia, Menard, and Sullivan convince the House leadership to stop this project.

Everything is Safe - No Problem

A Congressional staffer whose boss supports the fight against LNG assured me recently that there was no real risk of a fire or explosion. No real safety problem, he said.

The Federal Energy Regulatory Commission also assures us that LNG is not really capable of any explosion. You should read the Commission's publications on the potential threat of an LNG explosion – they apparently believe that working with LNG has the same hazards as transporting a load of pineapples.

Those statements run counter to everything I have seen and experienced in the 10 years I have worked on the issue. Unfortunately, when you read the related material about Coast Guard security and other security concerns, you get the impression that these are, at a minimum, the most dangerous load of pineapples ever produced.

The Commission may not be lying in its description of the problems of transporting and handling LNG but in its zeal to calm people down, it is runs very close to the limits of truth – some might even say that it crosses that line.

But do not take my word for it. Ask the investors to put their own money down without insurance to protect their investment. The cost of this insurance is very high because.....the risk is very high. No bank would loan money to this project without an assurance of getting their money back in the case of an accident. If Fall River gets blown up in the process, that is regrettable but with insurance coverage, the LNG investors can move on and put up another plant in another working class neighborhood.

Compromise

As I said in the beginning, this is not an argument against LNG, it is an argument in favor of the safe handling of LNG. On the subject of safety, it is impossible to calculate an acceptable level of risk, especially when the risk is imposed by the outside only for the sake of saving money and making some marginal increase in profits.

I do not want to misquote the results of the mayor's meeting last month with the head of the Hess Company, one of the major investors in the project, but I believe the gist of the mayor's position is he is perfectly willing to accept LNG but not where it is not planned and not where it will threaten his citizens. He said he is unwilling to accept the plant in Fall River under any conditions.

But this is not an easy subject for our representatives with broader areas to represent. Governor Romney represents you and also the rest of the state which would presumably benefit from this LNG. Similarly, Senators Kennedy and Kerry also have the same responsibilities. Barney Frank's district stretches from Newton to Fall River, Jim McGovern's from Worcester to Somerset and into Fall River.

Not all of their constituents are against this project – the further away you are the better it looks - and these people can make powerful arguments to these same political leaders to not fight so hard. It is important to understand that in political circles, it is bad form to actually reverse your course and come out in favor of something you seemingly fought hard against. Instead, as a compromise, you turn down the engines, still make speeches, but no longer push for alliances and use political capital. It is very convenient because no one actually knows you have changed your actions but your staff and the insiders. It is not a pretty world.

These leaders here today have not accepted any compromise and have devoted a great deal of their time and energy in the fight. They are not on the brink of backing down and we must ensure this question remains their top priority. In return, we must do everything we can to actively support them in their defense of the community.

The Plan

The plan we have discussed in several parishes with priests and lay people is to bring the debate in Fall River down to Washington.

Beginning at St Michael's next two weekends, we will have samples of open letters to the Federal Energy Regulatory Commissions. Other parishes and other organizations will be invited to also sign the letter.

We want to underline the political strength of the community so that only registered voters will be allowed to sign. We do not want a reader ignoring the letters with the traditional, "don't worry they aren't citizens" excuse.

In November, after the Presidential election, we will form a small delegation of parish members to take the letters to Washington. We invite our local leaders to join us. We will request the assistance of Senators Kennedy and Kerry and Congressmen Frank and McGovern in setting up meeting at FERC, the Department of Homeland Security, and the House and Senate oversight committees. We will make our case and if they are not convinced, we can invite them to Fall River to see the actual site itself.

Finally, we plan to do this again next year. This is a long term fight and the LNG company is not just going to go away – they have too many expensive lawyers in Washington to give up that easily. If the delegations promise to return to Washington in September 2005, they can judge for themselves if our leaders and the government officials are keeping their word. (Everyone in Washington is skilled in the art of telling you what you want to hear and then forgetting the conversations before you even get out the door.)

We must meet again here at St Michael's and hear what the delegation has seen. Then we can plan what to do next. If promises and commitments are kept, we are duty bound to support these leaders politically. On the other hand, if promises are not kept, we have to begin to seek better representatives.

A few weeks ago I spoke to a staffer in one of your congressman's office. The individual was very courteous and helpful as we discussed the LNG issue. In passing the staffer mentioned that this is a David and Goliath battle – the LNG companies and their Washington lobbyist being the Goliath. I also do not think the staffer was betting on David for this battle.

The staffer's unspoken opinion was that the community and its political representatives play the role of David. We cannot afford to elect weak leaders who are more than willing to cave in to the LNG proposal. It is a form of preemptive surrender – don't shoot, don't even think of shooting, we give up. If ever there was a time to elect strong and effective leadership to state and federal offices it is now.

No one needs a political leader with excuses on why they could not prevail. We do not want to hear any excuses from anyone – what we need from these political representatives is simply to know if they did what we asked them to do. Anything else is a waste of their time and ours. Just like an athletic team, you only put in people you expect to win the game. Nice guys and ladies are amusing to have dinner but an unaffordable luxury in high office if they cannot deliver.

We need to support our champions in this battle, we need to elect Goliaths who will overwhelm the Weaver Cove brigade of Washington lawyers.

