FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE: February 11, 2004

COMMISSION, COAST GUARD, DOT SIGN INTERAGENCY AGREEMENT TO COORDINATE REVIEW OF LNG TERMINAL SAFETY, SECURITY

The Federal Energy Regulatory Commission, Coast Guard and Department of Transportation today announced an interagency agreement to provide for the comprehensive and coordinated review of land and marine safety and security issues at the nation's liquefied natural gas (LNG) import terminals.

The agreement was signed by FERC Chairman Pat Wood III, Samuel Bonasso, Deputy Administrator of the Department of Transportation's Research and Special Programs Administration (RSPA), and Admiral Thomas Collins, Commandant of the U.S. Coast Guard (USCG).

The agreement clearly delineates the roles and responsibilities of each agency relative to LNG terminals and LNG tanker operations, and stipulates that the agencies identify issues early and quickly resolve them. The agreement also states that the FERC will be the lead agency for environmental review under the National Environmental Policy Act and will coordinate its review with RSPA and USCG.

The agreement reinforces the agencies' longstanding working relations in coordinating the seamless review of safety and security issues that may arise from the movement of LNG tankers, the transfer of the LNG to the terminal, and terminal operations. Further, the agencies agree to build a consensus on any hazard studies or other documents that may include safety and security analyses.

Currently, the FERC, in cooperation with RSPA and USCG, is conducting a study to evaluate the hazards associated with LNG spills on water for the purpose of developing a model for calculating vapor and thermal hazards associated with such spills. The results of the study are due at the end of March 2004.

The <u>interagency agreement</u> is effective immediately. A copy may be found on the FERC's website, <u>www.ferc.gov</u>.