

REMARKS FOR SAM BONASSO,
DEPUTY ADMINISTRATOR,
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
AT THE LNG COMMUNITY AWARENESS WORKSHOP
FEBRUARY 2, 2005

Good morning, and welcome to your workshop on LNG and community awareness. I am Sam Bonasso, Deputy Administrator of the Research and Special Programs Administration, RSPA, in the U.S. Department of Transportation.

We are pleased to have you join us today to participate in discussions about LNG. Our purpose is to obtain your guidance on determining what information communities need to make informed decisions about living safely with LNG. We will share strategies, the concepts behind them, and the experiences in implementing them to ensure we are headed in the right direction. In addition, we will ask what more is needed to facilitate local discussions among community leaders.

I am familiar with the issues surrounding LNG, because RSPA's Office of Pipeline Safety is charged with the responsibility for safe transportation of energy products, including LNG. I say this is "your workshop on LNG" because it is your input that is so vitally important to the future LNG transportation safety achievements in our country.

Together, you represent a rich cross-section of public and private views. Your Federal, state and local experiences will help us advance credible information about LNG; information based on fact and supported by the credibility of all involved in the process.

Now, I understand that some people might be concerned that one or more interests might try to advance their individual agenda today. So let me tell you that when it comes to this meeting on LNG safety, there is only one agenda, shared by all: hearing and discussing the full range of views needed to make informed decisions about LNG facilities and pipelines.

After all, overseeing the safety of our nation's pipelines is a very big job.

Two-thirds of the energy products consumed in this country are transported by pipelines. Our responsibilities are numerous, from understanding the reasoning behind the location of the infrastructure to identifying and managing safety risks; from determining what safety levels should be to establishing regulation that supports those levels; from enforcing compliance to developing the knowledge, technology and processes to make compliance more achievable; and from educating those who have a role in eliminating safety risks to educating the public about the efforts undertaken to address and manage those risks.

As you can see, this is a big job. But we have learned that the success of our efforts to constantly improve safety is multiplied by sharing responsibility with our stakeholders, both within the Federal family and with states and communities.

So let us start with what is well known to those who deal with LNG every day, but may be not so well known to the general public: LNG has a proven record as a safe and efficient way of transporting natural gas to meet the ever increasing demand. This source of energy is essential to America's continued economic growth.

We all know that LNG's role is now being very publicly debated; a debate spawned in no small part by the sharp increase in the number of proposed new LNG facilities. This expansion understandably raises significant public safety and security concerns.

Our staff at RSPA's Office of Pipeline Safety is working to undermine public concerns while boosting confidence. We are committed to taking the actions necessary to ensure the safety of the pipeline and LNG facilities we oversee; to evaluate the adequacy of risk control; to raise and enforce safety standards where opportunities for safety improvements exist; and to work with emergency response officials to improve local planning so that communities can live safely with pipelines and LNG facilities. We have recently completed such a process related to hazardous liquid and natural gas transmission pipelines through the requirement of Integrity Management Programs for pipeline operators.

Safety maintenance procedures required by our regulations are complex and comprehensive. The testing and repair programs for our nation's gas pipelines will take ten years to complete the baseline assessment and repair activities, followed by required periodic retesting. Safety maintenance testing and repair can and does have some impact on energy supply due to the amount of down time needed to perform these procedures. As overseer of the condition of the entire transportation system for natural gas, we understand the FERC's need to bring energy supply where it is needed; and not just put it where it makes sense from an ideal standpoint.

So our purpose today is three-fold: to hear, to ask, and to share. We want to hear more about what you need to make informed decisions when it comes to LNG. We will ask what more we can do to help facilitate local discussion and decisions.

And when it comes to sharing, each of these agencies is here today to share with you their role in determining the need for, and oversight of, LNG operation. But we know that there are others, including the states, emergency responders, and public advocates, who share responsibility in this area. We will hear from each.

For RSPA's part within the Federal family, we share responsibility for the safety of LNG facilities with the Federal Energy Regulatory Commission and the Department of Homeland Security's U.S. Coast Guard.

Furthermore, the Department of Energy is responsible for gauging our national energy supply needs.

[PAUSE]

Today's conference is also part of a larger effort to ensure that Federal agencies, individually and collectively, are as effective as possible when working to enhance safety, security and public confidence.

To reinforce our efforts to create a comprehensive and integrated approach to safety issues, each of the Federal agencies here today entered into a new interagency agreement one year ago. This agreement solidified numerous activities geared toward increasing safety. Among them are: the setting of standards for our joint participation and review of information for locating facilities; assessing operations and hazards; controls to mitigate hazards; operations plans; and identifying and managing risks to populations near land and marine terminals and tankers. Furthermore, the agreement solidified our commitment to develop and exchange information; to participate in safety and security studies; and to cooperate in inspections and reviews of LNG facilities.

I know that I speak for each of our fellow Federal agencies here today when I say that we are doing our best to ensure both the safety and the reliability of energy supplies to America's homes and businesses.

There are several questions we will attempt to answer today –

- How can you share in the responsibility for informed decision making?
- What role will LNG play in the future US natural gas supply mix?
- What are we in RSPA and that National Association of State Fire Marshals doing to create credible information about LNG?
- What is the National Association of Regulatory Utility Commissioners and the Department of Energy doing?
- What lessons have public officials learned through LNG siting processes and how can other communities benefit?
- What perspective have companies drawn from past and current efforts to site LNG facilities?
- Are our current efforts going to meet the needs of communities for credible information and are there gaps to fill?

I am equally certain this workshop, your workshop, will go a long way toward fulfilling our mutual agenda of increasing LNG safety and reliability. And our communities, our economy, and our nation will be all the better served by our doing this. I look forward to the discussion.

Now let me introduce Stacey Gerard, RSPA's Associate Administrator for Pipeline Safety. Stacey will review today's agenda and introduce our first speakers. Both Stacey and I have committed to spending the entire day here to keep us on track and answer any questions we can. We know each of you maintain busy schedules. I thank each of you for your commitment to attending and participating in today's workshop.

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FINAL REMARKS

BONASSO – LNG Community Awareness Workshop

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