

aspect of the project will be the ship itself, which will be present only when it is in port and at a distance of more than 2 miles from St. Andrews. Much of the St. Andrews view of even the ship will be blocked by St. Andrews Island.

Navigation Issues

Navigation of the LNG ship to the project berth is a concern that is sometimes raised by the public. Our preliminary studies indicate that the proposed route can be very safely navigated, and in fact, is wider than any of the other approaches to LNG terminals currently operating in the U.S. But it is not our studies that will make the decision on safety – *it is the review and decision responsibility of other experts and governmental agencies, including the U.S. Coast Guard. This is just one of many checks and balances built into the permitting and review process to ensure the soundness and safety of the project.*

It is also very important to note that *no ships* are brought into the bay without local pilots (U.S. and Canadian) on board and in control. These pilots understand the unique characteristics and currents of the local waters and are experienced in bringing large ships (more than 850 ft long) through these channels as they transit to piers in Eastport and at Bayside. Approximately 150 ships navigate these same waters safely every year. For at least a year prior to any of our project ships arriving at the terminal, extensive simulation exercises will be conducted with the U.S. Coast Guard, Transport Canada and the local pilots to ensure full conditions training and practice.

Marine Ecology, Tourism and Ship Transit

The transit of LNG ships throughout the Pacific and Atlantic shorelines of the U.S. and near sensitive environments has been an ongoing practice for decades that has caused no environmental damage or resulted in damage to special species populations. There is no factual reason to believe that our project's ships would change that successful record. First of all, as witnessed in the similar environments, LNG ships are the only ships that voluntarily include spotters to avoid interference or collision with marine species like whales, turtles and even manatees. Second, the transit of the ships will be no different in routing than that which is already done in the region to avoid sensitive whale use areas. Thirdly, it is entirely possible, and probable, to coordinate LNG ship and whale watching traffic so as to completely avoid interference with either. Lastly, there is no factual basis known to us that the use of a waterway for LNG ship transit, or for that matter, the existence of an LNG terminal miles away, has ever caused any decrease in tourism.

Development Process

Since the US natural gas industry was deregulated in the 1990s, the task of identifying and developing natural gas project sites was shifted to the private sector. As such, project developers actually assume an enormous amount of risk to bring projects such as this to life. There are more than 50 state and federal permits to be obtained, and development of a detailed environmental impact study (EIS) by the lead government agency (in this case, the Federal Energy Regulatory Commission, FERC) is required under NEPA. Other agencies, such as the U.S. EPA, the Coast Guard, the Corps of Engineers, and the State of Maine may also join and participate in the EIS preparation task.

The many ongoing environmental, engineering and transportation safety studies that are referenced in our monthly newsletters are the core of this permitting and EIS process which often takes up to 2-3 years or more. All studies are independently verified by the government. Once a draft EIS is completed, it is made available to the public for its thorough review and scrutiny, and a series of public hearings are scheduled during which public comments are collected. Comments can also be delivered in writing, and all comments are independently addressed by the government. Only after extensive analysis, comment consideration and response, and a final assessment will a recommendation for the project to proceed (with Conditions) or a denial of the project's certification be issued by the government. Even after that, numerous individual permits from a plethora of agencies will have to be applied for, reviewed, commented upon, and decided.

For more information

To learn more about the Downeast LNG project, please visit us online at www.downeastlng.com or write us at Downeast LNG, P.O. Box 865, Calais, ME 04619