

# Downeast LNG Newsletter

January 2009



## Letter from Dean

Dear Friends:

Happy New Year!

We had a "Holiday" newsletter ready to go out to you last month but then we learned that a very important announcement was about to be released by the U.S. Coast Guard, so we decided to hold off until we could bring you that news. I'm glad we waited!

On January 8, the U.S. Coast Guard issued a positive Waterway Suitability Report and Letter of Recommendation for Downeast LNG. This is great news for the project. The Coast Guard spent more than a year reviewing data and interviewing stakeholders about the Downeast LNG plan to bring LNG ships to the facility at Mill Cove. They determined that our plan was "suitable" provided that we implement certain risk mitigation measures, which we are fully prepared to do.

The Coast Guard has sent the WSR and Letter of Recommendation to the Federal Energy Regulatory Commission (FERC). The WSR now becomes a key element in finalizing the draft environmental impact statement (DEIS) that FERC is preparing. The DEIS, which we expect to be released in the near future, is especially important because it provides an assessment of how the federal government views various aspects of our project.

All of this makes us very excited about 2009 and getting the approval process back into high gear at the state and federal level. We appreciate your patience and your continued support, and especially want to thank those of you who participated in the Coast Guard review of our waterway plan. We look forward to working with you this year as we move closer to construction and operation.

On behalf of Rob Wyatt, Cathy Footer, and all of us at Downeast LNG, our best wishes to you and yours for the New Year.

Sincerely,

A handwritten signature in black ink that reads "Dean P. Girdis".

Dean Girdis

## U.S. Coast Guard says waterway is “suitable”

On January 8, 2009, the U.S. Coast Guard issued a Letter of Recommendation to the Federal Energy Regulatory Commission (FERC) stating the waterway proposed for use by vessel traffic associated with our facility in Robbinston is “suitable provided that recommended risk mitigation measures outlined in a supporting waterway suitability report are fully implemented.”

The letter was issued by Capt. James B. McPherson, Captain of the Port for Coast Guard Sector Northern New England. The waterway for the Downeast LNG project includes the waters of Head Harbor Passage, Western Passage and Passamaquoddy Bay.

According to a Coast Guard news release, the suitability determination was made after consultation with a variety of stakeholders and a comprehensive review that focused on navigational safety and maritime security risks and the measures needed to responsibly manage those risks.

Rear Adm. Brian M. Salerno, Assistant Commandant for the Coast Guard’s Marine Safety, Security and Stewardship Directorate said in the news release:

“The Coast Guard engaged in significant public outreach and a comprehensive interagency review to ensure all safety and security risks were identified during the process. This yielded broad government support for the Coast Guard’s finding that the waterway is suitable for LNG tankers provided all navigation safety and security risk-mitigation measures are fully implemented by Downeast LNG.”

In his own statement, Downeast LNG President Dean Girdis called the release of the waterway report and Coast Guard recommendation very significant milestones in the federal approval process and said that they give the project substantial new momentum. He added that the Coast Guard and other federal agencies have given intense scrutiny to everything in the report.

He noted that the proposed transit route to and from the Downeast LNG facility is one that has been used by thousands of large ships over the years and that the company’s waterway plan was designed to ensure that all LNG ship transits will be safe and secure. He also stated that Downeast LNG is fully prepared to meet the conditions outlined in the Coast Guard’s report.

The waterway report is a key element in finalizing the draft environmental impact statement (DEIS) that FERC is preparing. The DEIS represents a comprehensive review of the project’s engineering, environmental and socioeconomic details by the federal government and identifies any issues that need to be addressed before final approval can be given.

Once the DEIS is released, FERC will initiate a public comment period and hold a public meeting in the area to receive public comments. After receiving public comments, FERC will issue a final environmental impact statement.

Most of the proposed LNG facility permit applications currently pending before FERC have not received a suitable waterway report and letter of recommendation from the U.S. Coast Guard, so this is big news for Downeast LNG and a great way to begin 2009.

**(Copies of the Coast Guard’s Letter of Recommendation, WSR and news release can be found on our website at [www.downeastlng.com](http://www.downeastlng.com).)**

## Canadian politicians' response to the WSR? More of the same.

Dean struck a conciliatory note on the favorable waterway report, telling the St. John *Telegraph-Journal* that “there should be engagement between the U.S. and Canada” on the issue of ship transit. The article also referenced the Canadian government’s own study, as well as highly sophisticated simulations conducted by Marine Safety International – with Canadian officials present – both of which concluded that LNG ships can safely transit Head Harbor Passage.

However, despite the U.S. Coast Guard report and the overwhelming evidence that LNG ships can safely navigate Head Harbor Passage, it was more of the same from New Brunswick’s politicians. Here is a sampling:

“We’re not going to negotiate – period.” (New Brunswick Southwest MP Greg Thompson<sup>1</sup> )

“Dean Girdis is being bold saying we should sit down and negotiate this - that’s not going to happen... they’re doing it in Washington County, because they are economically challenged and they will take anything they can get their hands on.” (St. Andrews Mayor John Craig<sup>2</sup> )

When a subsequent editorial in the Irving family-owned *Telegraph-Journal* compared MP Thompson to Winston Churchill, Dean just had to respond. Here is his letter, which was picked up on by the CBC and other news sources.

### **Studies show LNG transit to Maine is safe<sup>3</sup>**

Your recent editorial comparing MP Greg Thompson to Winston Churchill brings to mind one of my favorite Churchill quotes: “We occasionally stumble over the truth but most of us pick ourselves up and hurry off as if nothing had happened.”

The truth is that a comprehensive study by Canadian consultants for the Canadian government, highly realistic simulations at Marine Safety International (at which Transport Canada officials were present), and now an exhaustive study by the U.S. Coast Guard have all determined that LNG ships can safely transit the waters of Passamaquoddy Bay, including Head Harbor Passage. To dismiss this overwhelming evidence - not to mention countless large ship transits through these same waters over the years - with a statement like “We are not going to negotiate - period” hardly resembles the statesmanship for which Churchill was known.

The Water Suitability Report for Downeast LNG released by the U.S. Coast Guard validates our plans for safe and secure transit of LNG to and from our terminal in Robbinston, Maine, and we stand ready, as we always have, to co-operate with Canadian authorities as our ships move through Canadian waters.

However, as has been expressed at the highest levels of the U.S. government, all ships enjoy a non-suspendable right of innocent passage through these waters. We are pushing ahead with our project, and we will not sit quietly by as you seek to protect your own economic interests by trying to dictate what kind of development can take place in the state of Maine.

s/Dean Girdis

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<sup>1</sup> “LNG pressure builds,” St. John *Telegraph-Journal*, 1/9/09

<sup>2</sup> “Mayor hopping mad at LNG group,” St. John *Telegraph-Journal*, 1/13/09

<sup>3</sup> “Letter to the editor,” St. John *Telegraph-Journal*, 1/14/09

## State permitting status

The release of the WSR and the soon-to-be released FERC draft environmental impact statement (DEIS) are very important as we prepare to file new state permit applications. These documents will help the members of the Maine Board of Environmental Protection in their review of the Downeast LNG project. In addition, as we have mentioned before, we have been hard at work conducting more studies and collecting data about lobsters, birds and other wildlife. These studies, along with identification of an alternative pipeline route, should make the Downeast LNG application very thorough!

We expect to be ready to file new applications sometime this spring.

## New website launched

In addition to a new look this fall, all of the information on our new website ([downeastlng.com](http://downeastlng.com)) has been updated and reorganized to make the site easier to use. We hope you like the changes and that you will let us know if there is additional information you would like us to include. Please contact us anytime at [info@downeastlng.com](mailto:info@downeastlng.com) or by phone at 454-3925.

### Website photo contest

We could always use a few more good photographs of the local area for our website, so we thought we would have a photo contest. Do you have any nice images of the bay or the Robbinston area? Please email a copy of your best shot at [info@downeastlng.com](mailto:info@downeastlng.com) by February 28, 2009. You can also drop them by our Robbinston office and chat a bit with us! We'll pay \$50 for the first place winner and \$25 for two second place winners, plus give you a credit line for any photo we use on our website.

## Downeast LNG in the community

Downeast LNG continues to be an active member of the community. In November, we were pleased to donate 10 Thanksgiving turkeys to the "Turkey-a-thon" sponsored by WQDY, Husson University's Unobskey School, and Washington County: One Community. Our local Robbinston staff also matched the Downeast LNG donation with another 10-turkey contribution. Almost 900 turkeys were collected for food pantries in eastern Washington County. We also were pleased to contribute to the annual Lions Club Santa's Helper fund.

Congratulations to our office manager and community relations coordinator, Cathy Footer of Robbinston, who has been elected Secretary of the St. Croix Valley Chamber of Commerce.

### *Do we have your email?*

There are many times between newsletters when we would like to be able to communicate with you quickly. Please send us an email at [info@downeastlng.com](mailto:info@downeastlng.com) and just say "add me to your list."