

Downeast LNG Newsletter

December 2007



Letter from Dean

Dear Friends:

The last few months have been a roller-coaster ride for the Downeast LNG project, but I am happy to say that the wild part of the ride is over for now.

The decision by the Maine Board of Environmental Protection (BEP) on November 15 to allow us to withdraw our state applications has given us an opportunity to include important new information in our applications (much of which BEP members asked for) and to develop a new pipeline route, since a portion of the route we originally proposed cannot be used.

We don't see this temporary withdrawal as a major setback or delay for our project. It is simply part of the long and complex process that projects like Downeast LNG often have to go through on the road to getting the necessary permit approvals from state and federal authorities. We plan to re-file our state applications next year and much of the work that was done for our initial applications will be included in the new applications.

As we approach the end of the year and the Holiday season, I want to offer a big THANK YOU to everyone who spoke in favor of Downeast LNG at the BEP hearings last summer and to all of you who continue to be so supportive of the jobs and economic development we are trying to bring to Washington County. You are our partners in this project and we look forward to our fourth year of working with you in 2008.

So, on behalf of Rob Wyatt, Cathy Footer and all of us at Downeast LNG, I send our best wishes to you and yours for Happy Holidays and the New Year!

Sincerely,

A handwritten signature in black ink that reads "Dean P. Girdis". The signature is written in a cursive style.

Dean Girdis

BEP hearings demonstrate local support for Downeast LNG

For five days last July, the Maine Board of Environmental Protection (BEP) held hearings on Downeast LNG state applications for the terminal in Robbinston and the pipeline going from the terminal to the Maritimes & Northeast pipeline at Baileyville.

The hearings largely focused on the expert testimony of witnesses for Downeast and from intervenors both for and against the project. In addition, two evening public comment sessions, one at the Robbinston Grade School and another at Calais High School, gave members of the BEP an opportunity to hear directly from the citizens of Washington County.

If you attended either of the evening meetings, it was clear that the overwhelming majority of local residents favor our proposal. Many longtime residents – including local elected officials, working people and business owners – spoke of the need for good jobs in the area. Much of the opposition was from Canadians, summer residents and people who are relatively new to the area.

Robbinston resident Cindy Moholland is one of the many local residents to speak in support of Downeast LNG at the public comment session held by the Maine BEP at the Robbinston Grade School in July.



BEP reconsiders and grants withdrawal

At the BEP hearings last summer a top official of the Maine Department of Marine Resources admitted that he hadn't spoken with his lobster fishery staff experts or reviewed Downeast's applications materials on fisheries, even though the application materials had been submitted months earlier. However, when we tried to submit important material from the department after the hearing, the BEP said no, they wouldn't allow it.

The BEP chair and the assistant Attorney General who advises the Board both said that the only way we could introduce new information was to withdraw and re-file. When we took them up on that suggestion a few weeks later, they totally backed away from their earlier statements and again refused to let us withdraw.

In the meantime we received a letter from the U.S. Fish and Wildlife Service saying that the portion of our proposed pipeline route that ran through the Moosehorn National Wildlife Refuge was "not appropriate." That meant we no longer had "title, right or interest" to the route that was filed as part of our application and had no choice but to withdraw. Again, a majority of the BEP said no.

Then, to our surprise, the BEP at its meeting on November 15 voted 5 – 3 to allow us to withdraw and re-file our applications. Apparently, two members of the BEP had second thoughts about the different standard that was being applied to Downeast LNG compared to other applicants. (Over the last four decades, many similar requests to withdraw have been routinely granted.)

The members of the Board who have been the most blatantly biased against our project from the beginning refused to change their position, but at least a majority of the Board has now demonstrated a commitment to the integrity of the review process.



Stanley Morrell and John Papke join Rob Wyatt of Downeast LNG in loading lobster traps at the Robbinston Boat Landing. The oversized traps are used in gathering data about the lobster population in Mill Cove.

An update on scheduling for the project

We have always said that permitting a project like the Downeast LNG terminal is not easy, nor does it always go in a straight line. One good reason for this is that public input on the project's plans are important, and it is equally important that Downeast LNG incorporate good suggestions into developing a final plan. This is what we were trying to do for the BEP.

With the BEP's most recent vote, the table is now set for us to add important information to the state permit applications, including recommendations from the Maine Department of Marine Resources and the Department of Inland Fisheries and Wildlife. We expect to re-file the state permit applications in 2008 and that could mean another round of public hearings in late spring or early summer.

As for our federal permitting status, good progress has been made at FERC while it acquires other agency comments and prepares the Draft Environmental Impact Statement (DEIS). We believe that FERC may issue the DEIS very early next year, perhaps in February. The document will be made available for all to review, and we expect that there will be a public hearing for comments as well shortly after the DEIS release.

All told, we are anticipating the completion of most permitting actions by the end of 2008 and early 2009. After that, we hope that we can start construction and get this project up and running!



Dean's op-ed in the Maine Sunday Telegram

Following the BEP's earlier decision on October 25th to not let Downeast LNG withdraw its application, Dean decided it was finally time to speak out about the whole BEP process and the difficulty of trying to do business in Maine. In case you missed it, we have enclosed a copy of Dean's guest column, which, as you can imagine, got the attention of people in Augusta and struck a chord with a lot of people throughout the state.

Downeast LNG in the community

We continue to be active members of the community, supporting a variety of organizations and events such as the International Festival, the WCCC Education Foundation Golf Tournament, and the Sunrise County Economic Council. Downeast LNG and its staff also donated 15 turkeys to the "Turkey-A-Thon" sponsored by WQDY and St. Croix Healthy Communities. In addition, Cathy Footer is serving a two-year term on the Board of the St. Croix Valley Chamber of Commerce and has also been attending meetings of the Washington County Transition Team, which meets monthly to discuss ways to help displaced workers, including many from Domtar.

Elected officials need to hear from you

Even though the independent agencies at the state (BEP, DEP) and federal level (FERC, U.S. Coast Guard) are conducting their reviews of our applications, it is still important that elected officials in Maine and Washington – and Canada, too, for that matter – understand that our project has strong local support.

Please continue to write, call and email local legislators, Governor Baldacci and members of the Maine Congressional Delegation. Tell them that you support Downeast LNG because Washington County needs economic development and good paying jobs, and Maine and America need greater energy independence.

If you need contact information for any of these officials, please contact Cathy Footer at (207) 454-3925 or cafooter@downeastlng.com. You support does make a huge difference.

Quotable

"When the Maine Environmental Protection Act was established, which I was a part of, my intentions were to protect Maine's environment, but not to destroy Maine's future safe and clean energy opportunities that would be needed for our economy. These opportunities have been successfully developed by our Canadian neighbors, who supply Maine with their energy products to meet our energy needs. Now it is our time in Washington County to do the same."

- Former State Senator Harold Silverman of Calais,
as reported by **Tom McLaughlin**, News Director,
WQDY-WALZ (www.wqdy.fm)