

United States Senate

WASHINGTON, DC 20510

June 19, 2009

Captain Raymond Perry, Commander
U.S. Coast Guard
Sector Southeastern New England
1 Little Harbor Road
Woods Hole, Massachusetts 02543

Via Facsimile: 508-457-3236

Dear Captain Perry:

We write regarding your evaluation of the Weaver's Cove Energy's proposed liquefied natural gas facility in Fall River, Massachusetts.

As you have noted, the Coast Guard's role is advisory and limited to navigation, safety, and security issues. Nonetheless, the Coast Guard plays an authoritative role in determining whether a proposed project should proceed. We have had longstanding and deep concerns about the appropriateness of this project and its impact on communities in Rhode Island. Many of those concerns were expressed in the Letter of Recommendation (LOR) of October 2007 issued by your predecessor, which concluded that the waterway was unsuitable from a navigation safety perspective even before a thorough review of "other factors relevant to waterway suitability for LNG traffic, such as maritime security" was conducted.

Although the project has been modified in an attempt to address navigation deficiencies identified in the October 2007 LOR with respect to vessel traffic on the Taunton River, the proposal has introduced a host of new challenges and impacts, including a proposed berthing facility outside Rhode Island waters in Mount Hope Bay and the deployment of novel technology in the form of two four-mile long cryogenic pipelines. The scope of this project will likely have a substantial impact on a number of waterway users in Rhode Island, either limiting access or creating significant congestion in Mount Hope Bay and Narragansett Bay. While some aspects of the project are vastly different, other issues are not new but were not fully examined when the 2007 LOR was developed. These issues must be evaluated.

We recognize the steps that you have taken to solicit the views of outside experts on maritime safety and security with respect to this project, but we believe that the impacts on other waterway users, as well as state and local agencies, must be more fully explored, considered, and addressed before a recommendation on waterway suitability is shared with Federal Energy Regulatory Commission. Indeed, the Navigation and Vessel Inspection Circular 05-08 (Guidance Related to Waterfront Liquefied Natural Gas Facilities), encourages captains of the port to address the impact of proposed risk management measures on other port users and stakeholders. Clearly, there will be significant impacts on other port users and stakeholders, and may include such steps

as the imposition of vast security zones around LNG tankers and the temporary closure of the Pell Bridge in Newport, Rhode Island, to accommodate transiting vessels. Furthermore, there is significant question about the role local first responders will have to assume in order to ensure the security and safety of LNG tankers vessels transiting Rhode Island waters. Already, the Rhode Island Emergency Management Agency, the lead agency for coordinating first response activities within Rhode Island, has stated that it does not have the resources to coordinate security for the more-than-once per week trips that would be made by LNG tankers through Rhode Island waters.

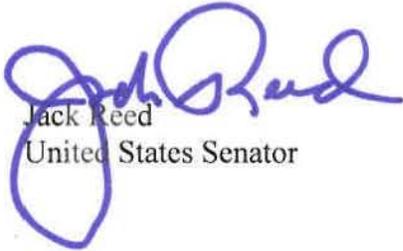
We respect that your recommendation is limited to waterway suitability and security and must be made on the facts and with appropriate safeguards for sensitive security information. However, we believe a recommendation would be incomplete if it does not include thorough review of the issues that have been highlighted by Rhode Island communities, citizens' groups, and state regulatory agencies. An appropriate dialogue with the effected entities and the public should be open and maintained throughout this process. To that end, we would note that the Committee Report for the Senate version of the Department of Homeland Security Appropriations Act for Fiscal Year 2010 (Senate Report 111-157) includes the following language:

“The Committee expects the Coast Guard to fully evaluate the impact of recreational and commercial vessel traffic in relation to navigational safety and security of a proposed LNG facility in Fall River, Massachusetts. The proposed project and associated vessel traffic may significantly limit access for commercial and recreational users in Mount Hope Bay and Narragansett Bay. The Committee directs the Coast Guard to report to the Committee within 6 months after the date of enactment of this act on its evaluations and recommendations to address the impacts on affected waterway users.”

While we believe that an examination will show that the waterway is unsuitable for the proposed project, we have every confidence that your recommendation, whatever it may be, will be made objectively within the scope of your authority and based on the facts.

Thank you for your attention to this matter, and look forward to your prompt response.

Sincerely,



Jack Reed
United States Senator



Sheldon Whitehouse
United States Senator