

Mobil Register Opinion Page

Move ExxonMobil's LNG plant offshore

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THE SAFEST place for ExxonMobil's liquefied natural gas terminal is offshore of Mobile and outside of Mobile Bay.

Both the Register and a growing number of concerned citizens have been trying for months to get answers from the federal government about safety measures employed to protect the public from a catastrophic accident involving an LNG terminal and the tanker ships that transport the super-cooled natural gas.

Last week, a top official of the Federal Energy Regulatory Commission provided some of those answers at a public meeting in Mobile -- and the answers simply aren't good enough.

What FERC doesn't do :

It's not so much what FERC does in its permitting process for new facilities like the one proposed for the former Navy home port site south of Mobile. It's what FERC doesn't do that's so disturbing.

According to J. Mark Robinson, director of FERC's Office of Energy Projects, FERC doesn't consider a "remote siting" provision of federal law that is intended to keep LNG facilities out of populated areas.

Nor does it set "exclusion zones" around the giant tankers that would be coming up Mobile Bay and through the Theodore ship channel to the LNG dock. Such zones would help protect the public and, depending on how large they are, could have an impact on whether ExxonMobil would get its permit.

Those facts have led the Register editorial board to conclude that the home port site is not a safe location for the LNG facility. Also influencing the board's decision are the failure of the Alabama Port Authority's board of directors to insist on an independent safety study as part of its purchase option deal for the home port site; the number of residents, schoolchildren and businesses in the area of the site; and the potential for an accident or a terrorist attack.

Previously, we called on the federal government to ensure safe transport of such tanker ships, but Mr. Robinson now has effectively indicated that FERC won't do so even though it must approve the home port site and permit the LNG terminal.

A site offshore would not completely eliminate the chance of a conflagration caused by a leak in a tanker or an accident at the terminal, nor would it eliminate the chance of environmental damage. But, in our view, the risk becomes acceptable if the terminal is in a remote location away from homes, schools, other businesses and regular boat traffic.

ExxonMobil would pay \$38 million to purchase the home port site, and the cost of construction is estimated at \$600 million. Although one ExxonMobil company spokesman has said an offshore terminal would be prohibitively expensive, the cost of a similar facility proposed by another company to be located off the coast of California is estimated at between \$600 million and \$700 million. We think the costs of an offshore LNG facility here would be comparable. With an offshore site, the area still will benefit from the 50 new jobs the LNG facility will create. Mobile will also have ready access to a plentiful and cheaper supply of natural gas.

The availability of abundant and affordable natural gas will be a tremendous economic asset in attracting new industry and business to the Mobile area.

Because of the terms of the purchase option signed with the Port Authority board, ExxonMobil can get out of the deal fairly easily. The corporation should consider not only the safety issues, but also the likelihood of protracted litigation from residents and others who object to the proposed site.

It also should consider the congressional attention now being focused on the FERC permitting process.

A bearable blow :

Certainly the loss of \$38 million would be a blow to the State Docks, which owns the home port, as well as to state and local governments, which stand to recoup much of their investments in the home port. However, we believe the site remains attractive for one or more other industries, and Docks officials can eventually recruit businesses and industries that would be safer and more compatible with the surrounding residential neighborhoods.

This nation's increasing need for natural gas will lead to more corporations building more LNG facilities. We believe that Congress was correct when, in 1979, it passed legislation encouraging remote locations for such facilities. Although federal regulators seemingly have ignored Congress since then, Congress can and should put the pressure on them to ensure that its mandate is -- however belatedly -- carried out.

An offshore site is not only best for ExxonMobil's LNG terminal; all new LNG terminals should be built offshore, unless the circumstances are unusual and the land site a remote one. Setting a policy at the federal level now will reduce the dangers of LNG, without forfeiting the benefits.