



Comhshaol, Oidhreacht agus Rialtas Áitiúil Environment, Heritage and Local Government

31 March 2010

Mr. Johnny McElligott Safety Before LNG Island View Convent Street Listowel County Kerry

Re:

Applications by Shannon LNG for consents under the Foreshore Act related to the construction of a Liquefied Natural Gas Terminal at Tarbert, Co Kerry

Our refs: MS51/9/596 - 599

Dear Mr. McElligott,

I refer to your letter addressed to Minister Brendan Smith dated 19th November 2009 concerning the above. As you may be aware, certain foreshore functions, including responsibility for these applications, were transferred to this Department with effect from 15th January 2010.

The foregoing applications were put out to public notice in November 2008 and the deadline specified for the receipt of objections or representations from the public was 31st December 2008. Your submission has therefore been received substantially outside of the public notice period.

Notwithstanding the foregoing we have carefully examined the content of your submission. We are satisfied that the issues raised have already been comprehensively addressed by the competent authorities with statutory responsibility for the areas concerned, including An Bord Pleanala, the Health and Safety Authority, and Shannon Foynes Port Company. We are also satisfied that neither the Shell Pipeline decision by An Bord Pleanála of 2nd November 2009 nor the European Court of Human Rights case cited are relevant to the processing of the foreshore applications on hand. It should also be noted that the Minister for the Environment, Heritage and Local Government, in exercise of his statutory functions under the Foreshore Act, may grant foreshore consents for the applications concerned if in his opinion it is in the public interest.

Yours sincerely,

ord Padraic Dempsey

Assistant Principal Foreshore Unit





Safety Before LNG Protecting the Shannon Estuary & its people Telephone: +353-87-2804474 Email:<u>safetybeforelng@hotmail.com</u> Web: <u>www.safetybeforelng.ie</u>

March 22nd, 2010

Foreshore Section, Department of the Environment, Heritage and Local Government Johnstown Castle Estate, Co. Wexford Email only: <u>danny.obrien@environ.ie</u> and <u>foreshore@environ.ie</u>

cc. Mr. John Gormley T.D., Minister of the Environment, Heritage and Local Government, Custom House, Dublin 1. (Email only: <u>minister@environ.ie</u>)

Safety Before LNG

Island View

Listowel

Convent Street

Re. Impacts of January 2010 interim findings of the EU Commission on the Shannon LNG application for Foreshore Licences MS51/9/596-599

Dear Sir/Madam,

Before a final decision is made by your department on the Foreshore Licence applications by Shannon LNG we are informing you of the following issues which have only come to light since our previous submission to you on November 19th 2009. As we are now officially informing you of these new issues we are once again of the opinion that you are under an ethical and legal obligation to consider them because you are the final statutory body to assess this project on safety, environmental and strategic grounds.

1. <u>EU Petitions Committee Interim Findings</u>

On January 22nd, 2010, following feedback from the EU Commission on our petition with the EU parliament on breaches of the SEA Directive for the Shannon LNG project an interim ruling attached below was issued by the EU Petitions Committee highlighting the following points:

Rezoning land for the LNG teminal should have been subjected to a Strategic Environmental Assessment (SEA). In its initial submission to the EU parliament Ireland claimed that it was allowed an exemption to the mandatory SEA if the project affected less than 10,000 people. However, on January 22^{nd} 2010 the EU Commission agreed with us that:

"Information provided by the petitioner demonstrates that the population affected exceeds 10,000"

These finding by the EU Commission and Parliament is an official acceptance that the LNG tankers have an affect on both the estuary and adjoining coastlands throughout the entire shipping route of the LNG tankers from the moment they approach the estuary from the Atlantic Ocean and that an SEA was therefore required.

The Commission went on to criticise the lack of an SEA for the Shannon LNG even more directly as follows:

"The Commission is also concerned by the discrepancy in the approach of the Irish authorities in dealing with the development under fast track legislation for 'strategic projects' whilst not requiring an SEA."

The EU Commission further went on to critiscise the EIA for the Shannon LNG project as follows:

"An EIA has been duly carried out on this project (the Liquefied Natural Gas) and public opinion sought. However, the petitioner presents arguments according to which the project has been sliced (LNG storage, pipeline, road and electricity supply). Project slicing implies the breaking up of one project into different parts. The EIA Directive requires that cumulative (indirect) impacts with other projects have to be identified in the course of the respective impact assessments to ensure that the overall impact of the projects concerned can be assessed. On the basis of the information received, it is not clear whether the cumulative effects have been taken into account in this case."

The conclusion that the EU Commission came to was:

"On the basis of the further information provided, the Commission has decided to raise the abovementioned issues with the Irish authorities."

'Safety Before LNG', vindicated by the EU Commission findings, is now of the opinion that if the Irish Government is to show even token respect for EU directives requiring comprehensive Strategic and Environmental Assessments then an LNG Marine Risk Assessment must be undertaken along with an SEA. It is impossible to ascertain the cumulative effects of the project if no such assessment is completed.

2. <u>European Transhipment Hub</u>

As recently as June 2004, plans were announced by the Shannon Foynes Port Company to invest in port facilities along the Shannon Estuary, which would include a major transhipment terminal at Ballylongford on the site of the proposed LNG terminal. However, since the LNG terminal was proposed, all plans for this transhipment facility have mysteriously been shelved. As can be seen from the attached Shannon Foynes Port Company brochure of the time, the port authority highlighted the fact that:

"the proposed development area is state owned and would be - unhampered by past structures – unhindered for future development."

We note that it is even recognised by the port authority that structures such as an LNG terminal on the site can hamper any other proposed development and hinder the estuary for future development. Once again, therefore, the only way to determine the cumulative impacts of the creation of an oil and gas storage energy hub on the southern shores of the Shannon Estuary and its possible negative effects on the proposed transhipment hub is to undertake a marine LNG QRA and an SEA before giving any foreshore licences.

Shannon Foynes Port Authority is still promoting the Shannon Estuary as a "Global Deepwater Shipping Resource" as follows: ¹

"The Shannon Estuary, on the West Coast of Ireland, extending 100 kilometres from Limerick City to the sea, is a deep-water, sheltered resource adjacent to all major shipping lanes in and out of Europe. Currently, vessels up to 200,000 tonnes DWT are routinely handled, and a roadmap to extend this to 400,000 tonnes DWT has been developed".

Atlantic Way Vision 2020

The 'Atlantic Way' organisation has close to 500 members working in indigenous and multinational business, education, chambers of commerce, community organisations, local government and development agencies². Among the major initiatives currently being supported by Atlantic Way are A European Transhipment Hub on the Shannon Estuary for use by North American, Asian and other interests.

The 'Atlantic Way' describes its concerns as follows:

"The Atlantic Way Region, with a population of over one million people, is a dynamic region, a prime international investment and lifestyle location situated along Ireland's Western corridor. Our ambition, and our shared vision, is to maximize the synergies of all sectors by driving forward an agreed agenda for coordinated and joined-up development, creating a region of greater international scale and significance, and a region of proven excellence."

'Atlantic Way 2020'³, attached below, is a plan that sets out specific priority areas for progress in the Atlantic Way zone for the period up to the year 2020. It reflects the outcome of consultations held with various interests to formulate a practical set of visionary goals relating to the major strengths, assets and needs of the area in the short to medium-term.

One of the initiatives featured in the report that Atlantic Way is working to advance is a Shannon Estuary Major European Transhipment Hub describing the issue as follows:

"World shipping experts agree that, because of major changes in the dynamics of world shipping, and because of the uniqueness of the resource, the Shannon Estuary can be a major European transhipment hub — a facility of strong interest to global players in the United States, Asia and beyond who require cost efficient access into Europe.

World Shipping Challenge

- *Major increase in vessel sizes, post the Panama Canal expansion (due to open in 2014), to achieve economies of scale.*
- The need to relieve massive congestion & delays in existing European port systems
- An environmental policy shift to 'short sea shipping' models.

¹ See www.shannonestuary.ie

² See <u>www.atlanticway.com</u>

³ See http://www.atlanticway.com/default/index.cfm/vision-2020/

Ireland's Opportunity

- Shannon Estuary can accommodate the largest unitized cargo ships in the world and has no tidal restrictions.
- Location means minimal deviation from deep-sea shipping lanes into Europe.
- Breaking out cargo and utilizing smaller vessels for onward shipping would mean major savings, eliminating the need for double- handling of cargoes at congested European ports such as Rotterdam, Antwerp and Hamburg. "

Without any strategic or marine LNG risk assessment of the effects of exclusion zones required around LNG tankers (which for the other proposed Hess LNG terminal at Fall River USA by its subsidiary 'Weaver's Cove' extend two miles to the front of the tanker, a mile astern and 1,000 yards to either side⁴) it is impossible to assess the effects of the plans of the oil and gas energy hub on the proposed deepwater transhipment hub.

3. <u>Shannon Energy Valley Launch</u>

On Monday 15th March 2010 The University of Limerick (UL), the National University of Ireland, Galway (NUI Galway), Shannon Development, and Silicon Valley's Irish Technology Leadership Group (ITLG) announced the launch of the Shannon Energy Valley, a major renewable energy hub in Ireland's Shannon Region.⁵ The Shannon Energy Valley describes its objectives as follows:

"The MOU sets out the objectives of the four-way alliance between the Irish and US bodies as:

- a. The creation of a world-class cluster of sustainable energy-related activity to support job creation and business start-ups through national and international investment
- b. Reduction of Ireland's carbon footprint, energy generation costs, dependency on fossil fuel imports and helping the country meet environmental and emissions commitments
- c. Enhancing Ireland's capability in the sustainable energy sector by attracting world-class R&D energy expertise, realising its commercial benefits and enabling further, advanced R&D activities
- d. Growing Ireland's smart economy by developing additional education and training capability at undergraduate and postgraduate levels in specialised energy disciplines."

It is impossible to assess the Shannon Energy Valley plan without any strategic environmental assessment to assess the effect of the massive importation of LNG on the objective of "reduction of Ireland's carbon footprint, energy generation costs, dependency on fossil fuel imports and helping the country meet environmental and emissions commitments"

⁴ See <u>http://www.warwickonline.com/view/full_story_news/6728705/article-Sure-it-s-about-money--but-LNG-is-also-good-sense--says-CEO?instance=home_news_right</u>)

⁵ See <u>http://www.shannonenergyvalley.com/launch.html</u>

4. Endesa Power Station Becoming Hostage to Shannon LNG

It has now also been noted in the application by Endesa to construct a new gas-fired power station at the site of the old ESB fuel-powered station will become dependant on the Shannon LNG-sourced gas because there are currently no plans for an independent pipeline to the national grid at Foynes 26 kilometres east of the site.⁶ This is yet one more new development underlining a need for a strategic assessment.

5. <u>Bob Hanna's Comments on Corrib Pipeline Precedent</u>

Further to our submission on November 19th 2009 on the impacts of the recent An Bord Pleanála decision on the Corrib Shell pipeline⁷, it has now even been acknowledged publicly by chief technical advisor at the Department of Communications, Energy and Natural Resources, Mr. Bob Hanna, that the precedent created would "*have the effect of prohibiting all significant infrastructure developments*". In an unsollicited letter to An Bord Pleanála on 20 January 2010 (attached below), Mr. Bob Hanna stated:

"In my capacity as Energy Installations Inspector for Ireland, I have observations on some issues raised in this letter.

The risk assessment methodology espoused in the Board's letter is based solely on consequence, with no attention given to likelihood of occurrence or mitigation measures proposed. This is different from international best practice in this area. Risk, or hazard, assessment is considered to be a function of both consequence of occurrence of a specified event and likelihood or probability of that event occurring.

There are very significant potential consequential implications arising from this approach. If it is deemed to establish a precedent, it would have the effect of prohibiting all significant infrastructure developments."

As the proposed LNG terminal will become the most sizeable hazard in the country this intervention by the Energy Installations Inspector for Ireland is a recognition that an LNG accident would have significant consequences and therefore, at the very least, the cumulative impacts of this new energy plan have to be assessed by an LNG marine Risk Assessment and an SEA.

6. Foreshore Section Supporting Shannon LNG Before Decision Delivered

'Safety Before LNG' is also concerned by comments attributed to a Department of Environment spokesman on the Foreshore licensing process in the 'Kerryman' newspaper of March 17th 2010 where it was stated :

""If there is no decision forthcoming by the end of the month, there will obviously be aggrieved community groups and others who will make their voices heard. To the best of our knowledge, from the constant contact we are in with Shannon LNG, the company are still fullsteam ahead with the plans, but obviously will not commit until the final obstacles are surmounted," the dept spokesman said."⁸

⁶ See <u>http://www.tarbertpowerproject.com/</u>

⁷ See <u>http://pleanala.ie/casenum/GA0004.htm</u>

⁸ See http://www.kerryman.ie/news/anxious-wait-for-lng-decision-2101515.html

We are of the opinion that it is unethical for the department to be giving such a blatantly one-sided pre-emptive support for the Shannon LNG project even before a decision is made and ask if this is a nornal approach by the Foreshore Section in project assessment?

7. <u>Shannon Development Lacking Credibility</u>

In the 'Kerryman' newspaper of March 17th 2010 it was stated:

"Chairman of Shannon Development (who own the land Shannon LNG hope to develop) and Kerry County Councillor, John Brassil, said the regional agency were informed on Friday that a decision would be made on the licence by the end of this month. Cllr Brassil was one of those sharply critical of the foreshore licence delay, describing it as a 'totally unacceptable situation'."

"Cllr Brassil said the option on the landbank site Shannon LNG was renewed recently and would likely be paid on the company's commitment to the project in what will be an undisclosed deal due to 'commercial sensitivity'."⁹

New information released under the Freedom of Information Act has revealed that from 2005 to November 2009 Councillor John Brassil received €109,557.09 from Shannon Development - €87,504 of that figure being directors fees alone. Shannon Development had already received €493,000 from Shannon LNG at least three months before the rezoning decision took place.

John Brassil, and by association Shannon Development, in our opinion, have now lost all credibility of objectiveness in his calling for a Shannon LNG foreshore licence without asking for any strategic assessment of the Shannon Estuary. As far as we are concerned, Shannon Development is only interested in money it will receive in "sweating its assets" and has no concern for sustainable development or proper planning. Shannon Development's support for the Shannon Energy Valley¹⁰ runs hollow when it is quite obvious that 125 LNG tankers per year will sterilise any transhipment hub or renewable energy hub development of the estuary.

⁹ See <u>http://www.kerryman.ie/news/anxious-wait-for-lng-decision-2101515.html</u>

¹⁰ See www.shannonenergyvalley.com

8. <u>Integrity of Planning Process is a Vital National Interest</u>

On March 12th 2009, it was reported in the 'Irish Times' that Mr. Justice John Hedigan stated that the integrity of the planning process is a "vital national interest". The paper went on to report:

'Bad planning decisions "sentence generations to live with the consequences" and, in interpreting the planning legislation, the courts should never lose sight of the overarching national interest in the integrity of the planning process, Mr. Justice John Hedigan said.'

In summary, the European Commission has agreed that more than 10,000 people are affected by the LNG project. It is now impossible to assess the Shannon Valley Renewable Energy Hub Plan, the LNG oil and gas Energy Hub Plan and the European Deepwater Transhipment Hub Plan without undertaking an independent LNG Marine QRA, a detailed Environmetal Impact Assessment on the cumulative impacts of the LNG project and a Strategic Environmental Assessment on the Shannon Estuary. Not to do so would mean that this entire Foreshore Licensing process is a sham.

We await your feedback.

Yours sincerely,

Johnny McElligott



2009 - 2014

Committee on Petitions

22.1.2010

NOTICE TO MEMBERS

Subject: Petition 0013/2008 by Mr. John McElligott (Irish), on behalf of Kilcolgan Residents Association, on alleged breaches of the EC Directive on Strategic Environmental Assessment in connection with the approval and planning of a Liquefied Natural Gas (LNG) terminal in the proximity of Shannon Estuary (Ireland)

1. Summary of petition

The petitioner criticizes the fast-track planning procedure applied by the Irish Government in connection with the construction of a Liquefied Natural Gas (LNG) terminal in the proximity of Shannon Estuary (Ireland). He considers that the EC Directive on Strategic Environmental Assessment and the Seveso II Directive have been breached. The petitioner explains that the fast-track planning procedure has been enacted on the basis of the Planning and Development Act 2006 and it allows the approval of certain projects without any public consultation. The petitioner maintains that the project has been sliced in order to circumvent the requirements concerning the conduct of a strategic environmental assessment and asks the European Parliament to have the matter investigated.

2. Admissibility

Declared admissible on 19 June 2008. Information requested from Commission under Rule 192(4).

3. Commission reply, received on 21 October 2008.

I. The petition

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The petitioner criticizes the fast-track planning procedure applied by the Irish Government in connection with the construction of a Liquefied Natural Gas (LNG) terminal in the proximity of the Shannon Estuary (Ireland). He considers that the EC Directives on Strategic Environmental Assessment, on the Environmental Impact Assessment and the Seveso II Directive have been breached. The petitioner explains that the fast-track planning procedure has been enacted on the basis of the Planning and Development Act 2006 and it allows the approval of certain projects without any public consultation. The petitioner maintains that the project has been sliced up in order to circumvent the requirements concerning the conduct of a strategic environmental assessment and asks the European Parliament to have the matter investigated.

II. The Commission's comments on the petition

Project slicing

The petitioner presents arguments according to which the project has been sliced up (LNG storage, pipeline, road and electricity supply). Project slicing implies the breaking up of one project into different parts. In this case, it is the Commission's opinion that the impact assessment covers one project (the Liquefied Natural Gas). Cumulative (indirect) impacts with other projects will, of course, have to be identified in the course of the remaining impact assessments.

<u>EIA</u>

Council Directive $85/337/\text{EEC}^1$ on the assessment of the effects of certain public and private projects on the environment (known as the Environmental Impact Assessment or "EIA Directive") as amended by Directives $97/11/\text{EC}^2$ and $2003/35/\text{EC}^3$ covers the construction of thermal power stations with a heat output of 300 megawatts or more. For these projects, listed in Annex I, the directive requires that, before development consent is given, projects likely to have significant effects on the environment are made subject to an assessment of their environmental effects. During the EIA procedure, the public must be consulted and the final decision to grant or refuse development consent must take account of the results of the EIA and of public consultation.

According to the information provided by the petitioner, an EIA has been carried out, environmental aspects duly taken into account and the public was entitled to react and provide their opinion within 6 weeks. The time allocated for the public consultations is left to the discretion of the Member State.

<u>SEA</u>

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¹ OJ L 175, 5.7.1985

² OJ L 73, 14.3.1997

³ OJ L 156, 25.6.2003

Directive $2001/42/EC^1$ (the Strategic Environmental Assessment or SEA Directive) applies to plans and programmes. It determines in its Article 3(2) that land use plans (which sets the framework for future development consent of projects listed in Annexes I and II to Directive 85/337/EEC (EIA Directive)) are to be made subject to an SEA allowing for one exception: Art 3(3) stipulates that plans for small areas at local level could be exempted. In its national legislation, Ireland has defined this possible discretion as areas concerning a population of 10.000.

The petitioner claims that the community development plan was modified to allow a change of use from rural to industrial. It appears that the development plan was modified without the requirement of the SEA (a screening was carried out and concluded that no impact assessment was needed). Independently from this petition, the Commission has queried the conformity of Irish legislation with regard to the extent to which SEA is made discretionary rather than automatic for modifications of land-use plans of the kind referred to by the petition (Infringement N°2007/2166).

<u>Seveso</u>

The Seveso II Directive² applies to such terminals according to the quantity of gas present: only some requirements apply to terminals containing from 50 to 200 tonnes (lower tier establishments); all requirements apply to those terminals which contain more than 200 tonnes (upper tier establishments). For the purposes of this directive, establishment shall mean the whole area under the control of an operator where dangerous substances are present, including common or related infrastructure or activities. However, the transport of dangerous substances in pipelines outside the establishment is excluded. Several provisions of the directive already apply before the operator commences construction or operation. The landuse planning provisions require the control of siting of new establishments. Member States shall ensure that all competent authorities and planning authorities responsible for decisions in this area set up appropriate consultation procedures to ensure that technical advice on the risks arising from the establishment is available when decisions are taken.

III. Conclusions

Based on the information provided, the Commission cannot identify any breach of the EIA in relation to the procedure for the project in question.

As regards the SEA, the Commission has opened an exchange of views with the Irish authorities on compliance with Directive 2001/42/EC of the national laws which were used to deem an SEA unnecessary in this case.

4. Commission reply, received on 22 January 2010.

¹ OJ L 197, 21.7.2001, p.30

², OJ L 10, 14.1.1997, p.13

The additional documents provided by the petitioner have been analyzed by the Commission and give rise to the following comments.

<u>SEA</u>

Directive $2001/42/EC^1$ (the Strategic Environmental Assessment or SEA Directive) applies to plans and programmes. It determines in its Article 3(2) that land use plans (which sets the framework for future development consent of projects listed in Annexes I and II to Directive 85/337/EEC (EIA Directive)) are to be made subject to an SEA allowing for one exception: Art 3(3) stipulates that plans for small areas at local level could be exempted from the mandatory carrying out of an SEA. Instead, a screening (an assessment as to whether an SEA is necessary) needs to be performed. In its national legislation, Ireland has defined this possible discretion as areas concerning a population of 10 000. Information provided by the petitioner demonstrates that the population affected exceeds 10 000.

A screening process was carried out at the time of the proposal to re-zone the rural lands to industrial ones. The screening process concluded that no SEA was required on the basis that *"it does not appear that there is a need for a SEA in this instance as the proposed variation is unlikely to result in development which would have significant effects on the environment"*... The petitioner is opposing the screening decision arguing that the independent expert who carried out the screening was not aware that the zone would later be used for an activity likely to have significant impact on the environment (i.e. in this case the LNG terminal). Furthermore, 10 hectares of the zone are in SAC waters and the site is surrounded by SAC, NHA and SPA land and water. The planning authority was satisfied that "any significant environmental issue arising for any development on the lands would be resolved through an EIS"....

The Commission is also concerned by the discrepancy in the approach of the Irish authorities in dealing with the development under fast track legislation for 'strategic projects' whilst not requiring an SEA. Indeed, one issue raised by the petitioner is Ireland's use of the *Planning and Development Act 2006* (so-called "Strategic Infrastructure") in order to, according to Irish authorities, have a more efficient planning consent procedure for strategic infrastructure developments. This procedure provides for some type of infrastructure projects to be granted direct planning permission by the Planning Authority (An Bord Pleanala) and thus avoiding the step of the local authority. It also means that the public is denied of its right to participate and appeal in the planning process.

<u>EIA</u>

Council Directive $85/337/EEC^2$ on the assessment of the effects of certain public and private projects on the environment (known as the Environmental Impact Assessment or "EIA

¹ OJ L 197, 21.7.2001, p.30

² OJ L 175, 5.7.1985

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Directive") as amended by Directives $97/11/\text{EC}^1$ and $2003/35/\text{EC}^2$ covers the construction of thermal power stations with a heat output of 300 megawatts or more. An EIA has been duly carried out on this project (the Liquefied Natural Gas) and public opinion sought. However, the petitioner presents arguments according to which the project has been sliced (LNG storage, pipeline, road and electricity supply). Project slicing implies the breaking up of one project into different parts. The EIA Directive requires that cumulative (indirect) impacts with other projects have to be identified in the course of the respective impact assessments to ensure that the overall impact of the projects concerned can be assessed. On the basis of the information received, it is not clear whether the cumulative effects have been taken into account in this case.

Seveso

The provisions of the Seveso II Directive relevant to this development were outlined in the previous communication to the committee. On the basis of the information received to date, no evidence indicating a breach of that directive has been found in this case.

Conclusions

On the basis of the further information provided, the Commission has decided to raise the above-mentioned issues with the Irish authorities.

¹ OJ L 73, 14.3.1997

² OJ L 156, 25.6.2003

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IRELAND'S SHANNON ESTUARY Showing on Exhibition Stand A4

PROPOSED 21st CENTURY PORT CONTAINER TERMINAL

ON IRELAND'S WEST COAST IN ESTUARY OF THE RIVER SHANNON.

TO BE CONSTRUCTED ON

A GREENFIELD SITE - 620 Acres (250 Hectares)

THE PROPOSED DEVELOPMENT AREA IS STATE OWNED AND WOULD BE;

• UNHAMPERED BY PAST STRUCTURES

• UNHINDERED FOR FUTURE DEVELOPMENT

In addition to the Wharfage to cater for the largest ships, the proposed port would contain;

> • A Giant Dry Dock • Bunkering Facilities • Adequate Container Parks • Administration Structures

IRELAND'S SHANNON ESTUARY

Transhipment and Logistics Hub for the North Atlantic

The reality of port congestion in many parts of the world is now posing major challenges for ocean carriers and port development opportunities for terminal operators. Congestion is now a reality in many of the major ports in Northern Europe and the Mediterranean, with leading industry experts predicting capacity constraints in both ports and inland infrastructure for the foreseeable future.

The rapid implementation of the current proposals for port expansion in Northern Europe is facing many obstacles, so that terminal operators have to look at other options to meet the market's demand for "24/7/365" port services.

These options include the development of an entirely new terminal capable of providing unrestricted access to the very large ships now entering service, together with the rapid handling and distribution of their enormous volumes of containers.

There are few, if any, available sites on Europe's Atlantic coastline able to meet the requirements of the global container shipping industry in the next decade. The Shannon Estuary is one such location. It is the optimum location in northwest Europe for a new deep-sea hub port.

The Shannon Estuary

According to feasibility studies carried out by MDS Transmodal in 2000 and by Cap Gemeni in 2002, the state owned Ballylongford landbank on the Shannon Estuary is an "ideal location for a new container transhipment terminal". A transhipment terminal here would serve the major transatlantic and north-south crossings, act as a gateway port for the UK and northern Europe, and provide Irish importers/exporters with direct, faster and lower cost connections to world markets.

The Shannon Estuary:

- Is strategically located close to the major shipping lanes, providing a global gateway between Northern • Europe and the USA, Canada, the Caribbean, and the Mediterranean, Africa and the Far East.
- Requires the minimum deviation from both north-south and east-west deep sea routes, and is the nearest European port to the east coast of the USA.
- Can provide significant volumes of hinterland traffic with Ireland's growing world import/export markets.
- Already has a 250 hectare State owned site on deep water designated for industrial development.
- Has a well-established, efficient port structure in place under the jurisdiction of the Shannon Foynes .

Company. Both panamax and cape size bulk carriers have long been handled at terminals within the Port

port. Has a highly supportive national government and a pro-business climate. .

The development of a transhipment hub in the Shannon Estuary would:

- Be in line with EU policy to reduce road traffic congestion by developing short sea shipping and feeder • services.
- Meet the requirement for additional Irish port capacity expected to rise from 2008 onwards.
- Be in line with the Irish Government's spatial policy, and provide substantial employment in the under developed region of North Kerry, West Limerick and West Clare.
- Provide an opportunity for the development of a major European logistics hub, accommodating various • modal splits, including sea - air freight through nearby Shannon Airport.

Why the Shannon Estuary

A comparison of mainline distances* shows that the Shannon Estuary provides the shortest and fastest sailing times between Northern Europe and both the East Coast USA/Caribbean and the Mediterranean/Africa/Far

* Distances taken from Lloyd's Maritime Atlas, Lloyd's Nautical Year Book, and from distance tables provided by the Harbour Masters office, Shannon Foynes Port Company.

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A further comparison of a typical multiport service to the major European ports with Shannon as a single call hub operation shows that a Shannon based operation has the potential to enable a mainline operator to remove one ship from strings operating on weekly services to ECUSA, the Far East and a Far East / Europe / ECUSA service.

These comparisons confirm that the use of a Shannon transhipment hub is a more cost effective option than multiporting for the new generation of container ships operating on the main trade lanes to/from Northern Europe, in terms of ship time.

Feedership Services

The optimum container transhipment hub must offer competitive feedership costs, as well as reducing mainline ship deviation costs, so that it offers net savings on the total system costs.

A comparison of feeder distances from the main gateway ports and Shannon to a selection of feeder ports confirms that the average feeder distance from Shannon compares favourably with the average feeder distances from he major ports. The selected ports were Cork, Dublin, Liverpool, Glasgow, Grangemouth, Hull, Reykjavik, Gothenburg, Gdansk, Southhampton, Bilbao, Lisbon and Gibraltar. Adjacent ports were excluded from the comparisons.

The effect is that Shannon's very short mainline ship deviation distance, together with its competitive average feeder distance, makes it the most efficient location overall for the full range of both north / south and east / west transhipment services in Northern European in terms of total ship/teu/miles.

Irish Market

According to the IDA*, Ireland is the most globalised economy in the world. The economy has outperformed all other European economies since the early 1990s, and is one of the most attractive business locations in the world according to the Economist.

Strategic service functions, including supply chain management, are one of the broadening range of high value activities undertaken by multinational companies in Ireland.

Unitised freight through Republic of Ireland ports amounted to some 2.8m units in 2004, including an estimated 1.5m teu. Some 40% of that total was transhipped to/from non-EU markets, mainly through Rotterdam, Amsterdam and Felixstowe.

Port Development

The Irish Government recognises that a modern economy needs modern infrastructure. In its "*Ports Policy Statement 2005*" the government envisages "a process aimed at identifying a small number of projects to meet the capacity deficit identified in unitised traffic".

The iniative to develop the container transhipment in the Shannon Estuary is being led by the Shannon Foynes Port Company**, together with Shannon Development *** as the regional development agency with responsibility for the development of the Ballylongford landbank. The Irish Maritime Development Office**** is the stage agency charged with facilitating the development of shipping and port related business.

Summary

Analysis confirms that the Shannon Estuary is the closest deep-water harbour to both the main east-east and north-south container shipping routes and is also a competitive location for feeder services.

It is the optimum location in North Western Europe for a transhipment hub port, and has the potential to provide the major carriers with considerable cost savings on all their mainline services to and from Northern Europe.

The strong economy, pro business government, favourable tax environment and world-class work force have convinced many of the world's leading manufacturing, technological and service companies to invest and re-invest in Ireland.

The Shannon Estuary's unrivalled strategic location, together with Ireland's competitive advantages, makes the Shannon Estuary an attractive option to port developers and mainline carriers looking for container port facilities in Northern Europe.

- * Ireland's Industrial Development Authority (www.idaireland.com)
- ** Shannon Foynes Port Company (www.sfpc.ie)
- *** Shannon Development (www.shannon-dev.ie)

**** Irish Maritime Development Office (www.marine.ie)

3

IRELAND'S SHANNON ESTUARY

GENERAL

Ireland's Shannon Region and in particular the area around the Shannon Estuary has distinct advantages to offer large scale manufacturing industry:

• Low corporate tax rate. Maximum 10% on profits.

Advantages offered include:

- Strategic location on major shipping and air routes.
- Unlike the major traditional ports of North-West Europe, the Estuary is not affected by congested or shallow approaches, shortage of land or labour or constraints imposed by the proximity of large centres of population.
- Up to 30 million gallons of fresh, processed and industrial water per day can be made available.

Some of the unique features of the Shannon Estuary as a site for maritime industrial development are:

- Accommodates vessels of 200,000 dwt.
- Bulk cargo vessels of 400,000 dwt could be accommodated in sheltered waters with minimal dredging.
- 96km of sheltered waters and deep water channel.

Other Advantages

Sophisticated, ultra-modern telecommunications system.

- A pleasant living and working environment in one of Ireland's fastest expanding industry-geared regions.
- A comprehensive range of financial incentives.

All Enquiries to: Shannon Foynes PORT COMPANY

Martin Morrissey Commercial Manager

Foynes, Co. Limerick, Ireland.

Tel: +353 (0) 69 73121 Fax: +353 (0) 69 65142 Mobile: 086 609 4852

Email: mmorrissey@sfpc.ie

Web: www.sfpc.ie

INTERNATIONAL OFFICES

USA OFFICES:

Tel: 212 - 972 1000
Tel: 612 - 367 8225
Tel: 312 - 236 0222
Tel: 214 - 618 4463
Tel: 216 - 248 3350

EUROPEAN OFFICES:

London-England	Tel: 071 - 629 5941
Stuttgart-Germany	Tel: 711 - 221 468
Dusseldorf-Germany	Tel: 211 - 369 868
Munich-Germany	Tel: 89 - 227 641
Stockholm-Sweden	Tel: 08 - 663 6010
Amsterdam-Holland	Tel: 20 - 221 525

ASIA and PACIFIC OFFICES:

Tokyo-Japan	Tel: 3 - 262 7621
Seoul-Korea	Tel: 2 - 755 4767
Taipei-Taiwan Tel	: 2 - 725 12691
Hong Kong	Tel: 25 - 845 1118
Sydney-Australia	Tel: 2 - 239 5999

Atlantic Way Supported Initiatives Ideas that can make a difference

More than most countries, Ireland is being particularly challenged by the recession and by the downturn in the economies of many of our major markets. The scale of the challenges needs to be matched by a scale of appropriate creative responses.

The projects featured here are among the initiatives that Atlantic Way is working to advance. They are projects that can make real difference.





Envisioning the Shannon Estuary 2015

World Shipping Challenge

Shannon Estuary

Major European Transhipment Hub

World shipping experts agree that, because of major changes in the dynamics of world shipping, and because of the uniqueness of the resource, the Shannon Estuary can be a major European transhipment hub — a facility of strong interest to global players in the United States, Asia and beyond who require cost efficient access into Europe.

- Major increase in vessel sizes, post the Panama Canal expansion (due to open in 2014), to achieve economies of scale.
- The need to relieve massive congestion & delays in existing European port systems.
- An environmental policy shift to 'short sea shipping' models.

Ireland's Opportunity

- Shannon Estuary can accommodate the largest unitized cargo ships in the world and has no tidal restrictions.
- Location means minimal deviation from deep-sea shipping lanes into Europe.
- Breaking out cargo and utilizing smaller vessels for onward shipping would mean major savings, eliminating the need for doublehandling of cargoes at congested European ports such as Rotterdam, Antwerp and Hamburg.

A World Innovation Campus at Shannon

Innovation is the key to Ireland's economic Innovation is the key to Ireland's economic progress — creating competitive advantage to help us develop existing and new overseas markets.



Westpark Shannon — the future home of a World Innovation Campus

Shannon is the potential home of a World Innovation Campus; a centre that taps into, harnesses, supports and nurtures Ireland's talent base, helping entrepreneurs to create sustainable, innovative products and services that can gives us an edge in the international marketplace.

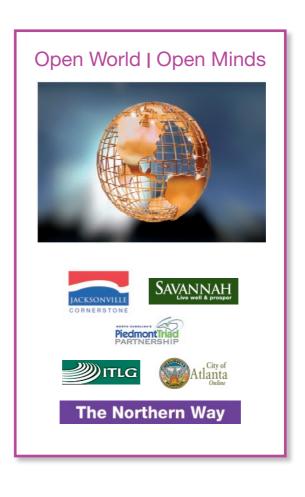
The centre would also track trends, technology and other advancements and tap into 'best in world' sectoral thinking — creating linkages to regions of excellence around the world.

Atlantic Way Open World | Open Minds Programme

The Open World I Open Minds project is an Atlantic Way initiative — a programme of collaboration with a necklace of progressive regions from around the world, for mutual benefit.

As we seek innovative solutions to the challenges we face, we know that other progressive regions worldwide are seeking, or have found, solutions to similar challenges. Invariably, these are regions with ambition, a shared vision and strong leadership; regions where innovation thrives and where broad and willing collaboration exists at all levels. These are also the regions that are advancing ahead of others.

The Atlantic Way is working to partner with the best regions internationally, building active partnership links and developing joint commercial ventures. We have already forged vibrant connections with regions in the U.S., Canada, Europe, Asia and the Middle East and are working to broaden and strengthen our collaborations.



The new U.S. Customs & Border Protection Facilities at Shannon International Airport

Converting the opportunity into business

The new, full pre-clearance facilities at Shannon Airport, for U.S. bound passengers, is unique in the world, outside of the Americas. Atlantic Way believes the new business opportunities offered by this facility are enormous and must be fully exploited:

Airlines: benefit from being able to fly into less congested and less expensive domestic terminals at major U.S. airports and their smaller provincial airports.

Passengers: benefit from uninterrupted passage through U.S. airports on arrival, saving time and delays.

Corporate Jets: Shannon is now a very attractive proposition for corporate jet traffic.

Atlantic Way is working to have all interests understand the opportunity and to ramp up and accelerate the marketing of the facilities NOW to capitalise on the opportunity.

The new facility provides commercial, corporate, cargo and aviation-related opportunities. It also makes the Region even more attractive as a headquarter location for U.S. and EU organisations. These opportunities need to be pursued vigorously in a cohesive and integrated way, with all relevant regional and national bodies providing full support. The Airport is being encouraged to offer VIP services, facilities and a welcoming environment to ensure the opportunity is maximised.

Marketing from a Whisper to a Roar!

The Atlantic Way will begin to intensify the marketing of the Region from October 2009, through a collaborative programme with its members.

Every member will continue to carry their own individual or corporate message, but each will also be encouraged to carry the message of the Atlantic Way, giving their own message a wider context.

This wider context will emphasise that they are members of a positive force of over one million people, in a region that has a shared vision, collectively working to create a region of international scale and significance — a region of excellence for living, leisure, knowledge and work.

Clustering and Centres of Excellence Galway shows the way

Atlantic Way supports the concept of the clustering of industry and the creation of centres of excellence. Galway has already shown what is possible. It has emerged as an international centre of excellence for manufacturing and research in the medical and biomedical sectors — and



now, for example, it hosts one of the two largest medical devices industry clusters in the world. In NUIG Galway, it has world-class research centres such as the Regenerative Medicine Institute and the National Centre for Biomedical Engineering Science.

Clustering facilitates the development of collaborative links and collaboration between a region's industry and its educational and research establishments. It stimulates networking, attracts skilled and flexible talent and it encourages and supports innovation. This is all achieved in a manner which concentrates on the competitive environment and confers a region with a competitive advantage.

Atlantic Way continues to pursue the potential for greater clustering in the areas of Information Communication Technology (ICT), Life Sciences, Logistics, Aviation/Aerospace, Creative and Cultural Industries and in Green Technologies. The colleges within the Region include the University of Limerick, NUIG Galway, the Limerick Institute of Technology, the Galway-Mayo Institute of Technology and Mary Immaculate College Limerick. These are among the centres that can provide a graduate talent-stream, research and other supports to the clusters.

During October 2009, the Atlantic Way will launch a new website which will positively project the Region. The new website, www.Atlantic



promotional collateral and presentations which members can download and use to highlight the virtues of the Region to those within their sphere of influence — people and organisations who might like to know more about the Region.

Collaboration means our voice in the international marketplace will be amplified — growing *From a Whisper to a Roar.*

Global Freight Logistics Centre

at Shannon Airport

Atlantic Way believes that Shannon International Airport has the potential to be a major international freight logistics centre and has brought together all the Region's freight-related interests to explore and pursue the opportunity.

An important first step in this ambition, supported by Atlantic Way, is an initiative between the Shannon Airport Authority



Lynxs Shannon CargoPort™ at Shannon International Airport

and the Lynxs Group to build a major cargo port facility, financed by the Lynxs Group, with the airport undertaking supporting infrastructural works.

Freight already underpins significant employment in the Region. The development of a global freight logistics centre has the potential to create and support over 10,000 new jobs in the Region within a five to ten year timeframe.

An International Natural Disaster Relief Centre at Shannon

Shannon is a perfectly located strategic base for an international Natural Disaster Relief Centre.



Shannon could be the coordination base for certain logistical operations including the rapid delivery of relief supplies to stricken areas. Shannon is a 24 hour airport with an unrestricted runway and no curfews.

Ireland's Atlantic Way

Atlantic Way represents the positive force of key public and private sector decision-makers in this region. We have close to 500 members working in indigenous and multinational business, education, chambers of commerce, community organisations, local government and development agencies. We have a shared vision to maximize the synergies of all sectors by driving forward an agreed agenda for co-ordinated and joined-up development, creating a region of international scale and significance, and a region of proven excellence.

www.AtlanticWay.com



An Roinn Cumarsáide, Fuinnimh agus Acmhainni Nádúrtha Baile Átha Cliath 2.

Your ref: 16.GA0004 & 16.DA0004

Mr Alan McArdle An Bord Pleanala 64 Marlborough Street Dublin 1

20 January 2010

Re: Corrib Project

Dear Mr McArdle,

I refer to your letter dated 2rd November 2009 to Mr Des Cox of RPS Planning & Environment in respect of the above application, which you have placed in the public domain. In my capacity as Energy Installations Inspector for Ireland, I have observations on some issues raised in this letter.

The risk assessment methodology espoused in the Board's letter is based solely on consequence, with no attention given to likelihood of occurrence or mitigation measures proposed. This is different from international best practice in this area. Risk, or hazard, assessment is considered to be a function of both consequence of occurrence of a specified event and likelihood or probability of that event occurring.

There are very significant potential consequential implications arising from this approach. If it is deemed to establish a precedent, it would have the effect of prohibiting all significant infrastructure developments. To illustrate by way of example, a "consequence only" approach means that one would have to design and build an aircraft which would protect its passengers from harm when it crashes.

The Board's letter also implies that no relevant standards apply, and proposes certain UK standards. I confirm that the Technical Advisory Group of the Department of Communications, Energy & Natural Resources ("TAG") did, in 2006, designate the appropriate standards to apply to this project. The evidence given in the written documentation submitted to the Board is that those designated standards are met or exceeded by the project. I now separately warrant that the standards referred to in the Board's letter are also met or exceeded by demonstrated compliance with the standards and codes prescribed by TAG.

The current competent authority for upstream gas safety, TAG, has concluded that the design and proposed construction, installation and commissioning of the onshore section of the Corrib gas pipeline meet or exceed all relevant safety standards and codes.

Department of Communications, Energy and Natural Resources, Dublin 2.

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Yours sincerely,

Bob Hanna Chief Technical Advisor and Energy Installations Inspector

29-31 Adeleide Road, Dublin 2 29-31 Böther Adeleide Seile Áthe Cliath 2. Telephone:+ 353 1 6782000 La Cell 1890 44 99 00 Fax: +353 1 Email: @ www.dcenr.gov.ic



Safety before LNG

Protecting the Shannon Estuary and its people

Safety Before LNG Island View Convent Street Listowel County Kerry Telephone: +353-87-2804474 Email: <u>safetybeforelng@hotmail.com</u> Web: <u>www.safetybeforelng.com</u>

19 November 2009

Mr. Brendan Smith T.D. Minister for Agriculture, Fisheries and Food, Agriculture House, Kildare Street, Dublin 2 By email to: <u>minister@agriculture.gov.ie</u>

cc Minister for State Mr. Trevor Sargent T.D (<u>Trevor.Sargent@agriculture.gov.ie</u>), Minister for State Mr.Tony Killeen T.D. (<u>Tony.Killeen@agriculture.gov.ie</u>), Foreshore Section , Coastal Zone Management Division (<u>Gerard.Sheil@agriculture.gov.ie</u>, <u>Sylvester.Murphy@agriculture.gov.ie</u> and <u>Danny.OBrien@agriculture.gov.ie</u>), Mr. Eamon Ryan T.D. Minister for Communications, Energy and Natural Resources (<u>minister.ryan@dcenr.ie</u> and <u>eamon.ryan@oireachtas.ie</u>), Mr. Simon Coveney T.D (<u>simon.coveney@oir.ie</u>), Ms. Joan Burton T.D. (joan@joanburton.ie), Ms. Liz McManus T.D. (liz.mcmanus@oireachtas.ie)

Re. Impacts of Corrib Shell pipeline ruling and European Court of Human Rights case concerning safety aspects of Milford Haven LNG project on the Shannon LNG application for Foreshore Licences MS51/9/596-599

Dear Minister,

Before a final decision is made by you on the Foreshore Licence application by Shannon LNG we are informing you that we are of the opinion that you are under an ethical and legal obligation to consider the following issues and precedents raised by the recent An Bord Pleanála decision on the Corrib Shell pipeline and by a case on the Milford Haven LNG terminals currently being considered by the European Court of Human Rights.

The Shell Pipeline Decision:

The precedent of the GA0004 Shell Pipeline decision by An Bord Pleanála¹ of November 2^{nd} 2009 where for the first time the consequences of an accident are being considered and not only the probability of an accident now needs to be equally implemented with this foreshore licence application.

The Bord found as unacceptable in its decision letter in 2(c)

"the impacts on the local community during the construction and operational phases of the development which would seriously injure the residential amenities of the area".

We also noted in 3(c) with great interest the appropriate standard against which that major hazard pipeline would now be assessed:

"the routing distance for proximity to a dwelling shall not be less than the appropriate hazard distance for the pipeline in the event of a pipeline failure. The appropriate hazard distance shall be calculated for the specific pipeline proposed such that a person at that distance from the pipeline would be safe in the event of a failure of the pipeline".

The decision letter goes on to state in part (d) on page 3:

"In order to eliminate any doubt please note that all failure modes should be included *including the possibility of third party intentional damage*"

In part I of page 3 the Bord requests:

"details of the hazard distances, building burn distances and <u>escape distances</u> in contours for the entire pipeline"

LNG expert Dr. Jerry Havens, in his submission to the Shannon LNG application noted:

"If an LNGC were to be attacked in the proximity of the shoreline, either while docked at the terminal or in passage in or out of the estuary, and cascading failures of the ship's containments were to occur, it could result in a pool fire on water with magnitude beyond anything that has been experienced to my knowledge, and in my opinion could have <u>the potential to put people in harm's way to a distance of</u> <u>approximately three miles</u> from the ship. I have testified repeatedly that I believe that the parties that live in areas where this threat could affect them deserve to have a rational, science-based determination made of the potential for such occurrences, no matter how unlikely they may be considered."

In fact, a leak of LNG which is heavier than air will move laterally (along ground or

¹ <u>http://www.pleanala.ie/casenum/GA0004.htm</u>

water) until well beyond the distance at which it is still ignitable (12.4 kilometres²);

The conclusion therefore is that allowing a foreshore licence application for a top-tier Seveso II LNG terminal, the most sizeable hazard in Ireland, where at least seventeen thousand people will live in harm's way up to 12.4 Kilometres from the site and route of LNG tankers travelling the Estuary is unacceptable following the precedent created by the Shell pipeline decision by An Bord Pleanla. There has not even been an initial evacuation plan proposed or assessed and we now request that the hazard, burn and escape distances of both accidental and intentional damage be integrated into the assessment of this application as has been done for the Corrib Shell pipeline.

The European Court of Human Rights Case on Milford Haven LNG terminals:

The European Court of Human Rights has asked the British government for key clarifications on aspects of LNG safety at two large import terminals in Milford Haven, West Wales which parallel exactly the same issues raised by us concerning the Shannon LNG project.³

The court has asked the Government to explain who was responsible for assessing all risks posed by the LNG terminals, including marine risks, and what risk assessments were done and were made public and when.

The court has specifically asked the following questions:

- "1. Which bodies had responsibility for assessing the risks associated with the LNG projects and advising the planning authorities and how was responsibility divided among the various bodies concerned?
- 2. Have the relevant authorities discharged their positive obligations to protect the applicants' rights under Article 2 and/or Article 8 of the Convention by ensuring that:
 - (a) they have complied with their duties in relation to the regulation of hazardous industrial activities and, in particular, have properly assessed the risk and consequences of a collision of LNG vessels or other escape of LNG from a vessel in Milford Haven harbour or while berthed at the jetty?
 - (b) relevant information on the nature and extent of the risk posed by the

² "Land Use Planning QRA Studies of the Proposed Shannon LNG Terminal", September 2007 Reference 0059890-R02 QRA Issue 1 Prepared by: Dr Andrew Franks

http://www.shannonlngplanning.ie/files/LUP_QRA_Issue1.pdf page 32

³ European Court of Human Rights Application Number 31965/07 by Alison Hardy and Rodney Maile against the United Kingdom lodged on 24 July 2007 c.f.

http://cmiskp.echr.coe.int/tkp197/view.asp?action=html&documentId=857924&portal=hbkm&source=ext ernalbydocnumber&table=F69A27FD8FB86142BF01C1166DEA398649

hazardous industrial activities has been disclosed to the public in accordance with the principles set out by the Court (see, inter alia, Öneryildiz v. Turkey [GC], no. 48939/99, ECHR 2004-XII; Guerra and Others v. Italy, 19 February 1998, Reports of Judgments and Decisions 1998-I; and Giacomelli v. Italy, no. 59909/00, ECHR 2006-...)?"

Conclusion:

The Corrib Shell Pipeline decision by An Bord Pleanála and the clarifications requested by the European Court of Human Rights from the UK government on the LNG siting decision in Milford Haven highlight the key ethical and political issue as being the one of acceptability of risk - as opposed to the narrower issue of the probability of accidents - by considering the possible consequences of siting extremely hazardous installations in close proximity to communities without their consent.

If, even within this narrower criteria of probability, the probability of an LNG accident on water has <u>not</u> even been assessed in the form of a marine QRA or the assessment of an LNG spill on water, then the Foreshore Licensing process is leaving itself wide open to challenges in the courts.

As already highlighted by us to you on June 4th 2009:

- The remit of the Health and Safety Authority (HSA) stopped at the shoreline and so the HSA did not assess any marine safety aspects of the project or any intentional damage to the terminal or LNG ships;
- the Commission for Energy Regulation (CER) is only assessing safety aspects of the pipeline and not of the terminal itself or any marine safety aspect of the project;
- we now fully intend to audit the work of Shannon LNG, the CER and the Foreshore Section of the Department of Agriculture in assessing the safety aspects of this project. If a court considers that your Department has not assessed this application properly then the foreshore licence may be revoked. The main criteria that must be assessed is whether the project is safe and absolutely necessary - a task you cannot complete without the information we have signalled to you as missing;
- the Department's powers are widespread and as the Foreshore Licence is the last in line of the licensing processes that can deal with the safety aspects of this LNG project then it has a duty to cover any regulatory gaps not covered by the other statutory bodies in dealing with this project to date

The relevant An Bord Pleanála Decision on the Shell Pipeline and the Statement of Facts of the European Court of Human Rights case are attached for your information and we reserve the right to await the outcome of the court case before initiating legal action to protect our rights.

We await your feedback.

Yours sincerely,

Johnny McElligott



Safety before LNG

Protecting the Shannon Estuary and its people

Safety Before LNG Island View Convent Street Listowel County Kerry Telephone: +353-87-2804474 Email: <u>safetybeforelng@hotmail.com</u> Web: <u>www.safetybeforelng.com</u>

04 June 2009

Mr. Brendan Smith T.D. Minister for Agriculture, Fisheries and Food, Agriculture House, Kildare Street, Dublin 2 By email to: <u>minister@agriculture.gov.ie</u>

cc Minister for State Mr. Trevor Sargent T.D (<u>Trevor.Sargent@agriculture.gov.ie</u>), Minister for State Mr.Tony Killeen T.D. (<u>Tony.Killeen@agriculture.gov.ie</u>), Foreshore Section , Coastal Zone Management Division (<u>Gerard.Sheil@agriculture.gov.ie</u> , <u>Sylvester.Murphy@agriculture.gov.ie</u> and <u>Danny.OBrien@agriculture.gov.ie</u>), Mr. John Gormley T.D. Minister for the Environment, Heritage and Local Government (<u>minister@environ.ie</u> and John.gormley@oireachtas.ie), Mr. Eamon Ryan T.D. Minister for Communications, Energy and Natural Resources (<u>minister.ryan@dcenr.ie</u> and <u>eamon.ryan@oireachtas.ie</u>), Mr. Simon Coveney T.D (<u>simon.coveney@oir.ie</u>), Ms. Joan Burton T.D. (joan@joanburton.ie), Ms. Liz McManus T.D. (<u>liz.mcmanus@oireachtas.ie</u>)

Ref. Shannon LNG application for licences MS51/9/596-599

Dear Minister,

On May 19th 2009, in a written reply to North Kerry Deputy Jimmy Deenihan T.D. regarding the Foreshore Licence application by Shannon LNG, you stated:

"The applications were circulated to my Department's specialist advisors in the normal way and have also been subject to the usual public consultation process. Draft specific conditions to be included in the foreshore consents if granted have been issued to the applicant, Shannon LNG Ltd. In addition, a valuation of the area of foreshore on which it is proposed construct the facilities referred to is underway. I expect to be able to make a final determination on the applications shortly."¹

Having already made a detailed submission on this application we would like you to note the following:

- 1. The tone of your reply seems to indicate a willingness by your department to accord a licence by default and we are now seriously concerned that your assessment is nothing more than a rubber-stamping exercise of the most sizeable hazard in Ireland awaiting only the outcome of a valuation;
- 2. We would appreciate a copy of the draft specific conditions submitted by you to Shannon LNG in order that we may comment on their suitability in a timely and meaningful way given our interest in this project.
- 3. There has still been no strategic environmental assessment (SEA) undertaken of the development of an energy hub on the Southern Shores of the Shannon Estuary;
- 4. There has still been no Marine-based QRA undertaken to assess the risks, dangers and issues surrounding a possible LNG spill on water;
- 5. The Commission for Energy Regulation (CER) held a one-day oral hearing in Tralee on May 26th 2009 to assess the criteria for a pipeline licence from the proposed LNG terminal under the Gas (Interim)(Regulation) Act 2002 (Criteria for Determination of Consents) Regulations 2002. At this oral hearing the following points were heard:
 - a) Shannon LNG is currently insolvent and could not pay its bills if it had to do so in the morning, while all the shares in the company have been transferred to Hess LNG, a company registered in the offshore tax haven of the Cayman Islands and which has invested in Shannon LNG in the form of loans instead of equity. This reorganisation into a single-member company is currently being investigated by the Office of the Director of Corporate Enforcement which also confirmed to us that the Shannon LNG accounts had to be modified and re-submitted to the Companies Registration Office. In any case, it is now highly questionable how the "public interest" can be served by according a foreshore licence for a major infrastructure fossil-fuel project in SAC waters to an offshore company. The scandal of the National Aquatic Centre, where a company registered offshore in the British Virgin Isles with only nominal share capital got its hands on an important public asset, had similar problems where the tab was eventually picked up by the State;
 - b) The remit of the Health and Safety Authority (HSA) stopped at the shoreline and so the HSA did not assess any marine safety aspects of the project or any intentional damage to the terminal or LNG ships;

¹ <u>http://www.kildarestreet.com/wrans/?id=2009-05-19.1601.0&s=LNG#g1603.0.r</u>

- c) the CER is only assessing safety aspects of the pipeline and not of the terminal itself or any marine safety aspect of the project;
- d) it was proven that the applicant has already lied when it stated in May 2006 that in the case of a tanker leak "This gas would quickly dissipate because it is lighter than air". In fact, a leak of LNG which is heavier than air will move laterally (along ground or water) until well beyond the distance at which it is still ignitable (12.4 kilometres); this therefore throws doubts on claims made by Shannon LNG in all other areas;
- e) the strategic need for the project was seriously questioned by Elizabeth Muldowney, Energy Officer with An Taisce given the changing world situation since even planning permission was given for the terminal;
- f) it is our contention that Shannon LNG inaccurately presented the authors of the QRA on the pipeline (ERM) as LNG experts.
- 6. We now fully intend to audit the work of Shannon LNG, the CER and the Foreshore Section of the Department of Agriculture in assessing the safety aspects of this project. If a court considers that your Department has not assessed this application properly then the foreshore licence may be revoked. The main criteria that must be assessed is whether the project is safe and absolutely necessary a task you cannot complete without the information we have signalled to you as missing.
- 7. As the Foreshore Section of the Department of Agriculture has a duty to assess whether this project is in the public interest we are once again requesting that your department does not bow to political pressure in according a licence without a full public oral hearing.
- 8. The Department's powers are widespread and as the Foreshore Licence is the last in line of the licensing processes that can deal with the safety aspects of this LNG project then it has a duty to cover any regulatory gaps not covered by the other statutory bodies in dealing with this project to date.
- 9. Unless an independent review is taken by you of the entire LNG project then a serious question mark will hang over the legitimacy of the consent process for this dangerous, dirty and unnecessary LNG project.

We await your feedback,

Yours sincerely,

Johnny McElligott

Safety Before LNG

AN ROINN TALMHAÍOCHTA, IASCAIGH & BIA



THE DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD

Our Ref: MS51/9/596 – 5MS51/9/99 (Please quote on all correspondence)

Mr. Johnny McElligott Kilcolgan Residents Association C/o Island View Convent Street Listowel Co. Kerry

January 2009

Re: Foreshore Lease/Licence Applications for Shannon LNG

Dear Mr. McElligott,

I acknowledge receipt of your submission regarding the above four (4) applications.

I wish to inform you that copies of your submission have been referred to the applicant for comment and to our consultees for consideration.

Yours sincerely,

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Patrick O'Neill Foreshore Section Coastal Zone Management Division

Eastát Chaisleán Sheonach, Co. Loch Gorman, Éire. Johnstown Castle Estate, Co. Wexford, Ireland.



Safety before LNG

Protecting the Shannon Estuary and its people

Safety Before LNG Island View Convent Street Listowel County Kerry Telephone: +353-87-2804474 Email: <u>safetybeforelng@hotmail.com</u> Web: <u>www.safetybeforelng.com</u>

31 December 2008

Gerard Sheil, Foreshore Section, Coastal Zone Management Division, Department of Agriculture, Fisheries and Food, Johnstown Castle Estate, County Wexford.

Ref. Shannon LNG application for licences MS51/9/596-599

By email to: <u>Gerard.Sheil@agriculture.gov.ie</u> CC: <u>Sylvester.Murphy@agriculture.gov.ie</u>; <u>Danny.OBrien@agriculture.gov.ie</u>

Dear Mr. Sheil,

We are hereby formally objecting to the Foreshore applications for the construction of a liquefied natural gas (LNG) Regasification terminal at lands near Ballylongford and Tarbert, County Kerry referenced above.

The 'Safety Before LNG' group represents people from both Kilcolgan and the wider community and is advocating responsible strategic siting of LNG terminals in areas which do not put people's health and safety in danger. Ms. Kathy Sinnott M.E.P and Mr. Tony Lowes for "Friends of the Irish Environment" have already signed our written submissions to An Bord Pleanála on the pipeline and Above-ground installations.

We have serious concerns about the cumulative impacts of this LNG project which have not been assessed to date. The largest LNG tankers in the world will be coming to store LNG in the most sizeable hazard in Ireland in the world's largest LNG storage tanks. This is effectively a third-world project in a first-world country.

- 1. There has been NO marine risk assessment of an LNG spill on water. This assessment should be comparative.
- 2. There has been No marine risks assessment of an of an LNG accident from ships

travelling in the Shannon Estuary. The Health & Safety Authority confirmed at the recent oral hearing in Listowel on December 1st 2008 that its remit stopped at the shoreline and the planning advice it gave to An Bord Pleanála did not include any risks on water nor any deliberate acts such as terrorism or sabotage.

3. No consideration has been given to the <u>consequences</u> of an LNG accident or the consideration of an emergency plan. No account has been taken of how and if an emergency plan can even be implemented for the given site and project. Would it not be very stupid and illegal to allow a terminal to be built to find out then that an adequate emergency plan could not be implemented as required per the Seveso II directive? On January 23rd 2008 the oral hearing into the LNG terminal heard that the proposed LNG terminal is a significant top-tier Seveso II establishment, which by its very designation, is accepted in law as a hazardous installation, with the consequence area of a worst-case scenario accident of 12.4 kilometres. In addition, world renowned LNG expert, Dr. Jerry Havens stated on record at the same An Bord Pleanála oral hearing in Tralee in January 2008¹:

"If an LNG C[ontainer] were to be attacked in the proximity of the shoreline, either while docked at the terminal or in passage in or out of the estuary, and cascading failures of the ship's containments were to occur, it could result in a pool fire on water with magnitude beyond anything that has been experienced to my knowledge, and in my opinion could have the potential to put people in harm's way to a distance of approximately three miles from the ship. I have testified repeatedly that I believe that the parties that live in areas where this threat could affect them deserve to have a rational, sciencebased determination made of the potential for such occurrences, no matter how unlikely they may be considered."

We now state that we are of the opinion that the Minister responsible for the foreshore licensing process is legally obliged to assess the issues of the consequences of an LNG accident before making any decision

- 4. This is the first LNG project in Ireland.
- 5. There has been no Strategic Environmental Assessment of the creation of an Energy Hub on the Southern Shores of the Shannon Estuary (oil storage facility in Foynes for 15% of the country's oil needs, the SemEuro facility proposed adjacent to the proposed LNG terminal) which will see an increase of 610 oil and gas tanker movements per year alone for this small area of the Shannon Estuary alone. The consequences of an accident are therefore enormous and we request that this be assessed in your licensing process.
- 6. The <u>All-Island Strategy document for Gas Storage</u> "Study on Common Approach to Natural Gas Storage and Liquefied Natural Gas on an All Island Basis November 2007"², jointly commissioned by the Department of Communications, Energy and

¹ http://www.safetybeforelng.com/docs/DAY%203%20012308%20TRALEE%20LNG.PDF page 49 ²http://www.dcmnr.gov.ie/NR/rdonlyres/8AD0EDDB-3237-4157-B230-

²D467A3C1F9C/0/4DCENRGasStorageExecutiveSummary.pdf and Pipeline Appendix K

Natural Resources and the Department of Enterprise, Trade and Investment, Northern Ireland, representing an official government policy document policy document has been ignored by An Bord Pleanála in addressing the question of alternatives sites despite requests to consider it in the decision making process for the LNG terminal. The document was completed in November 2007 but was not released to the public until a few days after planning permission was given for the LNG terminal in April 2008. The report contained valuable information on high potential alternative storage sites and strategies which could be ignored in the planning decision because it was not made available to, or requested by, An Bord Pleanála. This document could not be reasonably ignored in any Strategic Environmental Assessment. We now request your department to assess this official government policy document.

- 7. It is our contention that the interactions between the decision-making bodies (such as the Foreshore Section, An Bord Pleanála, the EPA, the CER and the HSA) are illegally totally inadequate and currently almost non-existent, cannot be assessed and that the procedural requirements of the EIA Directive are not being respected. This is compounded by the level of project-splitting of this development. An infringement notice has been issued by the EU Commission against Ireland for the lack of interaction between the EPA and An Bord Pleanála. Threre is no integrated assessment of this project in our opinion. Our contention is that the <u>interactions between the decision-making bodies is totally inadequate and currently almost non-existent and cannot be assessed and that the procedural requirements of the EIA <u>Directive are not being respected</u>. This is now the subject of a separate section 5 referral to Kerry County Council³ which we also request the Foreshore Section now takes into consideration.</u>
- 8. Following the unexpected quick end to the An Bord Pleanála oral hearing into the LNG pipeline held at Listowel on December 1st and 2nd 2008, the Safety Before LNG group is calling for an investigation into what it now perceives as serious irregularities in the planning process for the Shannon LNG project.
 - a. The group's technical expert, Peter North, was not allowed to cross-examine the developer at the oral hearing on the QRA the developer used to calculate the risk of the project, because the inspector, Anne Marie O'Connor noted that this document had not been submitted to the planning authority and would have to be assessed by the CER. This brought a rapid close to the oral hearing because our hands were effectively tied.
 - b. Peter North said that the risk could be 1000 times more than that stated by Leon Bowdoin for the developer, who had himself referred to the same QRA at the same oral hearing when describing the risks to individuals as "insignificant"
 - c. The QRA had been supplied to Safety Before LNG by the Robert O'Rourke of the CER on November 27th 2008 at 16:40 who stated "The Commission is currently reviewing the Section 39A application from Shannon LNG and we will be in contact with you in due course in relation to your submission. In the meantime we have passed on your submission to Shannon LNG and have asked them to provide a response. For your information, please find attached a Quantative Risk

³ See 'Pipeline Oral Hearing – Appendix 2' Section 5 referral to Kerry County Council.

Assessment undertaken by Shannon LNG, this document is also available on Shannon LNG's website."

- d. In its initial submission the CER said it would not have an Oral hearing if An Bord Pleanála had one, but this was retracted by Denis Cagney of the CER at day 1 of the oral hearing when we indicated that we would be cross-examining the CER.
- e. Patrick Conneely, senior inspector of the Health and Safety Authority, admitted at the hearing on day 1 that the H S A advice to An Bord Pleanála stopped at the shoreline, did not include any risks from LNG tankers moving in the estuary, did not include any LNG spill on water and did not include risks from deliberate acts such as sabotage or terrorism.
- f. When questioned by Peter North, Denis Cagney of the CER admitted that it did not have the ability in house to assess the risks from the LNG project.
- g. The Safety Before LNG group was also not allowed to submit evidence from a New Zealand-based energy analyst Steve Goldthorpe who questioned the entire logic of the LNG project. He stated that "the entire supply of natural gas for power generation in Ireland in 2007 would correspond to 38 shiploads of LNG per year". As the developer anticipates 125 ships a year then it is now evident that the LNG is for eventual export and that lower Irish corporation tax would be a motivating factor. This cannot therefore be said to be in Ireland's national interest.
- h. We are of the opinion that Shannon LNG provided information to the planning authorities which was misleading, if not downright false an offence under the planning laws.
 - i. they claimed that "spillages of LNG is likely to evaporate quickly on discharge" which is not true.
 - ii. the risks from the pipeline could be up to 1000 more risk than submitted by Leon Baudoin.

The proposed LNG terminal will be the <u>most sizeable hazard in Ireland</u>, the impacts of which will be felt by many different interest groups beyond the local area. . The 'Safety Before LNG' group are now accusing the statutory bodies of <u>cutting</u> <u>corners</u> in the assessment of the most sizeable hazard in Ireland because the all statutory bodies have still refused to undertake or demand an LNG Marine Risk Assessment dealing with the consequences of an LNG spill on water and do not have the expertise inhouse to deal with the overall safety issues of the LNG project

9. We request that the Minister holds a public inquiry in regard to making of a lease, as is within his powers under Article 2(8) of the Foreshore Act 1933.: "Whenever an application is made to the Minister for a lease under this section

"Whenever an application is made to the Minister for a lease under this section, the Minister may, if he thinks fit, hold a public inquiry in regard to the making of such lease."

10. Under Articles 2 and 3 of the Foreshore Act, 1933, the minister may accord a foreshore lease or license if is in the "public interest". We are arguing that it is *currently impossible to assess if the project is in the "public interest"* without first undertaking a strategic environmental assessment and a QRA of an LNG spill on water. No other statutory body has requested these and in the public interest the Minister, we believe, should request them - which he is allowed to request under Articles 2(6) and 3(7) of the Foreshore Act, 1933.

- 11. We request that the Foreshore Section obtains independent LNG expertise in evaluating this project.
- 12. The foreshore lease application by Shannon LNG for the LNG Jetty states in section 5 that:

"No adjacent property will be affected by the proposed jetty. Neighbouring landowners to the west, Shannon Development (who are the current owners of the proposed development site), and to the east, Michael O'Connor, have been consulted on the project".

This is factually incorrect because the lands of Stevie Lynch which go to the foreshore, are not owned by Shannon Development and there is an existing right of way to Stevie Lynchs lands through the proposed LNG terminal site. These lands are surrounded on land by the site of the proposed terminal and will now be sterilised completely by the grant of a foreshore lease. His family, represented by John and Eileen O'Connor of Lislaughtin, objected strenuously to the proposed terminal at the planning application stage.

Michael O'Connor of Ardmore signed a detailed objection to the Shannon LNG planning application also.

The construction of the LNG terminal will have negative effects on the development of lands and waters further to the west and east due to the exclusion zones which should be implemented on safety grounds. We have attached arguments raised on the Jordan Cove draft EIS from LNG expert Dr. Jerry Havens on December 22nd 2008 on what he considers a faulty Federal LNG facility siting policy. He notes that <u>Vapor</u> <u>Cloud Explosion Hazards Have Been Dismissed Without Proper Justification</u>, <u>Design spill changes</u>, <u>Ship cargo tank safety issues</u>, <u>Incorrect methods for</u> <u>determining vapor cloud exclusion zones continue to be applied</u>. Since this is the first proposed LNG terminal in Ireland and your department does not have LNG expertise, we request that you take these comments on board.

13. Shannon LNG has delayed the construction date of its proposed Liquefied Natural Gas regasification terminal at Tarbert County Kerry, according to industrial news agencies in the US. Texas-based Industrial Info Resources reported on December 23rd 2008 that Shannon LNG, a wholly-owned subsidiary of Hess LNG, has delayed the construction date but remains committed to constructing the first-ever Irish LNG-receiving terminal. However, no future date has been disclosed. The 'Safety Before LNG' group highlighted at an oral hearing held by An Bord Pleanála in Listowel on December 1st and 2nd 2008 into the proposed pipeline from the LNG plant, evidence from New Zealand-based energy analyst, Steve Goldthorpe, who noted that "the entire supply of natural gas for power generation in Ireland in 2007 would correspond to 38 shiploads of LNG per year".

Shannon LNG, however, has stated in its formal planning application documents that it has plans for deliveries of up to 125 shiploads of LNG per year. We believe that this latest news would confirm our suspicions that Hess is only interested in an LNG plant in Ireland if it can either monopolise the Irish Market or else export gas via the interconnector, benefitting from Ireland's low corporation tax. This project by a foreign multinational cannot therefore be deemed to be in the national or public interest and we now request that the department assesses this information in detail.

- 14. The Irish Constitution Bunreacht na hEireann states in Article 40 (1) that "All citizens shall, as human persons, be held equal before the law". It states in Article 40 (3)(1) that "The State guarantees in its laws to respect, and, as far as practicable, by its laws to defend and vindicate the personal rights of the citizen". <u>And in Article 40(3)(2) it states that "The State shall, in particular, by its laws protect as best it may from unjust attack and, in the case of injustice done, vindicate the life, person, good name, and property rights of every citizen.". We expect that the Foreshore Secion, as an organ of the state should uphold these aforementioned constitutional rights. Residents of a sparsely-populated area must be afforded the same degree of protection from danger as residents of a more densely populated area, such as Dublin would be as obliged by Article 40(1).
 </u>
- 15. The following supporting submissions are included with this submission and we request that you assess the issues they raise in the foreshore licensing process.
 - a. Comments by Dr. Jerry Havens on Jordan Cove DEIS. These comments were filed on December 22nd 2008 by LNG Expert Dr. Jerry Havens with the FERC regarding a proposed LNG terminal in Oregon (Jordan Cove) highlighting faulty US Federal LNG Facility Siting policies.
 - Submission to An Bord Pleanála on the proposed LNG terminal on November 14th 2007.
 - c. Submission to the European Parliament Petitions Committee of August 1st 2008 outlining perceived breaches by the proposed LNG terminal project of nine EU Direcitves the WATER FRAMEWORK DIRECTIVE (2000/60/EC), the EMISSIONS TRADING DIRECTIVE (2003/87/EC), the ENVIRONMENTAL LIABILITY DIRECTIVE (2004/35/EC), the SEVESO II DIRECTIVE (96/82/EC), the GAS DIRECTIVE (2003/55/EC), the EIA DIRECTIVE, the SEA DIRECTIVE (2001/42/EC), the HABITATS DIRECTIVE and the IPPC DIRECTIVE (96/61/EC).
 - d. Submission by Safety Before LNG to the Bord Pleanála Oral Hearing on the proposed AGI and pipeline of December 1st 2008. This submission includes the following appendices
 - i. Pipeline Oral Hearing Appendix 1: Submission to CER on Shannon LNG pipeline
 - I. CER APPENDIX 1: Safety Before LNG submission to An Bord Pleanála on Shannon LNG pipeline and compulsory acquisition order reference GA0003 and DA0003 – October 7th 2008
 - II. CER APPENDIX 2: submission on the Draft Heads of Petroleum Exploration and Extraction (Safety) Bill, 2007 – April 28th, 2008
 - III. CER APPENDIX 3: Complaint to the Office of the Director of Corporate Enforcement on possible failure by the Auditor to comply with statutory obligations.
 - IV. CER APPENDIX 4: Shannon LNG submission on "A Natural Gas Safety

Regulatory Framework for Ireland – Proposed Vision'' – September 13, 2007

- ii. Pipeline Oral Hearing Appendix 2: Section 5 Submission to Kerry County Council
 - I) Section 5 Appendix 1. Signed Submission by MEP Ms. Kathy Sinnott.
 - II) Section 5 Appendix 2. Signed Submission by 'Friends of the Irish Environment'.
 - III) Section 5 Appendix 3. Shannon LNG Information booklet, Issue 5 November 2008.
 - IV) Section 5 Kealy and Pierce Brosnan Submission
 - V) Section 5 Susan Jordan of the California Coastal Protection Network Submission
 - VI) Section 5 Pobal Chill Chomain, County Mayo, submission
 - VII) Section 5 Steve Goldthorpe, Energy Analyst, submission
- iii. Pipeline Oral Hearing Appendix 3: Green Light for Endessa move on ESB plants' (Kerryman Wednesday November 19th 2008)
- c. Safety Before LNG submission to An Bord Pleanála on Shannon LNG pipeline and compulsory acquisition order reference GA0003 and DA0003 October 7th 2008 which includes the following appendices:
 - i. PIPELINE APPENDIX A Complaint on possible breach of ethics and conflict of interest by Councillor John Brassil and Senator Ned O'Sullivan in the prejudicing of an Strategic Environmental Screening Report to the Standards in Public Office Commission (SIPO).
 - ii. PIPELINE APPENDIX B Irish Times, September 16, 2008 You don't build trust through gunboat diplomacy
 - iii. PIPELINE APPENDIX C Planning application notice of direct planning application to An Bord Pleanála
 - iv. PIPELINE APPENDIX D KRA Submission on Draft Kerry County Development Plan 2009-2015
 - v. PIPELINE APPENDIX E Statements by Minister Gormley (T.D.) on alternative pipeline routes.
 - vi. Pipeline Appendix F: Unavailability of Pipeline EIS.
 - vii. PIPELINE APPENDIX G: Serious New Information on Höegh LNG and Irish Sea Offshore Gas Storage for PA0002 post oral hearing into the proposed LNG terminal in County Kerry.
 - viii.PIPELINE APPENDIX H: Planning decisions may be invalidated by ECJ
 - ix. PIPELINE APPENDIX I: Signed submission by Ms. KATHY SINNOTT M.E.P.
 - x. PIPELINE APPENDIX J: Shannon LNG pipeline Contract, Consent forms, Code of Practice, Deed of Easements
 - xi. PIPELINE APPENDIX K: "Study on Common Approach to Natural Gas Storage and Liquefied Natural Gas on an All Island Basis – November 2007" jointly commissioned by the Department of Communications, Energy and Natural Resources and the Department of Enterprise, Trade and Investment, Northern Ireland

16. To put the issue in perspective, an LNG tanker carrying a full load lost propulsion outside Boston as recently as December 29th 2008.⁴ The incident was reported as follows:

"BOSTON - The Coast Guard is monitoring and assisting a Liquefied Natural Gas tanker that temporarily lost propulsion about 45 miles east of Boston today, according to a press release. The 920-foot tanker Suez Matthew, carrying 31 people and a full load of LNG from Trinidad to Boston, lost propulsion just before 12 a.m. Propulsion was restored within the hour and the tank-ship executed a successful test of propulsion by 8:45 a.m. The Coast Guard Cutter Jefferson Island and the commercial tugs Liberty and Freedom are escorting the carrier to an anchorage in Broad Sound.

There, Coast Guard marine inspectors and investigators, along with the vessel's classification society surveyor, will inspect the ship to determine why it lost propulsion. The tugs will also remain in the area to assist as needed. The ship's crew is making hourly situation reports to Sector Boston. The Coast Guard Cutter Escanaba is enroute to the anchorage to assume on-scene command from the Jefferson Island.

"The Coast Guard and its port partners are taking steps to ensure the vessel, crew and cargo remain safe," said Cmdr. William Kelly, the acting commander of Sector Boston. "However, as a precaution, the Coast Guard will monitor the situation until I am satisfied all repairs are made and it can return to full international service."

Current weather is 12-to-15-knot winds with 2-foot seas"

It would seem that Cmdr W. Kelly from Boston Firefighters is taking his job very seriously as he is obviously aware of the consequences of an incident involving an LNG Carrier in Boston Harbour.

We are of the opinion that it would be prudent of the department to call for revised sense-checked Risk Assessments in light of the fact that the LNG Carriers entering the Shannon Estuary (Q-Max`s) will carry 80% more cargo than the above Carrier. We also request that the department also takes into account the shortly-to-be-announced results from Sandia National Laboratories of New Mexico Tests of Lng Pool Fire spills that were ordered by the US Congress Governmental Accountability Office (GAO).

Yours sincerely,

Johnny McElligott and Raymond O'Mahony Safety Before LNG <u>http://www.safetybeforelng.com</u> e-mail: <u>safetybeforelng@hotmail.com</u> Tel.: +353-87-2804474 Address: Island View, Convent Street, Listowel, County Kerry, Ireland

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