



Safety Before LNG
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Safety Before LNG

Protecting the Shannon Estuary & its people

March 30th, 2010

Ms. Olivia Loughnane,
Manager, Mid West Task Force
By Email only to: loughnane@shannondevelopment.ie

Re.: 'Safety Before LNG' submission to Mid West Task Force on Phase 2 and Final Report regarding the effect of proposed LNG shipping on the development of Shannon Estuary Port Facilities.

Dear Ms. Loughnane,

The Interim Report of the Mid West Task Force stated:

“In the Task Force’s second report the realisation of the full potential of the Shannon Estuary ports will be examined in further detail”

The EU Commission agreed in January 2010 that more than 10,000 people would be affected by the traffic of Liquefied Natural Gas (LNG) tankers to the proposed LNG regasification terminal on the Shannon Estuary in North Kerry at Tarbert. The Commission found that a Strategic Environmental Assessment (SEA) should have been completed for what is being termed a Strategic Project given Planning permission under the fast-track legislation by the “Strategic Infrastructure Act, 2006”. We believe that these findings vindicate our position that the LNG project's effects on the future strategic development of the Estuary have not been properly assessed.

There are currently at least 4 conflicting Plans proposed for the development of the Shannon Estuary:

1. A Plan for an **intensified electricity-generation hub** on the Estuary given the proposed minimum 230 MW gas-fired power generation plan proposed by Shannon LNG adjacent to the proposed LNG terminal at Tarbert (separate to the proposed 450 MW Endesa plant at Tarbert island) under the name “Ballylongford Electricity Company”;
2. A Plan for a **European Transshipment Hub** or “Global Deepwater Shipping Resource”, supported by Shannon & Foynes Port Company and by the 500-member “Atlantic Way” development agency to take advantage of the widening of the Panama Canal which will, from 2014, be able to take even larger ships across the Atlantic Ocean;
3. A Plan for a **Renewable Energy Hub**, under the name “Shannon Energy Valley” being promoted by the University of Limerick, NUI Galway and Silicon Valley’s Irish Technology Leadership Group aiming to reduce Ireland’s carbon footprint and dependency on fossil fuel imports and
4. A Plan for an **Oil and Gas Storage Hub** surrounding the proposed LNG regasification terminal in what would become the most sizeable hazard in Ireland. This project is being pushed by Shannon Development which lost its main job-creation role in July 2005 to the IDA and Enterprise Ireland, but retained its property-management portfolio.

Shannon Development does not receive any government funding and operates entirely from the rental and sales income from its properties.

It owns the land on which the terminal would be built.

It obtained €493,000 from Shannon LNG before the land was even rezoned without any Strategic Assessment (with its director John Brassil voting to rezone the land 'Industrial' at Kerry County Council without declaring any interest in Shannon Development).

We believe it even misrepresented its strategic role as a regional development agency at the An Bord Pleanála Oral Hearing into the LNG terminal by stating that:

“the company's brief is to drive regional economic development in the wider Shannon area, known as the Shannon Region” .

This project, if it succeeds, will be the largest money-spinner for Shannon Development, ensuring its economic survival as an organisation. Shannon Development, as a property developer and landlord, has therefore lost its credibility in our eyes. Shannon Development's level of understanding and awareness of the strategic issues were highlighted at Kerry County Council last Monday when it stated that Shannon LNG

“will stop the process of importing 95% of the country's gas requirements”¹.

We now fully support the proposals of the McCarthy Report which recommended the discontinuation of an independent Shannon Development at an annual saving of €2 million to the Exchequer.

To reinforce our point on mismanagement of state money by Shannon Development, the agency has just developed a so-called “E-town” project at Tarbert which is basically 8 houses with broadband connectivity at a cost of €3 million euros. These 8 houses are now being sold for a total of €2,196,000 (4 at €239,000 and 4 at €310,000)². An €800,000 loss of tax-payers' money before any property is even sold has just evaporated into what is an outdated concept of people working from home with access to the internet but possibly with the added charge of commercial rates on those properties. All this is with the raw sewage outflow pipe to the Estuary nearby because there is no sewage treatment plant in Tarbert.

Cork port, in 2001, commissioned a study to assess what the port needed to provide in order to become a transshipment hub³. This is a relevant example of a port and region thinking strategically. In other words, it was studying the physical conditions necessary to have a transshipment hub, not the marketing conditions (which change over time). If any equivalent report has been undertaken by Shannon Development or Shannon Foynes Port Company, then it has been kept very quiet. According to the Commissioner of Irish lights, the navigable waters at the mouth of the Shannon Estuary are only 315 metres wide⁴. At Christmas, a ship got caught in a buoy chain in this area for several days. Shannon Foynes Port Company undertook a marine navigational assessment to prove that ships could travel the Estuary but did not undertake any marine LNG risk assessment to ascertain the sterilising effect exclusion zones around LNG tankers would have on the development of the Estuary as a whole or the cumulative impacts of such a project.

1 'Kerry's Eye', March 25th 2010

2 <http://www.etowns.ie/Locations/Tarbert/Option2/>

3 Report on the Establishment of the Port of Cork as a Transatlantic Container and Trans-shipment Hub”, Nautical Enterprise Centre, Cork, 2001

4 <http://archives.tcm.ie/businesspost/2009/03/22/story40466.asp>

It is impossible to assess the 4 different Plans for the Estuary in order to realise the full potential of the Shannon Estuary Ports without:

- a. an independent marine LNG risk assessment of the dangers and effects of LNG spills on water (as supported by the European Court of Human Rights for the Milford Haven LNG Plants) and
- b. an independent Strategic Environmental Assessment (SEA) of the cumulative impacts of the various Plans for the Shannon Estuary (as supported by the European Commission).

Irreversible Strategic Projects should not be developed by cutting corners or without any strategic planning.

Please do not hesitate to contact us if you require further information.

Yours sincerely,

Johnny McElligott