State of Connecticut

RICHARD BLUMENTHAL
ATTORNEY GENERAL

Hartford
December 20, 2006

SENT VIA FEDEX OVERNIGHT

The Honorable Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: Broadwater Energy Project Security
Docket Nos. CP06-54-000 and CP06-55-000

Dear Secretary Salas:

Recent authoritative reports of fiasco and scandal in the Coast Guard's modernization program add compelling weight to my fight against the Broadwater Project. I have opposed this project since its inception because it will convert Long Island Sound into a major industrial site, at the expense of public safety and environmental interests, with major new tasks for the Coast Guard.

Now, newly disclosed information shows that safety risks of this project are far greater than previously recognized because the Coast Guard will clearly lack the capacity to protect the public as deemed necessary under its own report regarding the Broadwater proposal. This new information shows that the Coast Guard's plan to expand and upgrade its fleet is a colossal failure and provides strong new evidence that the Coast Guard cannot address accidents or attacks on the proposed Broadwater Energy facility or tankers supplying it.

Plans for the modernization -- calling for 91 new ships, 124 small boats, 195 new or rebuilt helicopters and 49 unmanned aerial vehicles -- are critical to the Coast Guard's mission in interdicting drugs and illegal immigrants, and escorting and guarding precisely the kind of facilities and tankers that Broadwater would entail. The need for robust, aggressive Coast Guard capacity is clear from the nature and public exposure of the Broadwater facility and supertankers supplying it. The Coast Guard's report states explicitly the dangers from potential catastrophic fires that may result from a collision, other accidents or an attack on the facility or on the supertankers that will be used to re-supply it. Among the possible disastrous consequences are loss of human life and environmental damage to the Sound. The litany of failures in the Coast Guard program -- ballooning costs, expanding delays, structural flaws such as hull cracks, engine

failure and inoperative equipment -- is another compelling reason that Broadwater cannot safely be approved.

As the recently released draft environmental impact statement (DEIS) for this project shows, there are hundreds of thousands of registered boats in the Long Island Sound area and thousands of commercial ship crossings that could be affected by a fire or collision with either the floating terminal or an LNG carrier. So highly dangerous are these possibilities that the Coast Guard's Waterway Suitability Report released September 21, 2006 (WSR) required the establishment of a 1210 foot security zone around the floating terminal and a security zone 2 miles ahead, 1 mile astern and 750 yards on either side of the LNG carriers.

Despite the importance of the Coast Guard's protective role, it will lack the capability to perform it. As the Coast Guard itself has noted in its own report, effective law enforcement is vital to public safety for this project, but currently lacks sufficient resources to conduct the necessary security mission if the Broadwater project is approved. Specifically, the report states, "Based on current levels of mission activity, Coast Guard Sector Long Island Sound currently does not have the resources required to implement the measures that have been identified as being necessary to effectively manage the potential risk to navigation safety and maritime security associated with the Broadwater Energy proposal." WSR pp. 156-157. The Coast Guard's resources will soon be stretched thinner, with fewer assets and no effective way to replace or upgrade them.

There is no suggestion in the FERC record of the capability, readiness or willingness of any other military or law enforcement agency to supply the security that the Coast Guard explicitly states it cannot provide. No town or city -- not even the states of New York or Connecticut -- can address these security and safety concerns.

In other words, even before the release of this new information, the Coast Guard said it was incapable of providing security for the Broadwater project. Now, published news reports show that the Coast Guard's multi-year, multi-billion dollar Deepwater project is disastrously over budget, behind schedule, and unsuccessful. The project, designed to provide new ships, planes and helicopters to replace aging and outdated equipment, has foundered. See Billions Later, Plan to Remake the Coast Guard Fleet Stumbles, NY Times, December 9, 2006. The Deepwater plan was designed to increase the Coast Guard's capabilities at a time when its responsibilities to protect the nation's coasts, ports and shipping from terrorists, drug smugglers, and polluters have greatly increased. This project is plagued by major cost overruns and design failures. A plan to modernize the Coast Guard's 110 foot cutters, mainstays of the fleet, has been cancelled because the remodeled vessels were found to be unseaworthy. A planned new 147 foot ship design failed so completely that it has been scrapped. The first production model of a new, heavy cutter has cost almost twice as much as planned and has structural weaknesses that may threaten its safety. Plainly, the Coast Guard's lack of adequate resources will soon be even worse.

Without adequate security and safety resources absolutely assured, the Broadwater project cannot be approved. The risk is too great -- to natural resources, the general public and to the nation's vital shipping and commercial fishing and shellfishing industries, as well as mention recreational boaters, and neighboring communities. For the foreseeable future, the Coast Guard cannot effectively enforce the minimum required security zones around the Broadwater project and its supply tankers. No other military or law enforcement agency has that capability. Therefore, this project cannot receive FERC approval.

Very truly yours,

RICHARD BLUMENTHAL

RB/pas

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