

## DRAFT PRESENTATION

Department of Transportation LNG Workshop

William Kramer, on behalf of the National Association of State Fire Marshals

Good morning. I am sure you all have heard the standard fire service speech that often surfaces at hearings on concerns like LNG terminals. It generally begins with the phrase, “Over my dead body.”

You are likely to hear those words again as state and local public safety officials begin evaluating individual LNG projects. However, you also may be surprised to hear from public safety officials who raise no objections to a planned terminal.

Does LNG pose risks? Yes. Are these risks manageable and will public safety officials support LNG projects? It depends. The New Jersey State Fire Marshal is in the early stages of evaluating the Crown Point project, an import terminal planned for a small community on the Delaware River. It is a complex project posing multiple risks, which is very different from the offshore terminal project proposed for Long Island Sound.

There are two schools of thought pertaining to risk management. The first is “Run for the hills.” It is emotional, sensational, confrontational ... and traditional. Just ask the nuclear energy producers and pipeline operators. This tradition should become extinct, because it deters finding the truth. At the end of the day, “Run for the hills” may be a good suggestion, but we owe it to ourselves to have a reason to run, and know which hill is likely to be safe.

The National Association of State Fire Marshals subscribes to a second, more rational school of risk management. It asks three sets of questions.

**First ... what does the law require?** Our safety and security laws define the absolute minimum that must be done. In some cases, these laws are ancient and some are diluted. Our position is that they are the starting point, nothing more. For example, interesting questions have been raised about the adequacy of LNG incident reporting requirements.

**Second ... what is needed and what is possible?** These are questions that must be answered through the scientific process by qualified, independent experts. For the record ... we welcome experts from industry,

government, academia and nongovernmental organizations because the diversity tremendously benefits the process. We are extremely interested in the experts' disagreements *and* their agreements. The experts typically ask us what we are seeing in the real world and what worries us? The combination of science and real-world observations produces some important answers.

**The third question ultimately is most important. “How much risk is the community willing to accept?”** When I speak of “the community,” I mean the people who have a direct and legitimate interest in a proposed project ... the families, business operators, local government officials, educators and religious leaders. The Crown Point project is planned for a very small community in my state, but the tankers will be traveling 70 miles up the Delaware River to reach it. The stretch of river includes other communities in Delaware as well as a few in Pennsylvania with direct and legitimate interest in the project.

Without question, LNG terminals are important to the economies of our states, but these terminals and tankers pose risks. The tradeoffs are a matter of policy. If communities weigh the facts and vehemently oppose a

project, timely development of the project is problematic and it may be withdrawn -- no matter what industry or government wants. This has happened already, and certainly can happen again in the very near future.

So it behooves public safety officials to have our facts right project-by-project, and that begins by us having a fundamental understanding of the issues swirling around LNG. Thanks to the Department of Transportation ... Sam, Stacey, Jeff and their teams ... NASFM is compiling a series of independent, neutral information sources on LNG and LNG safety. With this information, we will develop a fact-based approach to addressing LNG safety from the emergency response and management standpoints. The purpose of our effort is not to proclaim LNG safe or unsafe. Rather, we are working to help emergency responders understand the risks LNG poses and prepare them to decide if they can manage those risks. Once emergency responders prepare themselves for their site-specific LNG issues, NASFM can assist them in taking the lead in educating other local, county and state officials and the surrounding communities about LNG safety issues. The fire service in the states with LNG terminals or with proposed terminals can become a resource to other officials and civilians in understanding LNG safety.

Our project will provide guidance to local emergency responders as they develop plans to address LNG incidents, too. NASFM and the Southern States Energy Board are developing this project under a cooperative agreement between NASFM and DOT. It will be pilot tested in four locations, which I will describe below.

Let me quickly summarize the basic elements of our project.

**Step one is the production of an education document and video outlining LNG safety issues and the development of a comprehensive curriculum for use at the state and local levels.** A draft white paper has been produced by Hildebrand & Knoll, our safety consultants, and is now under review by technical experts at DOT, the Department of Homeland Security, National Institute of Standards and Technology, FM Global insurance, Federal Energy Regulatory Commission, MIT and the LNG companies representing our four pilot sites. Mike Smith, a former Department of Energy official, is assisting the project, as well. When the document is in final draft form, we will share it with NASFM's pipeline safety

advisory committees. This paper will be the basis for the curriculum, which will guide our work with local authorities and the communities they serve.

**Step two is the selection of four communities to test the curriculum.**

These sites include two existing facilities and two proposed facilities. They are Cove Point in Maryland, Freeport in Texas, and Cameron-Hackberry and Trunkline in Louisiana. These are the four sites where our project will be pilot tested, using funds provided to NASFM by DOT.

The Crown Point project is not one of the four chosen communities, but at my request, NASFM has been quite helpful in arranging meetings for our public safety officials with FERC, scientific experts, firefighters with LNG experience and others.

**Step three will be to identify and prepare the right local public safety official in the four pilot sites to take the lead on the community**

**projects.** In some communities, the best choice may be a retired fire chief.

In others, it may be a fire department public information officer or

hazardous materials response battalion chief. In all cases, the right official

will be an individual who is respected by fellow emergency responders and

the community. This person will also need to be articulate, constructive and willing to take the time to learn and participate.

The selected officials will undergo LNG briefings on why it is important ... the crucial variables as risks are evaluated ... current public- and private-sector LNG safety efforts ... and expectations of the community-based program he or she will lead. This individual will be responsible for understanding the intricacies of LNG safety and communicating this understanding to others, and for being a credible leader and a resource within the community. We will equip this individual with appropriate training, materials, staff and technical support to proceed with the program. We also will provide direct access to the most credible experts on LNG and LNG safety.

**Step four is the formation of local steering committees to organize and begin implementing the community projects.** With our fire safety officials at the lead, we will form local steering committees that initially will consist of community leaders, experts representing terminal operators, state and local government officials, and others who are knowledgeable about LNG safety. The steering committees will receive the same

background briefing that NASFM, the local fire leader and others received at earlier stages.

**Step five will be briefings of state and local opinion leaders and decision makers.** With a solid foundation in place, the local steering committees will be ready to reach out to local elected and appointed public officials, community organizations, the news media, and business and labor leaders. These briefings will be conducted by our lead fire safety official in the selected community and will be similar in content to those conducted for NASFM and the local committee.

[PAUSE]

I am hoping everyone here understands our version of risk management. LNG projects are not inherently good or bad ... safe or unsafe. For the public to be served, we must recognize and attempt to manage risks and cooperate project-by-project.

Please know we can and will ignore the commercialism, political rhetoric, finger pointing and the rest of the emotional nonsense that clouds all sides



of these important issues. We are wide open to new data, ideas and challenges.

With DOT's assistance, we are creating the capacity to find the facts and prepare emergency responders and planners to identify what are or are not manageable risks.

Once we have tested this program, it will be available to energy companies wishing to utilize it in communities where LNG ports are planned. We have not asked DOT for funding beyond this pilot phase -- the federal deficit is large enough. If you have an interest, please let us know because we have only limited capacity to serve.

So ... does LNG pose risks? Yes. Are these risks manageable and will public safety officials support LNG projects? It depends.

It depends on the facts and it depends on us. Thank you.