The Facts and Fiction Behind NorthernStar's High Risk Plans For LNG on the Columbia River

COLUMBIA RIVERKEEPER®

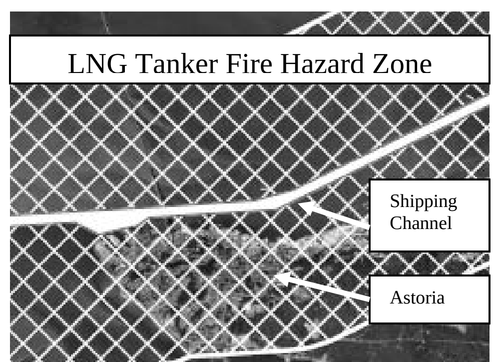
Project Background: NorthernStar Natural Gas has proposed building a massive Liquefied Natural Gas (LNG) import terminal at Bradwood, Oregon in the Columbia River Estuary. Across the country and world, local communities have fought to stop proposed LNG plants because of the incredible public safety, economic and environmental risks. Numerous plans for LNG import and storage terminals have been proposed in California, but every one of them has been rejected including most recently a terminal that was planned for a site 14 miles offshore. But with California's insatiable appetite for gas, NorthernStar wants to ship LNG 38 miles up the Columbia River to Bradwood and use the Columbia Estuary as the high-risk entry point for bringing gas to California. In their quest to win approval for their project, NorthernStar has proven that they are willing to do and say just about anything to get their project approved regardless of whether it is true. This guide is to help you separate NorthernStar's fiction from the facts.

Fiction: NorthernStar is a long-established company with a good safety record.

Fact: NorthernStar is a newly formed corporation, which has never built anything and is a completely un-proven entity with no record for safety. NorthernStar received $ 100 million in financing from a New York corporation specializing in high-risk investments. Even NorthernStar admits that it lacks the estimated $ 1 billion in capitol needed to build the proposed LNG import terminal. NorthernStar's willingness to cut corners on safety is highlighted by their decision not to odorize the imported gas before sending it through at least 34-miles of pipelines crossing Clatsop, Columbia and Cowlitz counties. Their failure to adopt this extremely basic and inexpensive safety precaution says a lot about their concern for the public.

Fiction: LNG tankers and storage facilities are safe because LNG will not burn.

Fact: NorthernStar has tried to dismiss the safety threats related to LNG by claiming that LNG will not burn. This ignores the well-recognized reality that as soon as LNG is exposed to air it becomes gaseous and highly flammable. This was plainly and explicitly recognized in reports from the U.S. Sandia National Lab and the U.S. Government Accountability Office, which have reported that in the event of a terrorist attack on an LNG tanker, the burn zone could extend to a 1.5 mile radius. This would put almost all of downtown Astoria and numerous other communities around the Estuary at direct and constant risk of an LNG accident.



1.5 mile LNG tanker fire hazard zone reported by U.S. Sandia National Lab LNG risk report extends from shipping channel over all of Astoria

Fiction: NorthernStar's LNG project would provide 65 long-term jobs.

Fact: Although NorthernStar's webpage still touts that it would provide 65 long-term jobs, NorthernStar's recent filings with the U.S. Securities and Exchange Commission specifically said that the project would provide "35 to 40" jobs. While even this may be an overstatement, there is no limit on how many of these jobs would be from out-of-state and nothing to support that any jobs that would be provided for local residents would be anything more than low paying security or maintenance jobs. While project construction jobs could last for several years, the long-term economic threats of this LNG project are hardly worth trading for short-term construction jobs.

Fiction: This project is intended to bring gas to the Pacific Northwest.

Fact: NorthernStar has claimed that their proposed LNG project is intended to benefit the Northwest. NorthernStar's ability to make this claim with a straight face has become harder now that it has joined with Northwest Natural in proposing a new gas pipeline that would ship LNG imported gas to eastern Oregon where it would connect to the TransCanada pipeline heading to California. Again, while NorthernStar continues to intentionally mislead the public and press, their formal filings with the U.S. Securities Exchange Commission make clear that "Northern and Southern" California are the largest markets the project is intended to serve.

Fiction: NorthernStar's project would decrease natural gas prices.

Fact: LNG is consistently significantly more expensive that domestically produced natural gas or gas imported from Canada because of the high costs of liquefying gas, shipping it from far-away regions such as Russia, the Middle East or Africa, and then re-gasifying the LNG once it arrives via tanker. When the California Public Utilities Commission recently agreed to accept LNG derived gas from Mexico, it had to approve a rate increase to pay for the more expensive LNG. While countries with no domestic natural gas have to pay for the higher-priced LNG, existing LNG terminals in the United States were only operating at less than half of their capacity in 2006 because of the high price of obtaining LNG.

Fiction: NorthernStar's LNG project would benefit salmon.

Fact: NorthernStar's project would dredge a massive hole in the Columbia River at the head of Clifton Channel, a critical location for salmon migration and rearing. Outgoing LNG tankers would remove over 1 billion, yes billion, gallons of fresh Columbia River water each year as dead weight to help stabilize empty LNG tankers leaving the Columbia. This large scale industrial project would also degrade important salmon habitat in the Estuary and add new pollution discharges to the Columbia.

NorthernStar has said its acquisition of parts of Svenson Island would mitigate for these and other impacts, but what they neglect to mention is that the Columbia Land Trust was ready to purchase Svenson Island for conservation itself, before NorthernStar came in and offered a higher price for a property that was already going to be preserved and restored. By thwarting the Land Trust's purchase of Svenson Island, Northern Star has already had its first adverse effect on salmon.

Fiction: NorthernStar's LNG project would help the local economy and provide major funding for County government.

Fact: Virtually every community in the United States where LNG import terminals have been proposed has vigorously fought the proposals because of the adverse economic impacts these high-risk industrial projects have. Even economically disadvantaged places like Tijuana, Mexico have opposed LNG proposals because of the well-earned stigma that comes with being home to a facility which has the potential for such a large scale of devastation and destruction in the event of an accident. While NorthernStar claims that millions in tax revenue would go to the County, it neglects to mention that the County would have to foot the bill for all the emergency response staffing, equipment, and training, as well as, the local police and fire services that would have to be mobilized up to six times a week for each incoming and outgoing LNG tanker. It also ignores the reality that the County would face reduced tax funding from other sources since LNG projects would hurt local tourism, threaten commercial and recreational fishing industries, and deter local investment.

For more information contact: Dan Serres with the Columbia Riverkeeper (503) 890-2441 or dserres@gmail.com