

109TH CONGRESS
1ST SESSION

S. 684

To amend the Natural Gas Act to provide additional requirements for the siting, construction, or operation of liquefied natural gas import facilities.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2005

Mr. REED introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Natural Gas Act to provide additional requirements for the siting, construction, or operation of liquefied natural gas import facilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Liquefied Natural Gas
5 Safety and Security Act of 2005”.

6 **SEC. 2. SITING OF LIQUEFIED NATURAL GAS IMPORT FA-**
7 **CILITIES.**

8 Section 3 of the Natural Gas Act (15 U.S.C. 717b)
9 is amended by adding at the end the following:

1 “(d)(1) Before issuing an order authorizing an appli-
 2 cant to site, construct, expand, or operate a liquefied nat-
 3 ural gas import facility, the Commission shall require the
 4 applicant, in cooperation with the Commandant of the
 5 Coast Guard and State and local agencies that provide for
 6 the safety and security of the liquefied natural gas import
 7 facility and any vessels that serve the facility, to develop
 8 a cost-sharing plan.

9 “(2) A cost-sharing plan developed under paragraph
 10 (1) shall include a description of any direct cost reim-
 11 bursements that the applicant agrees to provide to any
 12 State and local agencies with responsibility for security
 13 and safety—

14 “(A) at the liquefied natural gas import facility;
 15 and

16 “(B) in proximity to vessels that serve the facil-
 17 ity.

18 “(e)(1) In this subsection, the term ‘region’ means
 19 a census region designated by the Bureau of the Census
 20 as of the date of enactment of this subsection.

21 “(2) Not later than 90 days after the date of enact-
 22 ment of this subsection and annually thereafter, the Com-
 23 mission shall—

24 “(A) review all applications for the siting, con-
 25 struction, expansion, or operation of a liquefied nat-

1 ural gas import facility in a region that are pending
2 with the Commission;

3 “(B) consult with States in the region to iden-
4 tify remote sites for the development of potential liq-
5 uefied natural gas import facilities in the region; and

6 “(C) in collaboration with the Commandant of
7 the Coast Guard, review—

8 “(i) any offshore liquefied natural gas
9 projects proposed for a region; and

10 “(ii) other potential offshore sites for the
11 development of liquefied natural gas.

12 “(3) Based on the reviews and consultations under
13 paragraph (1), the Commission shall determine—

14 “(A) whether liquefied natural gas import facili-
15 ties are needed in a region; and

16 “(B) if the Commission determines under sub-
17 paragraph (A) that liquefied natural gas import fa-
18 cilities are needed for a region, the number of lique-
19 fied natural gas import facilities that are needed for
20 the region.

21 “(4) The Commission shall cooperate with the Com-
22 mandant of the Coast Guard and States to ensure that—

23 “(A) the Commission approves only the number
24 of liquefied natural gas import facilities that are

1 needed for a region, as determined under paragraph
2 (3)(B); and

3 “(B) any liquefied natural gas import facilities
4 approved under subparagraph (A) are sited in loca-
5 tions that provide maximum safety and security to
6 the public.

7 “(f)(1) Notwithstanding any other provision of law,
8 the Commission shall not issue a final environmental im-
9 pact statement or similar analysis required under the Na-
10 tional Environmental Policy Act of 1969 (42 U.S.C. 4321
11 et seq.) with respect to a proposed liquefied natural gas
12 facility before the date on which—

13 “(A) the applicant completes—

14 “(i) a security assessment for the proposed
15 facility; and

16 “(ii) a security plan for the proposed facil-
17 ity; and

18 “(B) the Commandant of the Coast Guard com-
19 pletes an incident action plan that identifies the re-
20 sources needed to support appropriate air, land, and
21 sea security measures during the transit and offload
22 of a liquefied natural gas vessel.

23 “(2) The Commission shall incorporate into the final
24 environmental impact statement or similar analysis the
25 non-security sensitive components of the incident action

1 plan and all other safety and security resource require-
2 ments identified by the Commandant of the Coast Guard
3 for a proposed liquefied natural gas import facility.

4 “(g)(1) For purposes of reviewing and approving or
5 disapproving an application to site, construct, or operate
6 a liquefied natural gas import facility, the Commission
7 shall—

8 “(A) consult with the State in which the facility
9 is proposed to be located; and

10 “(B) comply with all applicable Federal laws,
11 including—

12 “(i) the National Historic Preservation Act
13 (16 U.S.C. 470 et seq.);

14 “(ii) the Coastal Zone Management Act of
15 1972 (16 U.S.C. 1451 et seq.);

16 “(iii) sections 401 and 402(b) of the Fed-
17 eral Water Pollution Control Act (33 U.S.C.
18 1341, 1342(b)); and

19 “(iv) sections 107, 111(c), and 116 of the
20 Clean Air Act (42 U.S.C. 7401, 7411(c), 7416).

21 “(2) Nothing in this section precludes or denies the
22 right of any State to review an application to site, con-
23 struct, or operate a liquefied natural gas import facility
24 under—

1 “(A) the National Historic Preservation Act (16
2 U.S.C. 470 et seq.);

3 “(B) the Coastal Zone Management Act of
4 1972 (16 U.S.C. 1451 et seq.);

5 “(C) sections 401 and 402(b) of the Federal
6 Water Pollution Control Act (33 U.S.C. 1341,
7 1342(b)); and

8 “(D) sections 107, 111(c), and 116 of the
9 Clean Air Act (42 U.S.C. 7401, 7411(c), 7416).

10 “(3) Notwithstanding any other provision of law, the
11 Commission shall have no authority to preempt a State
12 permitting determination with respect to a liquefied nat-
13 ural gas import facility that is made under Federal or
14 State law.”.

15 **SEC. 3. STANDARDS FOR LIQUEFIED NATURAL GAS PIPE-**
16 **LINE FACILITIES.**

17 Section 60103 of title 49, United States Code, is
18 amended—

19 (1) by redesignating subsections (e), (f), and
20 (g) as subsections (f), (g), and (h), respectively; and

21 (2) by inserting after subsection (d) the fol-
22 lowing:

23 “(e) REMOTE SITING STANDARDS.—Not later than
24 180 days after the date of enactment of this Act, the Sec-
25 retary shall promulgate regulations establishing standards

1 to promote the remote siting of liquefied natural gas pipe-
2 line facilities.”.

3 **SEC. 4. THERMAL AND VAPOR DISPERSION EXCLUSION**
4 **ZONES.**

5 As soon as practicable after the date of enactment
6 of this Act, the Commandant of the Coast Guard shall
7 issue regulations establishing thermal and vapor disper-
8 sion exclusion zone requirements for vessels transporting
9 liquefied natural gas that are based on sections 193.2057
10 and 193.2059 of title 49, Code of Federal Regulations (or
11 any successor regulations).

○