

US LNG tankers vulnerable to attack

Nigel Wilson, Energy writer | *January 11, 2008*

THE powerful US Government Accountability Office has questioned whether the US Coast Guard can adequately monitor the safety of LNG tankers supplying the US.

In a special report on maritime security and federal efforts needed to address challenges in preventing and responding to terrorist attacks on energy commodity tankers, the GAO says the Coast Guard lacks the means to meet its own criteria for protecting LNG tankers.

The report comes as the US Coast Guard is in the process of assessing Woodside's innovative OceanWay LNG receival proposal off Los Angeles.

The GAO study results from the US's heavy dependence on ship-based energy imports and the aftermath of September 11, 2001.

The GAO report said the LNG supply chain faced three main types of threat: suicide attacks, such as by explosive-laden boats; "standoff" attack with weapons launched from a distance; and armed assaults. In the past five years, Australia has been stressing to US authorities the safety record of the industry as the US looks to increase LNG imports to meet its growing demand for natural gas.

Last year, BHP Billiton's proposal for a receival terminal near Malibu, California, was thrown out by regulatory authorities after a long campaign by environmentalists who gathered support from celebrities to block the proposal.

Woodside's plan, which involves tankers transshipping LNG kilometres offshore into shipborne regassification plants, which then pump gas into the Californian gas transmission system through a buoy that normally sits on the seabed, has met with environmental opposition, mainly because of the seaborne transfer plan.

Opponents of OceanWay are likely to seize on the GAO report as a further reason for approval for the Woodside plan to be withheld. Currently, the US has five LNG receival terminals and handles two cargoes every three days.