

Arnie terminates BHP project



Arnold Schwarzenegger and John Howard in 2004, when Howard met privately with the Californian Governor to push the BHP proposal.

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California governor Arnold Schwarzenegger has terminated one of Australia's most lucrative export projects.

BHP Billiton planned to build an \$US800 million (\$973.06 million) liquefied natural gas (LNG) terminal off the coast of the Los Angeles celebrity enclave of Malibu, but Schwarzenegger announced he would veto the project after a ferocious campaign led by Hollywood celebrities.

The decision came despite Prime Minister John Howard flying to Los Angeles in 2004 to lobby Schwarzenegger personally on behalf of BHP Billiton.

Schwarzenegger, however, ruled today the BHP Billiton proposal was not environmentally sound.

"Any LNG import facility must meet the strict environmental standards California demands to continue to improve our air quality, protect our coast and preserve our marine environment," Schwarzenegger said in his long-awaited decision.

"The Cabrillo Port LNG project, as designed, fails to meet that test."

The decision was a victory for the celebrity-filled community of Malibu.

Malibu residents, led by former James Bond Pierce Brosnan, Martin Sheen, Tom Hanks, Cindy Crawford, Olivia Newton-John and Halle Berry, waged a high-profile campaign to sink BHP Billiton's plan.

The Australian energy company planned to build a 14-storey, 295m long LNG terminal 22.25km off the coast of Malibu.

BHP Billiton hoped to ship the LNG in supertankers from gas fields off the west coast of Australia to the floating terminal off Malibu and then pipe it to the California mainland.

California is desperate for LNG, but opponents argued the proposal would generate enormous amounts of greenhouse gas emissions.

The Californian Coastal Protection Network claimed the LNG project would contribute up to 25 million tonnes of global warming emissions a year.

Malibu residents complained the project was a polluter, an eyesore, and a target for terrorists.

"We strongly applaud the governor's decision to veto the BHP Billiton LNG proposal," Susan Jordan, director of the California Coastal Protection Network, said.

"The governor, true to his word, conducted a careful and thorough review of the legal and expert scientific information presented to him and came to the conclusion that this fatally flawed LNG project failed to meet California's strict standards for public health and safety.

"The governor's veto acknowledges the legitimate concerns of thousands of local residents who forcefully objected to the BHP proposal."

BHP Billiton said it was exploring its options following the governor's adverse decision.

Howard, back in 2004 after his meeting with Schwarzenegger in LA, thought BHP Billiton could overcome the environmental issues.

"There are environmental issues to be dealt with but we are confident that they can be dealt with," Howard said at the time.

BHP Billiton suffered major defeats last month when two Californian regulatory bodies, the State Lands Commission and the California Coastal Commission, ruled against the project.

Opponents generated plenty of publicity and star power in their campaign against BHP Billiton, with protest rallies organised in Malibu fronted by the likes of Brosnan, Sheen and Berry.

Brosnan and his wife, Keely, were particularly vocal.

"I want to call special attention to the extraordinary contribution of environmental activists, Pierce and Keely Brosnan, who took on the campaign to stop the approval of the BHP LNG project as one of their top environmental priorities," Jordan said.

"We are immensely grateful for their courage and willingness to educate not just California but the world about the dangerous aspects of LNG and the BHP Billiton proposal in particular."

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