



## NATURAL GAS:

### Challenges mount against federal funding for foreign LNG projects

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Environmentalists challenging U.S. government funding of a natural gas plant proposed for Australian waters near the Great Barrier Reef have expanded their legal case to encompass a second facility.

The Center for Biological Diversity said yesterday it has amended a lawsuit, filed in U.S. District Court for the Northern District of California, to cover a second liquefied natural gas export facility similar to one that it was already challenging on environmental grounds.

The Australia Pacific LNG project and the Queensland Curtis LNG project are both under construction on Curtis Island, on the Queensland coast, and have received \$2.9 billion and \$1.8 billion, respectively, in loans from the U.S. Export-Import Bank. Those sums supplement billions of dollars in financing from other financial institutions going into the mega-projects.

Last year, the Center for Biological Diversity and two other groups filed suit against Australia Pacific LNG, arguing that the federal financing group failed to adequately consider the environmental impacts of the project (EnergyWire, March 14).

The groups said that despite the project's location outside of U.S. jurisdiction, the Export-Import Bank was, as a federal agency, required to analyze potential spending for it according to the guidelines of the National Environmental Policy Act. Further, they said, because the project is located partly within the boundaries of the Great Barrier Reef World Heritage Area, it must also be evaluated under the National Historic Preservation Act.

Now the groups have expanded their lawsuit to include the Queensland Curtis LNG project.

The lawsuit encompasses the projects broadly, including the development of upstream coal seam gas resources, dedicated pipelines required for the facilities, the liquefaction plants, and dredging and other shipping-related construction activities. Once the facilities are completed, they are slated to ship LNG through the Great Barrier Reef toward buyers in Asia, further adding to their environmental risk profiles, the groups say.

"When I flew over Curtis Island recently, I was shocked to see the devastation of the marine habitat and sediment plumes discoloring the coastal waters for miles," said Teri Shore, program director for the Turtle Island Restoration Network, one of the parties to the lawsuit.

The groups say ship strikes killed 45 turtles in Gladstone Harbor, the launching point for shuttling construction supplies to Curtis Island, during the two years after LNG project construction began, compared with an average of two a year in the previous decade.

Legal filings note that the projects are within designated habitat for the endangered dugong -- a large marine mammal related to the manatee -- and endangered loggerhead sea turtles, as well as for saltwater crocodiles and green sea turtles, both listed as threatened under the Endangered Species Act.

The Export-Import Bank is currently shuttered due to the federal government closure, but officials there previously have said the projects were carried out according to Australian environmental analysis guidelines and with appropriate local consultation. The bank says its investments in the projects support contracts with U.S. companies exporting equipment and services for the facilities.