

# U.S.' LNG projects in doubt after court ruling

**Safety - Delaware can block a liquefied natural gas terminal in New Jersey, which could affect LNG proposals for Oregon**

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**FROM STAFF**

**AND WIRE REPORTS**

Delaware won a Supreme Court fight with New Jersey on Monday, likely killing a proposed liquefied natural gas terminal on the Delaware River.

The justices, in a 6-2 decision, said Delaware can block the project, even though it was proposed by energy giant BP for New Jersey's side of the river.

The decision could have broad implications for proposed LNG projects around the country, including Oregon.

Three companies have proposed building LNG terminals in Oregon, two on the lower Columbia River across from Washington. While Washington hasn't expressed outright opposition to the projects, state agencies there and in Oregon have expressed reservations about the potential environmental and safety impacts.

Similar concerns are brewing on Long Island Sound, where Connecticut's governor has vowed to block an LNG terminal proposed for the middle of the sound that would serve the New York area.

Delaware said it wanted to stop the project because of safety concerns. The state owns the river bottom most of the way across the waterway, including the land on which a 2,200-foot-long pier would be built on the Jersey side.

The states agree that Delaware owns the land, but New Jersey argued that a century-old agreement allows each state to control piers on its side of the river.

Justice Ruth Bader Ginsburg, writing for the court, said Delaware cannot block ordinary projects from going forward. The proposal at issue, however, "goes well beyond the ordinary or usual," she said.

Justices Samuel Alito and Antonin Scalia dissented. Under a 1905 agreement, Scalia said, New Jersey has exclusive authority over construction of wharves on its side of the river.

The states cited different provisions of their 1905 agreement that spells out, among other things, fishing rights and law enforcement authority on the portion of the 410-mile river that serves as the border between them.

The dispute concerned a terminal that BP wanted to build on the New Jersey side of the river. New Jersey officials approved the project, which could bring more than 1,300 construction jobs. Delaware officials, however, have refused to authorize construction of a 2,000-foot-long pier, which would be built on the part of the river bottom that belongs to Delaware. Without the pier, the project could not go forward.

Delaware's lawyer told the court that the state has only twice in 160 years denied permission to build a pier on the Jersey side of the river, and both instances involved LNG facilities.

Up to 150 ships a year would dock at the proposed pier, which would be directly across the river from Claymont, Del. Delaware says the proposal raises safety fears because an estimated 22,000 residents living near the river's main shipping channel would be at risk in case of a major accident. BP said the facility could deliver up to 1.2 billion cubic feet of natural gas a day to the Mid-Atlantic region.

A court-appointed special master concluded last year that Delaware has the authority to block the pier.

Justice Stephen Breyer did not participate in the case. He owns \$15,000 to \$50,000 in BP stock, according to his most recent financial disclosure.

The New York Times News Service and Ted Sickinger of The Oregonian contributed to this report.

