



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

ANDREW M. CUOMO
GOVERNOR

November 12, 2015

Paul N. Jaenichen, Sr.
Maritime Administrator
U.S. Department of Transportation
Maritime Administration
West Building
1200 New Jersey Avenue SE
Washington DC, 20590-0001

Re: Application of Liberty Natural Gas LLC for the Port Ambrose Deepwater Port
Docket Number USCG-2013-0363

Dear Administrator Jaenichen:

Pursuant to the Deepwater Port Act (DWPA), Liberty Natural Gas, LLC (Liberty) submitted a license application for the Port Ambrose Liquefied Natural Gas Deepwater Port (Port Ambrose) to the U.S. Maritime Administration (MARAD) on September 28, 2012. As proposed, the project would consist of a submerged buoy system and gas pipeline located approximately 19 miles south of Jones Beach. Liquefied Natural Gas (LNG) would be delivered to Port Ambrose from offshore sources, where it would be converted to high pressure gas. A new pipeline spanning approximately 22 miles would transport this gas to the existing Transco pipeline that feeds into Long Beach, Long Island and New Jersey. It is unclear whether Liberty would provide consistent supply to the natural gas market or only provide supply in the limited instances when it can take advantage of high prices.

On June 22, 2013, MARAD notified my office of New York's designation as an "adjacent coastal State" under the DWPA because New York would be connected directly by pipeline to the proposed deepwater port. The DWPA requires approval from the Governor of each adjacent coastal State before MARAD may issue a deepwater port license. (33 U.S.C. § 1508(b)(1)). By such authority, this letter conveys my decision to disapprove the issuance of a license to Liberty for Port Ambrose. This project presents risks to New York's security and economy while negatively impacting a critical renewable energy project. Together, these unmitigated concerns cumulatively outweigh the project's intermittent impact on natural gas supply.

Inherent and Unanswered Security Concerns

The proposed Port Ambrose facility would occupy offshore waters located between the two main shipping channels into and out of New York Harbor and presents inherent risks to security and commercial navigation. The final Environmental Impact Statement specifically acknowledges that significant risks would be associated with the operation of proposed port but downplays the potential security concern by stating that safety requirements at the port would minimize such risks. The potential hazards they present are unacceptable. Furthermore, the low risk assessment may be overstated given the Council on Foreign Relations' warnings that terrorists have considered targeting LNG terminals.

Potential Catastrophic Impacts During Extreme Weather Events

New Yorkers understand better than most the risks posed by increasing extreme weather and the devastating effects it can cause. As Superstorm Sandy — the largest hurricane ever recorded in the Atlantic that caused \$75 billion of damage and where 233 lives were lost — showed us all too clearly, we cannot make decisions that allow our critical infrastructure to remain vulnerable. This facility would create a dangerous mix of massive LNG tankers and weak fixed infrastructure in close proximity to shipping lanes for the biggest port on the East Coast. Extreme weather, such as Superstorm Sandy, could lead to a catastrophic accident as LNG tankers and cargo ships that anchor offshore to ride out storms could be put in close proximity. Despite careful planning and preparation, Superstorm Sandy showed us that we cannot accept such a risk.

Disruption of Commercial Navigation and Maritime Activities

Planning for and mitigating the risks and disruptions caused by transiting LNG vessels would be difficult for commercial fishers who rely on seasonal access to support their activities. This would be particularly true if the LNG facility existed in combination with an offshore wind project. Unlike offshore wind facilities that have a stationary footprint and that would be listed on nautical charts, the impacts from LNG vessels moving to and from the Port Ambrose submerged buoys would be transitory and unpredictable over the long-term. Restrictions on access would be known only days in advance and would be imposed without regard to overlap with important recreational or commercial activities.

For example, the area proposed by Liberty would likely impact New York's fishery for longfin squid, commercially important and present in the project area. In 2012, commercial landings of the East Coast longfin squid fishery totaled 28.1 million pounds, and were valued at more than \$31.1 million. The area in the vicinity of the Port Ambrose proposed project also is an important sea scallop fishing grounds, fished by both New York and other states. New York fishers landed nearly 430,000 pounds of sea scallops in 2012 worth over \$4 million.

The risks associated with Port Ambrose also threaten to disrupt commercial navigation activities. As the busiest port on the East Coast, with over three million shipping containers and \$200 billion worth of cargo passing through in 2014, New York Harbor is of critical importance to our nation's economy. Security requirements related to Port Ambrose and potential catastrophic impacts from an explosion or spill could negatively impact shipping and commerce into

the harbor. The potential impacts to navigation and commerce would only be compounded if Port Ambrose were adjacent to a major offshore wind project. Port Ambrose therefore presents an unacceptable risk to potentially disrupt the easy flow of commerce in and out of the Port of New York, making it a less attractive place to do business compared to competitor ports.

Interferes and Conflicts with Core Renewable Energy Projects in New York State

The proposed Port Ambrose location would interfere with a critical renewable project proposed by the New York Power Authority for an offshore wind project that would create enough renewable energy to power up to 700,000 homes and reduce harmful greenhouse gas emissions by 1.08 million tons, the equivalent of taking 240,000 cars off the road. Private developers have also expressed interest in pursuing offshore wind in the same location.

The Port Ambrose final Environmental Impact Statement inadequately addresses Port Ambrose's impact on the offshore wind project despite repeated requests by New York State to fully address how the two projects would coexist. Faced with that uncertainty, I directed state agencies to review this project. Based on that review, the State expects up to twenty percent of the total proposed wind project location to be made unavailable.

New York has committed to mitigating the catastrophic effects of climate change by reducing fossil fuel emissions, and therefore the proposed wind projects are key to reducing greenhouse gas emissions. The Port Ambrose project's puts these important state projects at risk.

All of the security and economic risks described above demonstrate that the Port Ambrose project would disproportionately pose significant negative impacts for New York State. Therefore, I disapprove the Port Ambrose project.

Sincerely,



ANDREW M. CUOMO