



BEVERLY O'NEILL, MAYOR

March 22, 2005

The Honorable Pete Domenici
Chair, Senate Energy and Natural Resources Committee
328 Hart Office Building
Washington, DC 20510

Dear Senator Domenici:

On behalf of the City of Long Beach, I am writing to express our grave concern and opposition to the recent efforts by the Federal Energy Regulatory Commission (FERC) to amend the Natural Gas Act related to eminent domain authority over Liquefied Natural Gas (LNG) facility siting. This action would encroach on City authority to administer and direct the development of City property and our ability to make appropriate land-use decisions that directly impact the region.

Attached for your review is a unanimous resolution from the Long Beach City Council, which formally opposes any legislation that would grant FERC exclusive siting and permitting authority, or grant eminent domain powers.

Sound Energy Solutions/Mitsubishi has proposed to build a Liquefied Natural Gas terminal and related facilities on land owned by the City of Long Beach and located within the Port of Long Beach. Any plans for this project require the siting and construction of a pipeline over and through lands located within the City of Long Beach.

While the City has not made any permitting decisions on this project, we strongly emphasize the City's opposition to any federal legislation that would authorize FERC to exercise powers of eminent domain within the City of Long Beach or have sole authority over permitting and siting. As any such project would have both benefits and drawbacks to our community, it is imperative that we retain our current decision-making capacity to make the best choice for our community.

We ask for your support in ensuring that localities throughout the nation maintain their authority in making important local land-use decisions. Thank you for your consideration and understanding.

Sincerely,

Beverly O'Neill
MAYOR

Cc: President George W. Bush
Senate Energy and Natural Resources Committee
California Public Utilities Commission
Hon. Senator Dianne Feinstein
Hon. Senator Barbara Boxer
Hon. Representative Juanita Millender-McDonald
Hon. Representative Dana Rohrabacher
Hon. Representative Linda Sanchez
Hon. State Senator Alan Lowenthal
Hon. Assemblymember Betty Karnette

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RESOLUTION NO. C-28515

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3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH OPPOSING ANY FEDERAL
5 LEGISLATION WHICH WOULD EXTEND THE AUTHORITY
6 OF THE FEDERAL ENERGY REGULATORY COMMISSION
7 IN THE CITY OF LONG BEACH
8

9 WHEREAS, Sound Energy Solutions ("SES") proposes to build a liquified
10 natural gas (LNG) terminal and related facilities on land owned by the City of Long
11 Beach and located within the Port of Long Beach ("Proposed Project"); and

12 WHEREAS, the plans for the Proposed Project require the siting and
13 construction of a pipeline over and through lands located within the City of Long Beach
14 (the "Proposed Pipeline"); and

15 WHEREAS, on May 8, 2003 the Board of Harbor Commissioners entered
16 into a letter of intent ("LOI") with SES granting SES the right to pursue permits and
17 approvals from the Port of Long Beach and other governmental agencies with respect
18 to the Proposed Project; and

19 WHEREAS, on May 13, 2003 the City Council authorized the City
20 Manager to enter into a Memorandum of Understanding ("MOU") with SES for the
21 purpose of engaging in non-binding discussions regarding the feasibility of constructing
22 the Proposed Pipeline; and

23 WHEREAS, the LOI and the MOU do not provide SES with permitting,
24 licensing or entitlement approvals and do not commit the City of Long Beach to any
25 particular course of action with respect to the Proposed Project or the Proposed
26 Pipeline; and

27 WHEREAS, the Federal Energy Regulatory Commission (FERC) has
28 proposed federal legislation which would extend its permitting and siting authority over

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1 LNG terminals and related facilities and has proposed extending its power of eminent
2 domain; and

3 WHEREAS, this proposed authority, potentially to be exercised in the City
4 of Long Beach, would encroach upon the authority of the City and the Port of Long
5 Beach to administer and direct the development of City/Port property; and

6 WHEREAS, the exercise of such authority would have an adverse
7 national impact in that it could cause a serious disruption in the movement of goods
8 through one of the largest Ports in the world;

9 WHEREAS, it is of the utmost importance that the City and its Port retain
10 authority to administer and direct the development of its property;

11 NOW, THEREFORE, the City Council of the City of Long Beach resolves
12 as follows:

13 Section 1. The City Council is strongly opposed to any federal legislation
14 which would extend the authority of FERC to permit and site LNG terminals or which
15 would extend that agency's power of eminent domain.

16 Sec. 2. This resolution shall take effect immediately upon its adoption by
17 the City Council, and the City Clerk shall certify to the vote adopting this resolution.

18 I hereby certify that the foregoing resolution was adopted by the City
19 Council of the City of Long Beach at its meeting of February 15, 2005,

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1 by the following vote:

2 Ayes: Councilmembers: Lowenthal, Baker, Colonna, O'Donnell,
3 Kell, Richardson, Reyes Uranga,
4 Gabelich, Lerch.

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6 Noes: Councilmembers: None.

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8 Absent: Councilmembers: None.

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12 _____
13 City Clerk

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