

**Society of International Gas Tanker
& Terminal Operators Ltd**

26th. May 2004

Federal Energy Regulatory Commission

Dear Sir,

**Consequence Assessment Methods for Incidents Involving Releases from LNG
Carriers – May 13th. 2004**

The Society of International Gas Tanker and Terminal Operators [SIGTTO] was formed in 1979 to encourage safe and responsible operation of liquefied gas tankers and marine terminals handling liquefied gas; to develop advice and guidance for best practice among its members and promote criteria for best practice to all who have responsibilities for, or an interest in, the continuing safety of gas tankers and terminals.

Currently SIGTTO has 117 full and associate members, with steady growth. At the end of 2003 SIGTTO members own and/or operate over 91% of the worlds LNG terminal capacity with 17.7million m3 and 92% of the 152 LNG carriers in service. Furthermore virtually all of the 24 LNG carriers due for delivery during 2004 will be either owned or operated by SIGTTO members. SIGTTO's coverage and representation is unique in the LNG Industry.

The Society does not seek to promote the sectional interests of any of its Members, nor will it compromise technical standards to secure commercial advantage for any one party.

SIGTTO understands that public confidence in the safe transportation and handling of liquefied gas is essential for its acceptance and growth as a major component of world energy supplies. All parties involved in these operations share a single common interest in ensuring the technical integrity and operational security for the international transportation chain for liquefied gas.

SIGTTO is a 'not for profit' "Bermuda Exempted" Company, with a London liaison office, where the Secretariat are based; as is the headquarters of the International Maritime Organisation [IMO] where SIGTTO has observer status.

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SIGTTO has published over 50 books recommendations and guidelines which are available from the publishers or on the SIGTTO website for download. Typically these publications advise and promote “industry best practice” in the safe handling of LNG.

Within the Membership there exists extensive expert technical and background knowledge built up over 50 years of the LNG trade; this knowledge is available to other members, classification societies, regulatory bodies and any other party upon request.

The main technical body of SIGTTO is the General Purposes Committee. GPC members are expected to be supportive of the aims of the Society, in promoting safe and responsible operations in the sphere of gas tanker and terminal operations and to reflect this commitment in the conduct of their own operations. The GPC and the Secretariat provide the vehicle through which the knowledge and information gathering within the organisation can best be promulgated within the industry. In addition, there are frequent regional forums and other meetings with SIGTTO members across the world in order to exchange technical information and to discuss any industry safety related issues.

The LNG business, represented by SIGTTO, has an enviable record of safe transportation and delivery. . In particular the safety record of LNG shipping far exceeds any other sector of the shipping industry covering in excess of 36,000 voyages world-wide, over 40 years, with no loss of primary containment. The ships are well specified, well built, with double hulls, and equipped with numerous safety systems. The crews have, by regulation, to undergo extensive training and familiarisation prior to joining an LNG ship.

With regard to LNG facilities ashore, until the recent Skikda incident, which is still under investigation, there has been no major loss of containment since the incident in Cleveland Ohio in 1944 when a tank failed; due to being constructed from an inappropriate grade of material. Since this incident the structural requirements have been revised and no further major incidents have occurred. Additionally all LNG tanks now have some means of secondary containment, should the primary tank fail, to limit the escape of liquid.

SIGTTO believes it has made a considerable contribution towards the industry possessing this exemplary safety record and views itself as an important layer in the protection against losses.

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Current SIGTTO Projects include:

- Training Standards and Safety of LNG Carrier Crews
- LNG Operations in Port Areas
- Vetting and Inspecting Standards for LNG Carriers
- Emergency Shut Down System Compatibility and Operation
- Jetty Topside Maintenance
- Gas Fire Hazard Management
- Ship and Port Security Compliance
- Interbarrier leakage in earlier membrane vessels
- LNG industry film project

Principal Activities of SIGTTO:

- Provider of technical information
- Lobbying Governmental and intergovernmental agencies including the IMO on behalf of Members
- Initiating studies and research into safety matters and operational standards
- Liaising with Industry Associations with mutual interest
- Produce industry guidelines
- Facilitate networking between Members.

SIGTTO supports any study that promotes safe and reliable operations of LNG ships and terminals and the SIGTTO Secretariat and GPC are willing to discuss all aspects of LNG Carrier operations with Regulatory Authorities and any other bodies as appropriate.

SIGTTO is willing to work with FERC in whatever way to reach a better understanding of the safe and efficient operation of carriers and terminals designed to handle LNG.

Yours sincerely,

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