November 14, 2006

Ventura County Air Pollution Control Board
800 S. Victoria Ave.
Ventura, 93009

RE: BHP Billiton LNG Project and the Ventura County Air Quality Management Plan

Dear Board Members:

The US Coast Guard and US EPA are both currently considering issuance of permits for the construction and operation of the BHP Billiton LNG terminal. The Coast Guard's EIR/EIS for the project identifies that terminal operation would be a major source of smog producing pollution.

With emissions of 200 tons per year, the BHP facility would be Ventura County's largest actual source of pollution. A new pollution source of this magnitude would have real impacts on the health of Ventura County residents. In addition it would greatly complicate Ventura County's ability to attain State and Federal Air Quality Standards. With such a large addition to Ventura County's emission inventory, the pressure on existing permitted sources to reduce emissions may become greater, and the expansion of existing businesses or creation of new businesses may become more difficult.

The US Environmental Protection Agency (EPA) is responsible for issuing the Clean Air Act permit for operation of the terminal. This would be the primary permit for implementation of air quality mitigation measures. VCAPCD staff has prepared and submitted substantial comments noting numerous technical shortcomings of the draft EPA Permit, as have the Santa Barbara and South Coast air districts.

Initially, the US EPA determined that the project would be required to meet the same air quality regulations that apply to any new source of pollution (Rule 26.2), including implementation of Best Available Control Technology (BACT) and

offsets. Subsequently, the EPA changed its position, and citing a provision of our own Air Quality Management Plan that was never intended to apply to projects of this type (Rule 26.3), indicated that the LNG terminal would be held to a far lesser standard. The EPA's current position would not require the BHP facility to comply with the same regulations that new, modified or relocated businesses must comply with. Even offshore oil platforms would be subject to our New Source Review standards, while the LNG terminal would not.

We would like our Board to direct the Executive Officer to take three actions on behalf of the Board:

1. Oppose the EPA's decision to not require compliance with New Source Review regulations including implementing Best Available Control Technology (BACT) and offsets for the terminal and its associated marine vessel and LNG tanker operations. Request that the EPA use its regulatory authority to require the project's compliance with Ventura County's New Source Review regulations.

2. Return to our Board with an analysis of other options available to pursue the objective of assuring that offshore LNG terminals comply with our District's New Source Review regulations.

3. Return to our Board with an analysis of and specific language that clarifies that the original intent of Rule 26.3 was to exempt minor US Navy operations on offshore islands.

The Executive Officer should execute directive No. 1 immediately under his signature on behalf of our Board. Directives Nos. 2 & 3 should be returned to our Board as soon as possible.

Cordially,

Steve Bennett
Supervisor, First District

Linda Parks
Supervisor, Second District