

Testimony for People's Hearing Highlighting FERC Abuses – December 2, 2016

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Our testimony will focus on conflicts of interest that compromised the entire NEPA review process for the three pipeline projects on the Spectra Algonquin line--AIM, Atlantic Bridge and Access Northeast. Spectra Energy, a private corporation, has direct financial ties to the third-party contractor approved by FERC to prepare the environmental review for these projects. Furthermore, the FERC employee appointed as Project Manager to oversee two of the three projects, is married to a Spectra/Access Northeast consultant. The AIM pipeline, with its dangerous siting adjacent to a failing nuclear power plant and active quarry, is nearing completion. We The People call for an immediate halt to construction of the AIM Project and we call on the Congress to conduct a full GAO investigation of FERC.

An investigative journalist, Itai Vardi, began researching connections between Spectra and a third-party contractor, Natural Resource Group (NRG), selected to conduct the environmental reviews for their projects on the Algonquin line. He revealed, in an article published in May 2016, that when FERC selected NRG as the contractor for Atlantic Bridge in February of 2015, NRG was already conducting public affairs for a pipeline consortium of which Spectra was a member.

“When Spectra joined the PennEast Pipeline consortium in October 2014, Spectra executives made clear their **purpose** was to bring fracked gas from the Marcellus Shale to its Algonquin Pipeline, of which the Atlantic Bridge project is a part. In other words, NRG, which works directly for PennEast, has a financial stake in the approval of Atlantic Bridge, the project it was hired by FERC to review as third-party contractor...”

Senators Markey and Warren of Massachusetts wrote to FERC Chairman Bay demanding a new review of Atlantic Bridge due to these egregious conflicts of interest. Chairman Bay responded by quoting policies from a FERC handbook that was discovered to have been updated after the selection of NRG, and mysteriously the original handbook disappeared from the FERC website.

Then, in November 2016, Mr. Vardi published an article that exposed another serious conflict of interest. The FERC Project Manager for both the AIM and Atlantic Bridge projects, Maggie Suter, is married to Phil Suter, who was hired as a consultant to Spectra's Access Northeast project. His work with Spectra began **before** FERC published its Final Environmental Impact Statement for AIM on January 23, 2015 and **before** Ms. Suter was assigned as Project Manager for Atlantic Bridge.

Mr. Vardi's reports:

"Project managers play a crucial part in the review process of proposed pipelines, overseeing FERC staff assigned to assess the project's impacts, coordinating the work of third-party contractors, assisting the commission in the review, and serving as lead author of the final environmental reports. Reports benefiting the pipeline company are usually the first step in the ultimate approval of the project.

....When FERC assigned Maggie Suter to serve as Project Manager for Atlantic Bridge in late February 2015, Phil Suter was already working on Spectra's Access Northeast project. As in AIM's final report, Maggie Suter signed off as lead author on Atlantic Bridge's environmental assessment.

Final environmental reports on both projects concluded they will not significantly impact the environment."

We believe that FERC must rescind its Certificate of Public Convenience and Necessity for the AIM project, reject the Atlantic Bridge project and require that NRG be dismissed as the third-party contractor for the Atlantic Bridge and Access Northeast projects. Congress must call for a full GAO investigation of FERC. The Commission has not complied with its legal obligations under NEPA to conduct an independent environmental review, yet Spectra continues to move ahead with projects that put millions of people at grave risk.