

**A message from Maritime Administrator Sean T. Connaughton**

I am pleased to accept, as part of its liquefied natural gas (LNG) Deepwater Port License Application, a commitment by Suez Energy to utilize a U.S.-flag vessel in the company's proposed "Calypso" liquefied natural gas (LNG) import facility off the coast of Florida. The commitment made by Suez Energy to the Maritime Administration calls for Suez to register a newly constructed LNG regasification vessel, that will be used in the operation of its proposed deepwater port, under the U.S.-flag, and to employ American officers and crews in the operation of that vessel.

This U.S.-flagged and -crewed regasification vessel, known as a storage and re-gasification ship (SRS), will be a specialized LNG carrier that will remain moored at the deepwater port for continuous vaporization of LNG provided by standard LNG carriers. In the event of the severe weather, such as a hurricane, the SRS will move under its own power to safety; and then return to the deepwater port buoy to reconnect and continue operations once the storm has passed.

Calypso filed an application with the Maritime Administration on March 1, 2006 for a license under the Deepwater Port Act to build, own, and operate an LNG facility. If approved and constructed, the Calypso facility will be located ten miles off the coast of Ft. Lauderdale, Florida. The establishment of an LNG import facility at this location will facilitate the diversification of the supply of natural gas to the region and satisfy the increased demand for an environmentally friendly source of energy in the Florida market.

Calypso's application to build the deepwater port terminal must be approved by the Governor of Florida and the Maritime Administration after vigorous technical and environmental reviews are completed by the Coast Guard and the public comment period has closed.

The employment of U.S. citizens aboard the LNG vessels serving our natural gas receiving facilities is clearly in the Nation's best interest. Placing the transportation of LNG under the control of U.S. mariners, who are subject to strenuous background checks, will add an additional layer of safety and security to our energy supply chain. At present, there are no U.S.-flagged LNG vessels operating in the world -- the last U.S.-flag LNG vessels left the United States registry in 1999.

Previously, Suez signed manning agreements for the LNG tankers that will serve its deepwater port now under construction off the coast of Massachusetts. Further, the Suez flagging and manning agreement mirrors one signed by Woodside Natural Gas for its proposed facility off the coast of Southern California. These commitments are a clear indication of a real public-private effort on the part of both companies to provide the United States with a safe, secure, and efficient marine transportation system.