



PRESS RELEASE

No. 446/2015

Date: 24th June 2015

Chief Minister Exposes GSD Distortion of Lloyd's Register Report

- Picardo exposes Feetham's reliance on report funded by vested commercial interests
- Lloyd's Register furious at GSD's politicisation of their report
- Lloyd's Register statement has effect of disassociating themselves from GSD's party-political manipulation of LNG Report

The Chief Minister, the Hon Fabian Picardo QC MP, took the unusual step of interrupting the Budget Session of the Parliament at 1500 today in order to make an urgent announcement.

The Government considered that the House and the Nation as a whole should immediately be made aware that this afternoon Lloyd's Register, one of the most reputable organisations in assessing industrial risk in shipping and, in particular, in the use of Liquefied Natural Gas in marine installations, has published a statement in relation to the report that was recently published by the GSD Chairman, Trevor Hammond, and Leader of the Opposition, Daniel Feetham MP.

It is important to note that the statement has been drafted exclusively by Lloyd's Register, and not by the Government.

It is evident and understandable that Lloyd's Register are now disassociating themselves from the party-political uses to which their Report has been put by the GSD. Furthermore, it also appears that the published report has been edited down to 30 pages by the GSD, although the Government understands that the original report by Lloyd's Register stood at around 200 pages.

The Government considers this clear picking and choosing of evidence by the GSD to be an entirely unacceptable manipulation of the facts and distortion of the truth.

On this basis alone, the GSD version of the report is completely and utterly discredited.

Moreover, today's statement confirms that the original unedited report produced by Lloyd's Register was an evaluation study with a narrow scope, concentrating solely on two very specific sites (neither of which the Government is now considering) for single skin LNG storage tanks (which the Government is not considering), and concluded that some modifications to the very preliminary assumptions 'could see major risks entirely reduced'.



The Lloyd's Register Report did not address LNG bunkering or any proposals for an LNG-fuelled power station.

The Government therefore considers that the statement exposes to the whole Community the totally irresponsible behaviour of Mr Feetham and the GSD in presenting their edited version of the Lloyd's Report as anything other than a significantly edited-down version of a preliminary evaluation study.

Mr Feetham's deliberate misrepresentation of the Lloyd's Register report is testament to his cavalier willingness to manipulate public opinion for his own political gain.

Furthermore, the Government has established that the alleged £100,000 which Trevor Hammond told GBC was the cost of the Lloyd's Register Report, was paid for not by the GSD but by the Spark Group of Companies in Gibraltar, a commercial entity which placed a bid for the tender for the new power station – thereby implicitly supporting the use of LNG in Gibraltar – and failed to win the tender. The Spark Group of Companies currently provides the temporary power generating facility at the North and South Moles. It is both significant and deeply concerning that the failures of the Spark generators have caused a number of unexpected power cuts in the weeks since the company appears to have commissioned the Lloyds Register Report.

The Chief Minister, the Hon Fabian Picardo QC MP, said: "As always, the Government takes the safety and security of the people of Gibraltar as its absolute priority. Whilst this is something that the Government would never put at risk, Mr Feetham's cynical manipulation of public concerns through a deliberate and calculated distortion of the facts is absolutely disgraceful and will not be accepted by the Community. The Government is considering and taking advice on what next steps are appropriate in light of Lloyd's Register's clear and responsible statement. But for Mr Feetham, the problem is that his cynical manipulation has been uncovered. He has been found out. He has been seen to be a total fraud even on something as important and emotive as the health, safety and security of our families. He won't be forgiven by those he has tried to scare half to death on the basis of the report given to him by a sore loser in a fair process of selection of the safest, most efficient and most non-polluting new power station and LNG facility for our community."

Gibraltar: Evaluating the risks and benefits of gas power, the associated infrastructure and bunkering operations

A report recently released by Lloyd's Register relating to LNG infrastructure in Gibraltar has been cited in the media and in political debate in Gibraltar. The report cited is an evaluation study covering proposals to site LNG offloading and storage, with specific technical specifications for their design, in Gibraltar. The study examined the risks involved with proposals for two potential locations of LNG offloading and storage tanks: the North Mole Western Arm adjacent to the cruise terminal and the Detached Mole, to the South of the North Mole. It did not address LNG bunkering.

LR's report, since being handed to the commissioning client, has appeared in the public domain and been cited in political exchanges in Gibraltar.

LR's conclusions were that both proposals, as defined, presented relatively high risks. With modifications to technical specifications it is likely that such risks could be reduced considerably; whilst there are obvious concerns related to siting gas storage tanks near to cruise ship berths, modifications to the technical requirements and repositioning of the tanks could see major risks entirely reduced. And opportunities exist to assess other options or locations.

LR's findings into a very specific tank siting proposal should in no way be seen as prejudicial to the broader opportunities to reduce harmful air emissions, support LNG commercial activities or LNG bunkering in Gibraltar. Our findings relate to the risks associated with specific and defined siting proposals.

The overall health benefits of reductions in local air emissions that are hazardous to health are important ambitions. This wider issues of reducing the risks and managing safety of LNG infrastructure in Gibraltar and the benefits improved air quality was not considered and was not within the narrow scope of the evaluation of two specific tank sites.

It is also noted that reports of this type, issued at a preliminary stage, will be conservative as detailed design parameters and intended operational parameters have yet to be defined.

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Parliamentary Statement by The Chief Minister re: Proposed New Power Station, Lloyd's Register Report & LNG Storage & Regasification

24th June 2015, 1500hrs

Mr Speaker.

It is important that the House and our Nation as a whole should immediately be made aware that this afternoon, Lloyd's Register, one of the most reputable organisations in assessing industrial risk in shipping and, in particular, the use of Liquified Natural Gas in marine installations, is causing to be published a statement in relation to the Report that was published by the Gibraltar Social Democrats in the last weeks by their Chairman and their Leader, the latter being also the Leader of the Opposition in this House.

Mr Speaker, it is also important that the House is aware that the statement in question has been drafted exclusively by Lloyd's Register and in particular by the professionals who drafted the Report which has been published in Gibraltar by the Gibraltar Social Democrats.

Mr Speaker, it is important that I emphasise that this a statement from Lloyd's Register which it alone has drafted in response to the publication of their Report in Gibraltar and subsequent events and comments both in Gibraltar and the international press.

Mr Speaker, the statement from Lloyd's Register speaks for itself.

I have a copy of that statement which addresses the distortions of Lloyd's Register's recently cited report and its scope to place on the record of the Hansard of this House, which reads as follows:

"Gibraltar: Evaluating the risks and benefits of gas power, the associated infrastructure and bunkering operations."

A report recently released by Lloyd's Register relating to LNG infrastructure in Gibraltar has been cited in the media and in political debate in Gibraltar.

The report cited is an evaluation study covering proposals to site LNG offloading and storage, with specific technical specifications for their design, in Gibraltar. The study examined the risks involved with proposals for two potential locations of LNG offloading and storage tanks: the North Mole Western Arm adjacent to the cruise terminal and the Detached Mole, to the South of the North Mole.

It did not address LNG bunkering.

Lloyd's Register's report, since being handed to the commissioning client, has appeared in the public domain and been cited in political exchanges in Gibraltar.



Lloyd's Register's conclusions were that both proposals, as defined, presented relatively high risks. With modifications to technical specifications it is likely that such risks could be reduced considerably; whilst there are obvious concerns related to siting gas storage tanks near to cruise ship berths, modifications to the technical requirements and repositioning of the tanks could see major risks entirely reduced. And opportunities exist to assess other options or locations.

Lloyd's Register's findings into a very specific tank siting proposal should in no way be seen as prejudicial to the broader opportunities to reduce harmful air emissions, support LNG commercial activities or LNG bunkering in Gibraltar. Our findings relate to the risks associated with specific and defined siting proposals.

The overall health benefits of reductions in local air emissions that are hazardous to health are important ambitions. This wider issues of reducing the risks and managing safety of LNG infrastructure in Gibraltar and the benefits of improved air quality was not considered and was not within the narrow scope of the evaluation of two specific tank sites.

It is also noted that reports of this type, issued at a preliminary stage, will be conservative as detailed design parameters and intended operational parameters have yet to be defined."

Mr Speaker, this statement by Lloyd's Register now establishes that they were commissioned not by the Gibraltar Social Democrats, but by a commercial entity, and Lloyd's Register is disassociating themselves from the use to which their Report has been put.

Indeed, it would, moreover, also appear that the published report has been considerably redacted.

The House and the Nation must further be informed that Her Majesty's Government of Gibraltar has been able to establish that it was in fact a failed bidder for the new power station that is the commercial entity behind the commissioning of the Report which the GSD published in the last weeks.

Mr Speaker I am now able to disclose that the commercial entity in question is The Spark Group of Companies in Gibraltar.

This is the commercial entity that provides the power generating facility at the North and South Moles, the failures of which have recently also caused a number of unexpected power cuts.

Mr Speaker, for this Government as for every Government of all and any political complexion, the safety and security of the people of Gibraltar are paramount. Their safety is something which we would never put at risk. The manipulation of public concerns about safety is equally concerning.

Mr Speaker, the Government is considering and taking advice on what next steps are appropriate in light of the clear and responsible statement now published by Lloyd's Register.

I shall, of course, during the course of this session have more to say about this matter. I am now not making any comment on this subject and am limiting myself to stating facts.



I give notice, Mr Speaker, that I shall not be withdrawing the Motion standing in my name in respect of the funding of the Lloyd's Register Report, which is already on the Order Paper and which will be debated later in this session, but I will be giving notice of amendments to it.

Mr Speaker, a copy of the statement by Lloyd's Register is being circulated to all Honourable Members now with my statement.

It will also be posted on the Government website in a few moments with the written copy of this statement.

In keeping with established practice, I am prepared to clarify such part of this statement as Honourable Members may wish to ask me about."

NOTE TO EDITORS:

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