NuStar expansion plan will change Statia's face forever

By Suzanne Koelgen

ST. EUSTATIUS—The NuStar oil terminal expansion plan in St. Eustatius is a clear example of a clash between business interests and development, and nature and cultural and archaeological heritage on a limited amount of land. On a small island like St. Eustatius with a fragile economy, the impact of a multimillion-dollar investment is ever bigger.

NuStar Energy L.P., owner of 90 terminal and storage facilities around the world, wants to expand, invest, and make a profit. As all businesses do. Statia Terminals hasn't applied for a building permit yet, is seriously looking at possibilities to construct 31 storage tanks of different sizes in the Cul de Sac area, locally known as The Farm, in addition to a new jetty and a new terminal.

There is a demand for more storage capacity in St. Eustatius, said NuStar's Vice-president International Terminal Operations David Smith and Mike McDonald, General Manager of NuStar's facility in St. Eustatius.

"St. Eustatius and NuStar are popular for bunkering," they said. Some 800 vessels come to St. Eustatius per year to bunker and obtain fuel. These vessels stay out at sea. More than 100 ships come to the jetty annually to discharge and take on crude oil and petroleum products.

An expansion of 31 tanks would mean an increase of more than 50 per cent of the terminal's current capacity of 67 storage tanks that can hold more than 13 million barrels, with another five tanks being built at this time. The proposed work would take up some 8,000 square metres of space.

Monuments Director Walter Hellebrand and other opponents of an oil terminal in The Farm area find this is quite a lot for the proposed location, which is in the only usable seven square kilometres of the island where people live, work and enjoy recreation.

International negotiations

The fact that international oil companies are interested in renting the new storage tanks. NuStar has been negotiating lease agreements with these customers, preferably long term, said McDonald. Negotiations have not yet concluded as yet, Smith would give details of the negotiations, but said at least one "major internationally publicly traded company" was interested. But, Smith added, "we have not signed any contract yet."

The contracts with customers are cardinal in deciding whether to go forward with the US $477 million project and to apply for a building permit. "NuStar is not into speculation construction where we build tanks and then wait for customers," said McDonald.

"We are not going to invest half a billion dollars in something that makes no sense. If there were no interest, we would not build," said Smith when asked about concerns about the risks of St. Eustatius being stuck in the future with some 30 unused tanks.

"NuStar is here to stay. We won't go away just like that. Business is good. We are responsible owners with an excellent track record," added McDonald.

Whether the project goes ahead depends on several other factors, including Island approval and by the local government on a building permit request being a key aspect. Several Dutch government ministries will be involved in the decision-taking process, providing advice and supporting the ultimate decision in the hands of Statia's Government.

Negative consequences

Local heritage foundations are squarely against the expansion of the tanks in the proposed area. The St. Eustatius Awareness and Development (SEAD) movement, Statia Roots Foundation (SRF) and Statia Monuments Foundation said there would be negative environmental, safety and historical consequences.

Statians are becoming increasingly concerned about what the expansion at The Farm would mean for their quality of life. There are fears that people would be adversely affected, as well as the island's natural and aesthetic beauty. Residents living close to the proposed building site are concerned about their health.

People are worried about the risks of so many tanks close to their homes, schools, workplace, sports places. Not to mention that the island's vital facilities like the airport, harbour, and government are located not far away.

Stringent requirements

NuStar said people should not worry about risks, as the facility would be built to the very stringent Dutch PGS-29 building code which dictates that the tanks have to be at a certain distance from each other. The company said there would be no risk of a large fire, because safety measures would prevent this from happening.

Each tank will be surrounded by a dike with an area that can contain 110 per cent of the contents of the tank to prevent spills. A vapour recovery system will be included to control and recover possible vapours, explained McDonald. He stressed that the terminal was not a refinery. As for the visual aspect, the tanks will be camouflaged as much as possible using natural colours and by planting vegetation. The plan was adapted in accordance with the wishes of the Statia Government to accommodate the runs away safety area. The tanks will be moved more into the hill in the back, for which excavation will be necessary.

SEAD and SRF are making citizens more aware of their rights and this is working, because more and more Statians are becoming vocal on the issue. The court injunction initiated by the Monuments Foundation to prevent the project attracted the people's attention. The foundation may lose the injunction, but Judge indicated that areas of archaeological value might not be destroyed.

Moblisising people

"The result is that Benner Plantation will remain intact. But more important, we managed to mobilise many people. It was a signal to the people that they have a right to object when they don't agree with something," said Hellebrand.

The Monuments Foundation's appeal against a possible oil terminal in The Farm area should have been heard at the end of July.

The statues of the movement sought help from the United Nations Environmental, Cultural and Scientific Organization (UNESCO) in July.

SEAD coordinator Ken Cowley said: "I think the organisation had started a door-to-door campaign and an online petition (www.charge.org/petitions/st-eustatius-government-nustar-energy-lp-siop-nustar-oil-terminal-expansion-in-the-farm-area) in July against the construction of a second terminal at The Farm."

For so the petition has yielded more than 500 signatures. SEAD will be running a Web site: http://no-to-nustar-expansion-steuatius.blogspot.com soon.

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