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U.S. Department of
Homeland Security

United States
Coast Guard



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AUG 27 2004

Mr. Greg Koehler
Gulf Landing Project Manager
Gulf Landing, LLC
Houston, TX

USCG-2004-16860-46

Dear Mr. Koehler

An applicant for a license under the Deepwater Port Act of 1974 (33 U.S.C. §§1501 et seq.) is required to assist us in gathering information crucial to the processing of its application. In our letter of January 6, 2004 we indicated that based on your response to completeness review comments, sent to you following a review by the United States Coast Guard (USCG), Maritime Administration (MARAD), Minerals Management Service (MMS), Environmental Protection Agency (EPA) and National Oceanic and Atmospheric Administration (NOAA), the application appeared to be complete.

Subsequent to this initial response, engineering-environmental Management (e²M) was retained as a third party contractor to the U.S. Coast Guard to assist in the assessment of the Environmental Analysis that Gulf Landing submitted with its application, and in the development of an Environmental Impact Statement (EIS) as required under the National Environmental Policy Act (NEPA). We also initiated the scoping period and held a scoping meeting in Lafayette, Louisiana. As a result of a more detailed analysis by e²M, as well as comments received during the scoping process on the draft EIS, additional information, not previously identified, is needed in order to prepare the final EIS. During the week of 16 August, we discussed our urgent need for additional information with you.

Based on the above, and as allowed in 33 C.F.R. §148.107, we have determined that in order to complete the EIS within the statutory timeframe required by the Deepwater Port Act, we must suspend processing of the license application until the required information is received, analyzed and incorporated into the final EIS. The period of suspension shall not be counted in determining the date prescribed by the time limit set forth in 33 U.S.C. §§1503(c)(6), 1504(e)(2), 1504(g), 1504(i)(1) and 1508(b)(1) of the Deepwater Port Act. The information identified below is necessary for us to develop the final EIS. The list below represents the major items that need to be addressed by Gulf Landing prior to our restarting the regulatory clock for processing the license application.

- Our initial screening analysis using the raw SEAMAP data identified some concerns that there may be errors in the egg and larvae ichthyoplankton data provided by Gulf Landing. The analysis in your application needs to be expanded to better explain how the values were determined. Please provide all raw data, detailed calculations, and assumptions used to arrive at your ichthyoplankton egg and larval abundances. This will help us to address disparity between values presented in your application and those described in the draft EIS review comments of NOAA Fisheries.

- More information is needed to support your selection of 6.35 mm screen vs. 0.5 mm screens for the LNG regasification heating water intakes. What is the expected level of entrainment for the 6.35mm screens? What percent exclusion do the 6.35mm screens offer over a no-screen scenario? What percent exclusion is expected due to the use of cylindrical screens? Please provide supporting data.
- Provide information regarding anti-biofouling alternative methods and detailed assessment for such systems. Please include a discussion and information on how the proposed sodium hypochlorite concentration described in your proposed system was determined.
- To properly support air emission dispersion modeling results, provide the detailed modeling report, including input parameters (mass flows, stack parameters, etc.) and meteorological data, and the model outputs including isoplots and maps that show the modeled impacts. Please provide electronic files for the input and meteorological data.
- Provide a feasibility study for a variable depth water intake system, or system that can draw water from different heights above the ocean floor.
- Please provide details of the cost/benefit analysis for the use of a submerged combustion vaporizer (SCV) versus an open rack vaporizer (ORV). Include the percent/value of product utilized for power generation, product price assumptions, and cost differences between SCVs. In order to address costs associated with increased air emissions associated with SCV, please include cost for installation and maintenance of best available technology to reduce emission (*i.e.*, scrubber, catalytic converters, etc.).
- In addition, there are numerous lesser items which amount to questions and/or clarifications that will be forwarded to you under separate cover.

To speed processing and analysis, all responses should be in electronic form, but we understand that responses in paper copy may be necessary. Our goal is to develop an EIS that will withstand public and agency scrutiny. We appreciate Gulf Landing's efforts in working with us to fulfill that goal. If you have any questions, you may contact me at 202-267-0225, or Mr. Keith Lesnick at 202-366-1624.

Sincerely,



M. A. Prescott
Chief, Deepwater Ports Standards Division
U.S. Coast Guard
By direction



H. Keith Lesnick
Senior Transportation Specialist
Deepwater Ports Program Manager
U. S. Maritime