

Offshore LNG Receiving Terminals Coast Guard/MARAD Role in License Application Process

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**Prevention First
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Long Beach, California**

OVERVIEW

- **Background**
- **Application Process**
- **Key Points about the Application Process**



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The Deepwater Port Act

DWPA of 1974,

- **Applied only to oil**
- Regulate Commerce
- Promote Transportation Efficiency
- Protect the Environment
- LOOP in operation since '81 off Louisiana

The Deepwater Ports Modernization Act of 1996

- Update existing Act, reduce regulatory burden
- Recognize effective competition exists
- Promote innovation, flexibility, and efficiency

Maritime Transportation Security Act of 2002 (MTSA)

- **Added natural gas to the DWPA**
- Defined natural gas and deepwater port
- Required regulations addressing natural gas



The Deepwater Port Act

Definition of a DEEPWATER PORT

“...any fixed or floating manmade structure... located beyond State seaward boundaries... used or intended for use as a port or terminal for the transportation, storage, or further handling of oil or natural gas...with respect to natural gas, includes...pipelines, pumping or compressor stations, service platforms, buoys, mooring lines, and similar facilities...to the extent that they are located seaward of the high watermark...”



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The Deepwater Port Act

Some provisions of DWPA

PROCEDURES,

Title 33 Chapter 29 **Section 1504:**

- Timeline
- Application for ALL Federal authorizations
- Comply with NEPA, in cooperation with involved Federal agencies, satisfies ALL Federal agency responsibilities -- **ONE EIS**

ADJACENT COASTAL STATES,

Title 33 Chapter 29 **Section 1508:**

- Designated in Notice of Application (NOA)
- MARAD may not issue license if Governor objects
- Governor may require conditions be placed in the License



Memorandum of Understanding (MOU)

MOU on Deepwater Port Licensing

- Establishes process to facilitate upfront and timely processing of deepwater port applications
- Defines roles and responsibilities for participating agencies
- Provides agency agreement on expedited process

Available online @

Deepwater Ports Standards Division homepage

<http://www.uscg.mil/hq/g-m/mso/mso5.htm>



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Subchapter NN – Deepwater Ports

Title 33 Code of Federal Regulations

- Part 148 – General
 - License application requirements
 - Environmental review criteria
- Part 149 – Design, Construction, and Equipment
 - Pollution prevention
 - Lifesaving equipment
 - Firefighting equipment
 - General design of structure and major systems



Subchapter NN – Part 150

- **Operations Manual**
- Tanker navigation procedures
- Personnel standards
- Cargo transfer procedures
- Maintenance and Inspection procedures
- Occupational health and safety training
- Emergency procedures
- Security procedures – comparable to 33 CFR 106

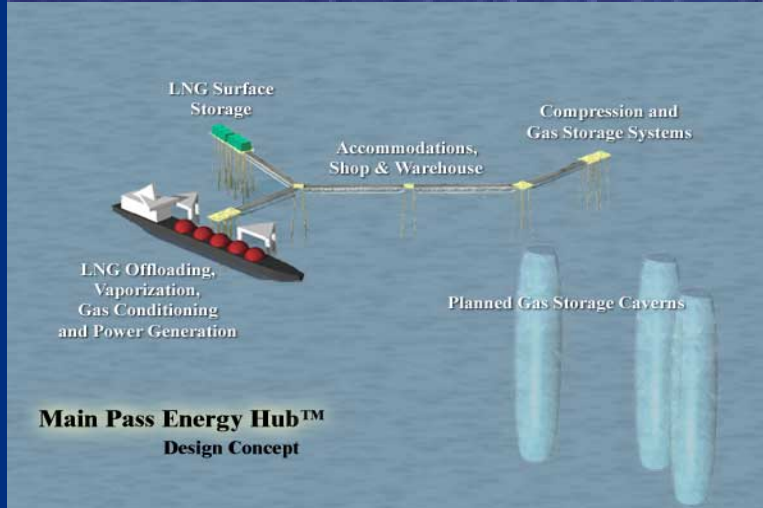
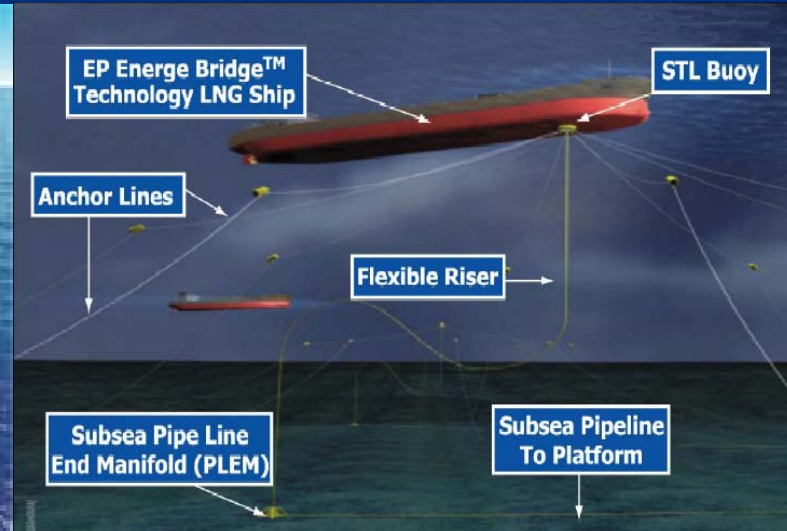


Deepwater Ports Security

- Risk assessment for EIS
- Safety Zone and Area to be Avoided
- 96 hour advance notice of arrival
- Operations Manual - USCG-approved with participation of local USCG sector
- Port-specific security plan comparable to MTSA 2002 requirements for offshore facilities (33 CFR 106) - facility security assessment, facility security plan, and related training and drills



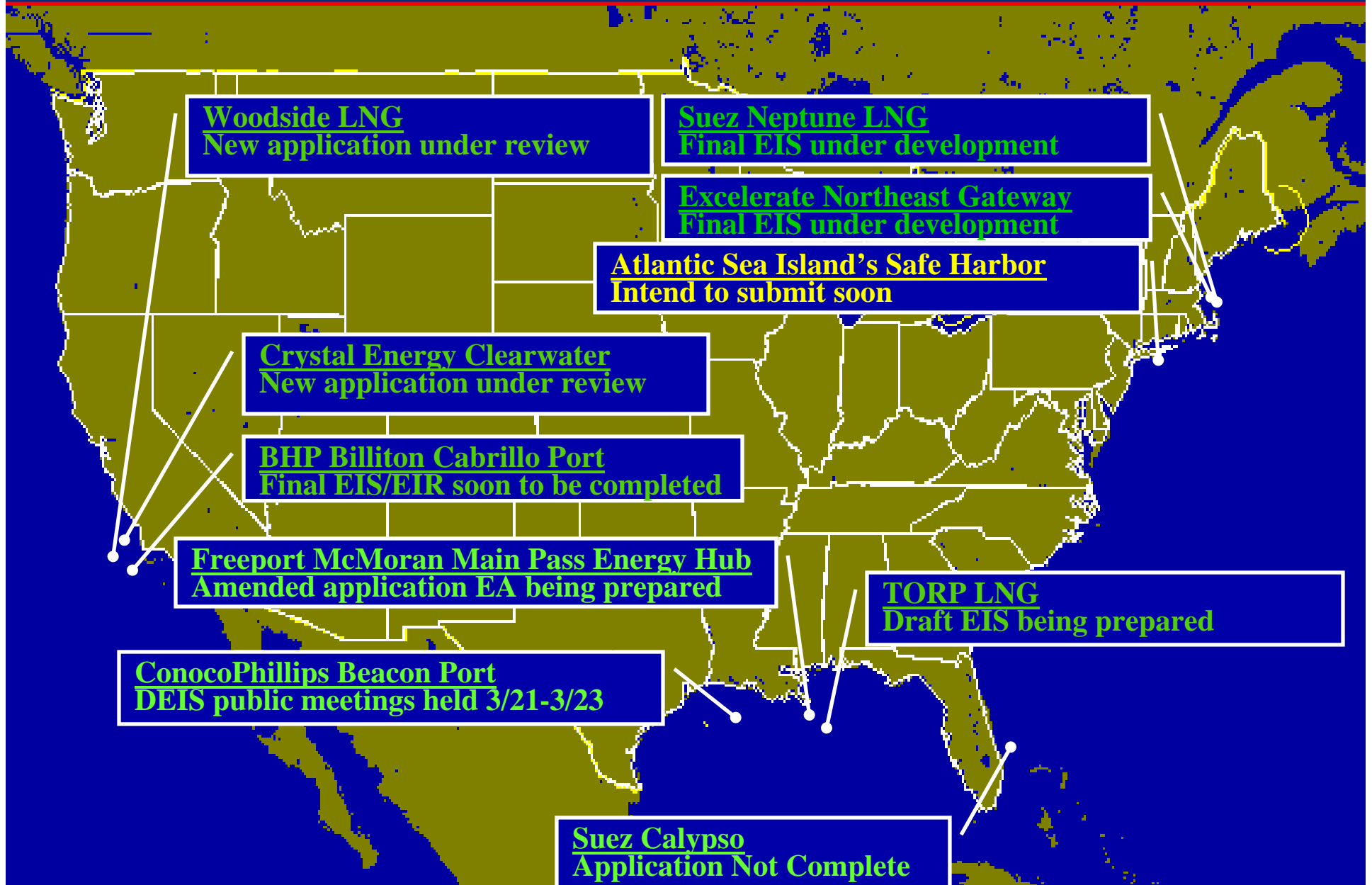
Variety of Offshore LNG Facilities



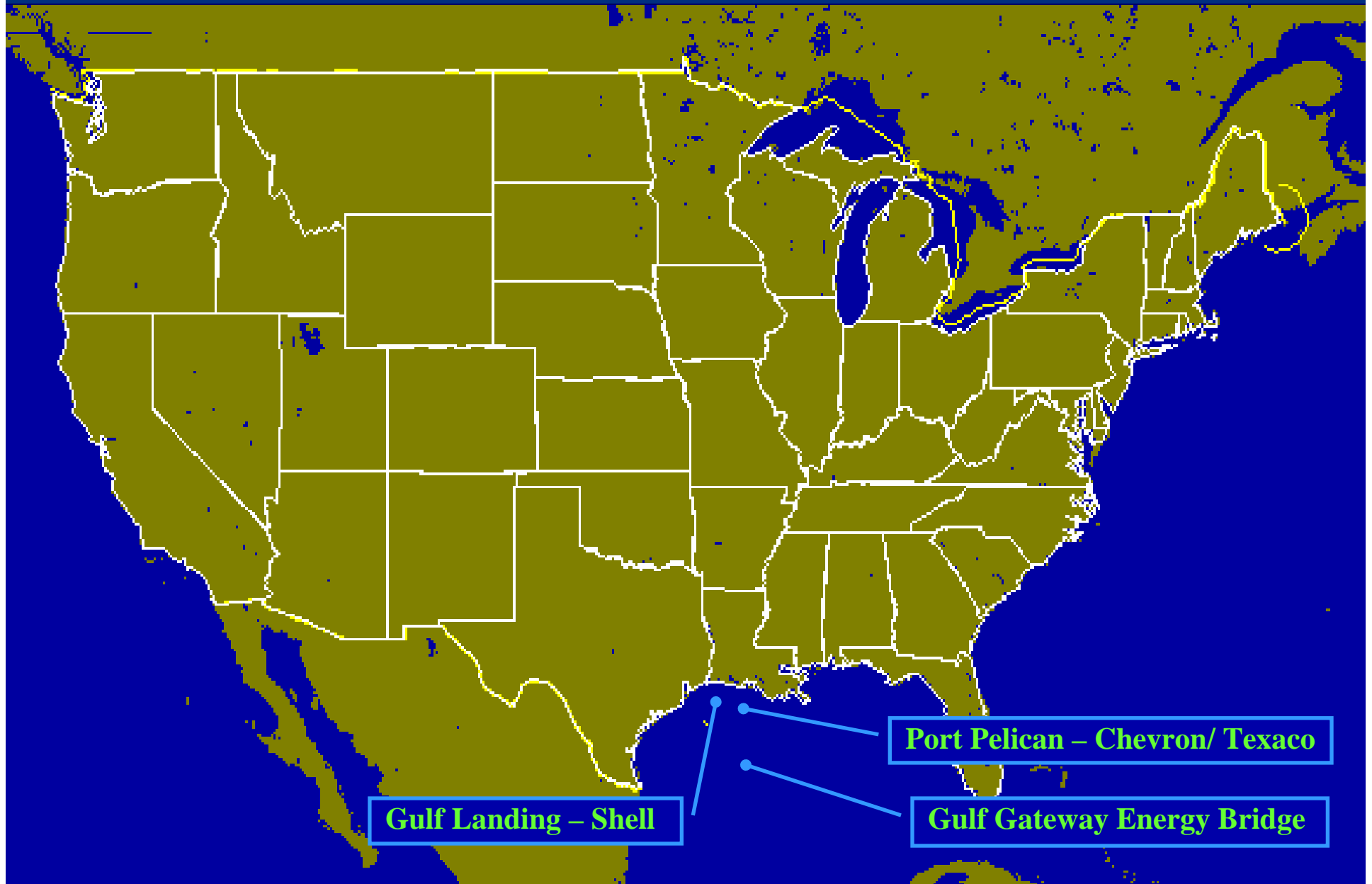
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Deepwater Ports in Process

AS OF 05APR06



Approved LNG Terminals



Gulf Landing - Shell

Port Pelican - Chevron/ Texaco

Gulf Gateway Energy Bridge

What's in the DWP Application?

- **What the applicant proposes**
including purpose, technology, operations, security, location, timeline
- **Who is associated with the project**
each applicant, affiliate, and consultant
- **How the requirements for licensing will be met**
including financial, environmental, safety and security
- **Identification of all environmental impacts**
including facility, construction, support & decommissioning



Licensing Considerations

- **Financial responsibility**
- **Compliance w/ relevant laws, regulations & License conditions**
- **National interest – including security & energy needs**
- **International navigation**
- **Compliance with environmental review criteria and impacts on the marine environment**
- **EPA's ability to issue Clean Air Act and Federal Water Pollution Control Act permits**
- **Consultation with the Secretaries of the Army, State and Defense**
- **Approval of the Governor of the Adjacent Coastal State(s)**
- **Consistency with Coastal Zone Management Program**



Application Process

Statutory time limit of **356 days**

- 21+5 Review for completeness/publish notice
- 240 Develop EIS/hold final public hearing
- 90 Receive comment/issue ROD

Single Environmental Impact Statement (EIS)

- **USCG & MARAD** consult with other Federal Agencies and Adjacent Coastal State(s)
- **Applicant** will be required to prepare and submit individual permit applications to appropriate agencies e.g. EPA (air/water permits); USACE (Section 404, 10)



Application Process

Pre-Application

- Establishing communications (Points of Contact)
- Identify environmental issues and concerns
- Identifying other areas of potential concern

Application Delivered

- Submitted to USCG with application fee - \$350K
- Submitted to US ACE
- Copies sent to Participating Agencies (as directed by CG)

Completeness Determination

- 21-day review period (Federal Agencies -- MOU)
- Additional Info Requested
- Notice of Application (NOA) Published
- **Adjacent Coastal State(s) are designated**



Application Process

NEPA Process formally Begins

Application forms basis for Environmental Impact Statement

Development of EIS is the majority of the pre-Record of Decision efforts

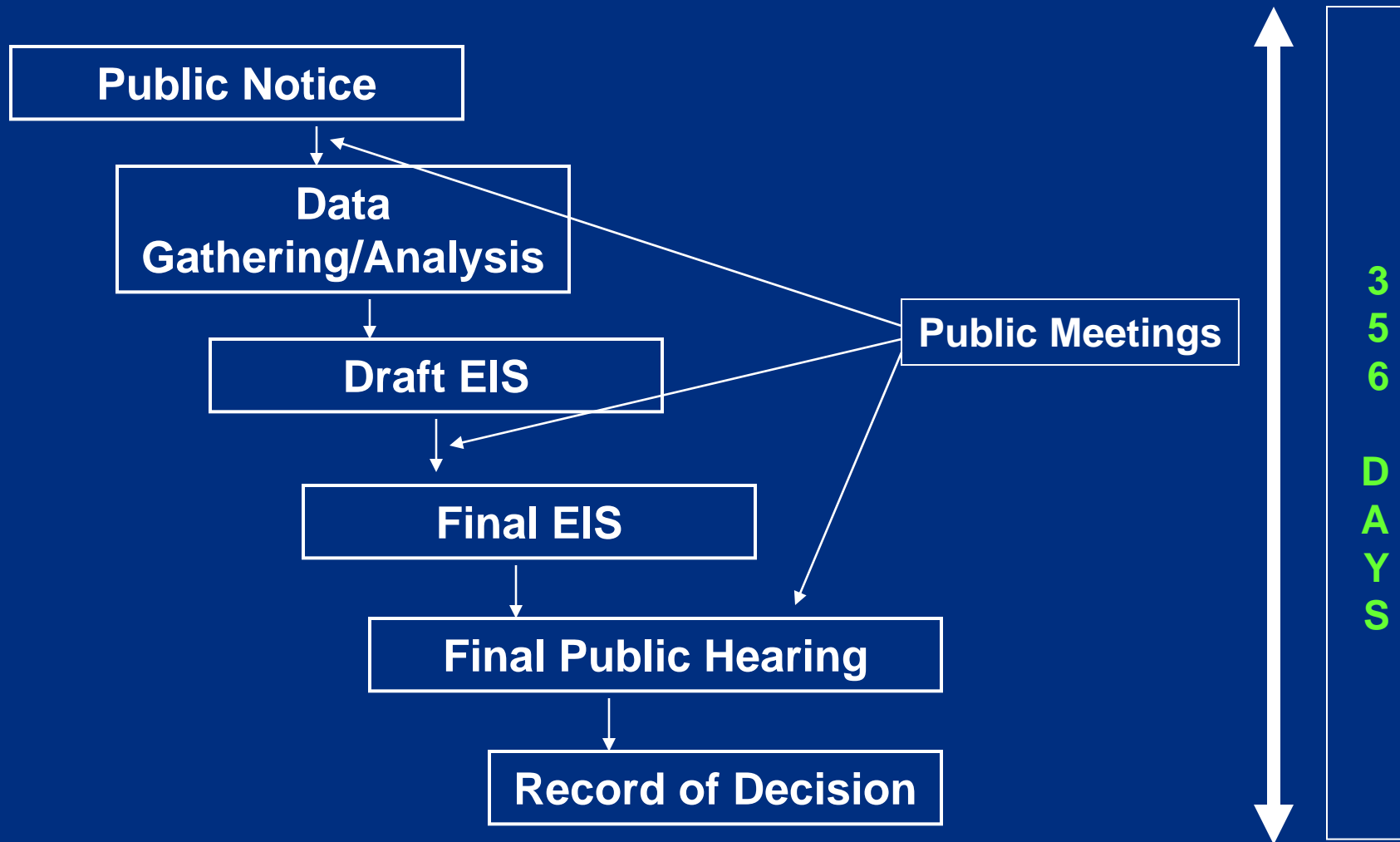
Notice of Intent (NOI) to conduct EIS published

- Public Scoping Meeting USCG/MARAD-led, Applicant participates
- Federal, State, and Local agency Input



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Application Process



Key Points about the Application Process

Application forms the basis for EIS

MOU reflects Federal agency agreement to cooperate

DWPA provides statutory timeline

Single EIS used for all Federal agency permitting

Produce Draft and Final EIS

USCG will use the services of an environmental consultant to assist

DWPA conditions issuance of a license on the approval of the Governor(s) of the “adjacent coastal State or State(s).”

Meetings held in the adjacent coastal state (Scoping, DEIS, Final Hearing)



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Deepwater Ports Standards Division

Coast Guard DWP Homepage

LINKS for:

- List of applications
- Docket Management System
- Deepwater Port Act
- MOU
- Guidance for 3rd party contractor

<http://www.uscg.mil/hq/g-/mso/mso5.htm>

MARAD's Website:

<http://www.marad.dot.gov/dwp>



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