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

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OVERVIEW

• Background

• Application Process

• Key Points about the Application Process
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…”
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
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
BHP Billiton Cabrillo Port
Final EIS/EIR soon to be completed

Crystal Energy Clearwater
New application under review

Freeport McMoran Main Pass Energy Hub
Amended application EA being prepared

ConocoPhillips Beacon Port
DEIS public meetings held 3/21-3/23

Suez Neptune LNG
Final EIS under development

Excelerate Northeast Gateway
Final EIS under development

Atlantic Sea Island’s Safe Harbor
Intend to submit soon

Deepwater Ports in Process
AS OF 05APR06

Suez Calypso
Application Not Complete
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
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)
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-/ms0/ms05.htm

MARAD’s Website:
http://www.marad.dot.gov/dwp