

## **EXECUTIVE SUMMARY**

---

This draft Environmental Impact Statement (EIS) for the Calhoun LNG, L.P. and Point Comfort Pipeline Company, L.P. (collectively referred to as Calhoun Point Comfort) Calhoun LNG Project (or Project) has been prepared by the staff of the Federal Energy Regulatory Commission (FERC or Commission) to fulfill the requirements of the National Environmental Policy Act (NEPA) and the Commission's implementing regulations under Title 18, CFR, Part 380. The purpose of this document is to inform the public and the permitting agencies about the potential adverse and beneficial environmental impacts of the proposed Project, and its alternatives; and to recommend mitigation measures that would avoid or reduce a significant adverse impact to the maximum extent possible.

The FERC is the federal agency responsible for authorizing applications to construct and operate onshore liquefied natural gas (LNG) import and interstate natural gas transmission facilities. The U.S. Coast Guard (Coast Guard) is the federal agency responsible for issuing a Letter of Recommendation (LOR) regarding the suitability of the waterway for LNG marine traffic. The Coast Guard exercises regulatory authority over LNG facilities that affect the safety and security of port areas and navigable waterways under Executive Order 10173; the Magnuson Act (50 United States Code (USC) Section 191); the Ports and Waterways Safety Act of 1972, as amended (33 USC Section 1221, et seq.); and the Maritime Transportation Security Act of 2002 (46 USC Section 701). The Coast Guard is responsible for matters related to navigation safety, vessel engineering and safety standards, and all matters pertaining to the safety of facilities or equipment located in or adjacent to navigable waters up to the last valve immediately before the receiving tanks. The Coast Guard also has authority for LNG facility security plan review, approval and compliance verification as provided in Title 33 Code of Federal Regulations (CFR) Part 105, and siting as it pertains to the management of marine traffic in and around the LNG facility.

The purpose of the Calhoun LNG Project is to provide facilities necessary to import, store, and vaporize on average about 1.0 billion cubic feet per day (bcfd) of liquefied natural gas (LNG) to provide a competitive supply of natural gas to local industrial customers, such as Formosa Hydrocarbons Company and Formosa Plastics Corporation, and other energy-consuming customers in Texas and deliver natural gas into existing interstate and intrastate natural gas pipelines near Edna, Texas. In order to accomplish this purpose, Calhoun Point Comfort proposes to construct and operate a new LNG import terminal including an LNG ship berth and unloading facilities on the southeastern shoreline of Lavaca Bay, south of Point Comfort, in Calhoun County, Texas. In addition, Calhoun Point Comfort would construct and operate a new natural gas pipeline and ancillary facilities extending northward from the LNG terminal to natural gas pipeline interconnects southwest of Edna, in Jackson County, Texas.

In order to provide these services, Calhoun Point Comfort requests Commission authorization to construct and operate the following facilities:

- a new marine terminal along Lavaca Bay that would include one berth to unload up to 120 LNG ships per year;
- two single containment LNG storage tanks each with a nominal working volume of approximately 160,000 m<sup>3</sup> (1,006,000 barrels equivalent); and

- 
- LNG vaporization and processing equipment.

The Calhoun County Navigation District (CCND) is developing plans to augment the existing harbor by dredging a new turning basin at the confluence of the Point Comfort Channel and the Alcoa Industrial Channel located north and west of the LNG terminal site. This augmentation would encompass construction of Calhoun Point Comfort's new ship berth as well as the CCND's new turning basin and require the dredging of about 4.2 million cubic yards of material from Lavaca Bay. This activity is essential to the operation of the Calhoun LNG Project. Calhoun Point Comfort would use the CCND's turning basin to maneuver its LNG ships.

Calhoun Point Comfort also requests authorization to construct, own, and operate the following facilities for the proposed natural gas sendout pipeline:

- 27.1 miles of 36-inch-diameter natural gas pipeline;
- 0.25 mile of 8-inch-diameter lateral leading to Formosa Hydrocarbons Company (Formosa Lateral) and 0.25 mile of 16-inch-diameter lateral leading to the Transco meter station (Transco Lateral);
- ten delivery points/interconnects which include two delivery points with Formosa Hydrocarbons Company and Formosa Plastics Corporation and eight interconnect points for nine pipeline interconnections with existing natural gas pipeline systems; and
- a pig launcher facility and mainline valve (MLV) at the LNG terminal, a MLV near the middle of the pipeline, and a pig receiver facility and MLV at the northern pipeline terminus.

## **PROJECT IMPACTS**

Construction of the Calhoun LNG Project would affect a total of about 568.9 acres of land and water. Construction of the LNG terminal would require about 73 acres of land, and about 79.3 acres offshore within the Lavaca Bay for the CCND's turning basin and Calhoun Point Comfort's ship berth. Calhoun Point Comfort's proposed pipeline route would mostly cross open land (i.e., agricultural and range land), following existing easements such as roads and other pipelines. Construction of the proposed pipeline and related facilities would disturb about 416.6 acres of land, including the construction right-of-way for the 36-inch-diameter main pipeline and 8- and 16-inch-diameter laterals, additional temporary workspaces, a contractor pipe yard, MLV, delivery points/interconnects, pig launcher and receiver, and access roads. Operation of the new facilities would require about 97.7 acres for the permanent easement along the 36-inch-diameter pipeline, 0.8 and 0.9 acre for the permanent easement along the respective 8- and 16-inch-diameter laterals, 2.9 acres for new permanent access roads, and 3.5 acres at the aboveground facilities.

Construction and operation of the Project would have minimal impact on geological resources. Several natural gas production wells (Neuman Production) are planned near the Enhanced Recovery Project DMPA. We have recommended that Calhoun Point Comfort provide the results of its consultation with Neuman Production, and applicable state and federal agencies, regarding planned natural gas production wells near the Enhanced Recovery Project DMPA and any proposed reconfiguration of the Enhanced Recovery Project DMPA. Twelve oil and gas production wells would be within 150 feet of the pipeline construction right-of-way; however, of

---

these wells, eight are dry and the remaining four may be operational. Prior to construction, Calhoun Point Comfort would conduct a detailed survey of the pipeline route and it would be adjusted to avoid any obstacles, including existing wells. Therefore, construction of the proposed pipeline would not affect these wells. No geologic hazards would be expected to affect the proposed facilities.

Construction of the LNG terminal would permanently affect 73 acres of manmade, industrial land that was created by the placement of dredged material from Lavaca Bay and Cox Bay. Construction of the pipeline would temporarily impact about 221.7 acres of prime farmland soil. Five aboveground facilities associated with the proposed pipeline would result in the removal of a total of 1.7 acres of prime farmland soils from agricultural use. Most impacts would be short-term and would not affect the potential use of prime farmland for agricultural purposes.

Calhoun Point Comfort would implement the FERC's *Upland Erosion Control, Revegetation, and Maintenance Plan* (Plan) and *Wetland and Waterbody Construction and Mitigation Procedures* (Procedures) during construction and restoration, which would minimize impact on soils. In addition, Calhoun Point Comfort would develop specific procedures in coordination with the appropriate agencies to prevent the introduction or spread of noxious weeds and soil pests resulting from construction and restoration activities.

About 4.2 million cubic yards of material would be dredged from Lavaca Bay. Of this amount, about 3.5 million cubic yards would be for the CCND's turning basin and 0.7 million cubic yards would be for Calhoun Point Comfort's ship berth. As part of Calhoun Point Comfort's draft Dredge Material Management Plan (DMMP), the CCND and Calhoun Point Comfort identified five dredged material placement areas (DMPA) within Lavaca Bay and Cox Bay where it intends to dispose of, and permanently store, dredged material. In total, the DMPAs have the capacity to accommodate the 4.2 million cubic yards of material that would be dredged for the turning basin and the ship berth.

Construction and operation of the Project would not have a significant impact on groundwater resources in the Project area. There are no municipal or commercial water wells within 400 feet of the proposed construction workspaces of the LNG terminal, pipeline, or laterals. Four private water supply wells are near the Point Comfort Pipeline construction right-of-way and include livestock, unregistered, household, and irrigation wells. One of these wells is inside and one is within 3 feet of the edge of the construction right-of-way and would be staked, flagged, and avoided by Calhoun Point Comfort. Should these wells be impacted during construction, Calhoun Point Comfort would restore or replace the wells, or if necessary, provide an alternate source of water. The greatest potential for impact on groundwater would be from spills, leaks, or other releases of hazardous substances during construction or operation. Calhoun Point Comfort has agreed to implement the FERC's Procedures, which include use of Spill Prevention and Response Procedures that meet state and federal requirements and has developed a draft *Water Quality Management Plan*, which includes a Spill Prevention, Control and Countermeasures (SPCC Plan). The SPCC Plan would be implemented during construction of the facilities and addresses potential spills of fuel, lubricants, and other hazardous materials. It describes spill prevention practices, spill handling and emergency notification procedures, and training requirements and it also describes mitigation measures, including containment and cleanup, to minimize potential impacts should a spill occur. We believe that using the measures detailed in

---

Calhoun Point Comfort's draft *Water Quality Management Plan* and SPCC Plan would minimize or eliminate the potential for adverse impacts on groundwater resources.

Construction of the terminal's new marine basin would impact about 66.1 acres of open water as a result of dredging to create the proposed turning basin while 13.2 acres would be affected by proposed excavation and dredging of the LNG ship berth. Water quality in the area that would be dredged would be temporarily affected by increased turbidity during dredging, but would return to preconstruction conditions following completion of dredging. The proposed pipeline would cross 65 surface waterbodies. Calhoun Point Comfort would cross eleven of these waterbodies using the horizontal directional drill method, fourteen waterbodies using the bore method, and the remaining 40 waterbodies using the open-cut method. To minimize impact on surface waters, Calhoun Point Comfort would implement the protective measures in the FERC's Procedures.

No tidal wetlands or vegetated tidal flats would be impacted by the LNG terminal. Construction of the Point Comfort Pipeline would affect about 23.8 acres of wetlands. Of this amount, about 20.1 acres would be emergent, 0.8 acre would be scrub-shrub, 0.7 acres would be forested, and 2.2 acres would be and emergent/forested mix. During construction, Calhoun Point Comfort would minimize impact on wetlands by implementing measures in the FERC's Procedures.

Calhoun Point Comfort consulted with the U.S. Department of the Interior, Fish and Wildlife Service (FWS), U.S. Army Corps of Engineers (COE), National Oceanic and Atmospheric Administration Fisheries Service (NOAA Fisheries), and the Texas General Land Office (TGLO) regarding the development of a mitigation plan that would compensate for impacts to discuss wetland mitigation options associated with the Point Comfort Pipeline. Based on its consultations, Calhoun Point Comfort prepared a *draft Wetland and Waters of the U.S. Mitigation Plan* which considers three wetland mitigation options to compensate for unavoidable wetland losses: (1) on-site mitigation/restoration, (2) off-site restoration, and (3) mitigation banking. Based on Calhoun Point Comfort's meeting with the FWS, COE, NOAA Fisheries, and TGLO a consensus was reached that the purchase of wetland credits from a COE approved wetland mitigation bank would be the preferred mitigation option to compensate for forested wetlands impacts. Consultation between Calhoun Point Comfort and the agencies is on-going.

The primary impact on wildlife associated with the Project would be during operation which would result in the permanent conversion of about 76.5 acres of upland habitat to industrial use, of which 73 acres would be within the LNG terminal site and the remaining 3.5 acres would be within the aboveground facilities associated with the pipeline. This conversion to industrial use would represent a loss of wildlife habitat; however, impacts resulting from this loss would be minimal since the majority of the loss would be from the LNG terminal site where the existing habitat consists of unmanaged dredge material. Impacts to wildlife would not be significant.

The FWS and NOAA Fisheries have identified a total of 22 federally-listed endangered or threatened species that could potentially occur in the Project area. Based on our analysis of habitat that would be affected by the Project and other information, we<sup>1</sup> have determined that the Project would have no effect or would not likely adversely affect these species.

---

<sup>1</sup> "We," "us," and "our" refer to the environmental staff of the FERC's Office of Energy Projects.

---

NOAA Fisheries identified essential fish habitat (EFH) for three shellfish species (subadult pink shrimp, and juvenile and subadult white and brown shrimp) and two species of finfish (adult red drum; adult and subadult Spanish mackerel). An EFH assessment is included in appendix B of this draft EIS. NOAA Fisheries has agreed to be a cooperating agency for this Project. NOAA Fisheries reviewed the administrative draft of this EIS and EFH Assessment and provided EFH conservation recommendations to offset adverse project impacts to EFH. We have addressed these recommendations in this draft EIS.

No existing residences or structures are within one mile of the proposed LNG terminal. The nearest existing residential areas to the proposed LNG terminal are about 2.5 miles north of the terminal within the City of Point Comfort and 3.0 miles west within the community of Port Lavaca. No residences are located within 50 feet of the proposed pipeline workspace. No public lands or special interest areas would be affected by the Project.

The most prominent visual features of the proposed LNG terminal would be two LNG storage tanks, each 133 feet above the current grade and 262 feet in diameter. Calhoun Point Comfort prepared photo simulations of views of the proposed LNG storage tanks from seven observation points. While the LNG storage tanks would be visible, they would not dominate the landscape, and the LNG tanks would be consistent in size and height with the existing structures of industrial facilities along the shoreline.

The proposed LNG terminal and a portion of the proposed pipeline lie within designated coastal zone management area. Calhoun Point Comfort submitted its COE 404 permit application with the COE during June and July 2005, but has not received its coastal zone consistency determination from the TGLO. We have recommended that Calhoun Point Comfort not begin construction of any component of its Project until it files a copy of the consistency determination issued by the TGLO with the Secretary.

Construction workers commuting to the Project area are expected to add an average of approximately 834 vehicle trips per day. At the peak of construction, a maximum of 1,410 construction worker vehicle trips are expected. Existing roads would provide land access to the LNG terminal site via Farm-to Market (FM) road FM 1593, State Route 35, and existing access road for CCND's Port facilities. Access to the pipeline and associated aboveground facilities would be via existing private and public roadways. Calhoun Point Comfort notified the Texas Department of Transportation of its proposed Project and indicated that, one year prior to the start of construction; it would consult with the City of Point Comfort, Calhoun and Jackson County officials, and major industries in the project area to develop a traffic mitigation plan. Calhoun Point Comfort would prepare its traffic mitigation plan once construction details of its LNG terminal and pipeline are known.

During operation, the LNG terminal would receive up to 120 LNG ships per year, or between two and three ships per week, through the Matagorda Ship and Point Comfort Channels. Safety measures and the size of the LNG ships may require specific transit procedures within these channels (*e.g.*, daylight movements, one-way traffic, convoys). However, the Matagorda Bay Pilots (which are responsible for scheduling ship movements and establishing working conditions) stated that they have enough manpower to handle all the traffic at the Bay ports and would recruit and train more pilots as required to handle additional LNG traffic and that the Project would have minimal impacts on ship traffic.

---

The combined archaeological overview and survey of the proposed Project, specifically the Point Comfort Pipeline, resulted in the discovery of one isolated lithic find, one historic surface scatter, and four historic standing structures. Calhoun Point Comfort recommended that these resources are not significant and not potentially eligible to the National Register of Historic Places and Texas Historical Commission (the SHPO) concurred with these findings. Calhoun Point Comfort conducted a literature review of its proposed LNG terminal site and concluded that, since the proposed LNG terminal would be constructed entirely on manmade, industrial land that was created by the placement of dredged material from Lavaca Bay and Cox Bay, no further archeological investigations should be required. The SHPO concurred with Calhoun Point Comfort's assessment. Calhoun Point Comfort has filed an acceptable Unexpected Discoveries and Emergency Procedure Plan.

Air emissions resulting from construction of the proposed Calhoun LNG Project would be short term and would not significantly affect air quality in the region. Calhoun Point Comfort would utilize BACT for primary pollution control at the facility. A detailed BACT analysis is included in the facility's New Source Review Air Quality Permit application, which considers the technical practicability and economic reasonableness for reducing or eliminating the emissions for each major source pollutant generated by the facility. Since Calhoun and Jackson Counties are both classified as attainment areas for all criteria pollutants, the Texas Commission on Environmental Quality (TECQ) confirmed that a General Conformity review of the Project is not required. Emissions from the proposed Calhoun LNG Project are not expected to exceed 100 tons per year. Calhoun Point Comfort filed its permit application on March 18, 2005.

Noise from operation of the LNG terminal facility should not create a significant noise impact at the nearest noise sensitive areas (NSAs) along the south side of the City of Point Comfort. During construction of the Point Comfort Pipeline, neighbors in the vicinity of the construction right-of-way would hear construction noise. Traffic and farm machinery are the primary sources of ambient noise. Operational noise impacts would be limited to the meter stations' vicinity; however, predicted noise levels would not exceed the day-night sound level ( $L_{dn}$ ) of 55 decibels on the A-weighted scale (dBA). We have recommended that Calhoun Point Comfort should make all reasonable efforts to assure its predicted noise levels from meter stations/interconnects are not exceeded at NSAs.

We evaluated the safety of both the proposed LNG import terminal facility and the related LNG vessel transit through the Matagorda Ship and Point Comfort Channels. With respect to the onshore facility, we completed a cryogenic design and technical review of the proposed terminal design and safety systems, and have identified specific areas of concern and included recommendations to address these concerns. We also calculated thermal radiation and flammable vapor hazard distances for an accident or an attack on an LNG vessel. Based on the extensive operational experience of LNG shipping, the structural design of an LNG vessel, and the operational controls imposed by the Coast Guard and the local pilots, the likelihood of a cargo containment failure and subsequent LNG spill from a vessel casualty—collision, grounding, or allision<sup>2</sup>—is highly unlikely. For similar reasons, an accident involving the onshore LNG import terminal is unlikely to affect the public. As a result, the risk to the public from accidental causes should be considered negligible.

---

<sup>2</sup> "Allision" is the action of dashing against or striking upon a stationery object (e.g., the running of one ship upon another ship that is docked) - distinguished from "collision", which is used to refer to two moving ships striking one another.

---

As part of our marine safety analysis, we considered how vessel security requirements for LNG ships calling on the proposed LNG terminal might affect other ship and boat traffic on the Matagorda Ship and Point Comfort Channels. Based on the Coast Guard's longstanding experience in controlling the movements of dangerous cargo vessels in the Matagorda Ship and Point Comfort Channels and LNG vessels in other ports, potential impacts can be evaluated for several general security requirements: 1) moving safety zone for inbound and outbound LNG vessels; 2) one-way vessel traffic during LNG vessel transit; 3) security zone around a moored LNG vessel; and 4) other measures as deemed appropriate. The moving safety zone, the moored vessel security zone at the terminal, and one-way traffic would affect other commercial and recreational traffic using the Matagorda Ship and Point Comfort Channels.

We have evaluated potential ship traffic congestion impacts from the additional LNG ship traffic. During operation, the LNG terminal would receive up to 120 LNG ships per year. The shipping traffic at Port Lavaca-Point Comfort has steadily increased in both ship and barge traffic. Ship arrivals have increased from 101 per year in 1995 to 274 in 2004 – an increase of 171 percent. The estimated shipments of LNG would add 120 ship arrivals per year (a further 44 percent increase on 2004 shipping), making a total number of ship arrivals of 394 per year. Although the actual increase in ship traffic is high, this number of future ship movements, up to 120 LNG ships per year, or between two and three ships per week, cannot be regarded as excessive or likely to result in an over utilized Port.

Calhoun Point Comfort submitted its Letter of Intent (LOI) to the Coast Guard on March 14, 2005, which was received by the Coast Guard on August 15, 2005. The Coast Guard's LOR would address the suitability of the Matagorda Ship and Point Comfort Channels for LNG ship transportation, however, it does not constitute a final authority to commence LNG operations.

It is anticipated that the Coast Guard would decide on a LOR as soon as possible after the Commission issues the final EIS, or wait until after the Commission makes an overall public interest determination of the proposal. The Coast Guard's recommendation is subject to certain safety and security provisions, as well as Calhoun Point Comfort coordinating with the Coast Guard in their preparation of the *Liquefied Natural Gas Vessel Management and Emergency Plan*. This plan would be reviewed and updated as necessary to address issues specific to the Matagorda Ship and Point Comfort Channels and the proposed LNG vessels in transit and while docked. Only personnel and vessels authorized by the Captain of the Port would be permitted in the safety and security zone.

The extent of the impact on recreational boaters would depend on the number of boats in the project area during the additional two to three LNG vessel transits per week when LNG ships would call on the LNG terminal, and on several other variables such as the size of the Coast Guard-imposed safety and security zones and the width of the channel at the point where a boat encounters the LNG ship. To minimize potential impacts on other marine traffic, the Coast Guard is expected to use a program of announcements to give advance notice of each moving safety and moored vessel security zones schedule and could schedule the transit of LNG ships for times of day less likely to affect recreational boaters.

Unlike accidental causes, historical experience provides little guidance in estimating the probability of a terrorist attack on an LNG vessel or onshore storage facility. For an LNG import terminal proposal that would involve having a large volume of energy transported and stored

---

near populated areas, the perceived threat of a terrorist attack is a primary concern of the local population and requires that resources be directed to mitigate possible attack paths. While the risks associated with the transportation of any hazardous cargo can never be entirely eliminated, they can be managed.

The safety measures to be imposed may include moored vessel security and moving safety zones around the LNG carriers, a waterway traffic management plan, escorts by armed law enforcement vessels, and a variety of waterway and shoreline surveillance measures. Under normal security conditions, these measures should not affect vehicular traffic, nor restrict the public's access to shoreside recreation sites or unreasonably impede recreational boating. An issue that has developed for several LNG terminal projects is a concern that local communities would have to bear some of the costs of ensuring the security/emergency management of the LNG facility and the LNG vessel while in transit and unloading at the dock. While the LOR would address the suitability of Matagorda Ship and Point Comfort Channels for LNG ship transportation, it would not constitute a final authority to commence LNG operations. Issues related to the public impact of safety and security zones would be addressed later in the development of the Coast Guard's *Liquefied Natural Gas Vessel Management and Emergency Plan*. This plan would be developed in conjunction with state and local law enforcement and emergency response communities. In addition, the Coast Guard would establish a moving safety zone and moored vessel security zone under 33 CFR 165 for LNG vessels in transit and while docked. Only personnel or vessels authorized by the Captain of the Port are permitted within these zones.

Section 311 of the Energy Policy Act of 2005 stipulates that the FERC must require the LNG operator to develop an Emergency Response Plan that includes a Cost-Sharing Plan before any final approval to begin construction. The Cost-Sharing Plan shall include a description of any direct cost reimbursements to any state and local agencies with responsibility for security and safety at the LNG terminal and near vessels that serve the facility.

## **ALTERNATIVES CONSIDERED**

The EIS addresses alternatives to the proposed actions before both the FERC and the Coast Guard. The proposed action before the FERC is to consider issuing to Calhoun Point Comfort a Section 3 authorization for the LNG import facilities and a Section 7 Certificate of Public Convenience and Necessity for a new natural gas pipeline. The proposed action before the Coast Guard is issuance of a Coast Guard LOR finding the waterway suitable for LNG marine traffic, with certain conditions. Section 3 of the EIS clearly describes the criteria for alternative selection.

We considered the alternatives of no action or postponed action, LNG system alternatives, LNG terminal site alternatives, and pipeline system and route alternatives. While the no action or postponed action alternatives would eliminate or postpone the environmental impacts identified in this EIS, the objectives of the proposed Project would not be met.

For the Coast Guard's proposed action, the no action alternative would be issuance of a Coast Guard LOR finding the waterway not suitable for LNG marine traffic. Similar to the no action alternative to the FERC proposed action, the no action alternative for the Coast Guard would avoid any project related environmental effects; however, it would also prevent LNG vessels

---

from delivering LNG to an import terminal and the project objectives would not be met. Reasonable alternatives to the Coast Guard action of issuing a LOR include: 1) Issuance of a Coast Guard LOR finding the waterway suitable for LNG marine traffic without any conditions; 2) Issuance of a Coast Guard LOR finding the waterway suitable for LNG marine traffic with certain conditions; and 3) Postponing the issuance of a Coast Guard LOR pending further analysis and study.

Our analysis of system alternatives included an evaluation of the use of existing LNG import and storage systems. None of the existing facilities has the capacity or space to add the capacity proposed in this Project. We also looked at the construction of an offshore terminal to meet the objectives of the proposed Project. Our review indicates that construction of an offshore alternative would involve a longer pipeline, the construction of a graving dock that would impact the shoreline, and a permanent onshore facility for terminal support activities. Therefore, we do not consider construction of an offshore facility a reasonable alternative to the proposed Project. We also looked at alternative port sites, none of which would provide an environmental advantage over the proposed site.

An alternative to the Coast Guard action of issuing a LOR which finds the waterway suitable for LNG vessel traffic with certain conditions is to issue a LOR without any conditions. This would avoid some of the economic effects related to any moving safety and moored vessel security zones, or other related LNG safety and security activities, which the Coast Guard would determine is necessary prior to the commencement of LNG vessels transiting the waterway. If the Coast Guard postpones issuance of a LOR pending further analysis or study, the effect is expected to be similar to the FERC postponing its action. That is, although it is speculative to predict the resulting effects, postponing issuance of a LOR may lead to Calhoun Point Comfort deciding to delay its entire Project.

Our alternatives analysis included the evaluation of three pipeline route alternatives and five route variations. None of these route alternatives or variations would provide an environmental advantage over the proposed pipeline route.

In conclusion, we have determined that the proposed Calhoun LNG Terminal and Pipeline Project, as modified by our recommended mitigation, is the preferred alternative that can meet the project objectives.

## **PUBLIC INVOLVEMENT**

On July 7, 2005, the FERC issued a *Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Calhoun LNG Terminal and Pipeline Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Meeting* (NOI). The NOI was sent to 211 interested parties including federal, state, and local officials; agency representatives; conservation organizations; local libraries and newspapers; and property owners within 0.5 mile of the proposed LNG terminal and along the proposed pipeline route. Issuance of the NOI opened the public comment period and established a closing date of August 8, 2005, for receiving written comments. In total, 15 letters were received in response to the NOI.

On July 26, 2005, the FERC conducted a public scoping meeting in Port Lavaca, Texas to provide an opportunity for the public to learn more about the proposed Calhoun LNG Project and

---

to provide comments on environmental issues to be addressed in this EIS. Ten people spoke at the meeting and their comments were recorded both in support of and against the Project. Transcripts of the scoping meeting and all written comments provided at the meeting have been entered into the public record for the Calhoun LNG Project. On July 26, 2005, the FERC also conducted a site visit; open to the public, of Calhoun Point Comfort's LNG terminal site and the pipeline route.

In addition to the public notice and scoping process discussed above, the FERC staff conducted agency consultations and participated in interagency meetings to identify issues that should be addressed in this EIS. This included an interagency meeting in Galveston, Texas on July 25, 2005 to discuss the Project and the environmental review process with other key federal and state agencies. These agencies included the COE, Coast Guard, NOAA Fisheries, U.S. Environmental Protection Agency, U.S. Department of Transportation, and Texas Parks and Wildlife Department.

## MAJOR CONCLUSIONS

We conclude that, with the use of Calhoun Point Comfort's proposed mitigation and adoption of our recommended mitigation measures, construction and operation of the proposed facilities would have limited adverse environmental impact. The impacts would be most significant during the construction period. As part of our analysis, we have developed specific mitigation measures that we believe to be appropriate and reasonable for construction and operation of the Project. We believe these measures would substantially reduce the environmental impact of the Project.

The primary reasons for our decision are:

- Calhoun Point Comfort would construct its LNG terminal on 73 acres of 89 acres of manmade, industrial land owned by the Port of Port Lavaca – Point Comfort;
- Calhoun Point Comfort would implement the FERC's Plan and Procedures to minimize impact on soils, wetlands, and waterbodies. In addition, Calhoun Point Comfort would segregate and replace topsoil along its pipeline to avoid mixing the topsoil with subsoil;
- Calhoun Point Comfort would use dredged material from the CCND's new turning basin and Calhoun Point Comfort's ship berth to aid in capping contaminated sediments, creating coastal marsh habitat, and stabilizing shorelines within Lavaca Bay and Cox Bay. Disposal of dredged material would be at five disposal areas;
- Calhoun Point Comfort initiated and is continuing consultation with federal and state agencies regarding the development of a mitigation plan that would compensate for impacts to wetland resources and filed a *draft Wetland and Waters of the U.S. Mitigation Plan* with the Commission;
- we believe that the Project would have no effect or would not be likely to adversely affect any federally- or state-listed threatened or endangered species;
- the Matagorda Bay Pilots indicated that they could continue to escort ships into and out of the Matagorda ship and Point Comfort Channels in a safe and expeditious manner and that the Project would have minimal impacts on ship traffic; and
- safety features would be incorporated into the design and operation of the LNG import terminal and vessels.