

Appendix N
Comments on Draft Environmental Impact Statement

[This page intentionally left blank]

Table of Contents

	<u>Page</u>
N.1 INTRODUCTION	N-1
N.2 WRITTEN COMMENT DOCUMENTS	N-7
N.2.1 Elected Officials	N-7
N.2.2 Agencies.....	N-19
N.2.3 Other Organizations	N-52
N.2.4 Individuals	N-101
N.3 PUBLIC MEETING TRANSCRIPTS	N-144
N.3.1 Pascagoula Public Meeting	N-144
N.3.2 Richton Public Meeting	N-149
N.3.3 Port Gibson Public Meeting.....	N-151
N.3.4 Lake Jackson Public Meeting	N-159
N.3.5 Houma Public Meeting	N-173

LIST OF TABLES

	<u>Page</u>
Table N.1-1: Alphabetical Listing of Comment Document by Commenter’s Name.....	N-1

[This page intentionally left blank]

Appendix N Comments on Draft Environmental Impact Statement

N.1 INTRODUCTION

Appendix N contains copies of all comment documents received by DOE via mail, email, fax, or oral testimony on the draft EIS. Table N.1-1 lists the comment documents alphabetically by commenter within the following categories: elected officials (Federal, state and local), agencies (Federal, state, county and local), other organizations, individuals, and late comments (received after August 10, 2006). Each document has been assigned a comment document number based on the order in which it was received. Table N.1-1 identifies the commenter, the commenter's organization if any, the comment document number, and the page number where the document begins.

All comment documents appear in section N.2 in the same order as in table N.1-1. Additionally, complete transcripts from the five public meetings held in June 2006 are located in section N.3. Footnotes in table N.1-1 indicate the public meeting where oral comments were made.

Table N.1-1: Alphabetical Listing of Comment Document by Commenter's Name

Commenter Organization	Commenter	Comment Document Number	Page Number
ELECTED OFFICIALS			
Federal Government			
Representative Ron Paul	Diane Kile	D0097 ^d	N-7
Senator Thad Cochran and Senator Trent Lott	Senators Thad Cochran and Trent Lott	D0016	N-8
Local Government			
Brazoria County Precinct 1, Commissioner	Donald Payne	D0021	N-10
Brazoria County Precinct 1, Commissioner	Donald Payne	D0095 ^d	N-11
Claiborne County Board of Supervisors, President	Charles Shorts	D0015	N-12
Claiborne County Board of Supervisors	James Miller	D0090 ^c	N-13
Jackson County Board of Supervisors	Frank Leach	D0084 ^a	N-14
Jackson County Board of Supervisors, District IV Supervisor	Frank Leach	D0010	N-16
Lafourche Parish, President	Charlotte Randolph	D0103 ^e	N-16

Table N.1-1: Alphabetical Listing of Comment Document by Commenter's Name

Commenter Organization	Commenter	Comment Document Number	Page Number
Lake Jackson, Immediate and Former mayor	Shane Pirtle	D0099 ^d	N-17
AGENCIES			
Federal Government			
NOAA Fisheries	Rickey N. Ruebsamen	D0073	N-19
U.S. Army Corps of Engineers, New Orleans District	Martin S. Mayer	D0074	N-21
U.S. Department of Agriculture, Natural Resources Conservation Service, Texas Office	James M. Greenwade	D0006	N-22
U.S. Department of the Interior	Stephen R. Spencer	D0078	N-22
U.S. Department of the Interior, National Park Service, Gulf Islands National Seashore	Stephen R. Spencer	D0081	N-26
U.S. Department of the Interior, National Park Service, Natchez Trace Parkway	Stennis R. Young	D0114	N-29
U.S. Department of the Interior, National Park Service, Natchez Trace Parkway	Wendell A. Simpson	D0001	N-30
U.S. Environmental Protection Agency, Region 6	Rhonda M. Smith	D0077	N-31
U.S. Fish and Wildlife Service and Mississippi Natural Heritage Program ^f	Ray Aycok	D0106	N-35
State Government			
Louisiana Department of Environmental Quality	Lisa L Miller	D0005	N-38
Louisiana Department of Wildlife and Fisheries	Brandt Savoie	D0080	N-39
Mississippi Development Authority	Jack Moody	D0087 ^b	N-41
Mississippi Development Authority	Jack Moody	D0088 ^c	N-41
Mississippi Natural Heritage Program and United States Fish and Wildlife Service ^f	Ray Aycok	D0106	N-45
Texas Department of State Health Services	Eduardo J. Sanchez	D0004	N-48

Table N.1-1: Alphabetical Listing of Comment Document by Commenter's Name

Commenter Organization	Commenter	Comment Document Number	Page Number
Texas Parks and Wildlife	Amy Hanna	D0116	N-49
County and Local Government			
Greater Lafourche Port Commission	Ted M. Falgout	D0002	N-51
OTHER ORGANIZATIONS			
Anabasis, LLC	Vernon Phillips	D0089 ^c	N-52
Audubon Society, Houston	Flo Hannah	D0115	N-55
Brazosport Area Chamber of Commerce, Chairman	L.G. Murrell, Jr.	D0110	N-56
Dominion Natural Gas Storage, Inc.	Anne E. Bomar	D0075	N-57
Dominion Natural Gas Storage, Inc.	David Kohler	D0101 ^e	N-60
DOW Chemical Company	Bob Walker	D0091 ^d	N-61
DOW Chemical Company	Paul Bork	D0079	N-64
Economic Development Alliance	David Stedman	D0092 ^d	N-86
Freeport LNG	Bill Henry	D0093 ^d	N-88
Gulf Restoration Network	Cynthia M. Sarthou	D0013	N-90
Pinto Energy Partners	Tommy Soriero	D0098 ^d	N-93
Sierra Club, Houston Regional Group	Brandt Mannchen	D0113	N-94
Sierra Club, Mississippi Chapter	Becky Gillette	D0083 ^a	N-99

INDIVIDUALS	Comment Document Number	Page Number
Aguilar, Jesse Jr.	D0031	N-101
Ault, Daniel B.	D0032	N-101
B., Tim	D0055	N-102
Basaldua, Richard Jr.	D0042	N-102
Basaldua, Rick	D0025	N-103
Bilich, Bernice	D0109	N-103
Bland, Tony	D0014	N-105
Brown, Brint	D0052	N-105

Appendix N: Comments on Draft Environmental Impact Statement

INDIVIDUALS	Comment Document Number	Page Number
Browning, Bruce	D0012	N-106
Bumpers, Jeanette	D0054	N-106
Church, Jill	D0064	N-107
Cummins, Fred	D0047	N-107
Dickens, Dan	D0049	N-108
Edwards, Dennis	D0067	N-108
Edwards, Janice	D0100 ^d	N-109
Edwards, Sheri	D0028	N-110
Filippi, Carlo	D0111	N-110
Fischer, Tim	D0070	N-111
Fischer, Wanda	D0023	N-111
Fuentes, Manuel	D0046	N-112
Garza, Herbert	D0105	N-112
Griffin, Randy	D0045	N-113
Grimmett, Larry	D0018	N-114
Grossman, Karl	D0063	N-114
Guidry, Sybil	D0102 ^e	N-115
Havens, June	D0009	N-116
Holden, Mike	D0039	N-116
Hollingsworth, Holly	D0071	N-117
Hudgins, Anthony	D0037	N-117
Jacobson, Lin	D0086 ^a	N-118
Jimenez, Xavier	D0072	N-119
Johnson, Bob Ed	D0022	N-119
Johnson, Bob Ed	D0030	N-120
Johnson, Bob I.	D0026	N-120
Johnson, Jennifer	D0048	N-121
Johnson, Nan	D0011	N-121
Jones, Sharon L.	D0065	N-122
Kennedy, Kevin	D0061	N-122
Kier, Danny	D0024	N-123
Lampard, Rick	D0107	N-124

Appendix N: Comments on Draft Environmental Impact Statement

INDIVIDUALS	Comment Document Number	Page Number
Ledesma, Jaime	D0053	N-124
Lemon, Fred	D0085 ^a	N-125
Logan, Bill and Brenda	D0076	N-126
Major, Alex	D0008	N-126
Masterson, Teri	D0096 ^d	N-127
Matt (last name not provided)	D0034	N-128
McCleary, Mike	D0029	N-128
Mihalovich, James M.	D0033	N-129
Mondragon, Chad	D0036	N-129
Mondragon, Jesse	D0020	N-130
Morgan, Chester	D0035	N-130
Murrell, Randy	D0040	N-131
Pavlik, Matt	D0059	N-131
Price, Charles	D0041	N-132
Price, Jason	D0069	N-132
Sanchez, Santos Jr.	D0062	N-133
Schroeder, Norman	D0082	N-133
Schuelke, Timmy	D0060	N-134
Singletery, Charlie	D0017	N-134
Smith, Larry R.	D0051	N-135
Solano, Mario	D0056	N-135
Suggs, Cindy	D0104	N-136
Thomason, Allen	D0068	N-137
Thornberg, Mike	D0019	N-137
Tullis, R. Duke	D0027	N-138
Tyler, Scott	D0057	N-138
Tywater, E.R.	D0058	N-139
Vaughn, Donald	D0050	N-139
Voss, Johnny	D0038	N-140
Wade, Vick	D0094 ^d	N-140
Waldorf, Elizabeth	D0007	N-141
Wessels, Kimmy	D0043	N-142

INDIVIDUALS	Comment Document Number	Page Number
Whitworth, Mary	D0003	N-142
Williams, Hannah	D0066	N-143
Woods, William	D0044	N-143

^a See Pascagoula Public Meeting transcript.

^b See Richton Public Meeting transcript.

^c See Port Gibson Public Meeting transcript.

^d See Lake Jackson Public Meeting transcript.

^e See Houma Public Meeting transcript

^f USFWS and Mississippi Natural Heritage Program submitted joint comments.

The reproduced comment letters and transcripts are arranged in the order outlined below. Documents in sections N.2 and N.3 can be located using this outline or by referencing the alphabetical listing of commenters in table N.1-1.

N.2 WRITTEN COMMENT DOCUMENTS

N.2.1 Elected Officials

N.2.2 Agencies

N.2.3 Organizations

N.2.4 Citizens

N.3 PUBLIC MEETING TRANSCRIPTS

N.3.1 Pascagoula Public Meeting on June 20, 2006

N.3.2 Richton Public Meeting on June 21, 2006

N.3.3 Port Gibson Public Meeting on June 22, 2006

N.3.4 Lake Jackson Public Meeting on June 27, 2006

N.3.5 Houma Public Meeting on June 28, 2006

N.2 WRITTEN COMMENT DOCUMENTS

N.2.1 Elected Officials

Federal Government

18

1 but you do need to consider the impact on natural gas, its
2 volatility and that impact on the domestic economy when
3 you do your economic analysis.

4 Thank you.

5 **MS. DIANE KILE:** Good evening. My name is
6 Diana Kile. And I am the deputy director for U.S.
7 Congressman Ron Paul. And I would -- and Kile is K-i-l-e.
8 And I would like to read a statement written by
9 Congressman Paul today.

D0097

1

10 I want to join with others tonight in
11 expressing my concerns regarding the Stratton Ridge
12 expansion of the Strategic Petroleum Reserve. In the
13 recent past, President Bush has stated the need to
14 judiciously diminish the reserve in order to reduce
15 non-market demand, thus helping to reduce energy costs.
16 In light of that, we should seriously consider not only
17 where but also whether or not to increase the reserve.
18 Certainly if high energy prices are a legitimate
19 concern -- and they clearly are at this time -- we should
20 not undertake such an expansion in a way that could
21 negatively impact any component of the petrochemical
22 industry. Any federal action that would threaten to raise
23 costs to business, which would be passed along to
24 consumers, is a bad policy at any time. However, this is
25 a particularly bad time for any such policy to be enacted.

19

1 In addition, it is always a concern of local
2 property owners that federal activity will result in a
3 taking of private property. Such takings have a direct
4 negative impact not merely on the property owner who has
5 every right to expect that government will protect its
6 property interest but also upon economic activity. When
7 property rights are in jeopardy, property owners do not
8 take the kinds of economic actions that benefit themselves
9 as well as other economic actors.

2

10 As a leading advocate of property rights, I
11 share the strong concern of others in the area that
12 locating this reserve expansion in Stratton Ridge will
13 negatively impact property owners. Moreover, I join with
14 the local government authorities and taxpayers who are
15 always concerned about taking property off of the local
16 tax rolls. With many suffering from property valuation
17 inflation, further erosion of the tax base will only serve
18 to further increase property taxes upon already strapped
19 homeowners and businesses.

3

20 Again, I wish to join with The Economic
21 Development Alliance for Brazoria County, the Dow Chemical
22 Company, and other concerned members of the community in
23 expressing my concern regarding the siting of an SPR
24 expansion at Stratton Ridge.

25 I thank you for giving me this opportunity.

D0016

20

1 MR. DAVID JOHNSON: Thank you very much.
2 MS. KAREN FADELY: Would anybody else like
3 to come up?

Congress of the United States

Washington, DC 20510

June 22, 2006

The Honorable Samuel W. Bodman, Secretary
United States Department of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585-1000

**RE: Comments on Draft Environmental Impact Statement for Site Selection for the
Expansion of the Strategic Petroleum Reserve, May 2006, DOE/EID-0385**

Dear Secretary Bodman:

First, we would like to thank you for all that you and the employees of the U.S. Department of Energy ("DOE") have done in the wake of Hurricane Katrina. We sincerely appreciate your leadership and the hard work and perseverance exhibited by the employees at DOE as the State of Mississippi recovers from this devastating catastrophe. We look forward to continuing our work together.

We are writing today to submit our comments on the Draft Environmental Impact Statement ("Draft EIS") that DOE recently filed with the Environmental Protection Agency on Friday, May 19, 2006. As you know, Section 301 of the Energy Policy Act of 2005 ("EPACT"), Public Law No. 109-58, required the Secretary to fill the SPR to one billion barrels as "expeditiously as practicable." To accomplish this task, Section 302 of EPACT also required the DOE to complete a proceeding by August 8, 2006, to select additional sites to expand the SPR to the authorized level. While the recently-filed Draft EIS sets forth a number of options to accomplish this capacity expansion of the SPR, including the possible construction of five potential new sites and/or the expansion of three existing sites, we believe that the two sites under consideration in Bruinsburg and Richton, Mississippi, respectively, are two of the best values for the federal government in terms of cost, efficiency, and security, and one or both should ultimately be selected in any expansion of the SPR.

First, these sites are located significantly further inland than other sites being considered, and substantially further away from the vulnerable coastline, the selection of which would effectively diversify our currently homogeneously and centrally-located SPR. The devastating catastrophes last year in the forms of Hurricanes Katrina and Rita should have taught us the importance of locating our emergency stockpiles of petroleum in alternative, diverse locations throughout the Gulf Coast region. The current vulnerability of the SPR from potential future hazards, whether natural disasters because of the proximity of SPR facilities to the coastline or even terrorist acts because of the closely clustered locations of SPR facilities, is unacceptable. Correcting this potential liability, however, can begin by selecting an expansion site for SPR at Bruinsburg or Richton, thus alleviating to a substantial degree this continuing potential for hazards to the SPR. With the recent predictions of stronger hurricanes with increased frequency, it is imperative that DOE choose a site that is more inland and better insulated from such

The Honorable Samuel W. Bodman
United States Department of Energy

Page 2 of 2
June 22, 2006

disasters. By not choosing an inland site such as Bruinsburg or Richton, we are perpetuating the vulnerability of the SPR to such disasters, including potentially devastating damage and possible closure of SPR facilities in emergency situations when the SPR is needed most.

Second, the geography, geology and topography presented by these two new sites at Bruinsburg and Richton are superior to other new sites being considered. These sites are located in the highlands, avoiding environmental and economic problems associated with constructing or expanding in expansive coastal wetlands or sensitive areas. This will not only be much more cost-effective to the federal government, but will also be more environmentally sound for future generations. Further, the geologic structure of the potential domes is better suited for SPR expansion, resulting in lower cost cavern construction, cavern integrity and easier petroleum distribution. These sites also can be completely under DOE control, maximizing security at what will be one of the nation's most important energy installations.

2 Finally, these sites also have numerous other attributes that make their selection optimal. For instance, the Bruinsburg site is strategically located on the Mississippi River and only a short distance from a major pipeline – the Capline system. This strategic location along the river gives the site many advantages, through an abundance of resources in raw water intake as well as opportunities for lower costs in construction and distribution of petroleum through the use of marine transportation. Further, easy and efficient access to the Capline system gives the Bruinsburg site a major resource for distribution. With both marine and pipeline alternatives of distribution, the Bruinsburg site has maximum flexibility to use this strategic energy resource and provide the most economic and functional security for the SPR, ensuring the continued access and availability of SPR resources to the rest of the country when SPR facilities located on or near the coast are closed due to natural disasters. The Richton site also has many beneficial characteristics, including a distribution alternative at a new location along the Gulf Coast away from current SPR locations which contributes to the diversification of SPR locations generally; its utilization of the Calpine pipeline at a point less vulnerable than coastal alternatives; and its proposed raw water intake which would not cause upstream migration of salinity gradient as it would in some other alternative sites being considered.

Mr. Secretary, we firmly believe the sites being considered in Mississippi are the most strategically-located sites and the best value for the federal government, and strongly urge the selection of one of these sites in any expansion of the SPR. Thank you again for your generosity and assistance as the State of Mississippi recovers. We look forward to working with you on this and additional projects as we continue to move forward in rebuilding the Gulf Coast and the State of Mississippi.

Sincerely,


Senator Thad Cochran


Senator Trent Lott

[This page intentionally left blank]

Elected Officials

Local Government

<p style="text-align: right;">D0021</p> <p>SPR - Stratton Ridge site From: kellis@brazoria-county.com Sent: Wednesday, June 28, 2006 10:42 AM To: Silawsky, Donald Subject: SPR - Stratton Ridge site</p> <p>Sensitivity: Private</p> <p style="text-align: center;">June 28, 2006</p> <p>Donald Silawsky Office of Fossil Energy (FE-47) U.S. Department of Energy Washington, DC 20585 202-586-1892</p> <p>Dear Mr. Silawsky,</p> <p>The Energy Policy Act of 2005 requires the Department of Energy (DoE) to increase the capacity of the Strategic Petroleum Reserve (SPR) to one billion barrels. The existing SPR sites don't have sufficient additional capacity to allow this increase to be met without adding a new SPR facility. DoE has identified Stratton Ridge, Texas as a potential site for this expansion. DoE is required to decide where to expand before August 9, 2006.</p> <p>The Brazosport area and all of Brazoria County has a great stake in this decision, thousands of jobs are enabled because of the salt the chemical industry mines at Stratton Ridge. Industry uses this salt to produce products that used locally by other businesses as well as shipping these products all over Texas, the U.S. and the world.</p> <p>As County Commissioner of Brazoria County Precinct 1, I do not support the use of Stratton Ridge for the expansion of the SPR. On June 27, 2006 our Commissioner's Court unanimously passed a resolution opposing the use of Stratton Ridge as a SPR for the following reasons:</p> <ol style="list-style-type: none"> 1. The SPR uses underground salt formations as the basis for their oil storage operations. For their purposes they remove the salt and discharge it into the ocean. Placing the SPR at Stratton Ridge, would waste salt that the chemical industry could use to make useful products in the future. The DoE time line to remove the salt from the salt dome and other operational considerations would not allow this salt to be used to make products and thus would be wasted.. As I understand it the other sites under consideration do not have co-located salt based production facilities, so the salt wasted into the ocean isn't salt that 	<p>can be made into useful products, as can the salt at Stratton Ridge.</p> <ol style="list-style-type: none"> 2. There is also concern over government taking of Stratton Ridge property and perhaps even closure of Stratton Ridge Road. We have local experience on the use of eminent domain by the government. 3. At a time when the chemical industry is struggling with high energy and feedstock costs and high construction costs this waste of Stratton Ridge salt and concern of government taking of critical property could further affect the decisions of industry in this area to locate new plants here and perhaps even negatively affect business decisions for investments to support current operations. 4. The 40 or so jobs created for managing the SPR site could jeopardize literally thousands of direct chemical industry jobs and thousands of indirect jobs. <p>I also understand that Bryan Mound was removed from consideration because it did not have adequate capacity for expansion and that the plans for Stratton Ridge would include facilities to off load foreign crude in Texas City and bring the oil in through pipeline. So it seems this would not even benefit Port Freeport.</p> <p>Sincerely,</p> <p>Donald "Dude" Payne, Commissioner Brazoria County Precinct 1</p> <p>Kelli Smith, Assistant Commissioner Donald "Dude" Payne Brazoria County Pct. 1 P.O. Box 998 Clute, Texas 77531 979-265-3953 or Ext. 1523</p>
---	---

1 And I don't see it as a -- this as a long-term positive
2 for our area.
3 Thanks.
4 MR. DAVID JOHNSON: Thank you.
7:43P 5 MR. DONALD PAYNE: Donald Payne, P-a-y-n-e.
6 I'm County Commissioner, Precinct 1, Brazoria County. And
7 I'd like to read a Resolution that was passed in
8 Commissioner's Court today.
9 To all to whom these present shall come,
10 Greetings: Whereas, it is understood that the Energy
11 Policy Act of 2005 directs the Secretary of Energy to fill
12 the Strategic Petroleum Reserve to a capacity of 1 billion
13 barrels of oil; and Whereas, it will require the
14 Department of Energy to expand the Strategic Petroleum
15 Reserve, such plans to include adding one new site; and
16 Whereas, the new site must be selected from a group of
17 sites previously assessed in the Draft Environmental
18 Impact Statement; and Whereas, Stratton Ridge, Texas, is
19 one of the new sites being considered; and Whereas,
20 Stratton Ridge, Texas, is in Brazoria County, Texas; and
21 Whereas, the proposed location of a Strategic Petroleum
1 22 Reserve storage operation is Stratton Ridge, Texas --
23 would have an adverse effect on the area's chemical
24 manufacturing industry and related jobs and thus the
25 area's new economic base would be adversely affected; and

D0095

1 Whereas, the Department of Energy has other options to
2 meet its mandated expansion of the Strategic Petroleum
3 Reserve capacity.
4 Now, therefore be it resolved, that Brazoria
2 5 County hereby opposes any location of a Strategic
6 Petroleum Reserve at Stratton Ridge, Texas.
7 In witness thereof, we have hereunto set our
8 hands and cause the Great Seal of Brazoria County to be
9 affixed on the 27th day of June, 2006. It's signed by all
10 the members of the Commissioner's Court: County Judge,
11 John Willy; myself, Commissioner of Precinct 1; Jim
12 Clawson, Commissioner of Precinct 2; Jack Harris,
13 Commissioner of Precinct 3; and L.L. Stanley, Commissioner
14 of Precinct 4.
15 And on a personal note, before I was elected
16 in 2001, I worked for Dow for 22 years, and ten of those
17 years were in a chlorine plant. And I know the need of
18 the brine for the -- for the chlorine operations. And I'm
3 19 actually surprised when Bob stood up here and said it
20 would only affect 50 percent of the people out there. I
21 figured it would be more than that because at all of the
22 other plants -- or a lot of the other plants tie in to
23 chlorine.
24 So, this is something that would -- with
25 you-all having another site, I sure would hope you-all

Appendix N: Comments on Draft Environmental Impact Statement

17

1 would be willing to look at going somewhere else other
2 than in Brazoria County. Commissioner's Court does not
3 oppose having an increase in the barrels of oil. We just
4 oppose it coming to Brazoria County.

5 Thank you-all.

6 MS. KAREN FADELY: Anybody else like to say
7 something?

7:45P

8 **MS. TERI MASTERON:** My name is Teri
9 Masterson, M-a-s-t-e-r-s-o-n. And my background is in
10 trade and commodity markets. And I was just -- I really
11 have a question more than a comment.

12 Do you-all consider, when you're doing your
13 economic and risk analysis, not only the economic risks to
14 the local economy but also to the natural gas supplies of
15 the United States? Because as we look at more LNG coming
16 in and we look at storage capability, the strategic oil
17 reserve is obviously for disruptions in oil production.
18 But natural gas production is also key to electric power
19 generation as well as the gas that we use in -- for power
20 and feedstocks in the -- in industries all around the
21 state and, in fact, all around the United States.

22 So, when you look at the impact of affecting
23 LNG and the volatility that that can have on natural gas
24 markets -- because that will help depress volatility of
25 natural gas markets. I know you-all are focused on oil;

D0096



BOARD OF SUPERVISORS

P.O. Box 339 Phone: (601) 437-4994
Port Gibson, MS 39150 Fax: (601) 437-4430

D0015

June 14, 2006

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Re: Draft Environmental Impact Statement
Expansion of Strategic Petroleum Reserve
Bruinsburg, Claiborne County, Mississippi

Dear Mr. Silawsky:

As stated in our letter dated December 14, 2005, the Claiborne County Board of Supervisors supports the efforts of the Department of Energy to expand our nations Strategic Petroleum Reserve (SPR). The Energy Policy Act of 2005 set out a number of initiatives to address this country's present dependency. The expansion of the SPR is one of these positive responses.

1

The Bruinsburg site here in Claiborne County is well suited for emergency distribution to the middle USA refineries using not only the capline pipeline but the Mississippi River as well. The Bruinsburg site also appears to have substantial merit for the 160-million barrel expansion site or the 80-million barrel expansion set out in the Department of Energy's options for expansion.

With the expected multi-million dollar investment, several hundred construction jobs and high payment permanent jobs to be created, coupled with the limited impact on the environment as outlined in the Draft Environmental Impact Statement, this board continues to support the efforts of Governor Haley Barbour and our congressional delegation in selecting Bruinsburg as a potential site to expand the United States Strategic Petroleum Reserve.

Sincerely,

Charles Shorts
President

Cc: The Honorable Haley Barbour
The Honorable Chip Pickering

CA:SPRIDEIS Comments 6-14-06.doc

"Where the Past & Future Go Hand in Hand."

Appendix N: Comments on Draft Environmental Impact Statement

1 environmental safety and cost effectiveness for construction
2 and operations during the life of the storage facility.

3 By moving the caverns and service facilities as far west
4 on the site as practical, the maximum subsurface safety as to
5 the geologic control and operational effectiveness can be
6 obtained. By constructing a facility in that manner, visual
7 resources, endangered species, cultural resources impact can
8 be minimized or eliminated. The affected area will be less
9 than 700 acres. This will result in an environmentally sound,
10 very cost-effective site. I would like to submit to you for
11 the record a proposal incorporating all of these features.

12 Thank you so much for your time. I appreciate it.

13
14 **JAMES MILLER**

D0090

15 My name is James Miller. I'm Claiborne County
16 Administer, and I'm here on behalf of the Claiborne County
17 Board of Supervisors. And I want to apologize. They're in a
18 board meeting as we speak, so that's why they're not here.
19 They sent me to echo their concerns.

20 I want to first and foremost say the Claiborne County
21 Board of Supervisors totally supports this effort. And, as a
22 matter of fact, we, the county, we have been talking to our
23 congressional delegation about this particular endeavor for
24 the last couple or three years. Congressman Pickering, I
25 think, was very instrumental in bringing this to the

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-907-4196
rosehails@bellsouth.net

1 forefront, in terms of Claiborne County being included in the
2 process, as well as Governor Barbour. So the Claiborne County
3 Board of Supervisors is totally committed to doing whatever it
4 needs to do to support this.

5 Having said that, we also see this as having implications
6 for national security. It seems to me, very clearly, that we
7 need to do everything we can to make sure that our country is
8 independent and we have a diversified portfolio as it relates
9 to our energy needs.

10 Most of y'all know that we've also embraced Claiborne
11 County to the building of Grand Gulf Nuclear Power Plant
12 Number Three. So we see southwest Mississippi and Claiborne
13 County being an integral part of the solution to coming energy
14 solutions to our problems in this country as it relates to
15 gas, natural gas, and oil, as well as nuclear power. We see
16 nuclear power and these other energy conglomerates as an
17 integral part of having a diversified energy portfolio.

18 And so the Claiborne County Board of Supervisors, again,
19 supports this effort, and we will do anything and everything
20 we can to work with the Department of Energy and other federal
21 agencies as we go through this process to make sure that we
22 act in the best interest of Claiborne County, southwest
23 Mississippi, the State of Mississippi, and our country.

24 Thank you.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-907-4196
rosehails@bellsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

<p>8 total number of brine spills predicted with each alternative is 96 to 103. We have very productive, important natural estuaries here on the Gulf Coast and if you dump salt water into that you can kill it for years. These are important to our seafood industry and it can take a long time to recover. The other -- this other last point that I will make is I don't think that you've adequately considered the cumulative impact. And I had an idea if TV was here tonight, I was going to walk from the back and just go like this (indicating) and say, I surrender. We have four major public hearings this week in this county of major environmental impacts. We have two LNG boards that you want to put right next to the island that you are talking about putting this marine Shell terminal. These two LNG ports are going to have to require a great amount of security around them. I don't know how you are going to get all of these tankers in and out.</p> <p>9 Two LNG ports, right next door, Chevron Pascagoula Refinery is planning on expanding, doubling the size of their refinery so they would go from being the seventh largest refinery in the country to the third largest refinery in the country. I just went to a hearing tonight at 6:00 about DuPont Chemical expanding their operations there and bringing in a dangerous chemical that I don't think we need. So I don't think that you've adequately addressed the cumulative impact. This area has been hit hard by Katrina. The last thing we need to do is bring huge amounts of additional developments into the marine area that we rely on for our seafood production and our cultural heritage. Thank you.</p> <p>1 MR. FRANK LEECH: Dr. Osborne and Mr. Johnson, especially on behalf of Jackson County, I would like to say welcome here this evening. And to the rest of you folks that are here to support this, the effort, I am appreciative of your coming our way. I suppose that I would much rather have been able to say that I appreciated being officially invited here this evening, but as you well know I was not officially invited and as far as I am aware, there is not a member of the Jackson County Board of Supervisors that was officially invited or notified as to this meeting or this hearing. Neither was there a notification on October 5th, which was to be a local scoping meeting for this -- Environmental Impact Statement was there any notice given to our Board of Supervisors nor our port authority, nor was there any local meeting relative to input that I am aware of in either Jackson County nor was there one on October the 4th, I believe, as it was scheduled in Hattiesburg, either. So with regard to the fact that none of the meetings have been held on a local level and I don't believe there has been adequate notice relative to this issue being placed before the citizens of Jackson County, I would say that I think this Environmental Impact Statement needs to take a step backward and I think in taking a step backward we need to then recognize and realize that the citizens of the Gulf Coast of Mississippi should be apprised and especially those individuals that are elected to represent a constituency, especially in Jackson County, should be one of the very first people that are on mailing list. I would further request that the Board of Supervisors be advised of why we have not been on an official mailing list and I would like to also know who has been notified as to any scoping meetings or any of the publications of the record that are taking place with regard to this Environment Impact Statement. I am aware that also within this Environmental Impact Statement it makes reference to establishing a marine terminal within the Port of Pascagoula. The Port of Pascagoula is represented by nine board members. Five of those being appointed by the Board of Supervisors. Four of those being appointed by the governor of the State of Mississippi and they, too, were not in the loop with regard to this project at all. I notified -- after having found out via the grapevine today that this meeting was taking place, I notified Mark McAndrews, the director of the Port of Pascagoula, as to this meeting and suggested that -- I wondered if he was aware of this and he apprised me that he was not. Mr. Johnson, it's my understanding</p>	<p>1 that a meeting was scheduled at 3:00 p.m. this afternoon to bring Mr. McAndrews as well as George Freeland, the director of the Jackson County Economic Development Foundation, QUASI, up to speed on what may be taking place here. I think all of this is a little bit on the ridiculous side as far as our federal government not working with local government to at least apprise it of what is going on. I further am very concerned about the fact that there seems to be some idea that has been quote, unquote, concocted that we are going to build a marine terminal on Singing River Island that is in the process of base realignment and the closure process. And I think in that regard and the fact that we do have an organization that has been recognized in Jackson County by the federal government as being an organization that would work toward the adaptive reuse of the island and look at it as to what may transpire there in the future that even that organization, I do not believe, is aware of this proposed marine terminal. I think in that regard things that are up for discussion is the future ownership, maintenance and the adaptive reuse of the Singing River Island as we try to proceed and as we try to solidify economic development within Jackson County with regard to that island, which the State of Mississippi and the Jackson County citizens have certainly made significant investment toward. We further, I believe, would be concerned about the fact that here we are about to -- it appears as though if this were found to be the right site -- incur a significant capital outlay into an area that is right on the face of the Gulf of Mexico and with the onslaught of the various and sundry not only tropical storms, but catastrophic hurricanes it would appear as though to me we will be in a constant state of maintenance with regard to a marine terminal that is going to be placed within the brunt of a zone that would be impacted by each and every hurricane that enters the Gulf and comes our way. Not only am I concerned about the fact that -- that is an issue, but with regard to what was described by Ms. Gillette as far as water resources and the extraction of water from a water supply that Jackson County has been concerned about for a long period of time. It would be my idea on S25 when it talks about water resources, we address surface water, and it says the proposed facilities would draw water from nearby surface water bodies for use in the cavern solution mining -- if I can read up here in the dark. Two of the proposed new sites would withdraw the water from the ICW the proposed, et cetera, et cetera. Then you get down to the fact the new Richton site, the flow rate of the Leaf River is highly variable and there would be a potential for withdrawing a significant fraction of the total river flow during drought periods. This withdrawal could exceed the minimum instream flow levels established by the Mississippi Department of Environmental Quality during periods of low flow in the Leaf River. Well, we have certainly experienced low flow within that river system and the fact that the Jackson County Board of Supervisors is presently in the final stages of a water supply for industrial purposes as well as for potential potable water for drinking water for our municipalities, a project by which we would continue to withdraw sizable amounts of water from the Pascagoula River. I am concerned about the fact that all of this could certainly place quite a strain upon the water resources, so I would ask that some additional consideration with regard to that be given and the fact that we are presently -- have in the last five years, I know, had to purchase water from the Pat Harrison Waterway through the Port of Pascagoula in order to stabilize industrial water supply for the local industries. I think we need to reconsider the fact -- withdrawing from the local surface water supply as far as this cavern is concerned. I am very also much interested in the fact that we are -- are looking for alternatives for storage and why are the locations all within a three-state area of the southern United States on the Gulf of Mexico. It would seem as though to me with regard for a need -- we certainly have a great need in the northeastern quadrant of the United States as well as the West Coast, so would it not be appropriate to establish some other location as opposed to a concentration of strategic</p>
---	--

Appendix N: Comments on Draft Environmental Impact Statement

5 petroleum reserve being stored in such close proximity to each other? I do not have any earthly idea what the impact from a security standpoint may be, but with the fact that this is all around the Gulf, it would seem as though to me it could be better if it were spread out into other jurisdictions and this were not basically crammed down a couple or three states' throats as it appears as though we sometimes become the whipping posts for our government. I am also very concerned about the fact that these -- that there is such a concern about life cycle costs and if you want to look at life cycle costs why couldn't we merely look at another investment as opposed to merely incurring all of this capital outlay of pipelines and terminals and such as that by looking at a public/private partnership within some of our refineries whereby I am certain that an arrangement could be made for them to store some of this needed reserve product and could probably be done in such a fashion that it would be much less costly and would be ever present for productivity at those refineries so that that product that is called "crude" could then certainly be converted to something that would be consumable by the citizens of the United States? I am cognizant of the fact that we certainly need and we will always need to look for alternative uses or alternative energy sources. And I think that certainly I echo Ms. Gillette's comment with regard to the message to Congress that we need to be looking at something other than continuing to build strategic petroleum reserves and look at another means of providing as opposed to oil. I would ask that the prior Environmental Impact Statement that was developed in the '90s be returned to the website or that copies of that specifically be made available as far as a CD ROM or such so that we could compare what prior findings were made as compared to today's Environmental Impact Statement. That we probably are just merely recreating the wheel and all of this has been studied and studied and studied again, so it would be my opinion that we probably ought to quit studying and we ought to just try to get down to the brass tacks of the matter of the fact that there are some alternatives other than Mississippi becoming this process of having oil stored in our salt domes and then have to be concerned with this brine sludge or whatever is going to come down this pipeline for introduction into the Gulf of Mexico. I would further ask that the Gulf of Mexico program office be consulted with regard to any and all concerns as well as national marine fisheries simply because our Gulf is a very -- is very much an impact financially and economically across the entire southern United States. And with the shrimp and the aquaculture production that we are working so hard to improve so that we don't have to rely upon foreign seafood and the import of additional products, it would seem as though to me we would want to be much more protective of our Gulf than what we are presently talking about doing and that's merely dumping some additional brine or whatever is going to come out of that salt dome down this pipeline into the Gulf of Mexico. So with that you can gather from my comments that I am concerned. I am very much displeased with the fact that a federal agency has come to Pascagoula, Mississippi on this date without having had any prior meeting in Jackson County with regard to something that is going to ultimately end up here in our county and guess what, it is not appropriate I do not believe for this local government to be ignored and to be glossed over. So for that I would say y'all have not done justice to our local government. It is with great disdain that I stand here having to say this evening that I don't appreciate any or all of this. I don't appreciate that many federal agencies have been involved, but yet, none of have had any discussion with the people that are elected to care about our county and how we go forward. I'd ask that you please do not take these comments personal. These are my personal comments and I would further say that I do not speak on behalf of the five members of the Board of Supervisors. I am speaking as Frank Leech, District 4 Supervisor of the Jackson County Board of Supervisors and I am not speaking on behalf of the board, even though I did ask each one of our board members today that were present as well as Mr. Broussard, who was not present at

11 our meeting today, who happens to be celebrating his 30th wedding anniversary today, so I can appreciate why he is not here or he would have been, I am certain, because he has great concern about our environment. But I have asked each and every one of them if they were aware of any or all of this and there was not the first single, solitary person that was aware, that I spoke to, be it at the port or be it at our board. In that I am going to close and I am going to say once again I thank you for allowing us the opportunity to come. I am saddened by the fact that this was not very well publicized. I am saddened by the fact that we do not have an abundance of people here this evening to respond to what I think could be an issue that could provide a critical situation in Jackson County as we go forward. And I personally do not believe it would be in our best interest and the State of Mississippi necessarily to have this 160 million barrels of oil stored here when it could be stored other ways and other places. Thank you very much.

Appendix N: Comments on Draft Environmental Impact Statement

D0010

-----Original Message-----
From: FRANKLCPA@aol.com [mailto:FRANKLCPA@aol.com]
Sent: Tuesday, June 20, 2006 11:31 AM
To: Silawsky, Donald
Subject: Re: SPR EIS WEB SITES

Mr. Silawsky,

Thanks for sending the links. I would appreciate your forwarding to me 5 cd's of the draft EIS to the following address.

103 Rouselle Pl Ste D
Ocean Springs, MS 39564

Thanks again,

Frank Leach
District IV Supervisor
Jackson County Board of Supervisors

228 769 3457 Office
228 326 4242 Cell
228 872 4971 CPA Office

7

1 Yes.

2 MS. FADLEY:

3 You can come up now if you have a comment. Please
4 remember to state your name and spell your last name.

5 MS. RANDOLPH:

D0103

6 Let me first apologize for my dress, so -- we had
7 some field work to do today. I am Charlotte Randolph,
8 Lafourche Parish President.

9 My comments, as they had been at the last meeting,
10 are directed to the Clovelly site. Because LOOP had been
11 a good environmental storage for many years, we feel that
12 any expansion could actually be best achieved in that
13 site. We feel that LOOP would certainly be a good monitor
14 of the situation, as well.

15 I realize that it will take some time for this
16 particular project to develop and come to fruition, but at
17 the same time Lafourche Parish, and in particular the LOOP
18 site, is encased and encircled by a levee system which was
19 able to survive Rita last year, and that was very
20 important because we certainly had some infrastructure
21 that was involved in that situation.

22 The Chacahoula site is straddling the border between
23 Lafourche and Terrebonne, and certainly we would be
24 somewhat concerned about the ecosystem there, but at the
25 same time -- we're open to discussion about that site, but

Appendix N: Comments on Draft Environmental Impact Statement

8

1 certainly we would favor more a site that has already been
2 developed, already been established, already been
3 represented as a group that will certainly make certain
4 2 that everything that is necessary to protect the
5 environment, as well as to provide the storage for this
6 very important American oil -- I think it would be best
7 served at LOOP. Thank you very much.

8 MR. JOHNSON:

9 Thank you.

10 MS. FADLEY:

11 Would anybody else like to stand up and make a
12 comment? Okay. Well, I do remind you that you have until
13 July 10th to submit your comments.

14 (Whereupon the public statements were concluded.)

15 * * * * *

16

17

18

19

20

21

22

23

24

25

22

1 infrastructure and the storage that is capable of being
2 developed on the property for the natural gas, we see it
3 as being as, you know, every bit as important as the
4 security and the need for the oil storage.

5 Thank you.

7:53P

6 **MR. SHANE PIRTLE:** Shane Pirtle,

D0099

7 P-i-r-t-l-e, immediate and former mayor of Lake Jackson.

8 And I won't presume to speak for other elected officials.

9 I say that -- as you've already heard, Dow Chemical is a
10 major -- the primary employer in this community, largest
11 employer in this community; and obviously it's a
12 substantial contributor to this community.

13 So, with that being said, we wouldn't want
1 14 to see anything that jeopardizes what we've seen as a
15 great partner in this community both as an employer and
16 contributing in a number of other activities. So, I think
17 that would -- and as well as the cities -- all those --
18 most of the large cities are members of The Economic
19 Development Alliance and we're a part of this resolution.

20 Thank you.

21 **MS. KAREN FADELY:** Would anybody else like
22 to come up and make a comment?

23 Go ahead, ma'am.

7:54P

24 **MS. JANICE EDWARDS:** My name is Janice

25 Edwards. And my background -- and I'm retired from Getty,

Appendix N: Comments on Draft Environmental Impact Statement

23

1 Texaco, and Shell and so, I know a lot about the oil
2 industry.

3 And my question to you-all is -- I
4 understand we need strategic oil reserves. But looking at
5 the map where they all are, they all reside in the Gulf
6 Coast. I realize most of our refineries are here; but the
7 problem I see is if we have a major disaster like a
8 Katrina and a Rita again and you cannot get to the
9 strategic oil reserves, it'd do you no good. I suggest
10 that you consider some place a little bit further inland
11 that would not be impacted by the hurricanes that we are
12 going to continue to receive down in the Gulf Coast.

13 Thank you.

(Mr. David Johnson concludes with closing remarks and meeting is concluded at
7:55 p.m.)

[This page intentionally left blank]

N.2.2 Agencies

Federal Government

<p style="text-align: right;">D0073</p> <p style="text-align: center;">Southeast Regional Office 263 13th Avenue S St. Petersburg, Florida 33701-5511</p> <p style="text-align: center;">July 7, 2006</p> <p>Mr. David Silawski Office of Petroleum Reserves (FE-47) U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585-0301</p> <p>Dear Mr. Silawski:</p> <p>The NOAA's National Marine Fisheries Service (NMFS) has reviewed the Department of Energy's (DOE) Draft Environmental Impact Statement (DEIS) titled, "Site Selection for the Expansion of the Strategic Petroleum Reserve" dated May 2006. The purpose of the proposed action is to select sites necessary to expand the Strategic Petroleum Reserve (SPR) from its current 727 million barrel (MMB) storage capacity to a one billion barrel capacity. Five new sites for SPR facilities are proposed: Chacahoula and Clovelly, in Lafourche Parish, Louisiana; Bruinsburg, Claiborne County, Mississippi; Richton, Perry County, Mississippi; and Stratton Ridge, Brazoria County, Texas. Existing SPR facilities where storage capacity may be increased are located at Bayou Choctaw, Iberville Parish, Louisiana; West Hackberry, Cameron and Calcasieu Parishes, Louisiana; and Big Hill, Jefferson County, Texas. NMFS offers the following comments on the DEIS:</p> <p>3.0 AFFECTED ENVIRONMENT AND POTENTIAL IMPACTS 3.7 Biological Resources 3.7.1 Methodology 3.7.1.3 Essential Fish Habitat</p> <p>1 Page 3-184, paragraphs 1 and 2. This section of the document describes methods to identify essential fish habitat (EFH) associated with this project at the brine diffuser and offshore pipeline rights-of-way (ROW) only. Onshore components of some of the various new and proposed expansion sites would potentially impact EFH for various federally managed species as well. Methods to identify and quantify onshore impacts of SPR expansion activities should be included in this section of the DEIS.</p> <p>3.7.2 Impacts Common to Multiple Sites 3.7.2.1 Construction Impacts 3.7.2.1.5 Essential Fish Habitat</p> <p>2 The NMFS has concerns with siting the Richton brine discharge pipe in the Gulf of Mexico approximately one mile south of Pascagoula Ship Channel. The DOE predicts that the increase in salinity will be as high as 4.7 parts per thousand and will extend into Horn Island Pass/Pascagoula Ship Channel which connect to Mississippi Sound.</p>	<p>2 Salinities within the pass, ship channel, and sound vary greatly, with the highest salinities generally occurring in June. The DEIS states that demersal species such as white and brown shrimp are tolerant of a wide range of salinities; however, we are unaware of any information regarding how a higher than ambient salinity gradient in a restricted pass/channel may affect larval and postlarval recruitment from the Gulf of Mexico into an estuary. Since this action could result in a switch in dominance from white shrimp to brown shrimp (page E-28) and is to last for up to five years, more detailed evaluations should be provided, and alternative sites located further south of Horn Island Pass and the Pascagoula Ship Channel should be addressed.</p> <p>3.7.4 Chacahoula Storage Site 3.7.4.1 Affected Environment 3.7.4.1.2 Chacahoula Rights-of-Way</p> <p>3 Page 3-219, paragraph 1. <i>Essential Fish Habitat</i>. The DEIS incorrectly indicates the project would not be located in an area designated as EFH. The raw water intake (RWI) pipeline between the Gulf Intracoastal Waterway (GIWW) and upland developed areas south of Louisiana Highway 90 would be located in tidally influenced areas that have been designated as EFH for postlarval, juvenile and sub-adult life stages of white shrimp, brown shrimp, and red drum. The brine disposal pipeline would share the ROW with the RWI pipeline between the GIWW and Louisiana Highway 90. From the GIWW, the brine disposal pipeline would extend 33.4 miles through wetlands and shallow water bottoms prior to reaching the beach and extending offshore. Intermediate, brackish, and saline marsh habitats would be impacted by brine disposal pipeline installation activities. Primary categories of EFH potentially impacted by the RWI and onshore components of the brine disposal pipeline include estuarine wetlands, estuarine water bottoms, submerged aquatic vegetation, and estuarine water column. The document should be revised to correctly identify the federally managed species and life stages having EFH designated in the Chacahoula ROWs and listing the general categories of EFH potentially impacted by construction activities.</p> <p>4 3.7.4.1.3 Raw Water Intake and Access Road Page 3-219, paragraph 6. <i>Essential Fish Habitat</i>. The DEIS indicates the project would not be located in EFH. As indicated above, that information is incorrect. The document should be revised as recommended in the preceding paragraph.</p> <p>5 3.7.4.2 Impacts 3.7.4.2.2 Chacahoula Pipeline Rights-of-Way Page 3-224, paragraph 1. <i>Essential Fish Habitat</i>. This section states that "No EFH is located in or near the boundaries of the proposed Chacahoula ROWs." As noted above, this is incorrect. NMFS recommends the document be revised to quantify the acres of various categories of EFH that would be impacted by the construction of the RWI ROW and discuss mitigation necessary to compensate for adverse impacts to EFH.</p> <p style="text-align: center;">2</p>
---	--

Appendix N: Comments on Draft Environmental Impact Statement

<p>5 3.7.4.2.3 Raw Water Intake Page 3-225, paragraph 4. <i>Essential Fish Habitat</i>. See previous comment.</p> <p>3.7.5 Clovelly Storage Site 3.7.5.1.1 Clovelly Storage Site Page 3-227, paragraph 6. <i>Essential Fish Habitat</i>. The DEIS states, “No EFH is located in or near the proposed Clovelly storage site.” The DEIS characterizes wetlands at the Clovelly storage site as being a tidally-influenced estuarine community and lists plant species which are typical of brackish marsh habitats. Wetlands identified at the project site are categorized as EFH for postlarval, juvenile, and sub-adult life stages of white shrimp, brown shrimp, and red drum. Primary categories of EFH in the Clovelly storage site are estuarine emergent wetlands, estuarine mud bottoms, and estuarine water column. The DEIS should be revised to correctly identify EFH at the Clovelly storage site.</p> <p>3.7.5.1.2 Raw Water Intake Page 3-228, paragraph 3. The DEIS states, “No EFH is located in or near the proposed Clovelly storage site.” The DEIS states the RWI would be located a few hundred meters southwest of the storage caverns in an area categorized as emergent wetland habitat.</p> <p>6 Wetlands at the project site are EFH for postlarval, juvenile, and sub-adult life stages of white shrimp, brown shrimp, and red drum. The DEIS should be revised to correctly identify EFH at the Clovelly RWI site.</p> <p>3.7.5.2 Impacts 3.7.5.2.1 Clovelly Storage Site Page 3-230, paragraph 2. See previous comment. The document should be revised to quantify impacts to various categories of EFH that would occur from the use of the site and to discuss mitigative actions that could be implemented to minimize and compensate for adverse impacts to EFH.</p> <p>3.7.5.2.2 Raw Water Intake Page 3-231, paragraph 3. <i>Essential Fish Habitat</i>. See previous comment. The document should be revised to quantify impacts to various categories of EFH that would occur from the use of the site and to discuss mitigative actions that could be implemented to minimize and compensate for adverse impacts to EFH.</p> <p>7 Section 3.7.7.2.4 Terminal in Pascagoula Page 3-256. The DEIS lacks information to allow an adequate assessment of the impacts to the 35 acres of estuarine wetlands at the Pascagoula terminal on Singing River Island. DOE chose to just indicate that, if this alternative is selected, the DOE would refine the conceptual site plan and secure permits from the Corps of Engineers by providing compensation for the unavoidable wetland impacts. The estuarine wetlands on Singing River Island have been designated as EFH for various federal managed fishery species.</p> <p>8 Also, Mississippi Sound is designated as critical habitat for the Gulf sturgeon under provisions of the Endangered Species Act. The Singing River Island site has been subjected to various activities, including the establishment of a dredged material disposal site, the development of the Port of Pascagoula Special Management Area Plan, and the</p> <p>9</p> <p style="text-align: center;">3</p>	<p>9 construction of a U.S. Navy facility. The site also is incorporated into the Corps of Engineers’ proposed Dredged Material Management Plan for the Port of Pascagoula and the federal channel. Accordingly, the Singing River Island site may not be available to construct a terminal, even if the DOE is willing to provide offsetting mitigation unavoidable impacts. The availability of this site as well as other alternative sites in the Pascagoula area should be fully explored prior to DOE making a selection on terminal locations.</p> <p>3.7.11 West Hackberry Expansion Site Page 3-288, paragraph 2. <i>Essential Fish Habitat</i>. There are extensive wetlands and open water areas surrounding the West Hackberry site and the DEIS reports that expansion activities would affect five acres of “emergent wetlands and water.” Tidally influenced wetlands at the expansion site are EFH for postlarval, juvenile, and subadult life stages of white shrimp, brown shrimp, and red drum. Estuarine emergent wetlands, estuarine mud bottoms, and estuarine water column are the primary categories of EFH potentially affected by expansion activities. NMFS recommends the document be revised to identify and discuss EFH at the West Hackberry expansion site.</p> <p>10 3.7.11.2 Impacts Page 3-289, paragraph 6. <i>Essential Fish Habitat</i>. The DEIS states “There is no EFH within or near the proposed West Hackberry Expansion Site.” This is incorrect, and the document should be revised to quantify impacts to various categories of EFH that would occur from the use of the site and to discuss mitigative actions that could be implemented to minimize and compensate for adverse impacts to EFH.</p> <p>4.0 Cumulative Impacts Pages 4-1 through 22. No information is provided in this section related to the cumulative impacts to NMFS trust resources that would be caused by implementation of each of the three alternatives considered to expand SPR storage capacity by 273 MMB.</p> <p>11 While Section 3.0 of the DEIS quantifies impacts to various categories of habitat that would result at each expansion site, the three alternatives being considered include expansion activities at various combinations of sites. To allow for a side-by-side comparison of the cumulative impacts to various categories of wetlands and EFH that would result from each alternative, this section should be revised to include a summary quantification of impacts to EFH and dependent fishery resources.</p> <p>12 NMFS has carefully reviewed the potential impacts associated with the three alternatives to expand SPR capacity by 273 MMB. Because no major new pipeline segments would be required for the Clovelly site, NMFS believes that impacts to tidally influenced wetlands and EFH would be minimized by the selection of the alternative that would include increasing storage capacity to 120 MMB at the Clovelly terminal.</p> <p style="text-align: center;">4</p>
---	--

Appendix N: Comments on Draft Environmental Impact Statement

If we may be of further assistance, please contact Mr. Richard Hartman of our Baton Rouge office at (225) 389-0508 concerning the projects in Louisiana and Mr. Mark Thompson of our Panama City office at (850) 234-5061 concerning the projects in Mississippi.

Sincerely,

/s/ Rickey N. Ruebsamen

for
Miles M. Croom
Assistant Regional Administrator
Habitat Conservation Division

5

D0074

Draft EIS Comments: Proposed SPR Sites

I generally do not have much additional specific comment beyond the concerns which were summarized during the scoping period. Previous comments regarding the proposed expansion and new sites remain valid and should be fully covered in the final EIS. This information is vital for permit documentation.

Based on our June 29th, 2006, meeting, I offer the following points for consideration in the FEIS:

1. Clarify why the proposed new facility at Clovelly is not technically practicable. There is existing infrastructure, proximity to LOOP and appears compatible with petroleum support function and development trends in the Port Fourchon area. This alternative appears to be one of less environmentally damaging options.
2. Explain limitations regarding maximizing expansion of the all existing SPR facilities, whether technical or administrative (e.g., 250 million barrel cap).
3. Address alternative storage mechanisms (e.g., tanks).
4. All indications suggest that the Chacahoula site is a strong contender for selection. Therefore, the social, economic and environmental impacts should be specifically documented. Every opportunity to minimize impacts incurred by each aspect of the project should be incorporated into the design. As discussed previously, the swamp is a high quality persistently flooded, forested wetland system comprised of muck and mineral muck soils. It provides critical biological support, flood control, water storage, tropical storm buffer, water quality enhancement, recreation. Based on the scope of the project and regional land use trends and demographic patterns in the Morgan City, Houma and Thibodaux area, the cumulative impacts will require thorough analysis. An adequate mitigation project that functionally integrates in to the natural system, is within the watershed (HUC 08090302 - West Central Coastal Louisiana), and that fully compensates all impacted physical, chemical and biological functions, should be in the formulation process. In addition,
5. EFH and ESA issues will likely require consultation.

Martin S. Mayer
Chief, Central Evaluation Section
US Army Corps of Engineers, New Orleans District



Natural Resources Conservation Service
101 South Main Street
Temple, TX 76701-7602

United States Department of Agriculture

00009

June 7, 2006

Office of Petroleum Reserves (FE-47)
U.S. Department of Energy,
1000 Independence Ave., SW.,
Washington, D.C. 20585-0301

Attention: Donald Silawsky, NEPA Document Manager

Subject: LNU-Farmland Protection-
Expansion of Strategic Petroleum Reserve
Brazoria, Galveston, and Jefferson Counties, Texas

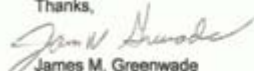
We have reviewed the information provided concerning the proposed expansion of the Strategic Petroleum Reserve in Brazoria, Galveston and Jefferson Counties, Texas as outlined in Draft EIS dated May 19, 2006. This is part of NEPA evaluation for the U. S. Department of Energy. We have evaluated the sites located in Texas as required by the Farmland Protection Policy Act (FPPA).

1

We have previously rated the soils at the Big Hill, Stratton Ridge and the Texas City Terminal sites which are located in Texas. We developed composite rating for the soils at the SPR Sites and completed the AD-1006 and CPA-106 forms for each site. You have discussed Important Farmlands in Section S.6.2. Thank you for considering the importance of protecting soils in these projects. We know of no other environmental concerns.

Thanks for the resource materials you submitted and for the opportunity to review this Draft EIS. If you have any questions please call James Greenwade at (254)-742-9960, Fax (254)-742-9959.

Thanks,


James M. Greenwade
Soil Scientist
Soil Survey Section
USDA-NRCS, Temple, Texas

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.
An Equal Opportunity Provider and Employer



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF THE SECRETARY
Office of Environmental Policy and Compliance
P.O. Box 26567 (MC-9)
Albuquerque, New Mexico 87125-6567

00078



July 7, 2006

File 9043.1
ER 06/499

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585-0301

Dear Mr. Silawsky:

The U.S. Department of the Interior (DOI) has reviewed the Department of Energy (DOE) Draft Environmental Impact Statement (EIS) for the Expansion of the Strategic Petroleum Reserve (SPR) at sites in Mississippi, Louisiana, and Texas. The DOE conducted planning activities for the expansion of the SPR to 1 billion barrels under prior congressional directives in 1988 and 1990. The expansion planning directive in 1988 resulted in an initial plan titled Report to Congress on Expansion of the Strategic Petroleum Reserve to One Billion Barrels. The expansion planning directive in 1990 likewise resulted in a Report to Congress on Candidate Sites for Expansion of the Strategic Petroleum Reserve to 1 billion barrels and the preparation of a Draft EIS on the Expansion of the Strategic Petroleum Reserve, DOE/EIS-0165-D in 1992, which assessed five candidate sites for the expansion of the SPR to 1 billion barrels: Big Hill, Texas; Stratton Ridge, Texas; Weeks Island, Louisiana; Cote Blanche, Louisiana; and Richton, Mississippi.

We have reviewed the information provided and offer the following comments in accordance with provisions of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), the Endangered Species Act of 1973 (87 Stat. 884, as amended; 16 U.S.C. 1531 et seq.), the Migratory Bird Treaty Act (40 Stat. 755, as amended; 16 U.S.C. 703 et seq.), and the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.).

The SPR currently consists of four underground oil storage facilities along the Gulf Coast - two in Louisiana (Bayou Choctaw and West Hackberry) and two in Texas (Big Hill and Bryan Mound) - and an administrative facility in New Orleans, Louisiana. At the storage facilities, crude oil is stored in caverns constructed by the solution mining of rock salt formations (salt domes). The four SPR facilities have a combined current storage capacity of 727 Million Barrels (MMB) and an inventory of 688 MMB as of May 4, 2006.

<p style="text-align: right;">2</p> <p>The DOE is proposing to expand the SPR as required by the Energy Policy Act of 2005 (P.L. 109-58). The DOE would develop one new site or a combination of two new sites and would expand the capacity at two or three existing sites. New pipelines, marine terminal facilities, and other infrastructure could be required. Potential new SPR sites are located in Lafourche Parish, Louisiana; Perry and Claiborne Counties, Mississippi; and Brazoria County, Texas. Existing SPR storage sites that could be expanded are located in Cameron, Calcasieu, and Iberville Parishes, Louisiana, and Jefferson County, Texas. Associated pipelines, marine terminals, and other facilities that might be developed are located in East Baton Rouge, East Feliciana, St. James, Terrebonne, West Baton Rouge, and West Feliciana Parishes, Louisiana; Adams, Amite, Forrest, George, Greene, Hinds, Jackson, Jefferson, Lamar, Lincoln, Marion, Pike, Warren, Walthall, and Wilkinson Counties, Mississippi; and Galveston County, Texas.</p> <p>GENERAL COMMENTS</p> <p>1 The DOI brings to DOE's attention the potential significance of impacts to fish and wildlife habitat that would be caused by the expansion and new construction of the SPR sites, associated pipelines, marine terminals, facilities, and other infrastructure, and offers to cooperate with DOE on actions that may help alleviate these concerns. The Draft EIS should consider what compensatory measures may help minimize the unavoidable losses which may occur. The U.S. Fish and Wildlife Service (FWS) is currently working with the DOE to evaluate the extent of the permanent losses that may occur and to develop an appropriate compensation plan; however, we believe this information should be included in the Final EIS before issuance of a Record of Decision (ROD).</p> <p>2 Because the DOE is in the process of evaluating potential sites for the expansion of the SPR, a complete analysis of potential impacts to federally threatened and endangered species has not yet been conducted. However, the DOE has issued a document of findings of "no effect" or "may affect" for each species that may occur at each proposed site. Once an alternative is selected, additional investigations will be conducted and Endangered Species Act (ESA) consultations with the FWS will be completed. According to the Draft EIS, the DOE will initiate formal consultation with the FWS should a finding of "may affect" be determined for the selected sites. We look forward to working with the DOE in developing mitigative measures to ensure no adverse affects to federally listed species occur. However, the FWS would be willing to enter into formal consultation should the DOE make that request.</p> <p>SPECIFIC COMMENTS</p> <p><u>Texas Sites</u></p> <p><u>Stratton Ridge Storage Site and Associated Infrastructure Impacts, section 3.7.8.2.1, page 3-265</u> <u>Stratton Ridge Rights-of-Way (ROW) Impacts, section 3.7.8.2.2, page 3-268</u></p> <p><u>Plants, Wetlands, Wildlife</u></p> <p>3 Habitat losses: Permanent impacts caused by the construction of the Stratton Ridge Storage Site and associated infrastructure are approximately 258 acres of rare and ecologically important</p>	<p style="text-align: right;">3</p> <p>bottomland hardwood forested wetlands. In addition, 35 acres of deciduous forests, 23 acres of palustrine-emergent wetlands, 12 acres of scrub-shrub, and 45 acres of old field and roads will be impacted. The permanent pipeline Right-of-Way (ROW) impacts are estimated to include 373 acres of bottomland hardwood forest, 40 acres of grassland and scrub-shrub, 11 acres of water and emergent wetlands, 124 acres of sand flats and beach habitat, and 140 acres of disturbed or managed land.</p> <p>The bottomland hardwood forests adjacent to the Brazos, Colorado, and San Bernard Rivers of the upper Texas coast are known regionally as the Columbia Bottomlands. The Columbia Bottomlands extend from the Texas coast, approximately 150 km inland, and include parts of seven counties. It is estimated that the Columbia Bottomlands comprised over 283,000 hectares (ha) at the beginning of the last century. Today, the forest covers about 71,632 ha, and the remaining stands are highly fragmented and continuously lost or degraded through residential and commercial development, overgrazing, timbering, and infestation of invasive plants. Recent studies utilizing Geographic Information Systems suggested a loss of approximately 17 percent between 1979 and 1995.</p> <p>3 Bottomland forests adjacent to the Gulf of Mexico provide stopover and staging habitat for Nearctic-Neotropical migrant landbirds. Millions of Nearctic-Neotropical migrant landbirds move through the coastal forests of the Gulf of Mexico during annual migration. The Columbia Bottomlands provides the only expanse of forest adjacent to the Gulf of Mexico in Texas. An estimated 29 million Nearctic-Neotropical migrant landbirds represented by 65-70 species migrate through the Columbia Bottomlands annually. Forest stands in the Columbia Bottomlands provide structural complexity and resources known to be important for sustaining an abundance of forest-dwelling birds.</p> <p>Mitigation is being offered for the loss of forested wetlands, due to construction of the storage site, at a ratio of 7:1. This may be adequate and acceptable depending on field evaluations. However, no mitigation is being considered for the loss of the 373 acres of forest proposed to be cleared for the pipeline routes. Insufficient information has been provided describing the quality of the 140 acres of managed land or the 120 acres of sand flat and beach habitat. Therefore, field evaluations and continued coordination is recommended in order for the FWS to determine if these impacts will have an adverse effect on fish and wildlife and their habitats. The FWS believes that additional mitigation will be needed to compensate for the loss of 373 acres of bottomland hardwood forest, impacts to sandflats and beach habitats, and possibly the managed land in the pipeline routes. We look forward to working with DOE in developing a stronger mitigation plan to be included in the Final EIS.</p> <p><u>Special Status Areas</u></p> <p>4 Migratory Bird Concerns: The DOI is concerned with the impacts on migratory birds caused by the construction of the large storage tanks, the electrical transmission lines, and any other tall structures proposed for the SPR facilities and work associated with the pipeline installation activities. Migratory birds (e.g., waterfowl, shorebirds, passerines, hawks, owls, vultures, falcons) are afforded protection under the Migratory Bird Treaty Act (40 Stat. 755; 16 U.S.C. 703-712). To ascertain potential effects, the Final EIS should identify locations and heights of</p>
--	---

4	<p>storage tanks, transmission lines, and all tall structures proposed for the project sites. Transmission lines often pose a hazard to migratory birds in flight and can pose a threat to nesting birds attracted to the site; therefore, we recommend the burial of the transmission lines to significantly reduce bird strikes in the area.</p> <p>The proposed SPR facility and pipeline route may be located within the vicinity of documented bird rookeries and colonial nesting bird sites. Of particular concern is Drum Bay bird rookery located in Brazoria County and Little Pelican Island located in Galveston County. There are several others within Brazoria, Galveston, and Jefferson Counties. These rookery sites can be identified on the FWS's Texas Coastal Program website at http://texascoastalprogram.fws.gov/TCWC.htm. Development operations, which include drilling, dredging, seismic exploration, construction activity, or watercraft landing occurring within 1,000 feet of a rookery should be restricted to the non-nesting period (i.e., September 1 through February 15, depending on species present). We recommend that DOE develop a monitoring plan that identifies these rookeries and documents that they will not be disturbed by construction activities.</p> <p>Previous pipeline projects have used bright lighting on associated above-ground pipeline structures such as meter stations, compressor stations, connection stations, main line valve stations, and other small facilities associated with the pipeline projects. The SPR water intake structure may be an example of this type of small above-ground facility. We recommend all bright lighting associated with these above-ground structures be down-shielded to significantly reduce disturbance to resident and migratory birds and other resident wildlife. In addition, security lighting for on-ground facilities and equipment, such as storage tanks, should be down-shielded to keep light within the boundaries of the site.</p> <p><u>Raw Water Intake section 3.7.8.2.3, page 3-270</u></p> <p><u>Special Status Areas</u></p> <p>National Wildlife Refuge (NWR) System: Since the raw water intake pipeline, brine disposal line, and oil distribution line are each greater than 24 inches in diameter, they would all require Congressional approval per 50 CFR 29.21-9(m) for an application for a ROW on the Brazoria NWR. The oil distribution line may be deemed a common-carrier per 50 CFR 29.21-9(j1).</p> <p>Refuge compatibility issues must be addressed for all three lines regardless of size. If the oil distribution line can be located within the existing, heavily disturbed 23 inch and greater pipeline corridor (commonly referred to as the Dow Corridor), compatibility issues and concerns can be better addressed. The raw water intake and brine disposal lines, however, occur in a nationally-recognized declining habitat type - Gulf cordgrass and adjacent wetlands. The area in question (Freshwater Lake area) also has minimal to no disturbance; therefore, construction of two new lines and the resulting wide ROW (150 feet in wetlands and 100 feet in uplands) would be of concern to the refuge during the compatibility determination. Compatibility stipulations may include boring of the two lines underground to minimize habitat loss or other means to replace refuge habitat lost. Please coordinate with Jennifer Sanchez or Floyd Truetken, at 979-849-7771 for additional questions regarding the Brazoria NWR.</p>
5	<p><u>Appendix B: Floodplains and Wetlands, Impact Avoidance and Minimization, section B.7.4, page B-88</u></p> <p>Pipeline Corridors: Alternative routes and directional drilling should be evaluated and the least environmentally damaging route/method should be selected. Installation of pipelines and other transmission lines have caused irreversible damage in coastal marsh environments. Damage is often not limited to the permitted ROW; damage occurs outside the ROW when construction equipment ranges through the marsh. Enclosed are specific pipeline conditions the FWS, in concert with the U.S. Army Corps of Engineers (USACE), Texas Parks and Wildlife Department, and National Oceanic and Atmospheric Administration – Fisheries (NOAA Fisheries), developed for pipeline installation and post-construction monitoring plans to reduce impacts to fish and wildlife habitats. These conditions should be included in the final project plans.</p> <p>Compensatory Mitigation Recommendations: After all alternatives are considered and wetland impacts are deemed unavoidable, compensatory mitigation for unavoidable wetlands losses should be considered. Compensatory mitigation plans should be developed in order to significantly reduce impacts to fish and wildlife habitats. Once final sites are chosen, the FWS will provide recommendations to reduce impacts to fish and wildlife habitats.</p>
6	<p>Pipeline construction activities through emergent marsh habitats will be considered temporary if the attached USACE pipeline monitoring conditions are incorporated into final project plans. Any impacts to forested wetland areas are considered permanent and the FWS recommends compensation by the preservation or enhancement of forested wetlands within the same watershed. Compensatory mitigation ratios will be dependent upon the condition and value of habitats proposed to be impacted.</p>
7	<p><u>Louisiana Sites</u></p> <p>Of the five sites proposed for the construction of a new SPR facility, those in Louisiana include Chacahoula and Clovelly in Lafourche Parish. The Bayou Choctaw facility in Iberville Parish and the West Hackberry facility in Cameron and Calcasieu Parishes are existing facilities proposed for expansion. The DOE is evaluating eight alternatives which include a combination of a proposed new site with the expansion of two or three existing sites throughout the entire tri-state study area.</p>
8	<p>The DOE has determined that the proposed development of the Clovelly site in Lafourche Parish and the expansions of the Bayou Choctaw site in Iberville Parish and the West Hackberry site in Cameron and Calcasieu Parishes would have "no effect" on federally listed species. Those determinations were based on the fact that no new construction would be conducted outside existing facility boundaries. Additionally, no federally listed species are documented within the immediate vicinity of the proposed sites according to the database maintained by the Louisiana Department of Wildlife and Fisheries. Based on the above information, the FWS concurs with the determination that the proposed activities associated with those alternatives would have no adverse effects on threatened or endangered species. However, should the project not be</p>
9	<p>10</p>

initiated within 1 year or the scope or location of the proposed activities change, follow-up consultation should be initiated with the FWS as soon as possible.

11

Depending upon their configuration, electrical transmission lines can present electrocution hazards to raptors and other birds protected under the Migratory Bird Treaty Act. According to the Draft EIS, the proposed electrical transmission lines would be spaced wider than the largest local raptor's wingspan. DOE would also follow guidelines recommended by the Edison Electric Institute's Avian Power Line Interaction Committee (APLIC). The FWS, in cooperation with the APLIC, released those voluntary guidelines designed to help electrical utilities protect and conserve migratory birds, and we fully support the implementation of those guidelines to reduce bird mortality.

12

The proposed Chacahoula and Bayou Choctaw project sites are also located within areas where colonial nesting waterbirds may be present. Colonies may be present that are not currently listed in the database maintained by the Louisiana Department of Wildlife and Fisheries. That database is updated primarily by monitoring the colony sites that were previously surveyed during the 1980s. Should a Louisiana site be chosen as the preferred alternative, we recommend that a qualified biologist inspect the proposed work areas for the presence of undocumented nesting colonies during the nesting season. To minimize disturbance to colonial nesting birds (i.e., herons, egrets, night-herons, ibis, roseate spoonbills, anhingas, and/or cormorants), all activity occurring within 1,000 feet of a rookery should be restricted to the non-nesting period (i.e., September 1 through February 15, depending on species present). In addition, we recommend that on-site contract personnel be informed of the need to identify colonial nesting birds and their nests, and they should avoid affecting them during the breeding season.

13

According to the Draft EIS, once the DOE selects an alternative, a wetland delineation of the selected sites would be conducted and approved by the appropriate USACE District. The DOE would then submit an application to initiate the Section 404 of the Clean Water Act permitting process, and the proposed project would be evaluated to avoid and minimize impacts to jurisdictional wetlands. Compensatory mitigation will also be required to fully offset remaining unavoidable project-related wetland habitat losses. Such mitigation should be designed in consultation with the USACE, the FWS, and other interested natural resource agencies, and should be implemented prior to, or concurrently with, project implementation. To minimize impacts to emergent and forested wetlands, the FWS recommends that the horizontal directional drilling method be used at all major stream and/or river crossings (including adjacent floodplains), as well as at coastline interfaces (i.e., beachfronts), and that the construction ROWs through such areas be minimized as much as practicable for safe working conditions. Should a Louisiana site be chosen as the preferred alternative, the FWS looks forward to working with the DOE and the USACE to develop measures to avoid, minimize, and mitigate wetland impacts as much as possible. For assistance during the early stages of project planning in Louisiana, please contact Angela C. Trahan, Lafayette, Louisiana, Ecological Services Field Office, at 337-291-3137; and in Texas, Moni Devora Belton, Clear Lake, Texas, Ecological Services Field Office, at 281-286-8282.

SUMMARY

14

The Draft EIS should more thoroughly address several important issues involving the reduction of impacts and protection of fish and wildlife resources. We offer to assist you in developing conservation features to be incorporated into the project plans to further reduce impacts. The Final EIS should contain a comprehensive mitigation plan to compensate for the cumulative loss of the coastal habitats and forested areas found along the proposed project facilities and pipeline. These issues should be addressed before the Final EIS is approved or a ROD is issued.

We appreciate the opportunity to comment on the Draft EIS and look forward to working with you in enhancing the conservation measures proposed.

Sincerely,



Stephen R. Spencer, Ph.D.
Regional Environmental Officer

Enclosure



United States Department of the Interior

OFFICE OF THE SECRETARY
Office of Environmental Policy and Compliance
P.O. Box 26567 (MC-9)
Albuquerque, New Mexico 87125-6567



IN REPLY REFER TO:

July 10, 2006

D0081

File 9043.1
ER 06/499

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585-0301

Dear Mr. Silawsky:

The U.S. Department of the Interior (DOI) has reviewed the Department of Energy (DOE) Draft Environmental Impact Statement (DEIS) for the Expansion of the Strategic Petroleum Reserve (SPR) at sites in Mississippi, Louisiana, and Texas. In this regard, we are submitting additional comments from the National Park Service that were not received in time to include in our letter dated July 7, 2006. In addition, comments were also submitted from Natchez Trace Parkway on June 2, 2006, independent of the DOI process. However, an examination of those comments does not indicate that they conflict with the content of either this letter or the July 7, 2006, letter.

General Comments

A review of the alternatives revealed that effects on Gulf Islands National Seashore (GUIS) would result from the Richton expansion site only and would be associated with the construction of the outfall pipeline and brine disposal in the Gulf of Mexico. The brine is a result of solution mining in the salt dome to create Strategic Petroleum Reserve (SPR) storage caverns. Since the other alternative sites are far removed from GUIS, they appear to pose no park resource protection concerns.

The GUIS was authorized by Congress in 1971 (P.L. 91-660, 84 Stat. 1967, 16 U.S.C. 459h) "to preserve for public use and enjoyment certain areas possessing outstanding natural, historic, and recreational values." As part of the coastal barrier island system, the gulf islands are among the last surviving portions of a natural ecological continuum that once extended from Cape Cod to Mexico.

The natural resources of GUIS are, in and of themselves, highly significant. The water areas are exceptional and, in conjunction with the salt marshes, bayous, and submerged grassbeds, play a

crucial role in the economy and ecology of the entire area. The GUIS' estuarine areas serve as an important nursery for a majority of the fin and shell fish species of the greater Gulf.

Of particular significance, the Mississippi islands are among the most pristine examples of intact coastal barrier ecosystems remaining. The significance of these resources is only amplified by the loss of similar habitats in the adjacent areas through development. Open space along the coasts, accessible to the public, is at a premium.

In the Richton alternative, the DOE is considering diffused brine disposal approximately 13 miles offshore. In pursuing this disposal alternative, it appears that DOE would seek to locate the outfall pipeline across GUIS to reach waters of the Gulf of Mexico. While the Secretary of the Interior has clear authority under GUIS' enabling statute to consider allowing new rights-of-way or easements for the transport of oil and gas pipelines to cross the park, this authority may not extend to a brine/waste disposal pipeline. The pertinent GUIS enabling provision is as follows:

Any acquisition of lands, waters, or interests therein shall not diminish any existing rights-of-way or easements which are necessary for the transportation of oil and gas minerals through the seashore which oil and gas minerals are removed from outside the boundaries thereof; and, the Secretary, subject to appropriate regulations for the protection of the natural and recreational values for which the seashore is established, shall permit such additional rights-of-way or easements as he deems necessary and proper (16 U.S.C. §459h-3; P.L. 91-660 §4).

Further, an examination of 16 U.S.C. §79 regarding rights-of-way for public utilities leads us to conclude that the brine pipeline does not fit under this public utility provision.

If a right-of-way could be issued for the disposal pipeline to cross GUIS, National Park Service (NPS) permitting and consent would be necessary. This permitting would be in addition to full analysis under the National Environmental Policy Act and other statutes. Regulations found in 36 CFR Parts 9 and 14 provide standards which must be used in the determination of necessary and proper. Specifically, in order for the Secretary to grant a permit, sufficient justification must be provided to make a reasonable determination that it is necessary for this operation to pass through the boundaries of the Seashore and that the procedures utilized in construction and operation are proper, in that they provide adequate protection to the resources of the area. Most, if not all, of the natural resources and visitor use values for which GUIS was established have the potential to be adversely affected by construction of an outfall line and brine disposal in the vicinity of the seashore.

In 1978, Congress designated Horn and Petit Bois Islands as wilderness through the establishment of the Gulf Islands Wilderness Area (P.L. 95-625). The islands are managed to maintain their primeval character in accordance with the Wilderness Act of 1964 (P.L. 88-577) whose purpose is to establish an enduring and unimpaired wilderness resource, where nature predominates, for public use and enjoyment. Wilderness status places significant restraints on possible developments on or near the two islands and requires substantial measures be taken to guarantee an undisturbed, wilderness experience for visitors.

3	<p>Specific Comments</p> <p>Specific GUIs resources that are put at risk by the proposed pipeline and brine disposal include:</p> <p><u>Land Use</u></p> <p>1 The GUIs is not listed as a potentially affected property in the DEIS, thus no impacts were evaluated. In addition, GUIs is not listed as a Special Status Area. The DEIS Summary stated that the “proposed action will not affect the [Gulf Islands National] Seashore.” Congressionally-designated areas of the NPS must be given a much higher degree of consideration and protection when considering potential impacts to park natural and cultural resources. This consideration is lacking in the DEIS.</p> <p>2 Since a portion of the proposed disposal pipeline route passes through waters managed by GUIs, if a right-of-way could be issued for the pipeline, NPS permitting and consent would be necessary. This consent would include evaluation of the location, construction, and operation of the pipeline. The regulatory and permitting authorities of the NPS should be included in the DEIS and that the potential issuance of a right-of-way permit for the pipeline must consider the full environmental effects.</p> <p>3 The brine disposal pipeline is proposed to traverse the pass between Horn and Petit Bois Islands. These islands were designated wilderness by Congress in 1978 and are managed to maintain their primeval character in accordance with the Wilderness Act of 1964 whose purpose is to establish an enduring and unimpaired wilderness resource, where nature predominates, for public use and enjoyment. Wilderness status places significant restraints on possible developments on or near the two islands and requires substantial measures be taken to guarantee an undisturbed, wilderness experience for visitors.</p> <p>Any significant construction near these islands must consider intangible wilderness values such as visibility, night sky conditions, acoustic conditions, and solitude, which have consistently been recognized as critical components of wilderness. Potential impacts include but are not limited to: pipeline construction activities and scheduling, pipeline inspections, and aircraft use.</p> <p><u>Biological Resources</u></p> <p>Submerged Aquatic Vegetation/Seagrass</p> <p>4 The potential impacts of pipeline construction on seagrass communities have not been fully addressed. In order to assess both short-and long-term impacts, additional analysis is necessary. Up-to-date information on seagrass distribution is necessary. Recent reports show that approximately two-thirds of the seagrass beds in Mississippi Sound have disappeared since the 1970s with the remaining majority existing within GUIs. Seagrass resources are known to exist both east and west of the proposed pipeline route.</p> <p>Historic trends, distribution, and composition of seagrass communities in the Mississippi Sound should be examined to determine the significance of impacts on these remaining seagrasses. The</p>
4	<p>seagrass beds near the north shore of Petit Bois Island reportedly contain the last occurrence in the Mississippi Sound of turtle grass (<i>Thalassia testudinum</i>), formally the second most abundant seagrass, and Manatee grass (<i>Syringodium filiforme</i>), once the third most abundant.</p> <p>The seagrass meadows within park waters are vital nursery areas for the Gulf of Mexico. Seventy percent of recreational fisheries in the Gulf are estuarine-dependent; for commercial fisheries, this percentage is even greater. Seagrass communities are one of the most biologically diverse communities in the southeastern United States and are currently in severe decline. Certain seagrass communities have declined to approximately 20 percent of their historical coverage. Damage to the seagrass communities, therefore, could result in significant biological and economic impacts. Any impact to the seagrass communities is unacceptable.</p> <p>4 The proposed pipeline route should be sited to avoid all seagrass. Any seagrass located within the proposed route would be directly destroyed through pipeline burial. In addition, entire seagrass communities can be adversely affected when fragmented by pipeline burial. Scars through grassbeds can take up to 10 years to recover if at all. If erosional pathways are created by dredging or vessel use, the entire grassbed could be scoured away.</p> <p>The DEIS states that impacts from construction of the pipeline would include the loss of benthic communities, increased sedimentation in the surrounding area, and increased turbidity in the water column. Previous assessments have shown that suspended sediments can be transported distances greater than 1 mile and partially bury seagrasses. The current status of seagrass communities along the proposed route and within 1 mile of the route should be determined due to their potential to be affected by downstream turbidity and sedimentation.</p> <p>Surface and bottom water current data should be included to define seasonal velocities and direction as well as an analysis of seasonal variations in the potential extent of turbidity plumes and sedimentation. This will assist in assessing the potential impacts as a result of the turbidity plume created by pipeline burial. It will also help determine the potential of creating a new tidal pass which could serve as a source of excess suspended matter for a protracted time.</p> <p>5 To evaluate properly the extent of downstream turbidity and sedimentation, the effectiveness of proposed turbidity control devices needs to be determined. This information is critical in assessing the expected environmental impacts. In addition, a turbidity monitoring program should be conducted during and for a period of time following construction. The program design and time period should be determined by subject-matter experts.</p> <p>Special Status Species</p> <p>6 Federally threatened/endangered sea turtle species could be adversely affected if seagrass beds, a primary feeding habitat, are directly disturbed or indirectly subjected to sedimentation and turbidity. Both the green sea turtle (<i>Chelonia mydas</i>) and the loggerhead turtle (<i>Caretta caretta</i>) are known to feed in and around grassbeds.</p> <p>7 Adverse impacts to nesting birds on the islands, which include endangered species, could be substantial if pipeline construction and subsequent inspections took place during periods of nest site</p>

selection, incubation, or chick rearing. Any visual or noise intrusion which causes parent birds to flush provide the possibility of nest abandonment, egg/nest overheating, or nest predation. Construction and inspection activities should be limited to non-nesting times of the year.

7 Gulf sturgeon (*Acipenser oxyrinchus desotoi*), a federally threatened species, have been documented as utilizing the shallow passes between the Mississippi islands for large portions of the year. Pipeline construction and inspection activities would need to be limited to times of the year that sturgeon are upriver and not utilizing the island passes.

Brine Disposal

8 Brine disposal from the Richton, Mississippi site is estimated to be 1,280,000,000 barrels (53,760,000,000 gallons) of hypersaline water. Brine disposal will be at an average rate of 1.2 million barrels per day over a 3-to-4 year period. The brine plume is expected to cover an area of 19.5 square nautical miles. The disposal site is proposed to be located approximately 1.5 miles south of the park boundary in the Gulf of Mexico. The brine will have a salt content of 263 parts per thousand (ppt) and be disposed of in seawater with a salt content of 35 ppt resulting in an increase of ambient salinity. In addition, the introduction of metals and other inorganic contaminants is highly possible.

9 Localized impacts from the brine disposal could be significant with a disproportionate impact on benthic communities. According to the DEIS, studies have shown significant reductions in benthic biomass almost 7,000 feet from the brine diffusers. Depending on currents and tidal movement, the brine plume could easily be transported into GUIS waters and to GUIS seagrass resources with resultant adverse impacts. A significant loss of benthic organisms represents a significant loss of prey food for the Gulf fisheries.

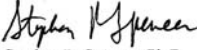
10 Although the DEIS states this impact will be negligible given the overall area of the Gulf, that may not be the case. The brine plume will most likely affect the shallow water areas of the Gulf and not be carried into deeper waters. It is the shallow water areas that are most productive and serve as the vital nursery areas. Assessing the level of impact to these important and productive nursery areas by using the entire area of the Gulf, much of which is extremely under-productive, is misleading. Given the location of the brine disposal site, localized impacts to GUIS benthic and seagrass resources could be significant.

Wetlands, Water Quality, etc.

11 The DEIS states in numerous places that analysis of impacts to certain biological resources would not be covered in the DEIS because additional assessments are required under Sections 401 and 404 of the Clean Water Act and several Executive Orders. A statement from DOE that it plans to obtain the necessary permits is not adequate to stipulate that sufficient analysis has been conducted. In order to evaluate this proposal fully, detailed information pertaining to these resources must be made available. Until these additional assessments are completed, a full evaluation of the DEIS is not possible.

We appreciate the opportunity to comment on the DEIS. We trust these comments will be useful as you prepare the final documentation.

Sincerely,


Stephen R. Spencer, Ph.D.
Regional Environmental Officer

Appendix N: Comments on Draft Environmental Impact Statement

D0114

-----Original Message-----

From: Thomas Berryhill@nps.gov [mailto:Thomas.Berryhill@nps.gov]
Sent: Wednesday, July 26, 2006 3:13 PM
To: Silawsky, Donald
Subject: Environmental Impact Statement (EIS) for two proposed pipeline crossing

OFFICIAL CORRESPONDENCE VIA ELECTRONIC MAIL
HARD COPY TO FOLLOW

United States Department of Interior

NATIONAL PARK SERVICE
Natchez Trace Parkway
2680 Natchez Trace Parkway
Tupelo, Mississippi 38804

In reply refer to:
L3027 (NATR)
xL7617

Donald Silawsky,
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

(Donald.silawsky@hq.doe.gov)

Dear Mr. Silawsky:

This is in reference to your letter dated May 19, 2006, concerning a draft Environmental Impact Statement (EIS) for two proposed pipeline crossings of the Natchez Trace Parkway south of Jackson, Mississippi near Milepost 73, and north of Natchez, Mississippi around Milepost 10, and our letter dated June 02, 2006.

1 In our June 02, 2006 correspondence, we stated that the Natchez Trace Parkway did not have the authority to grant a right-of-way across Parkway land. We requested clarification from our Regional Solicitor of an existing law which we felt could allow us the authority for granting pipeline crossings of the Natchez Trace Parkway. Our Regional Solicitor agrees that we do in fact have the authority to issue right-of-ways for new pipeline crossings of the Parkway.

2 Because of this change in our position, we now respectfully submit our request to be a cooperating agency on your proposed EIS for the proposed petroleum pipeline crossings of the Natchez Trace Parkway. A detailed section in the proposed EIS which describes the impacts to the Parkway including mapping is requested so that it will suffice for National Park Service (NPS) National Environmental Policy Act (NEPA) compliance to be attached to the right-of-way applications. A Statement of Findings will also be required if the proposed construction impacts any wetlands on Parkway land. Archeological clearance and the Section 106 of the National Historic Preservation Act

2 compliance process will also be required regardless of which alternative you propose on Park lands. Please be aware that the entire areas under consideration for your construction activities could be archeologically sensitive and could require extensive mitigation as well.

3
4 In general, rights-of-way and easements represent tools for managing and controlling access to, use of, and interest in National Park Service land in order to preserve limited park resources. It is the responsibility of the park Superintendent to see that these interests are granted or acquired in a way that will not cause the derogation of values and purposes for which the park was established. It is important to note that although park resource management professionals serve as key support to the Superintendent in evaluating right-of-way proposals, only the Southeast Regional Director of the National Park Service has approval authority for granting rights-of-way for the Parkway. Right-of-ways are not given freely and are scrutinized very closely by the National Park Service. Moreover, the NPS has a Congressional mandate to manage NPS lands in a manner that will not result in derogation of the values and purposes for which the park was established. As one of the four nationally recognized rural parkways, the Natchez Trace Parkway, in its entirety, is eligible for the National Register of Historic Places as a designed cultural landscape and as a tribute to Landscape Architectural design and road way engineering partnerships at their best.

5
6 As we stated in our June 02, 2006 correspondence, based on your description of the proposed pipeline alignments, it would appear that the crossing near Milepost 73 is being routed directly through the historic Dillon Plantation, which is eligible for the National Register of Historic Places. Approximately 500 feet of Old Trace, listed on the National Register of Historic Places, is interpreted within the present boundary of the Parkway at Dean's Stand near Milepost 73.

The crossing near Natchez, Mississippi appears that it could adversely impact Emerald Mound or Mount Locust and it would likely adversely impact segments of the historic Old Trace that runs throughout this section, all listed on the National Register of Historic Places.

We hope the information we have provided is sufficient to answer your concerns regarding the proposed development affecting the Parkway. Should you require additional information, please feel free to contact D. Craig Stubblefield, Chief of Resource Management, at (662) 680-4004.

Sincerely,

/s/
Stennis R. Young
Acting Superintendent

RM/Drafts/Correspondence 2006/Strategic Reserve Pipelines
CS:tb:7/26/06

bcc: Central, Read,, RM, Chief RM

Appendix N: Comments on Draft Environmental Impact Statement

00001

-----Original Message-----

From: Thomas_Berryhill@nps.gov [mailto:Thomas_Berryhill@nps.gov]
Sent: Fri 6/2/2006 1:54 PM
To: Silawsky, Donald
Subject: EIS Site Selection for the Expansion of the Strategic Petroleum Reserve (DOE/EIS-0385)

OFFICIAL CORRESPONDENCE VIA ELECTRONIC MAIL
NO HARD COPY TO FOLLOW

United States Department of Interior
NATIONAL PARK SERVICE
Natchez Trace Parkway
2680 Natchez Trace Parkway
Tupelo, Mississippi 38804

In reply refer to:
L7617 (NATR)

Donald Silawsky, Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

Attention: Donald.silawsky@hq.doe.gov

Dear Mr. Silawsky:

This is in reference to your letter dated May 19, 2006, concerning a draft Environmental Impact Statement for two proposed pipeline crossings of the Natchez Trace Parkway south of Jackson, Mississippi near Milepost 73, and north of Natchez, Mississippi around Milepost 10.

The Natchez Trace Parkway was authorized by Congress May 18, 1938. The Parkway is an elongated park of 51,150 acres covering a distance of 444 miles in Mississippi, Alabama, and Tennessee between Natchez, Mississippi, and Nashville, Tennessee. The purpose, as set forth by Congress, of the Parkway is to provide and maintain a scenic and recreational motor road commemorating the historic Old Natchez Trace and to provide access to significant natural and cultural resources. The Natchez Trace Parkway is characterized by numerous prehistoric Indian mounds and Chickasaw village sites, a military road associated with General Jackson's famous victory over the British at New Orleans, and its historic sites associated with the westward expansion of the British Colonies and the United States from 1763 - 1898.

As one of the four nationally recognized rural parkways, the Natchez Trace Parkway, in its entirety, is eligible for the National Register of Historic Places as a designed cultural landscape and as a tribute to Landscape Architectural design and road way engineering partnerships at their best.

The Parkway is presently not authorized to grant an easement or right-of-way (ROW) for either pipeline crossing through Parkway land in accordance with Director's Order 53. The proposed pipelines would require a Congressional authorization being as there is no current deed reservation for the use of US Government land for this purpose in either location.

1

Assuming that authorization is granted, a right-of-way cannot be approved at this level and would require approval by the Southeast Regional Director. Right-of-ways are not given freely and are scrutinized very closely by the National Park Service (NPS). Moreover, the NPS has a Congressional mandate to manage NPS lands in a manner that will not result in derogation of the values and purposes for which the park was established. It would be difficult, and perhaps impossible, to explain the relationship between the proposed development and the purpose and values for which the Parkway was established.

2

Based on your description of the proposed pipeline alignments, it would appear that the crossing near Milepost 73 is being routed directly through the historic Dillon Plantation, which is eligible for the National Register of Historic Places. The Dillon Plantation is rich in Civil War history associated with the Battle of Raymond, siege of Vicksburg, and the Battle of Jackson. The entire property has been determined to be eligible for listing in the National Register of Historic Places due to its association with those important Civil War battles which had a significant impact on the outcome of the Civil War. The 470-acre property is owned in fee by the National Park Service and is within the authorized boundary of the Natchez Trace Parkway.

The Natchez Trace Parkway was created by Congress to commemorate the Historic Old Trace. Approximately 500 feet of Old Trace, listed on the National Register of Historic Places, is interpreted within the present boundary of the Parkway near Dean's Stand. Another 8,000 feet of Historic Old Natchez Trace/Port Gibson-Raymond Road is located on the Dillon Plantation. The Old Natchez Trace was used as a military corridor for transportation of troops and supplies during the Civil War and the Historic Old Natchez Trace/Port Gibson-Raymond Road is an integral link to interpreting the historical military strategies of the of the Battle of Raymond, the Battle of Jackson, and the eventual siege of Vicksburg by General US Grant. General U.S. Grant and General W.T. Sherman's headquarters during three area battles is located on the property.

The crossing near Natchez appears that it could adversely impact Emerald Mound or Mount Locust and it would likely adversely impact segments of the historic Old Trace that runs throughout this section, all listed on the National Register of Historic Places.

Emerald Mound, located near milepost 10.3 on the Natchez Trace Parkway, is a very impressive prehistoric Natchez Indian ceremonial mound. The mound covers nearly eight acres and is the third largest Indian mound of any type and the second largest ceremonial mound in the United States. The mound was constructed and used during the Mississippian period, approximately A.D. 1300-1600. Two secondary mounds are located on either end of the mound top. Archaeological evidence indicates that six tertiary mounds were built between the secondary mounds. All of the secondary and tertiary mounds probably supported wooden ceremonial structures. Emerald Mound is on the List of Classified Structures (LCS) and has been designated a National Historic Landmark.

Mount Locust (1780-1820) is one of the oldest dwellings in the state of Mississippi, the only extant stand/inn along the Old Natchez Trace, and the only historic Park building open for visitation where interpretation of Old Trace and its significances are interpreted. Mount Locust functioned as

Appendix N: Comments on Draft Environmental Impact Statement

2

both an inn and a plantation. It is also the only existing inn, among more than fifty, that operated along the Old Natchez Trace. Under Section 110 of the National Historic Preservation Act, the Natchez Trace Parkway is mandated to identify, evaluate and protect historic properties eligible for listing on the National Register of Historic Places.

We hope the information we have provided is sufficient to answer your concerns regarding the proposed development affecting the Parkway. Should you require additional information, please feel free to contact D. Craig Stubblefield, Chief of Resource Management, at (662) 680-4004.

Sincerely,

Wendell A. Simpson
Superintendent

Cc: Mississippi SHPO



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

D0077

JUN 1 2005

Ms. Carol M. Borgstrom
Director
Office of NEPA Policy and Compliance, EH-42
U.S. Department of Energy (DOE)
Washington, DC 20585-0119

Dear Ms. Borgstrom:

In accordance with the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, Environmental Protection Agency (EPA) Region 6 has reviewed the Draft Environmental Impact Statement (DEIS) Site Selection for the Expansion of the Strategic Petroleum Reserve (SPR). As required by the Energy Policy Act of 2005, DOE would expand the SPR to its full authorized capacity by selecting additional storage sites. DOE would develop one new site or a combination of two new sites, and would expand capacity at two or three existing sites. Storage capacity would be developed by solution mining of salt domes and disposing of the resulting salt brine by ocean discharge or underground injection. New pipelines, marine terminal facilities, and other infrastructure could also be required.

1

EPA rates the DEIS as "EC-2," i.e., EPA has "Environmental Concerns and Requests Additional Information in the Final EIS (FEIS)." EPA has identified environmental impacts that should be avoided to protect the environment. These concerns may require changes to the preferred alternative or application of mitigation measures that can reduce environmental impact. EPA has identified the need for additional information to be included in the FEIS to complement and to more fully insure compliance with the requirements of NEPA and the Council on Environmental Quality (CEQ) regulations. Areas requiring additional information or clarification include: general information, air quality, wetlands, and water permits. Detailed comments are enclosed with this letter, which more clearly identify our concerns and the informational needs requested for incorporation into the FEIS.

Our classification will be published in the Federal Register according to our responsibility under Section 309 of the Clean Air Act to inform the public of our views on proposed Federal actions. If you have any questions, please contact Mike Jansky of my staff at (214) 665-7451 for assistance.

EPA appreciates the opportunity to review the DEIS. Please send our office five copies of the FEIS when it is sent to the Office of Federal Activities, EPA (Mail Code 2252A), Ariel Rios Federal Building, 1200 Pennsylvania Ave, N.W., Washington, D.C. 20004.

Sincerely yours,

Rhonda M. Smith, Chief
Office of Planning and
Coordination (6EN-XP)

Enclosure

Weld
7/19/06

Internet Address (URL) • <http://www.epa.gov>
Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 25% Postconsumer)

**DETAILED COMMENTS
ON THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT
FOR THE
PROPOSED EXPANSION OF THE
STRATEGIC PETROLEUM RESERVE**

COMMENTS

General

2 | Page 1-3, Section 1.4.2.1, Summary of Scoping: The response to the scoping comment regarding cumulative impacts that the Stratton Ridge LNG project is not going forward is incorrect. Freeport LNG is actively pursuing the development of a 7.5 bcf underground gas storage facility in the salt dome. Please correct this in the FEIS.

3 | Pages 2-27 to 2-30, Section 2.4.1, Bruinsburg Storage Site: The Figure 2.4.1-5 is incorrect or at best misleading. The ExxonMobil Refinery is not on the west side of the Mississippi River as depicted. It is almost due east of the Placid Oil Refinery, but on the other side of the river. If there is a new crude oil pipeline planned to run from the proposed Anchorage Tank Farm under the Mississippi River to the ExxonMobil Refinery this should be discussed in the FEIS.

4 | Page 2-52, Section 2.4.6, Stratton Ridge Storage Site: Figure 2.4.6-1 should reflect the proposed Freeport LNG underground gas storage facility that either overlaps or immediately adjoins the proposed Stratton Ridge facility.

5 | Page 3.61, Section 3.4.8, Stratton Ridge (Multi-Use Impacts): There is no discussion of the proposed use of the Stratton Ridge dome by Freeport LNG as an underground gas storage site.

6 | Page 3-70, Section 3.5.1-3, Greenhouse Gas Emissions: The analysis of the release of methane gas during the solution mining of the salt domes should be compared to the analysis conducted by the US Coast Guard and Sandia National Laboratories for the salt dome storage construction impacts at the proposed Main Pass Energy Hub (pp. 4-103 and 4-104, Final EIS March 2006) off the coast of Louisiana.

7 | Page 3-92, Section 3.5.8.2, Construction Impacts: The discussion of State Implementation Plan (SIP) requirements incorrectly references Louisiana statutory and regulatory standards instead of the Texas standards that actually apply to Stratton Ridge. The Louisiana SIP would be applicable to part of the Bruinsburg proposal (pipeline construction/operation with the Baton Rouge air shed (Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge parishes in Louisiana) and the tank farm construction/operation at Anchorage) as well as the various proposals that include expansion of the Bayou Choctaw facility. The Texas SIP would apply to the proposed Stratton Ridge facility and the pipelines in the Houston-Galveston-Brazoria air shed (Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller counties in Texas) as well as the various proposals that include expansion of the Big Hill

7 | facility within the Beaumont-Port Arthur air shed (Hardin, Jefferson, and Orange counties in Texas).

8 | Page 3-108, Section 3.6.2.1.3, Impacts Associated with Constructing Pipelines: The FEIS should identify any special procedures to be employed for the Mississippi River crossing from the Baton Rouge area to the proposed Anchorage tank farm included in the Bruinsburg proposal.

9 | Page 3-111, Section 3.6.2.1.5, Impacts of Oil Spills to Surface Waters: There is only a reference made to Louisiana SPCC regulations. Are there Mississippi and Texas SPCC regulations that would be applicable to one or more proposals?

10 | Page 3-117, Section 3.6.2.1.9, Impacts from On-Site Wastewater Treatment Plants: Would new wastewater treatment plants or enhancements of existing wastewater plants at the 3 SPR facilities considered for expansion be necessary to handle the larger workforces?

11 | Pages 3-120 to 3-122, Section 3.6.3.1.1, Bruinsburg Surface Water: Table 3.6.3-1 includes a footnote (a) in the header, but the explanation given is only applicable to surface water bodies in Mississippi. There is no corresponding reference to the use designations or classifications for water bodies in Louisiana, although several Louisiana water bodies are included in the table. The table would be more helpful if the surface water bodies were listed by geographic order (north to south) so that those surface water bodies crossed by the Bruinsburg to Anchorage crude oil pipeline could be designated as being in Mississippi or Louisiana.

12 | Page 3-124, Section 3.6.3.1.1, Bruinsburg Surface Water: An incorrect inference could be drawn (2nd paragraph) that all of the impaired water bodies crossed by the crude oil pipeline are in Mississippi. But according to the information in Table 3.6.3-1 (portion on p. 3-121), some of the impaired water bodies are in Louisiana.

13 | Page 3-146, Section 3.6.7.1.2, Richton Surface Water: While the surface water bodies crossed by the crude oil pipeline going to the Liberty tank farm are in Mississippi, several of them drain into Louisiana. The FEIS should explain whether potential impacts to designated uses in Louisiana have been incorporated into the environmental analysis.

14 | Page 3-162 to 3-165, Section 3.6.9.1, Bayou Choctaw Surface Water: Bayou Bourbeaux and Bayou Borbeaux appear to be used interchangeably throughout this section. For example, Bayou Borbeaux is on Table 3.6.9-1, but Bayou Bourbeaux is on Figure 3.6.9-1. The text on p.3-162 uses both spellings in different paragraphs. Are both references to the same water body or are there actually two different bayous? If the latter is correct, the table and figure should be revised to reflect two different water bodies.

15 | Pages 3-293 to 3-299, Section 3.8.2, Affected Environments: The FEIS should disclose if the construction and operational employment figures, if any, for the Anchorage, Liberty and Texas City tank farms are internalized with the data for the Bruinsburg, Richton and Stratton

Appendix N: Comments on Draft Environmental Impact Statement

<p style="text-align: center;">3</p> <p>15 Ridge proposed sites, respectively..</p> <p>16 Pages 3-299 to 3-303: Section 3.8.3, Impacts: Are the construction and operational employment figures, if any, for the Anchorage, Liberty and Texas City tank farms internalized with the data for the Bruinsburg, Richton and Stratton Ridge proposed sites, respectively?</p> <p>17 Page 3-305, Section 3.9.1.1, Identification of Historic Properties: Was the Louisiana State Historic Preservation Office aware that the crude oil pipeline could run from Bruinsburg to the Anchorage tank farm? There are a number of national and state recognized historic sites in the general area of the proposed route of the pipeline (East Feliciana, West Feliciana and East Baton Rouge parishes).</p> <p>18 Page 3-324, Section 3.10.2.2, Operation and Maintenance Impacts: Were the noise impacts associated with the pumping station west of Columbia, MS, along the Richton to Liberty crude oil pipeline analyzed and included in the Richton data?</p> <p>19 Page 4-2, Section 4.2, Methodology: There are other Gulf Coast area natural gas pipeline and storage projects regulated by FERC that are not directly associated with LNG terminals that should be considered in Table 4.2-1 and the potential cumulative impacts analysis.</p> <p>20 Page 4-16, Section 4.8.1 Stratton Ridge Storage Site: The description incorrectly characterizes the Freeport LNG proposal. Freeport LNG intends to create a salt dome cavern storage facility for natural gas post-regasification. It is not an underground storage facility for liquefied natural gas. The cumulative impacts analysis should reflect the Freeport LNG proposed natural gas storage facility as well as the natural gas pipeline from the regasification facility on Quintana Island.</p> <p>21 Page 4-21, Section 4.11.2, West Hackberry Associated Infrastructure: The paragraph incorrectly characterizes the state of LNG terminal and pipeline development in Calcasieu and Cameron parishes. Currently one LNG terminal is operating in Calcasieu Parish and three FERC approved LNG terminals in Cameron Parish are under various stages of development. The operating terminal (Trunkline LNG) has been approved for an expansion. Two of the Cameron Parish terminals have already sought expansion, one of which has been granted by FERC.</p> <p>Air Quality</p> <p>22 In Chapter 3, the potential emissions from backup diesel generators are estimated and provided for public review. However, it is unclear from the document whether or not the emissions from the backup generators are to be included in any necessary state or federal permits for the facility. Please note that if the backup generator emissions are not accounted for in a permit and occur in a nonattainment area, then these emissions must be part of the general conformity applicability analysis. If the emissions from these backup generators are included in a permit, then they may be excluded from the general conformity applicability analysis. Please</p>	<p style="text-align: center;">4</p> <p>clarify this in the FEIS.</p> <p>23 The DEIS provides a breakdown of emissions expected from each type of activity (i.e., pipeline construction, salt dome construction, emissions from worker vehicles, etc.) for each potential site. Please clarify in the final EIS that emissions for all co-located activities occurring within the same calendar year have been summed in general conformity applicability analysis. In other words, if the salt dome construction and pipeline construction are occurring in the same year and within the same nonattainment area, then these emissions should be summed in order to consider their impact on the airshed within the nonattainment area.</p> <p>24 To compare VOC emissions to the conformity de minimis levels, a correction factor of 20% is applied to the total non-methane hydrocarbon emissions modeling results to essentially remove ethane from the equation. Please justify the use of 20% as a correction factor.</p> <p>25 Since the Stratton Ridge emission estimates appear to be quite close to the conformity de minimis threshold, if this site is selected as the preferred alternative in the FEIS, we recommend inclusion of the updated applicability analysis and conformity determination (if necessary) in the FEIS.</p> <p>26 Appendix A indicates that construction equipment emission estimates were made with the assumption that any diesel equipment will meet the EPA Tier 1 emission standards, or, in other words, that relatively new (model year 2000 or newer) equipment will be used for construction activity on this project. Please clarify this assumption and explain whether this will be a requirement of the construction bidding process.</p> <p>Wetlands</p> <p>27 Section 2.2.3: The FEIS should identify a preferred alternative without relegating avoidance, minimization and mitigation of wetlands to a later decision via the Section 404 process. The DEIS identifies the Clovelly site as least environmentally damaging to wetlands. Section 404 of the Clean Water Act requires the least damaging practicable alternative be selected. It appears from the information provided by DOE that the proposed Clovelly site plus the expansion of the 3 existing facilities (Bayou Choctaw, Big Hill and West Hackberry) should be selected as the preferred alternative.</p> <p>28 Appendix B.4: The DEIS states that DOE would prepare a compensation plan and submit it with the application (404 permit). EPA recommends that a preference be made by DOE to look first for restoration opportunities where possible. Restoration of wetlands such as reforestation of prior converted cropland along with restoration of hydrology would more likely result in successful mitigation and would help meet the Administration's "No-Net-Loss" Policy.</p> <p>29 Section 3.7.2.1.1: Page 186, paragraph 4, states that "only wetlands regulated under Section 404 and 401 of the Clean Water Act would be delineated." NEPA has a broader reach than Section 404 of the Clean Water, accordingly, EPA recommends that DOE more fully and accurately account for project impacts to the environment by delineating all wetlands and potential impacts that may occur as a result of the project. All impacts to aquatic resources should be identified and mitigated for regardless of jurisdictional status. DOE should submit maps showing the extent of all wetlands and differentiate those areas it perceives as jurisdictional and</p> <p>30</p>
---	--

<p style="text-align: center;">5</p> <p>30 non-jurisdictional for final assessment under Section 404 and 401. Wetlands found to be jurisdictional and impacted directly or indirectly by the project would be evaluated according to Section 404 and 401 of the Clean Water Act. Wetlands identified and confirmed to be non-jurisdictional (isolated) should be mitigated for to fully offset project impacts and to comply with the Administration's "No-Net-Loss" and the President's 2004 Earth Day Goal of a "Net-Gain" of the Nations Wetlands.</p> <p>31 Section 3.7.2.1.1: Page 186, last paragraph, states that "The USACE and state agency would review and approve the compensation plan through the Section 404/401 permit process". Section 404 affords both Federal and state resource agencies the opportunity to review and comment on any and all proposed compensatory mitigation plans prior to final approval. EPA recommends that the DEIS statement above be revised to read "Federal and state resource agencies would have the opportunity to review and comment on the proposed mitigation plan prior to final approval."</p> <p>32 Section 4.2.7: Beyond compliance with NEPA and CWA Section 404, there is also a fundamental need to ensure that the proposed project is not inconsistent with Federal and state efforts to restore coastal Louisiana. The Federal and state interest in stemming the rapid loss of Louisiana's coastal wetlands and barrier islands has lead to a range of ongoing and proposed coastal restoration projects and programs. These include projects developed under the Coastal Wetlands, Planning, Protection and Restoration Act, as well as the proposed Louisiana Coastal Area Ecosystem Restoration Plan, which is currently being considered by Congress for possible authorization within the Water Resources Development Act. Most recently, the Corps of Engineers and state of Louisiana have embarked on an ambitious effort to produce a plan that would increase hurricane protection in coastal Louisiana through structural measures such as levees and non-structural measures such as coastal restoration and protection.</p> <p>The aforementioned Federal investments in coastal restoration are motivated in part by the recognition that past and ongoing loss of Louisiana's coastal wetlands and barrier islands puts vital energy infrastructure at increasing risk from storm damage. In this way, coastal restoration efforts can be considered part of an overall strategy to provide secure and reliable energy for the nation's economy. Rigorous efforts to avoid and minimize adverse wetland impacts from the proposed project will help ensure that it is not in conflict with the Federal interest in these coastal restoration efforts, including the shared goal of energy security. Moreover, the project sponsor should also ensure that there is no conflict with any specific coastal restoration projects that may be in the vicinity of the various alternatives under consideration.</p> <p>National Pollutant Discharge Elimination System</p> <p>33 Region 6 EPA would have oversight on the two sites in the State of Texas, new site Stratton Ridge, and expansion at Big Hill. Our concern is that while the activity does not fall under the 316(b) regulations for cooling water intake structures, it seems that EPA could possibly make a case-by-case determination using Best Professional Judgement (BPJ) to use equivalent</p>	<p style="text-align: center;">6</p> <p>33 technology. The facility will need 50.4 MGD for solution mining, and they will withdraw the water from the intercostal waterway off the Texas coast. The DEIS states that they will have the structure in a shipping channel maintained by the COE. The intake structure will have rotating marine removal screens, and the velocity would be maintained at 0.5 feet per sec. EPA is interested in knowing what size openings are on the screens and whether any chemicals will be used to inhibit marine growth on the intake structures.</p> <p>34 Additionally, the facility will be hydrostatic tested when complete. Basically, the salt cavern is a large bottle shaped structure, taller than wide, holding from 275 to 500 million gallons liquid. The salt dome will not hold 100% oil, water will be used as a means to maintain pressure on the system. A single site may have several such domes at its location. EPA is interested in knowing what volume of water will be required for hydrostatic testing; the volumn of water needed for pipeline infrastructure; and where the discharged is located and the rate of discharge. Please provide this information in the FEIS.</p>
--	--

Appendix N: Comments on Draft Environmental Impact Statement

D0106

July 12, 2006

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585-0301

Dear Mr. Silawsky:

This is in regard to the U.S. Department of Energy's (DOE) Draft Environmental Impact Statement, Site Selection for the Expansion of the Strategic Petroleum Reserve (DEIS). The U.S. Fish and Wildlife Service (Service) has reviewed the DEIS and offer the following comments for your consideration. Our comments cover the two sites for Mississippi (the Bruinsburg and Richton sites). Our field offices in Louisiana and Texas will provide comments on those sites in Louisiana and Texas. We have also coordinated our comments with the Mississippi Natural Heritage Program (MNHP), and their comments have been incorporated. The MNHP plans to submit written comments, and we concur with their comments.

General Comments

1 The DEIS provides, in general, a good discussion of impacts to fish and wildlife resources in Mississippi. However, there are several inadequacies and omissions that should be addressed in the document. These inadequacies and omissions deal with disagreements regarding the severity of the impacts. The document only mentions mitigation for jurisdictional wetlands. The National Environmental Policy Act (NEPA), E.O. 11990, our mitigation policy, and the Fish and Wildlife Coordination Act require that non jurisdictional wetlands of high value to our trust resources be also adequately mitigated. In addition, the DEIS discusses only alternatives that use surface water to develop caverns in salt domes. The Service believes that serious consideration should be given to an alternative that utilizes ground water to develop caverns.

3 Moreover, the DEIS does not adequately address potential for destabilization of the channel structure of Bayou Pierre consequent to installation of the Bruinsburg facility in its floodplain near its confluence with the Mississippi River. There may be no significant problem, but considering the history of channel destabilization in Bayou Pierre, the subject should be discussed in the document. Bayou Pierre is the only stream supporting the federally threatened Bayou darter, and also supports the state-endangered crystal darter. Our specific comments are provided below.

Specific Comments

1

5 **Page S-29, Richton.** This section summarizes impacts of the Richton alternative to the endangered yellow-blotched map turtle and Gulf sturgeon and the pearl darter, a candidate species. The document should also state that the raw water intake would also adversely affect these species through impairment of water quality.

6 **Page S-32, CUMULATIVE IMPACTS, paragraph 1.** The paragraph concludes by stating that DOE does not expect the cumulative effects to threatened and endangered species to be significant. Operation of the proposed raw water intake on the Leaf River in combination with other major water users on the river could have significant cumulative effects especially during low flow conditions. For example, although the water removed from the Leaf River by the paper mill at New Augusta and the power plant upstream is eventually returned to the River, these facilities frequently hold this water for some time. Unpermitted water removal for other purposes such as irrigation and livestock watering is also greater during low flow conditions. These activities in combination with the operation of the raw water intake could result in significant cumulative, adverse effects.

7 **Page 2-1, Chapter 2, Proposed Action and Alternatives.** This chapter provides a detailed discussion on development and selection of alternatives. The alternatives being considered in detail for Mississippi include surface water withdrawal to construct caverns in the salt domes for crude oil storage. Agency representatives during an interagency meeting on June 22, 2006, reached consensus that the surface water withdrawal from the Leaf River would be damaging to aquatic resources including listed species, and other water sources including ground water should be given detailed consideration for dissolution of the caverns. Geologists with the State of Mississippi provided locations of potential wells to provide water for cavern construction. The Fish and Wildlife Service recommends that the DOE develops and give detailed consideration to an alternative that would use primarily groundwater, or water from reservoir storage, to construct the caverns during low flow conditions.

8 **Page 2-72, Table 2.8-3: Impacts to Wetlands.** This table provides an estimation of wetland acres filled and permanently converted by construction of the storage and expansion sites and ancillary facilities. It also estimates the acres of wetlands within the temporary and permanent easement for the project rights-of-ways (ROWs). The table should also give estimated acres for wetlands filled and permanently converted in the temporary and permanent ROWs. This information would be necessary to adequately assess impacts of the proposed alternatives.

9 **Page 2-74, Richton, bullets 3 through 5.** These bullets provide a summary of impacts by the Richton alternative to the federally endangered yellow-blotched map turtle and Gulf sturgeon and the pearl darter (candidate species). The impact summary should mention that operation of the raw water intake on the Leaf River would adversely affect these species through degradation of water quality during low flow periods.

2

Appendix N: Comments on Draft Environmental Impact Statement

<p>10 Page 2-80, Table 2.8-1: Comparison of Impacts for Alternatives with Three Expansion Sites and No-Action Alternative. This table compares impacts of the new sites, the three expansion sites, and the no-action alternative. The Richton site would discharge brine into the Gulf of Mexico through 75 diffusers placed about 60 feet apart. Modeling indicates that there would be a small increase in water salinity (about 4 parts per thousand) and this increase is within natural salinity variation. The Service believes there should be further elaboration on this conclusion. The brine discharged in the Gulf of Mexico would be released near the bottom and would have a salinity of over 235 parts per thousand (ppt). The salinity of the water in the vicinity of the release is 35 ppt. Since the brine is denser than the surrounding water, the brine would flow along the bottom and there would be considerable time before mixing is complete. Therefore, we believe there would be a mixing zone over a large area with elevated salinity levels. The mixing zone would be avoided by highly mobile animals such as fish and shrimp, and could seriously impact benthos dwelling in the mixing zone. In short, the mixing zone could potentially be a depressed zone for aquatic life. The Service believes that brine water released into the Gulf should be closely monitored for effects on aquatic life.</p> <p>11 Page 2-83, Table 2.8-1: Comparison of Impacts for Alternatives with Three Expansion Sites and No-Action Alternative. The table discusses that only jurisdictional wetlands will be mitigated because of the importance of wetlands. The Service has determined that non jurisdictional wetlands of shorter hydro periods including forested and emergent wetlands are also of regional importance and recommends that the loss of these areas be mitigated. Our recommendation is in accordance with E.O. 11990, which requires no net loss of wetlands. Our recommendation is also in accordance with NEPA, our mitigation policy, and the Fish and Wildlife Coordination Act.</p> <p>12 Page 3-5, paragraph 1. This paragraph discusses brine spills in marine environments at existing SPR sites, and concludes by stating that these spills had little impact on fish and wildlife habitat. We recommend that the paragraph also discuss impacts of brine spills in freshwater habitats. Brine spills in freshwater habitats are usually more damaging than spills in marine habitats.</p> <p>13 Page 3-5, Table 3.2.1-1. This table provides information on brine spills at existing SPR sites from 1982 through 2003. The table should also mention whether the spills occurred in freshwater or a marine environment.</p> <p>14 Page 3-11, paragraph 4. The document discusses that oil spills would occur during operation of the proposed project. It further mentions some ways oil cleanup could be handled to reduce impacts to the environment. This section should also discuss compensation responsibilities for oil spill injuries to our trust resources (e.g. migratory waterfowl, wetlands, endangered and threatened species, etc.) and state trust resources. This information allows for a more complete disclosure and discussion of impacts to the natural environment.</p> <p style="text-align: center;">3</p>	<p>15 Page 3-13, paragraph 3, lines 1 through 9. This section discusses the impacts of a large brine spill in the Gulf Intracoastal Waterway. The discussion implies that the brine spill did not have a significant impact on fish and wildlife resources, and thus, any future large brine spills would not have significant impacts on the environment. However, the last two sentences state that decay of organic matter in some ponds depressed dissolved oxygen levels and increased water temperature. Further elaboration is needed on these statements to better assess impacts of this large brine spill. For example, it should be stated what percentage of the vegetation in the ponds was killed by the brine spill and how long was required for the area to revegetate. The document should also mention to what extent was dissolved oxygen levels depressed, and the ambient water temperature increased. If the brine spill killed a significant percentage of the vegetation and resulted in severely depressed oxygen levels and significantly increased water temperature, the spill had significant impacts on fish and wildlife resources.</p> <p>16 Page 3-191, paragraph 3, lines 3 through 5. It is stated that unavoidable wetland impacts would be compensated by creating, restoring, and/or preserving wetlands, paying an in-lieu of fee, or buying credits from an approved mitigation bank. We request DOE consider as a mitigation option acquiring in holdings or lands adjacent to Wildlife Management Areas (WMA) and National Wildlife Refuges (NWR). In holdings and adjacent lands are usually areas owned by private landowners. Certain criteria would need to apply including acquisition on a willing seller basis, operation and maintenance costs should be included in the cost, and habitat of in holding should be similar to the wetland habitat lost.</p> <p>17 In addition, Bayou Pierre has a serious headcutting problem, which causes bank sloughing and sedimentation. The headcutting problem is having adverse impacts on the endangered Bayou darter. As the Bruinsburg alternative may potentially exaggerate the head cutting problem, we recommend measures to address the head cutting problem be considered as an option for stream mitigation.</p> <p>18 Page 3-193, paragraphs 3 and 4. These paragraphs present the findings of several studies regarding the effects of brine discharges in marine environments at existing sites. It is concluded that brine discharges were having "no significant biological impacts." However, it was stated that researchers found that fish avoided the brine discharge areas, a decrease in abundance of benthic organisms was found within 31 to 2000 acres of the brine diffusers, and shrimp species would avoid the discharge areas. These findings indicate that the brine discharges have a significant impact on biological resources.</p> <p>19 Page 3-195, Raw Water Intake Structure, paragraph 1, lines 13 through 16. The DEIS states that studies have shown that large volume water intake structures can impinge and entrain thousands of fish during the course of the year, but effective traveling screens and bypass systems can ensure a survival rate of 80 to 90 percent of the impinged fish. We fail to see how the traveling screens and bypasses would work to ensure the survival of up to 90 percent of the impinged fish. Impingement, especially for the small fish, would be expected to result in death. The Service requests further elaboration to understand how the traveling screens and bypass systems would be</p> <p style="text-align: center;">4</p>
--	---

Appendix N: Comments on Draft Environmental Impact Statement

<p>19 expected to result in such a high survival rate for impinged fish. A drawing of a typical traveling screen and bypass system in the technical appendices would also be helpful.</p> <p>20 Page 3-245, paragraph 2, last line. The sentence states that darters along with a host of fish species “adapt well to changes in the environment.” The document should explain how darters adapt well to changes in the environment. Darters are freshwater species that are very sensitive to changes in their environment such as head cutting, increase in sedimentation, and changes in water quality.</p> <p>21 Page 3-245, Special Status Species, paragraph 2, last two lines. The paragraph states that candidate species such as the pearl darter are not regulated under the Endangered Species Act unless they are listed as threatened or endangered by the U.S. Fish and Wildlife Service or National Oceanographic and Atmospheric Administration before the proposed action is undertaken. The document should also mention that although the pearl darter has not been officially listed, federal agencies generally give it and other candidate species the same consideration as listed species. Furthermore, the American Fisheries Society considers the fish as threatened, and the State of Mississippi lists the pearl darter as a species of special concern and a state endangered species. Therefore, the Service requests the Department of Energy to treat the pearl darter as a listed species.</p> <p>22 Page 3-247, paragraph 5, lines 3 through 5. The document states that the only area where the pearl darter spawning has been documented in recent decades is in the Leaf River near Hattiesburg, which is located upstream from the proposed raw water intake (RWI). The statement seems to imply that the pearl darter does not occur below the proposed location of the RWI. It would also contradict a statement made earlier on page 3-245 that “the pearl darter has been documented throughout the Leaf River...” The Service information also indicates that the pearl darter occur throughout the Leaf River into the Pascagoula River.</p> <p>23 Page 3-253, Plants, Wetlands, and Wildlife, Paragraph 2. The Department of Energy discusses at length that, in order to obtain a construction permit and water quality certificate in accordance with the Clean Water Act, they will work with the Corps of Engineers (COE) and Mississippi Department of Environmental Quality (MDEQ) to develop a mitigation plan for the loss of jurisdictional wetlands. The Fish and Wildlife Coordination Act requires that federal agencies consult with the Service when their proposed activities in any waterbodies would result in the loss of fish and wildlife habitat including wetlands. Therefore, the DEIS should state that the mitigation plan for wetland losses will be developed in consultation with the COE, MDEQ, and the FWS.</p> <p>24 Page 3-254, paragraph 5, lines 7 through 8. The document mentions that impinged yellow-blotched map turtles would be returned downstream of the intake by traveling screens. The DEIS omits any discussion regarding the condition of the turtles returned to the stream. We believe that a potentially significant percentage of the turtles could die from this traumatic incident.</p> <p style="text-align: center;">5</p>	<p>25 Page 3-255, last paragraph, line 3 through 6. The document states that due to the small size of the pearl darter, impingement on the screens or entrainment through the screens would occur and would cause bodily harm that may lead to death of some individual fish. This paragraph appears to indicate that the fish entrained through the screens and impinged would not suffer high mortality. The Service disagrees with this conclusion. All of the entrained fish would be killed, and impingement of the fish would result in almost 100 percent mortality. This inadequacy should be remedied in the DEIS.</p> <p>26 Page 3-256, paragraph 1. This paragraph discussed Section 7 consultation regarding the Gulf sturgeon. Section 7 consultation would also be required for the threatened yellow-blotched map turtle. This omission should be addressed in the EIS.</p> <p>27 Page 3-256, paragraph 1 and 2. These paragraphs provide the conclusions regarding the impacts of the Richton RWI on endangered and threatened species. It is our understanding that the impacts would occur when the Leaf River is at average annual low-flow discharge of 720 cubic feet per second or near the 7Q10 discharge (503 cfs). During the June 22 interagency meeting, DOE mentioned that removal of water from the Leaf River would continue when river flows reached the 503 cfs discharge. Pumping of water from the Leaf River when flow is below 503 cfs would have severe impacts on listed and non threatened and endangered aquatic species. Impacts resulting from pumping water when flow is below 503 cfs should be discussed in the EIS.</p> <p style="text-align: center;">Summary and Conclusions</p> <p>28 The Richton alternative as planned would be damaging to fish and wildlife resources. Serious impacts to aquatic life would occur when water is being withdrawn from the Leaf River at average annual low flow discharge. If water withdrawal from the Leaf River is allowed to continue at or below 503 cfs (7Q10), the Gulf sturgeon, yellow-blotched map turtle, and pearl darter would be severely impacted. Therefore, the FWS recommends that the Richton alternative as planned not be selected as the preferred alternative. However, the Richton site would be acceptable if groundwater is used for dissolution of caverns instead of surface water from the Leaf River. Also, measures should be included</p> <p>29 to avoid elevated salinity levels at the end of the outflow pipe in the Gulf.</p> <p>30 The Bruinsburg alternative as planned would also result in significant impacts to fish and wildlife resources. If the plan is selected as the preferred alternative, the Service recommends the following measures be considered for inclusion in the plan: 1) directional drilling from outside the Bayou Pierre floodplain to create and service the storage caverns, 2) within the floodplain structural engineering to protect the Bayou Pierre system from future rounds of head-cuts, 3) co-location of pipes within existing ROWs, 4) directional drilling beneath sensitive streams, and 5) placing the proposed Jackson tank farm in upland areas to avoid wetland losses. Finally, the DOE should fulfill their obligations under NEPA and the Fish and Wildlife Coordination Act regarding mitigation of fish and wildlife habitat including jurisdictional wetlands as well</p> <p>31 as non jurisdictional wetlands.</p> <p>32 </p> <p style="text-align: center;">6</p>
---	---

State Government



DEPARTMENT OF ENVIRONMENTAL QUALITY

KATHLEEN BABINEAUX BLANCO
GOVERNOR

MIKE D. McDANIEL, Ph.D.
SECRETARY

D0005
D0005

June 5, 2006

Mr. Donald Silawsky, NEPA Document Manager
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585-0301

RE: DBQ0605250188; Draft EIS; Lafourche, Iberville, Cameron, and Calcasieu Parishes
Proposed Site Selection for the Expansion of the Strategic Petroleum Reserve (DOE/EIS-0385)

Dear Mr. Silawsky:

The Department of Environmental Quality, Office of Environmental Assessment and Office of Environmental Services has received your request for comments on the above referenced project.

There were no objections based on the limited information submitted to us. However, the following comments have been included and/or attached. Should you encounter a problem during the implementation of this project, please make the appropriate notification to this Department.

The Office of Environmental Services recommends that you investigate the following requirements that may influence your proposed project:

1. If your project results in a discharge to waters of the state, submittal of a Louisiana Pollutant Discharge Elimination System (LPDES) application may be necessary.
2. If the project results in a discharge of wastewater to an existing wastewater treatment system, that wastewater treatment system may need to modify their LPDES permit before accepting the additional wastewater.
3. LDEQ has stormwater general permits for construction areas equal to or greater than one acre. It is recommended that you contact Aaron Cox at (225) 219-3092 to determine if your proposed improvements require one of these permits.
4. All precautions should be observed to control nonpoint source pollution from construction activities.

MANAGEMENT & FINANCE
: PO BOX 4303, BATON ROUGE, LA 70821-4303
P:225-219-3840 F:225-219-3846
WWW.DEQ.LOUISIANA.GOV

June 5, 2006
Page 2

- 2 | 5. If any of the proposed work is located in wetlands or other areas subject to the jurisdiction of the U.S. Army Corps of Engineers, you should contact the Corps to inquire about the possible necessity for permits. If a Corps permit is required, part of the application process may involve a Water Quality Certification from LDEQ.
- 3 | 6. All precautions should be observed to protect the groundwater of the region (SEE ATTACHMENT).

Currently, Iberville Parish is classified as nonattainment with the National Ambient Air Quality Standards.

- 4 | Currently, Lafourche, Cameron, and Calcasieu Parishes are classified as attainment parishes with the National Ambient Air Quality Standards for all criteria air pollutants.

Please forward all future requests to the Louisiana Department of Environmental Quality, Office of Management and Finance, Contracts & Grants, P. O. Box 4303, Baton Rouge, LA 70821-4303, and we will expedite your request as quickly as possible. Should you need any additional information please call me at (225) 219-3815.

Sincerely,

Lisa L. Miller
Lisa L. Miller
Contracts & Grants

llm:vhn
Enclosure

Appendix N: Comments on Draft Environmental Impact Statement



D0080

State of Louisiana

DEPARTMENT OF WILDLIFE AND FISHERIES

DWIGHT LANDRENEAU
SECRETARY

KATHLEEN BABINEAUX BLANCO
GOVERNOR

July 10, 2006

Mr. Don Silawsky
Office of Petroleum Reserves, FE-47
U.S. Department of Energy
Washington, DC 20585-0301

RE: Draft Environmental Impact Statement for Site Selection for the Expansion of the Strategic Petroleum Reserve (Document No. DOE/EIS-0385)

Dear Mr. Silawsky:

The professional staff of the Louisiana Department of Wildlife and Fisheries (LDWF), Office of Wildlife, has reviewed the Department of Energy's Draft Environmental Impact Statement (DEIS) for site selection for the expansion of the Strategic Petroleum Reserve (SPR). The Department of Energy is evaluating eight alternative storage sites that would expand the SPR to its full authorized 1 billion-barrel capacity. The Department of Energy would develop a combination of one or two proposed new SPR sites with the expansion of two or three existing SPR sites. Based upon this preliminary review, LDWF submits the following comments:

Of the five sites proposed for the construction of a new SPR site, two are located in Lafourche Parish, Louisiana (i.e., Clovelly and Chacahoula). Also, two of the three sites proposed for expansion of existing SPR sites are located in Louisiana (i.e., Bayou Choctaw in Iberville Parish and West Hackberry in Cameron and Calcasieu Parishes).

According to the DEIS, for all filling and permanent conversion of wetlands the Department of Energy would complete a wetland delineation, secure a jurisdictional determination, and secure Clean Water Act Section 404/401 permits from the U.S. Army Corps of Engineers (USACE). LDWF requests that a USACE jurisdictional wetland determination be conducted at each alternative SPR site in order to verify/quantify the wetland impacts associated with each site.

LDWF is concerned about the direct impact of the proposed SPR expansion on wetlands and inshore and offshore fishery resources of Louisiana. If need can be established, actions must be taken to avoid and/or minimize adverse impacts to fish and wildlife resources. Those actions and other measures designed to fully compensate for unavoidable wetland impacts must be addressed in a mitigation plan and approved by USACE, LDWF, and other interested natural resource agencies.

P.O. BOX 98000 • BATON ROUGE, LOUISIANA 70898-9000 • PHONE (225) 765-2800
AN EQUAL OPPORTUNITY EMPLOYER

Page 2
Mr. Silawsky
July 10, 2006

1

To minimize impacts to wetlands, LDWF recommends that horizontal directional drilling be used at all perennial stream crossings (to include adjacent riparian wetlands) and at coastline interfaces. Also, construction right-of-ways through wetlands need to be minimized as much as practicable.

In addition to the issues listed above, please find attached a copy of a correspondence, dated March 8, 2006, from the LDWF Louisiana Natural Heritage Program and addressed to Ms. Karen M. Fadely of ICF Consulting. The letter details potential rare, threatened, and endangered species and critical habitats which are anticipated to be impacted by the proposed SPR expansion. These attached comments are to be included with those identified above.

The Louisiana Department of Wildlife and Fisheries seeks to work with you in a facilitative manner on this and future endeavors. Please do not hesitate to contact Kyle Balkum (225-765-2819) of our Habitat Section should you need further assistance.

Sincerely,

Brandt Savoie
Deputy Assistant Secretary

kfb

Attachment

c: EPA, Dallas, TX
USFWS, Ecological Services Field Office, Lafayette, LA
W. Parke Moore, III, Assistant Secretary, Office of Wildlife
John Roussel, Assistant Secretary, Office of Fisheries
Venise Ortega, LDWF, Baton Rouge, LA



State of Louisiana

DWIGHT LANDRENEAU
SECRETARY

DEPARTMENT OF WILDLIFE & FISHERIES
POST OFFICE BOX 98000
BATON ROUGE, LA 70898-9000
(225) 765-2800

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Date March 8, 2006
Name Karen M. Fadely
Company ICF Consulting
Street Address 9300 Lee Highway
City, State, Zip Fairfax, VA 22031
Project Dept. of Energy: Proposed Oil Reserve Expansion and Pipeline Installation
Invoice Number 06030801

Personnel of the Habitat Section of the Fur and Refuge Division have reviewed the preliminary data for the captioned project.

Our records indicate the proposed project may potentially impact 9 bald eagle (*Haliaeetus leucocephalus*) nesting sites. This species is listed as threatened under the Endangered Species Act. No major activities should occur during the nesting period (October 1- May 15) within one mile of the nest tree. To protect the core nesting area, there should be no activity within a 1,500-foot radius of the nest tree at any time. All bald eagle nests (active, inactive or seemingly abandoned) should be protected. Within the core nesting area, no large tree should be removed. For specific location information applicant should contact the LNHP zoologist at 225-765-2823 or 2820 and reference EOR #'s 362, 364, 135, 363, 304, 287, 399, 305, and 435. For consideration of exceptions, applicant must contact Brigette Firmin with USFWS to coordinate activities at 225-291-3108.

The proposed project may impact two ground-nesting birds of concern in Louisiana. The Louisiana Waterthrush (*Seiurus motacilla*) and Worm-eating Warbler (*Helmitheros vermivorus*) are known to nest in East and West Feliciana Parishes of Louisiana. Breeding habitat for these birds include wet forested areas along streams and creeks flowing through hilly terrain. We recommend a qualified biologist conduct a survey along the proposed right way if activity takes place during the breeding season. Results of the survey should be sent to the above address care of LNHP. The breeding season for these two species is generally mid-April through July.

The proposed project may potentially impact the long-tailed weasel (*Mustela frenata*). This species is found in a wide variety of habitats, usually near water. Favored habitats include brushland and open woodlands, field edges, riparian grasslands, swamps, and marshes. Dens are in abandoned burrows of other mammals, rock crevice, brushpiles, stump hollows, or spaces among tree roots; one individual may use multiple dens. Research indicates that long-tailed weasels may be sensitive to agriculturally induced fragmentation of habitat and the importance of maintaining landscape connectivity for species conservation.

The proposed project may impact Southern Shield Wood-fern (*Dryopteris ludoviciana*) and Rooted Spike-rush (*Eleocharis radicans*). Both of these plants are considered extremely imperiled in Louisiana due to extreme rarity. A forested seep with large populations of these plants is located in the direct path of the proposed pipeline right of way extending north from Baton Rouge. The area is located at the following lat./lon. Location: (N30 50 17 / W091 13 32). Please contact LNHP botanist Chris Ried at (225) 765-2828 to discuss measures to avoid impacts to these rare plants.

Our database indicates the presence of many waterbird nesting colonies within the proposed project area or within one mile of the proposed project. Please keep in mind that rookeries can move from year to year and no current information is

available on the status of these rookeries. We recommend that a qualified biologist inspect the proposed worksite for the presence of nesting colonies during the nesting season. We recommend that on-site contract personnel be informed of the need to identify colonial nesting birds and their nests and should avoid disturbing them during the breeding season. No activity is permitted within 400 meters (700 meters for Brown Pelicans) around rookeries during the breeding season, which is generally March 15-July 15. Contact the US Fish and Wildlife Service at (337) 291-3100 to discuss impacts on rookeries. To minimize disturbance to colonial nesting birds, the following restrictions on activity should be observed:

- For colonies containing nesting wading birds (i.e., herons, egrets, night-herons, ibis, roseate spoonbills, anhingas, and/or cormorants), all activity occurring within 300 meters of a rookery should be restricted to the non-nesting period (i.e., September 1 through February 15, depending on species present).

- For colonies containing nesting gulls, terns, and/or black skimmers, all activity occurring within 400 meters of a rookery should be restricted to the non-nesting period (i.e., September 16 through April 1, depending on species present).

The Louisiana Natural Heritage Program has compiled data on rare, endangered, or otherwise significant plant and animal species, plant communities, and other natural features throughout the state of Louisiana. Heritage reports summarize the existing information known at the time of the request regarding the location in question. The quantity and quality of data collected by the LNHP are dependent on the research and observations of many individuals. In most cases, this information is not the result of comprehensive or site-specific field surveys; many natural areas in Louisiana have not been surveyed. This report does not address the occurrence of wetlands at the site in question. Heritage reports should not be considered final statements on the biological elements or areas being considered, nor should they be substituted for on-site surveys required for environmental assessments. The Louisiana Natural Heritage Program requires that this office be acknowledged in all reports as the source of all data provided here. If you have any questions or need additional information, please call Louisiana Natural Heritage Program at 225-765-2357.

Sincerely,

Gary Lester, Coordinator
Natural Heritage Program

1
 MR. JACK MOODY: All right. My name is Jack Moody. I work for the Mississippi Development Authority. First of all, I would like to acknowledge the very thorough job that Dave and his people have done in Mississippi and Mississippi is delighted to have two candidates for consideration in this expansion. As he pointed out, there was a second candidate put into it and, really, we've got two features in Mississippi, very distinct, very different, and can serve two different purposes, in a sense. Where we are, it's got the biggest, prettiest, shallowest piece of salt anywhere in Mississippi. It's a fabulous natural resource with tremendous storage capacities, but as you saw, the plumbing involved in this is quite extensive, so it would take two different views of our two different sites. One would be a very long term, very major, strategic decision here, money going in up front, investing in something very big, but that's what y'all live on top of in the Richton salt dome; tremendous capabilities. We've got room in there. Our state geologist and one of his staff is with us. They've put out publications. I think Stan published a summary of all of our salt domes here in Mississippi just a few years ago and that document puts about 5,800 acres under -- above 2,000 feet in the salt. That's a lot of storage capability. So, again, the Richton site, you would have to think of almost building an interstate. It's the type of investment the government looked at, and yes, it's big; yes, it's expensive, but oh, when it gets done, it's going to do a great job. The other site that we have at Bruinsburg on the river, as Dave pointed out, is a smaller site. On a good day, you could put 160 million barrels in it. That's a yawn for the Richton site. Oh, yeah, it's a good beginning, but when we're really going to get going, you know. But there are two different sites and it will be up to his office and the amount of monies that they have going. But we, in Mississippi, are also saying we think it's a good idea. As you saw from those maps, the Strategic Petroleum Reserve is located on the coast and both of our sites are geographically removed from the coast, geographically removed from surge influence that the hurricanes will bring. NOAA, which is the National Oceanic and Atmospheric Administration, has put out on its site that hurricane seasons are cyclical, just like everything else in life, and we have been in one of those really nice, low-intensity cycles for about 30 years and we are embarking -- starting about two seasons ago, on our next high-intensity, high-frequency cycle. So, that goes back to, we would politely -- we're going to put our best foot forward, that we would hope the DOE would take that into consideration. The Strategic Petroleum Reserve, we think it would be a strategic move to geographically pull part of that off of the coast and be able to serve the Midwest in the event that we had a repeat of a Katrina-type situation, but something, whether it would be a foreign import interruption or whether it would be domestic difficulties from natural disasters. But nevertheless, we would be removed from the coast and be able to continue to contribute to the stability of the country while they're dealing with whatever problems developed. But again, we really appreciate the thoroughness of the review the DOE has given Mississippi and we certainly wish them -- as a country, we wish them the best decision for the good of the country. Thank you.

D0087

PROCEEDINGS

MR. DAVID JOHNSON

DEPARTMENT OF ENERGY

OFFICE OF PETROLEUM RESERVES

DIRECTOR OF PLANNING AND ENGINEERING OFFICE

Mr. Johnson gave a 20-minute presentation and then opened the floor to questions and comments from the audience.

COMMENTS FROM THE AUDIENCE

JACK MOODY

My name is Jack Moody. I'm with the Mississippi

D0088

Development Authority. And on behalf of the state, I would like to recognize the tremendous amount of work that the DOE is doing. They've really been time constrained to come to a final decision by the Congress, and we have been working with them all along and really admire the level of effort that's having to go into doing a thorough analysis in such a pressed timeframe.

Mississippi did put a second salt dome into the process, as you saw the big dome over towards Pascagoula, Richton. Historically, it was in the process; it was in the running for the last expansion of the Strategic Petroleum Reserve and it, therefore, was grandfathered in, so to speak, on the process.

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

4

1 And then the additional location for Bruinsburg was then added
2 when the opportunity came up.

3 And what Bruinsburg brings to the table, as Mr. Johnson
4 pointed out, and as you saw on that map, right now the
5 Strategic Petroleum Reserve is primarily located on the coast.
6 And in the events of Katrina and Rita, that pointed up some of
7 the vulnerabilities of having all your eggs in one basket.

8 Mississippi feels like it would be a strategic move for
9 the Strategic Petroleum Reserve to spread the geography out on
10 this reserve, because when something comes up, whether it's a
11 natural disaster or something else, and we need it, it would
12 be good -- and in our pocket: We're trying to sell Mississippi
13 -- it would be good to have us up and away from that
14 concentration and be able to supply those crude oils that are
15 going to go up to the Midwest and to the center part of the
16 United States, coming out of what we hope would be this
17 Bruinsburg location.

18 Bruinsburg, in our view, has quite a few things going for
19 it. Stan Fielding, with the Office of Geology, authored a
20 booklet several years ago that basically gathered all of the
21 information for all the shallow salt domes here in
22 Mississippi. There're 51 of them, I believe. And in the
23 Bruinsburg and putting that information together -- and he's
24 good at digging up stuff that nobody else can find -- there
25 was a lot of drilling. There was a lot a history here:

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@bellsouth.net

5

1 everything from salt companies who have gone in and drilled
2 the top of this salt; they've analyzed the salt, and it's very
3 pure salt.

4 In some other locations, you've got a lot of minerals
5 that are mixed in with it; but in this case, not many of
6 those, according to the analysis, which is good when you start
7 to put some freshwater into it. You're going to end up with a
8 bunch of water and not a lot of solids, and that's going to go
9 thorough the solution process better.

10 But we've got control. There were some seismic, which is
11 a technique that allows you to look down into the earth, the
12 exploration people use quite a bit. It wasn't on top of the
13 dome. It wasn't designed to see the dome. It was actually
14 designed to get away from it a little bit. But it picked up
15 some of the edges. Of course they had the responsibility of
16 locating this site and making a very big decision and a very
17 expensive decision. And so, again, in the diligence and in
18 the timeframe, they're going to do a seismic survey over the
19 Bruinsburg dome in the very near future.

20 Mr. Johnson got creative on getting the incentives to
21 make these people get up and go so that they can get it done
22 in time, but there will be two more lines that are going
23 across there, and it will be designed to see the dome. The
24 oil and gas seismic was not designed to see the dome. It was
25 designed to see stuff down at about 15,000 feet, and what he

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@bellsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

6

1 needs to see is at about 2000 to 5000 feet. So there'll be
2 some very good high quality data that they'll be able to build
3 a lot more confidence on the size of the dome. Again the
4 state, from all of the data that we've been able to put
5 together, we feel confident that the size of the dome is going
6 to be there to accommodate the 160 million barrel option if
7 need be.

8 And then we also recognized the strategic location of
9 Bruinsburg in and of itself, the mighty Mississippi sitting
10 right here. Freshwater to make these caverns can be a big,
11 big deal if you don't have any. If you don't believe that, go
12 talk to the people at Richton. But you have got the biggest
13 river in North America coming through there, and there's going
14 to be plenty of water source.

15 We also, from DOE's point of view, our way of getting rid
16 of that brine, when they put the fresh water in the well, and
17 when it comes back up, it's going to be salty. It will pucker
18 your lips. And they've got to get rid of it. So in this
19 case, we're too far from the Gulf of Mexico to get rid of it
20 that way. So it will be injected into salt water disposal
21 wells, which will be drilled here in a line going one way.
22 It's all designed to have a series of salt water disposal
23 wells. So the Mississippi River is going down in the cavern,
24 the brine is coming out, and then the brine is being put down
25 way below freshwater. You don't have to worry about the

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

7

1 drinking water.

2 Their experiences down in South Louisiana and Texas,
3 they're not that comfortable with that process. In
4 Mississippi the oil industry moves a lot of water this way;
5 albeit, not as much water as fast as what they need. But the
6 analysis that archaeologists have done along the Mississippi
7 River and in this location, you couldn't find a better place
8 in Mississippi to have a salt water injection project than
9 here. It is loaded with sands down from about 2000 feet on
10 down. So we have a lot of confidence that when DOE gets into
11 the salt water injection process, they're going to find that
12 there's going to be a better story than the what they've run
13 into at other locations.

14 The geology that we see is favorable for the salt water
15 injection. We've got the Mississippi River giving them the
16 freshwater that they need in great big quantities, and the
17 Mississippi also plays a part in the distribution. And it's a
18 critical part of the job they have to do. If we get into
19 trouble as a country, and they say that we've got to get this
20 oil out of here, it's got to go. And so in the due diligence
21 that they were doing, they discovered -- is it the Baxter
22 Wilson -- a power plant up near Vicksburg has and maintains an
23 active port there. And so they made a deal with the folks,
24 that if this were chosen as the site, that that would allow
25 them to distribute something on the order of 200,000 barrels.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

1 So part of it's going to go up the river, and the rest of
2 it's going to head over to the Capline, which is the main
3 artery that's going to be serving all the way up close to
4 Chicago.

5 So we feel like the Mississippi is a real asset to us.
6 We feel like in the 80 million barrels -- remember, he said
7 that we have two options. The 80 million barrel option, we're
8 sharing that, I guess, if that came to pass, with the Clovelly
9 dome in South Louisiana, which is really out in South
10 Louisiana, way down there. And it would be an interesting
11 combination. And they've noted that by going that route it
12 kind of doubles their overhead, instead of having your
13 overhead for one location, you have double overhead. But you
14 also are splitting the risks. You feel like here you've got
15 the possibility to move out of harm's way for a natural
16 disaster, that certainly South Louisiana is in a position to
17 suffer some of those things.

18 And at the same time, there's a lot of experimental
19 activity that's going to go on with Clovelly because they've
20 already got salt domes sitting with caverns in them. And for
21 the first time anywhere, I think, they're going to come in and
22 make it the second story or the second basement, so to speak.
23 They'll create theirs underneath the existing ones. So it's
24 going to be a real interesting engineering experiment because
25 you go deeper and you go into higher pressures, higher

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

1 temperatures, and they'll be dealing with a lot of those
2 things, which will be wonderful because you can see that you
3 can take any salt dome and you can double the capacity of it
4 if it works out. They'll have their work to do down there,
5 and we feel like, what our salt dome here does would be
6 complimentary to that.

7 So we're hoping that in the final analysis -- they've got
8 a big responsibility, national security, petroleum for us. I
9 guess y'all over in this part of the state, and I know I did
10 in my place, went on for about 15 days. We've been without
11 for a little bit, so we know what that's like.

12 So they've got the responsibility to keep things going.
13 And we certainly wish them well, and we certainly hope that
14 Mississippi will be one of those locations. We hope to see,
15 and I stress again, we really would like to see that reserve
16 spread out a little bit, a little bit out of harm's way. And
17 we think that we've got the candidate site here that could
18 contribute to that.

19 With that, we wish them well in their endeavors and look
20 forward to their final analysis.

21
22
23 **VERNON PHILLIPS**

D0089

24 Hi, once again. My name is Vernon Phillips, and if it's
25 all right, I'll speak from a prepared document.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

D0106

July 12, 2006

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585-0301

Dear Mr. Silawsky:

This is in regard to the U.S. Department of Energy's (DOE) Draft Environmental Impact Statement, Site Selection for the Expansion of the Strategic Petroleum Reserve (DEIS). The U.S. Fish and Wildlife Service (Service) has reviewed the DEIS and offer the following comments for your consideration. Our comments cover the two sites for Mississippi (the Bruinsburg and Richton sites). Our field offices in Louisiana and Texas will provide comments on those sites in Louisiana and Texas. We have also coordinated our comments with the Mississippi Natural Heritage Program (MNHP), and their comments have been incorporated. The MNHP plans to submit written comments, and we concur with their comments.

General Comments

1 The DEIS provides, in general, a good discussion of impacts to fish and wildlife resources in Mississippi. However, there are several inadequacies and omissions that should be addressed in the document. These inadequacies and omissions deal with disagreements regarding the severity of the impacts. The document only mentions mitigation for jurisdictional wetlands. The National Environmental Policy Act (NEPA), E.O. 11990, our mitigation policy, and the Fish and Wildlife Coordination Act require that non jurisdictional wetlands of high value to our trust resources be also adequately mitigated. In addition, the DEIS discusses only alternatives that use surface water to develop caverns in salt domes. The Service believes that serious consideration should be given to an alternative that utilizes ground water to develop caverns.

3 Moreover, the DEIS does not adequately address potential for destabilization of the channel structure of Bayou Pierre consequent to installation of the Bruinsburg facility in its floodplain near its confluence with the Mississippi River. There may be no significant problem, but considering the history of channel destabilization in Bayou Pierre, the subject should be discussed in the document. Bayou Pierre is the only stream supporting the federally threatened Bayou darter, and also supports the state-endangered crystal darter. Our specific comments are provided below.

Specific Comments

1

5 **Page S-29, Richton.** This section summarizes impacts of the Richton alternative to the endangered yellow-blotched map turtle and Gulf sturgeon and the pearl darter, a candidate species. The document should also state that the raw water intake would also adversely affect these species through impairment of water quality.

6 **Page S-32, CUMULATIVE IMPACTS, paragraph 1.** The paragraph concludes by stating that DOE does not expect the cumulative effects to threatened and endangered species to be significant. Operation of the proposed raw water intake on the Leaf River in combination with other major water users on the river could have significant cumulative effects especially during low flow conditions. For example, although the water removed from the Leaf River by the paper mill at New Augusta and the power plant upstream is eventually returned to the River, these facilities frequently hold this water for some time. Unpermitted water removal for other purposes such as irrigation and livestock watering is also greater during low flow conditions. These activities in combination with the operation of the raw water intake could result in significant cumulative, adverse effects.

7 **Page 2-1, Chapter 2, Proposed Action and Alternatives.** This chapter provides a detailed discussion on development and selection of alternatives. The alternatives being considered in detail for Mississippi include surface water withdrawal to construct caverns in the salt domes for crude oil storage. Agency representatives during an interagency meeting on June 22, 2006, reached consensus that the surface water withdrawal from the Leaf River would be damaging to aquatic resources including listed species, and other water sources including ground water should be given detailed consideration for dissolution of the caverns. Geologists with the State of Mississippi provided locations of potential wells to provide water for cavern construction. The Fish and Wildlife Service recommends that the DOE develops and give detailed consideration to an alternative that would use primarily groundwater, or water from reservoir storage, to construct the caverns during low flow conditions.

8 **Page 2-72, Table 2.8-3: Impacts to Wetlands.** This table provides an estimation of wetland acres filled and permanently converted by construction of the storage and expansion sites and ancillary facilities. It also estimates the acres of wetlands within the temporary and permanent easement for the project rights-of-ways (ROWs). The table should also give estimated acres for wetlands filled and permanently converted in the temporary and permanent ROWs. This information would be necessary to adequately assess impacts of the proposed alternatives.

9 **Page 2-74, Richton, bullets 3 through 5.** These bullets provide a summary of impacts by the Richton alternative to the federally endangered yellow-blotched map turtle and Gulf sturgeon and the pearl darter (candidate species). The impact summary should mention that operation of the raw water intake on the Leaf River would adversely affect these species through degradation of water quality during low flow periods.

2

Appendix N: Comments on Draft Environmental Impact Statement

10 **Page 2-80, Table 2.8-1: Comparison of Impacts for Alternatives with Three Expansion Sites and No-Action Alternative.** This table compares impacts of the new sites, the three expansion sites, and the no-action alternative. The Richton site would discharge brine into the Gulf of Mexico through 75 diffusers placed about 60 feet apart. Modeling indicates that there would be a small increase in water salinity (about 4 parts per thousand) and this increase is within natural salinity variation. The Service believes there should be further elaboration on this conclusion. The brine discharged in the Gulf of Mexico would be released near the bottom and would have a salinity of over 235 parts per thousand (ppt). The salinity of the water in the vicinity of the release is 35 ppt. Since the brine is denser than the surrounding water, the brine would flow along the bottom and there would be considerable time before mixing is complete. Therefore, we believe there would be a mixing zone over a large area with elevated salinity levels. The mixing zone would be avoided by highly mobile animals such as fish and shrimp, and could seriously impact benthos dwelling in the mixing zone. In short, the mixing zone could potentially be a depressed zone for aquatic life. The Service believes that brine water released into the Gulf should be closely monitored for effects on aquatic life.

11 **Page 2-83, Table 2.8-1: Comparison of Impacts for Alternatives with Three Expansion Sites and No-Action Alternative.** The table discusses that only jurisdictional wetlands will be mitigated because of the importance of wetlands. The Service has determined that non jurisdictional wetlands of shorter hydro periods including forested and emergent wetlands are also of regional importance and recommends that the loss of these areas be mitigated. Our recommendation is in accordance with E.O. 11990, which requires no net loss of wetlands. Our recommendation is also in accordance with NEPA, our mitigation policy, and the Fish and Wildlife Coordination Act.

12 **Page 3-5, paragraph 1.** This paragraph discusses brine spills in marine environments at existing SPR sites, and concludes by stating that these spills had little impact on fish and wildlife habitat. We recommend that the paragraph also discuss impacts of brine spills in freshwater habitats. Brine spills in freshwater habitats are usually more damaging than spills in marine habitats.

13 **Page 3-5, Table 3.2.1-1.** This table provides information on brine spills at existing SPR sites from 1982 through 2003. The table should also mention whether the spills occurred in freshwater or a marine environment.

14 **Page 3-11, paragraph 4.** The document discusses that oil spills would occur during operation of the proposed project. It further mentions some ways oil cleanup could be handled to reduce impacts to the environment. This section should also discuss compensation responsibilities for oil spill injuries to our trust resources (e.g. migratory waterfowl, wetlands, endangered and threatened species, etc.) and state trust resources. This information allows for a more complete disclosure and discussion of impacts to the natural environment.

15 **Page 3-13, paragraph 3, lines 1 through 9.** This section discusses the impacts of a large brine spill in the Gulf Intracoastal Waterway. The discussion implies that the brine spill did not have a significant impact on fish and wildlife resources, and thus, any future large brine spills would not have significant impacts on the environment. However, the last two sentences state that decay of organic matter in some ponds depressed dissolved oxygen levels and increased water temperature. Further elaboration is needed on these statements to better assess impacts of this large brine spill. For example, it should be stated what percentage of the vegetation in the ponds was killed by the brine spill and how long was required for the area to revegetate. The document should also mention to what extent was dissolved oxygen levels depressed, and the ambient water temperature increased. If the brine spill killed a significant percentage of the vegetation and resulted in severely depressed oxygen levels and significantly increased water temperature, the spill had significant impacts on fish and wildlife resources.

16 **Page 3-191, paragraph 3, lines 3 through 5.** It is stated that unavoidable wetland impacts would be compensated by creating, restoring, and/or preserving wetlands, paying an in-lieu-of fee, or buying credits from an approved mitigation bank. We request DOE consider as a mitigation option acquiring in holdings or lands adjacent to Wildlife Management Areas (WMA) and National Wildlife Refuges (NWR). In holdings and adjacent lands are usually areas owned by private landowners. Certain criteria would need to apply including acquisition on a willing seller basis, operation and maintenance costs should be included in the cost, and habitat of in holding should be similar to the wetland habitat lost.

17 In addition, Bayou Pierre has a serious headcutting problem, which causes bank sloughing and sedimentation. The headcutting problem is having adverse impacts on the endangered Bayou darter. As the Bruinsburg alternative may potentially exaggerate the head cutting problem, we recommend measures to address the head cutting problem be considered as an option for stream mitigation.

18 **Page 3-193, paragraphs 3 and 4.** These paragraphs present the findings of several studies regarding the effects of brine discharges in marine environments at existing sites. It is concluded that brine discharges were having "no significant biological impacts." However, it was stated that researchers found that fish avoided the brine discharge areas, a decrease in abundance of benthic organisms was found within 31 to 2000 acres of the brine diffusers, and shrimp species would avoid the discharge areas. These findings indicate that the brine discharges have a significant impact on biological resources.

19 **Page 3-195, Raw Water Intake Structure, paragraph 1, lines 13 through 16.** The DEIS states that studies have shown that large volume water intake structures can impinge and entrain thousands of fish during the course of the year, but effective traveling screens and bypass systems can ensure a survival rate of 80 to 90 percent of the impinged fish. We fail to see how the traveling screens and bypasses would work to ensure the survival of up to 90 percent of the impinged fish. Impingement, especially for the small fish, would be expected to result in death. The Service requests further elaboration to understand how the traveling screens and bypass systems would be

Appendix N: Comments on Draft Environmental Impact Statement

19 expected to result in such a high survival rate for impinged fish. A drawing of a typical traveling screen and bypass system in the technical appendices would also be helpful.

20 Page 3-245, paragraph 2, last line. The sentence states that darters along with a host of fish species “adapt well to changes in the environment.” The document should explain how darters adapt well to changes in the environment. Darters are freshwater species that are very sensitive to changes in their environment such as head cutting, increase in sedimentation, and changes in water quality.

21 Page 3-245, Special Status Species, paragraph 2, last two lines. The paragraph states that candidate species such as the pearl darter are not regulated under the Endangered Species Act unless they are listed as threatened or endangered by the U.S. Fish and Wildlife Service or National Oceanographic and Atmospheric Administration before the proposed action is undertaken. The document should also mention that although the pearl darter has not been officially listed, federal agencies generally give it and other candidate species the same consideration as listed species. Furthermore, the American Fisheries Society considers the fish as threatened, and the State of Mississippi lists the pearl darter as a species of special concern and a state endangered species. Therefore, the Service requests the Department of Energy to treat the pearl darter as a listed species.

22 Page 3-247, paragraph 5, lines 3 through 5. The document states that the only area where the pearl darter spawning has been documented in recent decades is in the Leaf River near Hattiesburg, which is located upstream from the proposed raw water intake (RWI). The statement seems to imply that the pearl darter does not occur below the proposed location of the RWI. It would also contradict a statement made earlier on page 3-245 that “the pearl darter has been documented throughout the Leaf River...” The Service information also indicates that the pearl darter occur throughout the Leaf River into the Pascagoula River.

23 Page 3-253, Plants, Wetlands, and Wildlife, Paragraph 2. The Department of Energy discusses at length that, in order to obtain a construction permit and water quality certificate in accordance with the Clean Water Act, they will work with the Corps of Engineers (COE) and Mississippi Department of Environmental Quality (MDEQ) to develop a mitigation plan for the loss of jurisdictional wetlands. The Fish and Wildlife Coordination Act requires that federal agencies consult with the Service when their proposed activities in any waterbodies would result in the loss of fish and wildlife habitat including wetlands. Therefore, the DEIS should state that the mitigation plan for wetland losses will be developed in consultation with the COE, MDEQ, and the FWS.

24 Page 3-254, paragraph 5, lines 7 through 8. The document mentions that impinged yellow-blotched map turtles would be returned downstream of the intake by traveling screens. The DEIS omits any discussion regarding the condition of the turtles returned to the stream. We believe that a potentially significant percentage of the turtles could die from this traumatic incident.

25 Page 3-255, last paragraph, line 3 through 6. The document states that due to the small size of the pearl darter, impingement on the screens or entrainment through the screens would occur and would cause bodily harm that may lead to death of some individual fish. This paragraph appears to indicate that the fish entrained through the screens and impinged would not suffer high mortality. The Service disagrees with this conclusion. All of the entrained fish would be killed, and impingement of the fish would result in almost 100 percent mortality. This inadequacy should be remedied in the DEIS.

26 Page 3-256, paragraph 1. This paragraph discussed Section 7 consultation regarding the Gulf sturgeon. Section 7 consultation would also be required for the threatened yellow-blotched map turtle. This omission should be addressed in the EIS.

27 Page 3-256, paragraph 1 and 2. These paragraphs provide the conclusions regarding the impacts of the Richton RWI on endangered and threatened species. It is our understanding that the impacts would occur when the Leaf River is at average annual low-flow discharge of 720 cubic feet per second or near the 7Q10 discharge (503 cfs). During the June 22 interagency meeting, DOE mentioned that removal of water from the Leaf River would continue when river flows reached the 503 cfs discharge. Pumping of water from the Leaf River when flow is below 503 cfs would have severe impacts on listed and non threatened and endangered aquatic species. Impacts resulting from pumping water when flow is below 503 cfs should be discussed in the EIS.

Summary and Conclusions

28 The Richton alternative as planned would be damaging to fish and wildlife resources. Serious impacts to aquatic life would occur when water is being withdrawn from the Leaf River at average annual low flow discharge. If water withdrawal from the Leaf River is allowed to continue at or below 503 cfs (7Q10), the Gulf sturgeon, yellow-blotched map turtle, and pearl darter would be severely impacted. Therefore, the FWS recommends that the Richton alternative as planned not be selected as the preferred alternative. However, the Richton site would be acceptable if groundwater is used for dissolution of caverns instead of surface water from the Leaf River. Also, measures should be included to avoid elevated salinity levels at the end of the outflow pipe in the Gulf.

29
30 The Bruinsburg alternative as planned would also result in significant impacts to fish and wildlife resources. If the plan is selected as the preferred alternative, the Service recommends the following measures be considered for inclusion in the plan: 1) directional drilling from outside the Bayou Pierre floodplain to create and service the storage caverns, 2) within the floodplain structural engineering to protect the Bayou Pierre system from future rounds of head-cuts, 3) co-location of pipes within existing ROWs, 4) directional drilling beneath sensitive streams, and 5) placing the proposed Jackson tank farm in upland areas to avoid wetland losses. Finally, the DOE should fulfill their obligations under NEPA and the Fish and Wildlife Coordination Act regarding mitigation of fish and wildlife habitat including jurisdictional wetlands as well as non jurisdictional wetlands.

Appendix N: Comments on Draft Environmental Impact Statement

We appreciate the opportunity to provide comments on the DEIS for the Strategic Petroleum Reserve. If you have any questions, contact Mr. Lloyd E. Inmon of my staff (601-321-1134). Please keep us apprised of actions being taken on our comments.

Sincerely,

Ray Aycock
Field Supervisor

Cc: Mr. Matt Hicks, Mississippi Museum of Natural Science, 2148 Riverside Drive, Jackson, MS 39202

U.S. Fish and Wildlife Service, 646 Cajundome Boulevard, Suite 400, Lafayette, Louisiana 70506

U.S. Fish and Wildlife Service, 1875 Century Boulevard, Atlanta, Georgia 30345

7

D0004



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

EDUARDO J. SANCHEZ, M.D., M.P.H.
COMMISSIONER

1100 W. 49th Street • Austin, Texas 78756
1-888-963-7111 • <http://www.dshs.state.tx.us>

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585-0301

Re: Site Selection for the Expansion of the Strategic Petroleum Reserve (DOE/EIS-0385)

Dear Mr. Silawsky:

Thank you for your letter dated May 19, 2006, inviting our agency to review and comment on the Department of Energy's (DOE) Draft Environmental Impact Statement (EIS), "Site Selection for the Expansion of the Strategic Petroleum Reserve" (DOE/EIS-0385). According to your letter, the draft EIS proposes to expand the Strategic Petroleum Reserve (SPR) by selecting new storage sites to accommodate 272 billion barrels of additional storage capacity needed to meet the 1 billion barrel mandate established by the Energy Policy Act of 2005. Five new sites for SPR facilities are currently being proposed under this EIS, including the Stratton Ridge facility located in Brazoria County, Texas. Existing SPR facilities where storage capacity may be increased include the Big Hill facility located in Jefferson County, Texas.

Our agency administers state and federal regulations, which enable local emergency responders to identify chemical hazards and develop emergency response plans for their communities. The Texas Community Right-to-Know Acts, Title 25 of the Health and Safety Code, Chapters 505-507, and Sections 311.1/312 of the federal Emergency Planning and Community Response Act, 40 CFR 370.25, require facilities to annually report the presence of significant quantities of hazardous chemicals to the State Emergency Response Commission, the local fire department, and the Local Emergency Planning Committees (LEPCs) for use in developing emergency response plans.

Agency staff will review the draft EIS and will respond with written comments as needed. We will also provide copies of the draft EIS to the Brazoria and Jefferson County LEPCs for their review and input.

If you have questions, please feel free to contact Peter Tadin of our Policy, Standards, and Quality Assurance Unit, Environmental Group, at (512) 834-6773, extension 2434, or via email at Peter.Tadin@dshs.state.tx.us.

Sincerely,

Eduardo J. Sanchez, M.D., M.P.H.
Commissioner

An Equal Employment Opportunity Employer

D0116



August 2, 2006

Mr. Donald Silawsky
Office of Petroleum Reserves
US Department of Energy
1000 Independence Ave, SW
Washington DC 20585-0301

COMMISSIONERS

- JOSEPH B.C. FITZSIMONS
CHAIRMAN
SAN ANTONIO
- DONATO D. RAMOS
VICE-CHAIRMAN
LAREDO
- MARK E. BYRNE
AMARILLO
- J. ROBERT BROWN
EL PASO
- T. DAN FRIEDRICH
HOUSTON
- NED S. HOLMES
HOUSTON
- PETER M. HOLT
SAN ANTONIO
- PHILIP MONTGOMERY
DALLAS
- JOHN D. PARKER
LUFKIN
- LEE M. BARR
CHAIRMAN-EMERITUS
FORT WORTH
- ROBERT L. COOK
EXECUTIVE DIRECTOR

RE: Proposed Strategic Petroleum Reserve expansion, Brazoria and Jefferson Counties.

Dear Mr. Silawsky:

This letter is in response to your request via letter dated May 19, 2006 for natural resource information and potential Texas Parks & Wildlife Department (TPWD) concerns regarding the potential Texas sites for expansion of the Strategic Petroleum Reserve. These sites include a potential new site in Stratton Ridge in Brazoria County and expansion of the Big Hill site in Jefferson County.

Stratton Ridge

The impacts at the proposed Stratton Ridge facility would include preparing the site; constructing the raw water intake (RWI) and brine-disposal systems, including pipelines; creating caverns; installing oil pipelines to connect to existing petroleum distribution networks; and constructing support structures. The Stratton Ridge alternative would involve two right-of-ways (ROW) that would pass through the Brazoria National Wildlife Refuge and impact 17 waterbodies. The Stratton Ridge facility and associated ROWs would permanently impact 277 acres of wetlands, including up to 258 acres of relatively rare and ecologically important bottomland hardwoods.

All wetland impacts at the Stratton Ridge site should be mitigated within the Austin's Woods (Columbia Bottomlands) region of Southeastern Texas. The Austin's Woods, the southern most extensive forest in Texas, is recognized as being a nationally important stopover and resting area for spring and fall neotropical migrant song birds. It is estimated that approximately 29,000,000 migrant land birds of 65-70 species migrate through these bottomlands. Impacts to these forested should be minimized to the greatest extent practicable. All forested wetland impacts should be compensated at a 7:1 wetland preservation ratio. Opportunities exist for forested wetland preservation through the San Bernard National Wildlife Refuge. All forested wetlands cleared and maintained for permanent pipeline right-of-way are permanent wetland losses and should be compensated as above.

To manage and conserve the natural and cultural resources of Texas and to provide hunting, fishing and outdoor recreation opportunities for the use and enjoyment of present and future generations.



Take a kid hunting or fishing

Visit a state park or historic site

4200 SMITH SCHOOL ROAD
AUSTIN, TEXAS 78744-3291
512.389.4800
www.tpwd.state.tx.us

Mr. Silawsky
August 2, 2006
Page 2 of 2

Big Hill

The expansion of the existing Big Hill site would consist of creating additional storage caverns; installation of a new RWI and injection pumps; construction of an additional anhydrite pond for brine-disposal; replacement of a segment of the existing brine pipeline; construction of a pipeline to Nederland and oil injection pumps; and site support facilities.

The major potential impact regarding the Big Hill site expansion arises from the need to replace the 24 mile long crude oil distribution pipeline between the Big Hill site and refineries in Nederland, Texas. Permanent wetland impacts from pipeline installation has been well documented (Polasek, 1997). Although the proposed pipeline will follow existing ROWs, there will likely be additional wetland impacts from installation. TPWD recommends proposed ROW and work corridors be minimized for all pipeline installation through wetlands and other sensitive habitat.

All pipeline installation (for both the Stratton Ridge site and the Big Hill Site) corridor should be monitored utilizing the monitoring criteria developed by TPWD, US Fish and Wildlife Service and National Marine Fisheries Service (attached). The wetlands in the vicinity of the Big Hill site are especially vulnerable to permanent impacts from pipeline installation due to the high organic content and compressibility of the soils. Extreme care should be taken to minimize impacts to these wetlands.

Texas Parks and Wildlife staff appreciates the opportunity to provide input into the early stages of this project and looks forward to continued coordination to ensure impacts to Texas natural resources are adequately mitigated. Questions can be directed to Jamie Schubert of the Upper Coast Conservation Program in Dickinson at (281) 534-0135.

Sincerely,

Amy Hanna
Wildlife Habitat Assessment Program
Wildlife Division

/ajh

Attachment

Pipeline Installation Monitoring Protocols and Condition

Condition 1: The permittee will use aerial photography with GIS analysis to monitor the entire pipeline construction corridor and an additional 200 meter buffer zone (100 meters paralleling each side of the construction corridor). The purpose of the GIS analysis is to quantify habitat conversion, particularly emergent marsh to open water. The resource agencies recommend the following GIS/Remote Sensing method and standard be used in order to produce accurate and consistent results.

The pipeline corridor will be monitored by providing pre- and post- construction aerial photography, (taken 24 months after construction completion to allow for vegetative re-grow,) at a scale of 1: 4800 or 1 inch to 400 feet. The applicant will then be required to utilize GIS and Remote Sensing techniques to conduct an analysis of change to determine the amount of vegetated marsh impacted by pipeline construction activities. Monitoring reports should be submitted by the applicant that include at a minimum:

- 1) a pre-project GIS analysis assessing the existing emergent marsh to open water ratio, in acres, within the permitted corridor (which includes the construction corridor and the 200 meter buffer zone).
- 2) a post -project GIS analysis assessing the emergent marsh to open water ratio, in acres, within the entire permitted corridor (which includes the construction corridor and the 200 buffer zone),
- 3) Ortho corrected imagery covering the construction corridor and buffer zone, maximum of 6 inch pixel size and CIR imagery, +/- 2 meters spatial accuracy,
- 4) All vector deliverable to be in Arcview Shapefile format with FGDC compliant metadata and all raster imagery in GEOF format with FGDC compliant metadata. A binary classification system should be used consisting of open water and vegetated areas. The classified data should meet or exceed 90% attribute accuracy as determined by industry standard and be verified by statistically valid ground truth sampling techniques, this can include GPS based ground surveys.

Condition 2: The permittee will submit monitoring reports detailing the results from the pre- and post-GIS analysis and the above referenced data sets within 90 days after the completion of the 24 month interval between the pre- and post- construction analysis.

Condition 3: The permittee will compensate for all permanent impacts within the pipeline construction corridor and buffer zone. Permanent impacts within the pipeline corridor will be defined as a net loss of vegetated marsh (amount converted to open water) at the end of the 24 month period. The applicant agrees to compensate for permanent impacts within the pipeline construction corridor at a ratio of 2:1. Any net loss of vegetated marsh within the 200-meter buffer zone will be compensated for at a ratio of 4:1.

[This page intentionally left blank]

County and Local Government

D0002

-----Original Message-----

From: Ted M. Falgout [mailto:tedf@portfourchon.com]
Sent: Fri 6/2/2006 3:32 PM
To: Silawsky, Donald
Cc: Chett Chiasson; Charlotte Randolph
Subject: Site Selection for the Expansion of the SPR

Dear Mr. Silawsky,

I am Port Director of Port Fourchon in Lafourche Parish, Louisiana. Perhaps you have heard of our Port. We are the support base for LOOP's offshore facilities and over half of the domestic energy activity in the US Gulf of Mexico. Since I am very familiar with LOOP's Operations, I thought I would review the EIS on the subject matter. I must admit, I have not read the entire document, nor do I intend to, but have focused more on the area I am most familiar with, which is of course the Clovelly site.

1 | It seems to me that the existing infrastructure at this site which is already in place, would present a tremendous savings to the Government and me as a tax payer. I'm sure use of the existing 30 inch brine discharge line and the brine reservoir among many other things could be negotiated with LOOP, or better, a turn key contract for storage and delivery of oil could be negotiated. Loop is currently planning the addition of a new line from the offshore terminal to the dome as I type this. Now would be the time to plan for this expansion as well, which would greatly reduce costs and environmental impacts.

2 | Additionally, when I look at the drawing entitled Figure S.3.5.3-1: Proposed Location of Clovelly Storage Site and DOE Facility, on page S-10, I see the existing LOOP Storage Facility and Proposed SPR Storage Site and a proposed DOE Off-Dome Facility near Bayou Lafourche. I also see that you have the area due south of the dome(rectangular area) labeled as marsh. Please be advised that this is a 1500 acre industrial park which is owned by this Commission and houses the South Lafourche Airport(which we own) and several additional facilities including the newly constructed LOOP Tank Farm, which has 6- 500,000bbl tanks. The Industrial Park has direct connectivity to LOOP and presents huge opportunities for additional storage and any Off Dome Facilities. The adjacent airport is presently undergoing a runway extension to 6500ft. and strengthening. This area is not only not a wetland, but is enclosed within its own protection levee system as well as the South Lafourche Hurricane Protection Levee System (the only one that did not experience flooding during the hurricanes of 2005).

3 | From a brief review of the EIS, it does not appear that the huge savings and efficiency of tying in with a proven system and existing support infrastructure has been fully evaluated.

I would be pleased to provide you with additional information and/or a site visit should you request.

Ted M. Falgout
Executive Director
Greater Lafourche Port Commission

Email: tedf@portfourchon.com
Phone: 985-632-6701
Fax: 985-632-6703

[This page intentionally left blank]

N.2.3 Other Organizations

	9
1	temperatures, and they'll be dealing with a lot of those
2	things, which will be wonderful because you can see that you
3	can take any salt dome and you can double the capacity of it
4	if it works out. They'll have their work to do down there,
5	and we feel like, what our salt dome here does would be
6	complimentary to that.
7	So we're hoping that in the final analysis -- they've got
8	a big responsibility, national security, petroleum for us. I
9	guess y'all over in this part of the state, and I know I did
10	in my place, went on for about 15 days. We've been without
11	for a little bit, so we know what that's like.
12	So they've got the responsibility to keep things going.
13	And we certainly wish them well, and we certainly hope that
14	Mississippi will be one of those locations. We hope to see,
15	and I stress again, we really would like to see that reserve
16	spread out a little bit, a little bit out of harm's way. And
17	we think that we've got the candidate site here that could
18	contribute to that.
19	With that, we wish them well in their endeavors and look
20	forward to their final analysis.
21	
22	
23	VERNON PHILLIPS D0089
24	Hi, once again. My name is Vernon Phillips, and if it's
25	all right, I'll speak from a prepared document.
	<small>ROSIE KAISER HAILS, CVR 601-442-6311 / 601-807-4196 rosiehails@bellsouth.net</small>

	10
1	My name is Vernon Phillips, and I speak on behalf of
2	Anabasis, LLC. I would first like to thank Claiborne County
3	for the hearing in the past, as well as the hearing today, and
4	their hospitality and the opportunity to speak. I would like
5	to thank Governor Barbour, the State of Mississippi for having
6	included the Bruinsburg site as a candidate. I commend the
7	DOE for consideration of the Bruinsburg site as a candidate
1	for expansion of the United States Petroleum Strategic
8	Reserve.
9	
10	I would ask the Department of Energy to consider the
11	following advantages that the Bruinsburg site offers:
12	Number 1 is geographic distribution. The Bruinsburg site
13	lies 100 miles north of existing storage sites to offer
14	strategic supply advantages to the PADD, (spelling) P.A.D.D.
15	Number 2 and removes the site from all possibilities of
16	hurricane storm surge. Furthermore, the Bruinsburg site
17	offers the strategic disbursement from other sites acquired by
2	the original enabling legislation of the United States
18	Strategic Petroleum Reserve.
19	
20	Number 2 is the minimal environmental impact. The
21	Bruinsburg offers the shortest possible pipeline routes of all
22	the candidate sites with the facilities completely under the
23	Department of Energy's security procedures.
24	The Bruinsburg site offers raw water availability out of
25	the fragile brackish marsh environment.
	<small>ROSIE KAISER HAILS, CVR 601-442-6311 / 601-807-4196 rosiehails@bellsouth.net</small>

Appendix N: Comments on Draft Environmental Impact Statement

11

12

1 The Bruinsburg site offers highland pipeline construction
2 for minimal environmental impact and least of cost.

3 The Bruinsburg site offers abundant availability of
4 disposal zones underground, which completely protect the
5 underground fresh water supplies and result in no discharge to
6 the environment of hyper-saline brine.

7 The Bruinsburg site offers cost-effective construction
8 options with excellent distribution by pipeline and barge to
9 PADD, PADD II, and PADD III.

10 Anabasis would like to respectfully submit for
11 consideration an option incorporating several elements of the
12 Department of Energy's proposal of the Bruinsburg site, which
13 will substantially reduce pipeline mileage, minimize
14 environmental impact, and reduce its cost without compromising
15 security, operational flexibility, or crude distribution in
16 times of national emergency.

17 A facility can be constructed at Bruinsburg with the
18 capacity of 80 million barrels, as a joint facility with
19 Clovelly, or as a 100 million barrel facility that could stand
20 alone at Bruinsburg. The following suggestions can be applied
21 to either at the facilities.

22 By locating the new road along the common right-of-way of
23 the proposed power line, which the Department of Energy
24 depicted on the southeast side of the facility, the visual
25 impact of the historic Civil War landscape, which is alluded

ROSIE KAISER HAILS, CVR
601.442.6311 / 601.807.4196
rosiehails@bellsouth.net

ROSIE KAISER HAILS, CVR
601.442.6311 / 601.807.4196
rosiehails@bellsouth.net

3 1 to in Section 23 of the Summary Draft EIS, will be totally
2 eliminated.

3 Structure of a brine disposal system with a pipeline
4 paralleling the raw water supply line and constructing
5 disposal wells perpendicular to the pipeline will allow
6 minimal environmental impact.

7 Additionally, by using both the Sparta and Wilcox
8 formations for brine disposal, the capacity of each well can
9 be doubled or increased fourfold, thus reducing the number of
10 disposal wells required, reducing the wellhead pressure of
11 each well, and increasing injection runtime between workovers,
12 which will commensurate reduced cost and enhance environmental
13 safety.

14 Both the Sparta and Wilcox formations have proven to be
15 safe, well known, and commonly used disposal zones in
16 Mississippi with excellent disposal capacity. Both zones can
17 be used at the same time in each well-bore further enhancing
18 safety and the disposal capacity.

19 Additionally, by constructing a dock at the Mississippi
20 River, near the old ferry site, less than three miles to the
21 southwest of the site, a short crude oil distribution line can
22 be also laid parallel to the raw water supply pipeline and the
23 brine disposal pipeline. To do this will minimize
24 environmental impact. A dock there will also be available to
25 be accessed by the old ferry road.

Appendix N: Comments on Draft Environmental Impact Statement

7

1 The 30-inch crude oil distribution pipeline to the
 2 Capline can be laid parallel to the proposed power line right-
 3 of-way and our proposed access road to the southeast side of
 4 the site. The pipeline then can be parallel to the Energy
 5 power line, which runs from the Grand Gulf Power Plant to
 6 Peetsville.

8

7 As the DOE mentioned in the Summary Draft EIS on page
 8 S23, the natural landscape can be preserved by placing
 9 pipelines underground and otherwise working with agencies to
 10 minimize impact. The issues addressed in the Summary Draft
 11 EIS on concerns with the Homochitto National Forest can be
 12 eliminated by routing the pipeline around the forest to the
 13 north for short distances necessary to avoid any problems on
 14 the east end of the Bruinsburg and Peetsville line.

15 However, by going through the forest, the pipeline can be
 16 laid to incorporate existing right-of-ways; and in many cases,
 17 some pipeline exposure in the forest is a boon to recreational
 18 use by providing different ecosystems to enhance activities,
 19 such as hunting and bird watching. Any endangered species
 20 encountered along the route will be found in streams, which
 21 can be avoided by horizontal boring beneath the stream bed.

22 At Bruinsburg the salt has been cored and analyzed by the
 23 Atomic Energy Commission in the 1960's and was reported with
 24 salt purity in excess of 99 percent. The top of the salt is
 25 2000 feet below the surface, which is the optimum depth for

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@bellsouth.net

9

1 environmental safety and cost effectiveness for construction
 2 and operations during the life of the storage facility.

3 By moving the caverns and service facilities as far west
 4 on the site as practical, the maximum subsurface safety as to
 5 the geologic control and operational effectiveness can be
 6 obtained. By constructing a facility in that manner, visual
 7 resources, endangered species, cultural resources impact can
 8 be minimized or eliminated. The affected area will be less
 9 than 700 acres. This will result in an environmentally sound,
 10 very cost-effective site. I would like to submit to you for
 11 the record a proposal incorporating all of these features.

12 Thank you so much for your time. I appreciate it.

14 **JAMES MILLER**

D0090

15 My name is James Miller. I'm Claiborne County
 16 Administer, and I'm here on behalf of the Claiborne County
 17 Board of Supervisors. And I want to apologize. They're in a
 18 board meeting as we speak, so that's why they're not here.
 19 They sent me to echo their concerns.

1

20 I want to first and foremost say the Claiborne County
 21 Board of Supervisors totally supports this effort. And, as a
 22 matter of fact, we, the county, we have been talking to our
 23 congressional delegation about this particular endeavor for
 24 the last couple or three years. Congressman Pickering, I
 25 think, was very instrumental in bringing this to the

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@bellsouth.net

D0115

Houston Audubon Society

...conservation and appreciation of birds and wildlife habitat

July 25, 2006

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585-0301

Board of Directors

Stevie Macdonald
President

Joy Heiber
President Elect

John Eisenman
Past President

Stanley R. Almoncy
I. Craig Bougeois
Judith W. Boyce
Mary W. Camer
Fred Collins II
Scott A. Davis
Susan M. Fernerwald
Julia Garrett
Stephen E. Gatt
Earl Home
Gibbs Macdonald, Jr.
Kay Medford
Joan Ginna-Riviera
James E. Wilson

Board of Advisors

Gerard A. Bertrand
Sara Bermanoun
Caroline Calery
Clare Caudill
Gary W. Clark
Victor Emanuel
Ted Lubarski, Jr.
Suey Hershhey
Ford Hubbard III
Ann Wier Jones
Mavis F. Kelsey, Jr.
Sheridan Lorenz
Robert McFarlane
Nancy Powell Moore
Jeffery Mundy
Donald C. O'Brien, Jr.
Ellen R. Red
Heidi Rockercharlie
Andy Sansom
Steve Smith
James R. Stewart, Jr.
Lucie Way Sudd
John L. Whitmore
Lettalou Whittington

W. O. King, Jr.
Executive Director

1 This letter is submitted on behalf of the Houston Audubon Society, 440 Wilchester Blvd., Houston Texas 77079. Our mission is to promote the conservation and appreciation of birds and wildlife habitat. Accordingly, we share the concerns of the U.S. Fish and Wildlife Service (FWS) with regard to the Draft Environmental Impact Statement (DEIS) for the site selection for the expansion of the Strategic Petroleum Reserve in Texas. Houston Audubon concurs with the letter submitted by Stephen Spencer, Regional Environmental Officer, Department of the Interior dated July 7, 2006. We specifically agree with comments made concerning the potential habitat loss and detrimental effects on wildlife at the proposed Stratton Ridge Strategic Petroleum Reserve expansion site.

2 We are particularly concerned with the potential impacts to bird and wildlife habitat and the lack of adequate compensation for the losses that may occur at each Texas site location. Impacts to the Columbia Bottomlands are highly undesirable because of the Nearctic-Neotropical birds that migrate through these properties. We agree with the concerns of the FWS that adequate mitigation may not have been offered to compensate for these losses.

3 We also share the FWS concerns about the impacts to migratory birds caused by the construction of large storage tanks, the electrical transmission lines and other tall structures. Insufficient information has been provided in the DEIS to determine the potential impacts. We agree with the recommendation that the transmission lines need to be buried to avoid bird strikes. We also agree that documented bird rookeries and colonial waterbird nesting sites must be left undisturbed, and a monitoring plan documenting this must be developed.

4 Additionally, compatibility with the refuges within the National Wildlife Refuge Systems must be identified and addressed.

5 We believe that several issues relevant to our mission are outstanding in this DEIS including a mitigation plan that compensates for the loss of coastal habitats and forested areas. We urge the DOE to work with the FWS to ensure that adequate mitigation is provided.

Sincerely,

Flo Hannah
Sanctuary Steward

440 Wilchester Boulevard • Houston, Texas 77079-7329
713.932.3639 • FAX: 713.461.2911 • www.houstonaudubon.org



[This page intentionally left blank]



D0110

Website: www.brazosport.org
E-Mail: chamber2@sbcbglobal.net

2006 BOARD OF DIRECTORS
L.C. MURRELL, JR.
 Diversified Plans Services
 Chairman of the Board
EDDIE VEVINS
 Woodwest Seafood
 Restaurant
 Chair-Elect
 V.C. Organizational
PATTY SALES
 Brass Mill
 V.C. Community Issues
FRANCIS SCHLITZ
 Direct Effect Marketing
 V.C. Convention & Tourism
JAN PAWLISZAK
 Schenckels
 International, Inc.
 V.C. Economic Dev.
DR. JOHN RAY
 Brazosport College
 V.C. Membership
ART COWELL
 BASE Corp.
 V.C. Public Affairs
MIKE ABILD
 U.S.D.
 Secretary/Treasurer
PHYLLIS SAATHOFF
 Port Freeport
 Port Chairman
Term Expires 12/31/06
AMANDO GONZALEZ, JR.
 Wolfson Electric, Inc.
HAROLD MONICAL, JR.
 U.S. Contractors
CELESTINO DAMIAN
 Damian/Gallion
 & Associates
JOHN SMITH III
 City of Freeport
BOB SIFFLE
 C3 Controls Corp.
Term Expires 12/31/07
MARIE BOGAN
 CenterPoint Energy
LYNNE ROBBINS
 Texas Gulf Bank
STACY STANLEY
 Offshore Oil Services
WICKI MELISS
 Allstate Insurance
JEREMY VENDOR
 UFS Financial Services
Term Expires 12/31/08
DANIEL BUCHE
 Brazosport Memorial
 Hospital
JAN HUGEMAN
 The Dow Chemical
 Company
MARK INGERSTON
 ConocoPhillips
WENDY CEPAK
 A.C. Edwards
 & Sons, Inc.
ROBERT BALLARD
 Ballard Builders
 Taste of the Town
 Coordinator
TONY WOOD
 Beyond Foods
CHAMBER STAFF
SANDRA SHAW
 President & CEO
DOMINA HARGRAVES
 Office Manager
PATRICIA DELAROSA
 Receptionist
NELL MEYER
 Research Librarian
EDITH FISHER
 Director of Tourism

July 6, 2006

420 Hwy. 332 W. • Brazosport, Texas 77531
979/265-2505 • FAX 979/265-4246

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U. S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky:

The Energy Policy Act of 2005 requires the Department of Energy (DoE) to increase the capacity of the Strategic Petroleum Reserve (SPR) to one billion barrels. The existing SPR sites don't have sufficient additional capacity to allow this increase to be met without adding a new SPR facility. DoE has identified Stratton Ridge, Texas as a potential site for this expansion. DoE is required to decide where to expand before August 9, 2006.

The Brazosport area and all of Brazoria County has a great stake in this decision. Thousands of jobs are enabled because of the salt the chemical industry mines at Stratton Ridge. Industry uses this salt to produce products that are used locally by other businesses as well as shipping these products all over Texas, the U.S. and the world.

On behalf of the Board of Directors of the Brazosport Area Chamber of Commerce, of Brazoria County, we do not support the use of Stratton Ridge for the expansion of the SPR for the following reasons:

- 5) The SPR uses underground salt formations as the basis for their oil storage operations. For their purposes they remove the salt and discharge it into the ocean. Placing the SPR at Stratton Ridge would waste salt that the chemical industry could use to make useful products in the future. The DoE time line to remove the salt from the salt dome and other operational considerations would not allow this salt to be used to make products and thus would be wasted. As we understand it the other sites under consideration do not have co-located salt based production facilities, so the salt wasted into the ocean isn't salt that can be made into useful products, as can the salt at Stratton Ridge.
- 6) There is also concern over government taking of Stratton Ridge property and perhaps even closure of Stratton Ridge Road. We have local experience on the use of eminent domain by the Government.
- 7) At a time when the chemical industry is struggling with high energy and feedstock costs and high construction costs, this waste of Stratton Ridge salt and concern of government taking of critical property could further affect the

decision of industry in this area to locate new plants here and perhaps even negatively affect business decisions for investments to support current operations.

- 8) The 40 or so jobs created for managing the SPR site could jeopardize literally thousands of direct chemical industry jobs and thousands of indirect jobs.

We also understand that Bryan Mound was removed from consideration because it did not have adequate capacity for expansion and that the plans for Stratton Ridge would include facilities to off load foreign crude in Texas City and bring the oil in through pipeline. So it seems this would not even benefit Port Freeport.

We strongly oppose the location of the SPR at Stratton Ridge.

We look forward to hearing from you concerning this matter.

Sincerely,

L. G. Murrell, Jr.
L. G. Murrell, Jr.
Chairman of the Board

Dominion Resources Services, Inc.
P.O. Box 26532, Richmond, Virginia 23261



July 6, 2006

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585-0301

**Re: Comments of Dominion Natural Gas Storage, Inc.
On the Draft Environmental Impact Statement
"Site Selection for the Expansion of the Strategic Petroleum Reserve"
(DOE/EIS-0385)**

Dear Mr. Silawsky:

1 Dominion Natural Gas Storage, Inc. (DNGS) hereby submits comments on the U.S. Department of Energy (DOE) Draft Environmental Impact Statement (DEIS) "Site Selection for the Expansion of the Strategic Petroleum Reserve." Specifically, DNGS reiterates its support for the environmental compatibility of DNGS's salt cavern storage facilities located in West Hackberry, Louisiana adjacent to DOE's existing West Hackberry Strategic Petroleum Reserve (SPR) facility.

2 The DEIS considers the expansion of the existing DOE West Hackberry facility through the annexation, or acquisition, of the DNGS salt cavern storage facilities. A summary of the benefits of the DNGS/West Hackberry site, as described in the DEIS, are highlighted below:

- ❖ DOE's West Hackberry site can be readily expanded into the existing DNGS storage facilities since they are immediately adjacent to each other.
- ❖ The DNGS storage facility can expeditiously provide 15 million barrels of storage within approximately six months after being selected.
- ❖ The existing DOE-SPR West Hackberry facility currently has all of the required infrastructure in place to integrate the three DNGS salt caverns at minimal expense.
- ❖ As detailed in the DEIS, there are no significant environmental impacts associated with the DNGS/West Hackberry site and it is the least environmentally invasive expansion option under consideration.
- ❖ The DNGS/West Hackberry site is the most economical expansion option under consideration.

Specific comments regarding the various environmental resources as considered and addressed in the DEIS in relation to the DNGS/West Hackberry site are attached.

We appreciate your consideration of these comments as DOE finalizes the EIS and subsequent selection of the most appropriate sites for expansion of the SPR. Please contact either Dave Kohler at 804/819-2517 or Matt Bley at 804-819-2877 if you have any questions about these comments or require further information about the DNGS/West Hackberry site.

Respectfully submitted,

Anne E. Bomar
Vice President
Federal Regulation

Enclosure

**SITE SELECTION FOR THE EXPANSION OF THE
STRATEGIC PETROLEUM RESERVE
(DOE/EIS-0385)**

WEST HACKBERRY EXPANSION SITE:

***SUMMARY OF BENEFITS REFERENCED IN THE DOE DEIS PUBLISHED MAY 2006
OR REFERENCED IN THE COMMENTS RECEIVED BY DOE***

EXPANSION OF AN EXISTING SITE

- 1) The West Hackberry site is a strong candidate: existing infrastructure, minor upgrades, cost effective, ease in complying with regulatory permit requirements, minimal environmental impact, timely expansion and operational startup. (LA, DNR, Office of Conservation 12/9/05 comments).
- 2) The West Hackberry site would capitalize on existing site infrastructure and operations and thereby minimize development time and construction and operations costs. New storage sites may take up to 10 years to complete. (pg. S-5).
- 3) At the West Hackberry site no site preparation, building construction, solution mining, drilling, or offsite pipeline construction would be required for the expansion. At most, only minor onsite construction activities would occur. (pg. 3-101).
- 4) As an existing SPR site, expansion of the West Hackberry site would be a logical extension of activity. There are no known competing uses proposed for this site or in the adjacent area that would compete with or add to development of the site as SPR expansion. (pg. 4-21).
- 5) Expansion would not require significant upgrades to the RWI facility, crude oil distribution capabilities, or the brine disposal system. Only minor construction would take place to connect the acquired caverns to the SPR storage site. (pg. 2-62).

WATER RESOURCES

- 1) The West Hackberry site would include no new offsite pipelines and no significant upgrades to the RWI facility, crude oil distribution capabilities, or the brine disposal system. In addition, the ICW would continue to serve as the source of raw water for the site, as it has in the past. (pg. 3-173)).
- 2) Because there is no offsite pipeline construction associated with this proposed site, potential construction impacts to surface water would be limited to the vicinity of the West Hackberry site itself. Brine would be disposed of via deep well injection, and would not affect surface water. The West Hackberry site would withdraw raw water from the ICW. Impacts associated with raw water withdrawal from the ICW are expected to be minimal. (pg. 3-174).
- 3) West Hackberry would use an existing injection system. (S-25). The West Hackberry expansion would use the existing SPR brine disposal facilities, which DOE has previously assessed and determined would not result in adverse impacts to groundwater. (pg. S-26).
- 4) Best management practices described in section 3.6.2.2 would result in very low probability of a discharge or significant impact to groundwater. (pg. 3-177).
- 5) The West Hackberry expansion would use the existing SPR brine disposal facilities and the proposed maximum brine disposal rate for the West Hackberry expansion would be well below the disposal rate considered for the 1977 EIS. (pg. 3-177).

- 6) The current site monitoring there includes 11 monitoring wells and 15 recovery wells, which are showing improvement in groundwater quality. If there should be a release at the West Hackberry site in the future, this monitoring network would help with early identification and rapid remedial response. (pg. 3-178).
- 7) DOE has determined that the cumulative impact to water resources, including surface water and groundwater from the West Hackberry ecoregion alternative and the other planned or reasonably foreseeable projects would not be adverse. (pg. 4-22).
- 8) West Hackberry has the least water requirement for construction and operation. (pg. 5-5).
- 9) West Hackberry would use deep-aquifer brine injection. These sites have confined aquifers separated by impermeable strata. (pg. S-36).

FLOODPLAIN

- 1) No new onsite construction would be required within the floodplain. West Hackberry would not require any new offsite construction in the floodplain. Therefore, no impacts to floodplains in the project area would result from project construction or operation. (pg. 3-174).

BIOLOGICAL RESOURCES

- 1) West Hackberry would not affect any Federally listed species or any special (biological) status areas. (pgs. S-40, 41).
- 2) The area of expansion consists of previously disturbed habitat. (pg. 3-287).
- 3) A review of the conditions at West Hackberry and consultations with the USFWS and the Louisiana Department of Fisheries and Wildlife revealed that the portion of the expansion area that would be disturbed does not provide suitable habitat for any federally or state-listed threatened or endangered species, species proposed for listing, or candidate species. The expansion would have no impact on special status areas. (pgs. 3-288, 289).
- 4) DOE has determined that the cumulative impacts to biological resources from the West Hackberry alternative and other planned or foreseeable projects would not be adverse. (pg. 4-22).

COASTAL ZONE / HURRICANES

- 1) Although the West Hackberry site was in the path of Hurricane Rita, the site received no substantial long-term effects from the hurricane. (pg. 3-42).
- 2) Additional site controls (such as water barriers, canals, or pumps) required to mitigate potential impacts from tidal influences and heavy precipitation events, would have minimal land use impact and, if they are needed, would allow for continued safe and effective SPR operations. (pg. 3-43).

LAND USE / AESTHETICS

- 1) Expanding the existing West Hackberry storage site would maintain current land use at the site and in the region. Construction activities would require additional site disturbance, but this disturbance would not conflict with any existing SPR operations or surrounding land uses. Considering the

- existing SPR operations at the site, the land would not be compatible with or desirable for most non-industrial purposes. Expanding the facility would not change land use patterns in any substantial way. There would be minimal conflict with other established land uses. (pg. 3-42, 43).
- 2) West Hackberry is an existing SPR site. There are no special visual resource issues associated with expanding storage capacity at this site. (pg. 3-43).

GEOLOGY

- 1) DOE expects that the impact of subsidence at West Hackberry would be negligible to geological resources. With the roof thickness greater than 1,500 feet, the occurrence of collapse is very unlikely. (pg. 3-66).

AIR QUALITY

- 1) Because full construction (not including cavern development) at other sites is unlikely to cause air quality impacts, the impacts from construction at West Hackberry can be considered negligible. (pg. 3-101).
- 2) The West Hackberry site is located in an air quality attainment area. (LA DEQ 10/20/05 comments).

ARCHAEOLOGICAL / CULTURAL RESOURCES

- 1) The Louisiana SHPO indicated that no known archaeological sites or historic properties would be affected by the undertaking at any of the Louisiana locations proposed for new storage facilities or expansion (LeBreaux 2005). For the 1976 EIS for West Hackberry, DOE reviewed National Register listings and requested that the Louisiana SHPO review state registers. No National Register sites were listed for Cameron or Calcasieu Parish and none of three historic markers in Calcasieu Parish was located in the facility area (DOE 1976). (pg. 3-317).
- 2) Based on the response from the Louisiana SHPO, no construction or operations and maintenance impacts have been identified at the West Hackberry facility location. Impacts to historic structures are unlikely, except in the perimeter zone. (pg. 3-317).
- 3) There are no cultural or archaeological sites within the area. (Chitimach Tribe of LA 12/19/05 comments).

WETLANDS

- 1) DOE would refine the conceptual site plan to avoid filling in jurisdictional wetlands and would preserve onsite emergent wetlands to the maximum extent practicable. DOE would submit a permit application under Section 404/401 of the CWA, which would require a comprehensive analysis of the steps taken to avoid, minimize, and compensate for impacts to jurisdictional wetlands. DOE would implement compensation measures described in the Common Impacts (section 3.7.2) and in accordance with the 404 permit and 401 Water Quality Certificate from the USACE and the Louisiana Department of Environmental Quality. Specifically, DOE would preserve, restore, or

- create wetlands or contribute to a mitigation bank in the region in accordance with the permit to compensate for the jurisdictional wetland impacts.
- 2) On June 28, 2006, U.S. Army Corps of Engineers personnel Mr. Ronnie Duke and Mr. Gary Couret visited the DNGS/West Hackberry site under consideration by the DOE. The purpose of the site visit was to assess any wetland and environmental impacts associated with this expansion option.

Based on the site visit, it was concluded that, should the DOE-SPR adhere to their development plan as outlined in the "Site Selection for the Expansion of the Strategic Petroleum Reserve Draft Environmental Impact Statement" (DOE/EIS-0385), dated May, 2006, then:

- There would be no disturbance or impact to any wetlands.
- A wetland permit would not be required.
- This is the least environmentally intrusive expansion option under consideration.

Appendix N: Comments on Draft Environmental Impact Statement

PUBLIC STATEMENTS

MS. FADLEY:

I'm going to read out the people who are pre-registered to come and give a comment, and then I'll invite anyone who's decided since walking in the door that you'd like to give a comment.

MR. DAVID KOHLER:

D0101

David Kohler, K-O-H-L-E-R. I'm with Dominion. We own the Hackberry facility. It's one of the facilities that is pre-existing. I'll just comment further on Dave Johnson's comments, that our facility actually has three completed caverns, five million barrels each, that have already been bleached and are just sitting empty. So as far as meeting the criteria -- or the four criteria that were outlined, one of them being cost effectiveness, "expeditiously," you know, in service, and the third one being the least impact. And that's the reason why we wanted to come here and have our comments heard, because in the Draft EIS there's a comment in there that really was misdirected, and I want to read it to you. It's on Page 5, Paragraph 2 of the Draft Order, and it says, "The Chacahoula alternative, including the Chacahoula storage site and two of the three SPR expansion sites, Bayou Choctaw and West Hackberry, would affect the most acres of wetland of any alternative in the combination with other

projects in the same ecosystem. The Clovelly alternative would have the smallest effect the combination with the other projects. Louisiana has lost substantial amounts of wetlands associated with agricultural activities, land development, natural land subsidence, erosive forces over the many decades."

Well, our facility happens to sit juxtaposed to the SPR facility. We share a fenceline with them. It's 18 feet above sea level, and when Hurricane Rita came through we didn't even have any water in the wells, so we found it kind of difficult to think that there may be a wetland issue, so we actually invited the Corps of Engineers to come out with us. We actually met them today down at the facility just to have a walk-through, because they're the ones that made the comment.

And I think the reason why the comment was probably made was misconstrued, because we do own some other property that does go out into Black Lake, and I think they misconstrued that the development would go into Black Lake. The three caverns sit up 18 feet above sea level.

We had them come out, and they said if the DOE pursues the plan that they have outlined in their depiction, said that there would be no need for a wetlands permit and there's no issue. So we wanted to make sure that was made very clear.

Appendix N: Comments on Draft Environmental Impact Statement

5

1 Other than that, Dominion is very interested in
2 pursuing and hoping that our alternative is considered.
3 3 It does make a lot of sense. Obviously it could be put in
4 service probably the quickest of any of the alternatives.
5 Although it is small, it certainly meets the criteria.
6 Questions, comments?
7 MR. JOHNSON:
8 Well, thank you very much.
9 MR. KOHLER:
10 Thank you.
11 MS. FADLEY:
12 I'd like to invite Sybil Guidry up.

2

6:54P 1 (Presentation by Mr. David Johnson is
2 presented and completed.)
3 MR. DAVID JOHNSON: Karen will introduce the
4 speakers; and if you would, go ahead.
5 MS. KAREN FADELY: Okay. So, at this point
6 we're going to have our court reporter ready to record
7 your comments on the draft EIS. I want to remind you that
8 all of the different methodologies of how you can submit
9 comments before that July 10th deadline is on the green
10 sheet of paper. You can mail it in. You can E-mail us.
11 You can fax us, or you can come up tonight.
12 I do have a number of speakers that have
13 already registered. So, I'm just going to go through the
14 list. Everybody has about five minutes, more or less. I
15 have these little cards. So, if you get a little
16 long-winded, I might wave you down. That's just so that
17 everybody has an equal opportunity to get up and speak.
18 So, first -- also, when you get up here,
19 please state your name clearly and spell your last name
20 for the record.
21 And I'd like to start off with Bob Walker.
7:22P 22 MR. BOB WALKER: Good evening. My name is
23 Bob Walker. I am vice president and site director of The
24 Dow Chemical Company based here in Freeport, Texas. I'd
25 like to share with you a number of concerns that our

D0091

Appendix N: Comments on Draft Environmental Impact Statement

3

1 company has with the consideration of Stratton Ridge as a
2 potential location for the SPR expansion site. These are
3 primarily concerns of economic impact to Dow and to the
4 region that flow from this environmental impact study.

5 Let me start by stating that we are
6 certainly not opposed to expanding the Strategic Petroleum
7 Reserves, but Dow does not support the use of Stratton
8 Ridge for this expansion. The reasons for this are fairly
9 straightforward.

10 Over 50 percent of the more than 6,000 Dow
11 employees and contractor jobs in our Freeport facilities
12 exist because of the salt that we mine at Stratton Ridge.
13 This salt is a critical raw material for our chlor-alkali
14 production, which is, in turn, critical for our downstream
15 user plants that are dependent upon chlorine and caustic,
16 as well as several fence line customer plants.

17 From this Stratton Ridge salt, we make
18 thousands of different products worth over \$5 billion
19 annually. We also use the Stratton Ridge area to store
20 raw materials and products. Approximately half of the
21 \$125 million a year that we pay in taxes for state and
22 local purposes for Dow's Texas Operations are dependent
23 upon these assets.

24 On the other hand, the SPR uses underground
25 salt formations -- as was just covered -- as the basis for

4

1 their oil storage operations. For their purposes, they
2 remove the salt and discharge it into the ocean. Placing
3 the SPR at Stratton Ridge would waste salt that Dow could
4 otherwise mine and convert into useful, value added
5 products that support the economy of this area.

6 The use of seawater for mining, the speed of
7 mining the caverns in the salt dome, and the lack of a
8 fully saturated brine solution as a discharge precludes
9 this salt from being consumed by Dow to make useful
10 products. This salt would simply be wasted into the
11 ocean.

12 Now, we understand that other sites are also
13 in consideration to locate the SPR facility but they do
14 not have any co-located and salt-base production
15 facilities. So that that salt wasted into the ocean is
16 not salt that could be used otherwise as a feedstock for
17 manufacturing purposes.

18 In addition, we have concerns about our
19 current Stratton Ridge operations, as these assets are
20 critical to the economic operation of our Freeport site,
21 which happens to be Dow's largest manufacturing facility
22 globally. We experienced the concept of eminent domain
23 firsthand when the U.S. Government first used its power to
24 take Bryan Mound -- now the local SPR site -- from us when
25 we were an unwilling seller.

Appendix N: Comments on Draft Environmental Impact Statement

5

1 Allow me to demonstrate this impact with
2 some numbers. At the moment -- without the SPR at
3 Stratton Ridge -- we estimate that Dow has access to salt
4 reserves that should last us for more than 30 years. But
5 the 16 proposed SPR caverns would waste about 130 billion
6 pounds of salt, or the equivalent of seven years of Dow
7 salt consumption. But it really doesn't stop there.

8 When the Department of Energy presented its
9 initial plan in the fall of 2005, two of Dow's planned
10 wells on Dow land would have been directly impacted,
11 wasting another four years of salt that Dow could have
12 converted into raw material. Since that initial plan, the
13 DOE has expanded the area that it needs for the SPR. This
14 impacts another three planned Dow wells, thus reducing
15 Dow's potential salt consumption up to 11 years.

16 So, bottom line, under the DOE's current
17 proposal, up to 18 years of equivalent Dow salt
18 production -- or consumption is wasted.

19 The waste of Stratton Ridge salt and the
20 possibility that the government may take some business
21 critical property from Dow is a grave concern to our
22 internal business analysts who make investment
23 recommendations to Dow's senior management.

24 Simply put, Texas operations competes with
25 chemical and plastic producers around the world. We

6

1 already have a competitive disadvantage due to high energy
2 and feedstock prices here on the Gulf Coast. The Dow
3 Texas Operations site could lose its global
4 competitiveness completely if the SPR expansion is located
5 at Stratton Ridge. But not only potential new investment
6 would be in jeopardy, these same factors would also be --
7 negatively affect business decisions for investments to
8 support current operations.

9 So, the future of Dow Texas Operations is
10 dependent on the willingness of Dow, first, to continue to
11 make investments in new products; second, to continue to
12 make these products that are made today; and third, to
13 improve the site's energy efficiency and sustainability.
14 Without such investments, manufacturing facilities like
15 ours may cease to be viable and ultimately shut down.

16 Now, we understand that a hundred or so jobs
17 might be created for managing the SPR site. However,
18 placing our Freeport Dow site in further economic jeopardy
19 would literally put thousands of high-wage manufacturing
20 jobs, as well as thousands of additional jobs in our
21 community, at risk.

22 In short, the long-term viability of our
23 Texas Operations site depends upon having low cost salt
24 feedstock and hydrocarbon storage facilities located at
25 the Stratton Ridge site. The loss of these capabilities

Appendix N: Comments on Draft Environmental Impact Statement

7

D0079

1 could ultimately cause Dow in Freeport to lose its global
2 competitiveness and, again, with the potential result in
3 the inevitable and painful shutdown.

4 Thank you for allowing me to express our
5 concerns and state the reasons why Dow opposes the use of
6 the Stratton Ridge location for the new Strategic
7 Petroleum Reserve site.

8 Thank you very much.

7:29P 9 MR. DAVID JOHNSON: Thank you.

10 MS. KAREN FADELY: I'd like to call David
11 Stedman of the Economic Development Alliance for Brazoria
12 County.

13 MR. DAVID STEDMAN: Thank you.

D0092

14 I'm David Stedman, S-t-e-d-m-a-n. I'm the
15 president and CEO of The Economic Development Alliance for
16 Brazoria County.

17 The Economic Development Alliance is an
18 organization composed of businesses large and small. We
19 have members that include chemical manufacturers, people
20 in the petroleum industry, contractors, engineers,
21 retailers, businesses of all types. Some of our members
22 are small businesses that depend on the local economy and
23 the spending dollars that are created by some of the large
24 industries. Our economy is interrelated.

1 | 25 And so, on the 12th of June, our board met

8

Dow Comments 71 FR 30,399, May 26, 2006 -- Part 1
From: Bork, Paul (PM) [PMBork@dow.com]
Sent: Monday, July 10, 2006 12:36 PM
To: Silawsky, Donald
Cc: Bork, Paul (PM)
Subject: Dow Comments 71 FR 30,399, May 26, 2006 -- Part 1

Expires: Tuesday, July 10, 2007 12:00 AM

Attachments: The Dow Chemical Company, DoE, SPR July Written Comments Final.doc

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0301
Donald.Silawsky@hq.doe.gov <mailto:Donald.Silawsky@hq.doe.gov>

Comments of The Dow Chemical Company on the Department of Energy's Notice of Availability for EIS No. 20060211, Draft EIS, DOE, 00, Strategic Petroleum Reserve Expansion, Site Selection of Five New Sites: Chacahoula and Covelly, in Lafourche Parish, LA; Burinsburg, Claiborne County, MS; Richton, Perry County, MS; and Stratton Ridge, Brazoria County, TX and Existing Site Bayou Choctaw, Iberville Parish, LA, West Hackberry, Cameron and Calcasieu Parishes, LA; and Big Hill, Jefferson County, TX (71 FR 30,399; 30,400 May 26, 2006)

Dear Mr. Silawsky,

Attached are the comments of The Dow Chemical Company. Several attachments to these comments are sent in following e-mails because of corporate e-mail size limits and some are sent in the US mail, with a copy of this cover letter. All of these should be added to "Attachment B -- Other Statements, Resolutions and Articles."

Thank you for this opportunity to comment on this very important decision DoE will make in the near future. Please do not hesitate to contact me if there is any clarification to these comments or further assistance I can provide.

<<The Dow Chemical Company, DoE, SPR July Written Comments Final.doc>>

Paul Bork
EHS Legal - Freeport
EHS Legal - Mergers and Acquisitions
989.636.4399 phone 989.638.9527 facsimile
989.430.2193 mobile PBork@dow.com <mailto:PBork@dow.com>



1790 Building
July 10, 2006

The Dow Chemical Company
Midland, MI 48674

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0301
Donald.Silawsky@hq.doe.gov

Comments of The Dow Chemical Company on the Department of Energy's Notice of Availability for EIS No. 20060211, Draft EIS, DOE, 00, Strategic Petroleum Reserve Expansion, Site Selection of Five New Sites: Chacahoula and Covelly, in Lafourche Parish, LA; Burinsburg, Claiborne County, MS; Richton, Perry County, MS; and Stratton Ridge, Brazoria County, TX and Existing Site Bayou Choctaw, Iberville Parish, LA, West Hackberry, Cameron and Calcasieu Parishes, LA; and Big Hill, Jefferson County, TX (71 FR 30,399; 30,400 May 26, 2006)

Dear Mr. Silawsky,

The Dow Chemical Company (Dow) thanks the Department of Energy (DoE) for this opportunity to comment on the *Draft* Environmental Impact Statement (EIS). We have had extensive experience with the operation of the Strategic Petroleum Reserve (SPR), having initially shared the Bryan Mound location with the SPR and having some of our major manufacturing operations close to the SPT operations in Bayou Choctaw. Dow provided written comments (October 28, 2005) on the DoE's Notice of Intent and Extension of Comment Period (70 FR 52,088 and 56,649) for a Proposed Expansion of the Strategic Petroleum Reserve, Implementing Congress' Requirements Contained in The Energy Policy Act of 2005. Dow participated in the public meeting in Freeport, Texas on June 27, 2006 through Bob Walker's statement. Both of these, several other statements from the June 27, 2006 public meeting, local resolutions and a couple of relevant newspaper articles are attached to these comments and all of which constitute Dow's comments. Several attachments to these comments are sent in following e-mails because of corporate e-mail size limits and some are sent in the US mail, with a copy of this cover letter. All of these should be added to "Attachment B -- Other Statements, Resolutions and Articles." Dow notes for DoE that the resolutions of the Brazoria County Commissioner's Court and the city of Lake Jackson were both unanimously passed.

While these statements reflect major concerns Dow has with the Draft EIS, in particular to a decision to expand the SPR with a new site at Stratton Ridge, TX; the following, additional comments are raised with respect to the portions of the Draft EIS and the

errors contained in the Draft EIS relevant to the Stratton Ridge, Texas potential expansion location.

1 In Section 3.2, the DoE says that the concern related to the cumulative and secondary impacts of the SPR expansion presented for increased risk for terrorism or accidents due to the Stratton Ridge facility being close to a proposed bulk liquid natural gas facility are eliminated as there is no longer such a proposal. Dow, as a resident in the local area, having contracted to receive a significant part of the LNG from that facility and an investor in the Freeport LNG facility is already under construction. Ground was broken a long time ago and significant construction is on-going. Dow urges DoE to correct this significant mistake in the Draft EIS, relative to the Stratton Ridge potential site and after making this correction, not to under-estimate the impact of this initially significant concern when recalculating the relative merits of each potential expansion site.

2 In Chapter 3 (Section 3.6) and Chapter 4, the Draft EIS addresses ambient air quality. The Draft EIS notes that Stratton Ridge is among three potential expansion sites that are in non-attainment for the 8-hour ozone standard. While this is not an unmanageable situation, it makes no sense to choose the one site out of three which will have a minor adverse impact on the non-attainment area into which the facility is located. The other potential sites would not have the filling emissions placed in a non-attainment area.

3 In Chapter 3 (Section 3.3) and Chapter 5, the Draft EIS addresses "Irreversible and Irretrievable Commitment of Resources. While the same amount of salt will be "wasted" regardless of which site is chosen, there is a major and significant difference between Stratton Ridge and the other sites under consideration. As eloquently addressed by Bob Walker and others, Dow has Chlor-Alkali facilities that can constructively use the salt, if mined at a rate and with a quality appropriate to feed our Chlor-Alkali and downstream chemical manufacturing plants. This makes the salt that would be wasted if Stratton Ridge were selected different from the other potential sites. Dow urges DoE not to under estimate this critical difference.

4 On page 3-93, the Draft EIS notes that the maximum VOC emissions are estimated to be only slightly (7.3%) below the threshold that triggers a full conformity determination. The Draft EIS also commits DoE to conduct an additional conformity review if the Stratton Ridge site is selected to ensure that the maximum VOC emissions are really below the threshold. This is the only potential expansion site that has this notation in the Draft EIS. This means that the selection of the Stratton Ridge site will, at best, require more effort and delay than would any other of the potential expansions sites. Further, if this additional conformity review failed to show that the current maximum VOC emission estimate was not sufficiently accurate and conservative; a full conformity determination would be required with the associated increased delays, costs and potential changes and constraints to the expansion and/or operation of the SPR facilities newly placed at Stratton Ridge, TX. None of the other potential expansion sites have this actual minor drawback or the potential for a much more significant drawback. Dow urges DoE not to under estimate these related drawbacks to the Stratton Ridge, TX site when determining which potential site to use to expand the SPR.

The Draft EIS notes that developing the Stratton Ridge, TX site would require the most filled wetlands acres at 227, with the next largest potential expansion site only requiring 150 acres of filled wetlands. Again, this is something that can be managed, but Dow urges DoE not to under-estimate the advantage to the environment of making a choice that does not maximize the amount of wetlands that would need to be filled.

- 5 The Draft EIS notes that developing the Stratton Ridge, TX site would involve filling and converting some 258 acres of relatively rare and ecologically important bottom hardwood forest. While, as the Draft EIS notes, some of this has been invaded by exotic plants and animals, this is still "relatively rare and ecologically important." Again Dow urges DoE not to under-estimate the advantages of not having government action fill and complete the conversion of this "relative rare and ecologically important" bottom hardwood forest.

The Draft EIS notes that developing the Stratton Ridge, TX site would create the potential of adversely affecting the "foraging, roosting and nesting habitat for bald eagles." While the Draft EIS study didn't find any bald eagles in the corridor, the Draft EIS notes that bald eagles are both an endangered species and our national bird.

- 6 Incidentally, there is a bald eagle that nests on the north side of CR-226 on the Stratton Ridge salt dome. Dow urges DoE to correct the mistake in the Draft EIS and, in DoE's recalculation of the relative merits of each potential expansion site, not to under-estimate the impact of this expansion of the SPR adversely affecting this endangered species and national bird which is actually nesting near the Stratton Ridge site.

- 7 The Draft EIS notes that there are "Native Hawaiian or Other Pacific Islander populations" in the Stratton Ridge, TX area. Dow is unaware of any such local populations and urges DoE to re-review its entire examination of the potential Stratton Ridge site, because since this error was made (and the error about the actual co-located nesting Bald Eagle and the continuing installation of the Freeport LNG facility), there may well be other errors relating to the Stratton Ridge potential site that would need to be found and corrected before DoE could select the Stratton Ridge potential site as the SPR expansion site.

8 Thank you for your consideration of our comments and please contact me if you have any questions or which to discuss our concerns related to expanding the SPR in Stratton Ridge, TX.

Sincerely,



Paul Bork
EHS Legal - Freeport
EHS Legal - Mergers and Acquisitions
989.636.4399 phone 989.638.9527 facsimile

989.430.2193 mobile PBork@dow.com

Enclosures

Attachment A – Statements from the June 27, 2006 Hearing

Bob Walker's Statement

Good evening ladies and gentlemen.

My name is Bob Walker. I am vice president and site director for Dow's Texas Operations site, and would like to share with you a number of concerns our company has with the consideration of Stratton Ridge as a potential location for a Strategic Petroleum Reserve expansion site. These are primarily concerns of economic impact to Dow and the region that flow from this environmental impact study.

9 | Let me start by stating that while we are not opposed to expanding the Strategic Petroleum Reserves, Dow DOES NOT support the use of Stratton Ridge for this expansion. The reasons for this are fairly straight forward.

Over 50% of the more than 6,000 Dow employee and contractor jobs in our Freeport plant exist because of the salt we mine at Stratton Ridge. This salt is the critical raw material for our Chlor-Alkali production, which in turn is critical for our downstream user plants that are dependent on chlorine and caustic, as well as several fence line customer plants.

From this Stratton Ridge salt, we make thousands of different products worth over \$5 billion annually. We also use the Stratton Ridge area to store raw materials and products. Approximately half of the \$120 million a year that we pay in state and local taxes for Dow's Texas Operations are dependent upon these assets.

10 | On the other hand, the SPR uses underground salt formations as the basis for their oil storage operations. For their purposes, they remove the salt and discharge it into the ocean. Placing the SPR at Stratton Ridge would waste salt that Dow could otherwise mine and convert into useful, value added products that support the economy of this region.

The use of seawater for mining, the speed of mining the caverns in the salt dome, and the lack of a fully saturated brine solution as a discharge, precludes this salt from being consumed by Dow to make useful products. This salt would simply be wasted into the ocean.

We understand that the other sites under consideration to locate the SPR facility, DO NOT have co-located salt-based production facilities. So that salt wasted into the ocean IS NOT salt that could be used otherwise as a feedstock for manufacturing purposes.

11 | In addition, we have concerns about our current Stratton Ridge operations, as these assets are critical to the economic operation of our Freeport site, which happens to be Dow's largest manufacturing facility globally. We experienced the concept of

eminent domain first hand when the US government used its power to take Bryan Mound – now the local SPR site – from us, when we were an unwilling seller.

Allow me to demonstrate this impact with some numbers. At the moment – without the SPR at Stratton Ridge- we estimate that Dow has access to salt reserves that should last for more than 30 years. The 16 proposed SPR caverns would waste 130 billion pounds of salt, or the equivalent of 7 years of Dow salt consumption. But it does not stop there!

11 | When the Department of Energy presented its initial plan in the fall of 2005, two of Dow's planned wells on Dow land would have been directly impacted, wasting another 4 years of salt that Dow could use for raw material.

Since that initial plan, the DoE has expanded the area that it needs for the SPR. This impacts another 3 planned Dow wells, thus reducing Dow's potential salt consumption up to 11 years.

So, under the DoE's current proposal, 18 years of equivalent Dow salt consumption is wasted.

The waste of Stratton Ridge salt, and the possibility that the government may take some business critical property from Dow, is a grave concern for our internal business analysts, who make investment recommendations to Dow's leaders.

Simply put: Texas Operations competes with chemical and plastic producers from around the world. We already have a competitive disadvantage due to high energy and feedstock prices on the Gulf Coast. The Dow Texas Operations site could lose its global competitiveness completely if the SPR expansion site is located at Stratton Ridge.

But not only potential new investment would be in jeopardy. These same factors would also negatively affect business decisions for investments to support current operations.

12 | The future of Dow Texas Operations is dependent upon the willingness of Dow 1) to continue to make investments in new products, 2) to continue to make the products we make today and 3) to improve the site's energy efficiency and sustainability. Without such investments, manufacturing facilities like ours may cease to be viable and ultimately be shutdown.

We understand that 100 or so jobs might be created for managing the SPR site. However, placing our Freeport site in further economic jeopardy would literally put thousands of high-wage manufacturing jobs, as well as thousands of additional jobs in our community, at risk.

In short, the long-term viability of our Texas Operations site depends upon having low cost salt feedstock and hydrocarbon storage facilities located at the Stratton Ridge site. The loss of these capabilities could ultimately cause Dow in Freeport to lose its global competitiveness. The result would be an inevitable and painful shutdown.

Thank you for allowing me to express our concerns, and state the reasons why Dow opposes the use of the Stratton Ridge location for a new Strategic Petroleum Reserve site.

Unanimous Resolution from The Board of The Economic Development Alliance for Brazoria County



David S. Stedman, CEO
www.eda-bc.com
979-848-0560 Office
979-864-0860 Mobile

The Board of The Economic Development Alliance for Brazoria County unanimously passed the attached resolution opposing expansion of the Strategic Petroleum Reserve at Stratton Ridge in our meeting of June 12, 2006 for the following reasons:

13

1. The SPR uses underground salt formations as the basis for their oil storage operations. For their purposes they remove the salt and discharge it into the ocean. Placing the SPR at Stratton Ridge would waste salt that the chemical industry could use to make useful products in the future. The DoE time line to remove the salt from the salt dome and other operational considerations would not allow this salt to be used to make products and thus would be wasted. As I understand it, the other sites under consideration do not have co-located salt based production facilities, so the salt wasted into the ocean isn't salt that can be made into useful products, as can the salt at Stratton Ridge.
2. There is also concern over the government taking of Stratton Ridge property and perhaps even closure of Stratton Ridge Road. We have experienced this sort of thing in the past, and it runs contrary to everything America stands for.
3. At a time when the chemical industry is struggling with high energy and feedstock fuel costs and high construction costs, this waste of Stratton Ridge salt and concern over the government commandeering private property could dissuade industry from locating new jobs in the area and it may even negatively affect business decisions to make any further investments in support of current operations.
4. The 40 or so jobs created for managing the SPR site could jeopardize literally thousands of direct chemical industry jobs and four to eight times that many of indirect jobs with contractors and suppliers.
5. We also understand that Bryan Mound was removed from consideration because it did not have adequate capacity for expansion and that the plans for Stratton Ridge would include facilities to off-load foreign crude in Texas City and bring the oil in through pipeline. So it seems this would not even benefit Port Freeport.

Statement By Staffer Dianna Kile for U.S. Representative Ron Paul

14 I want to join with others tonight in expressing my concerns regarding the Stratton Ridge expansion of the Strategic Petroleum Reserve (SPR). In the recent past President Bush has stated the need to judiciously diminish the reserve in order to reduce non-market demand, thus helping to reduce energy costs. In light of that, we should seriously consider not only where, but also whether or not, to increase the reserve.

Certainly, if high energy prices are a legitimate concern (and they clearly are at this time) we should not undertake such an expansion in a way that could negatively impact any component of the petro-chemical industry. Any federal action that would threaten to raise costs to business, which would be passed along to consumers, is a bad policy at any time. However, this is a particularly bad time for any such policy to be enacted.

15 In addition, it is always a concern of local property owners that federal activity will result in a taking of private property. Such takings have a direct negative impact not merely on the property owner, who has every right to expect that government will protect his property interests, but also upon economic activity. When property rights are in jeopardy property owners do not take the kinds of economic actions that benefit themselves as well as other economic actors.

As a leading advocate of property rights, I share the strong concern of others in the area that locating this reserve expansion at Stratton Ridge will negatively impact property owners. Moreover, I join with the local government authorities and taxpayers who are always concerned about taking property off of the local tax rolls. With many suffering from property evaluation inflation, further erosion of the tax base will only serve to further increase property taxes upon already strapped homeowners and businesses.

16 Again, I wish to join with the Economic Development Alliance for Brazoria County, the Dow Chemical Company, and other concerned members of the community in expressing my concern regarding the siting of an SPR expansion at Stratton Ridge.

Attachment B – Other Statements, Resolutions and Articles

July 2, 2006 Brazosport Facts Editorial

Expansion of Reserve Good Idea, Just Not Here

By Yvonne Mintz
The Facts

Published July 2, 2006

In August or sometime not long after, the U.S. Department of Energy will choose a spot to store precious cargo — 160 million barrels of oil that will supplement the nation's emergency stockpile of the precious resource.

17 We wholeheartedly support the expansion of the Strategic Petroleum Reserve, which already includes a site in Brazoria County at Bryan Mound. But it is with just as much vehemence that we join others in Brazoria County in asking the federal government to choose a site other than Stratton Ridge at which to store the oil in underground caverns.

This is not simply another tired case of "not in my backyard." Rather, the caverns near Clute already are filled with a precious resource to industry in this area: salt.

18 The same brine the Department of Energy is contemplating siphoning out of 16 caverns at Stratton Ridge is vital to Dow Chemical Co., Brazoria County's largest employer. The method of brine removal for a petroleum reserve could waste about 130 billion pounds of salt, Dow Texas Operations Vice President Bob Walker said at a public meeting on the proposed expansion last week. The proximity of the project also would prevent Dow from using five planned wells on property the company owns at Stratton Ridge.

To Dow, and by extension to this area, that salt means money.

Dow uses Stratton Ridge salt for the production of thousands of products, worth more than \$5 billion annually. About half of the \$125 million Dow pays annually in state and local taxes are dependent on those, Walker said.

Without government interference, Dow has enough salt at Stratton Ridge to last 30 years, which is important because, to Southern Brazoria County, Dow means even more than money. It means jobs.

19 Dow officials have said thousands of jobs could be lost if the Strategic Petroleum Reserve chooses the Stratton Ridge site. Even more than that, Dow Chemical is intrinsically connected with other industry in the area and with community service and charitable giving.

The U.S. Department of Energy also is considering sites at Bruinsburg, Miss., Richton, Miss., Clovelly, La., and Chacahoula, La.

People at public meetings near the proposed Mississippi sites were much more receptive to the expansion in their towns, so it should be an easy call that the government would choose another site. However, while an energy department spokesman said public sentiment on the proposed site will be taken into consideration as Energy Secretary Samuel Bodman makes the choice of where to expand, there will, of course, be other factors that could scream louder than us.

The department also will consider which of the five possible sites offers the best distribution capabilities at the lowest cost with the least environmental impact.

20 We urge the department also to consider non-environmental impact in the form of possible economic peril to the site chosen, and we urge area residents to make themselves heard on the matter before the comment period ends on July 10.

Today's editorial was written by Yvonne Mintz, managing editor of *The Facts*.

June 29, 2006 Brazosport Facts Article

Leaders Frown on Oil Reserve Expansion Plan

By Chris Robinson

LAKE JACKSON — In the largest turnout so far for a series of forums on the Strategic Petroleum Reserve expansion's environmental impact study, local leaders warned of crippling economic impact to the Brazosport area should the government select Stratton Ridge for the project.

More than 50 people attended a meeting hosted by the U.S. Department of Energy at the Lake Jackson Civic Center on Tuesday to take public comment on the recently published Draft Environmental Impact Study for the expansion project.

Bob Walker Jr., Dow Texas Operations vice president, said he does not oppose the expansion, only Stratton Ridge as a candidate.

He said more than 6,000 jobs at Dow's Freeport facilities, including employees and contractors, depend on Dow's continued use of Stratton Ridge's salt dome for its chlorine-related processes and its caverns for hydrocarbon storage.

If the Stratton Ridge site is not chosen by the Department of Energy, Walker said there's enough salt at Stratton Ridge to last Dow for more than 30 years.

"We already have a competitive disadvantage due to high energy and feedstock prices here on the Gulf Coast. The Dow Texas Operations site could lose its global competitiveness completely," Walker said.

The Strategic Petroleum Reserve expansion proposes siphoning brine at Stratton Ridge to create 16 caverns on a 269-acre site for storing 160 million barrels. The manner of brine removal renders it unusable for Dow, while a pipeline to deposit the excess brine in the ocean could waste about 130 billion pounds of salt, Walker said. The proximity of the project also could prevent the use of five planned wells to be used on Dow property at Stratton Ridge, he said.

The Energy Policy Act of 2005 requires the U.S. Department of Energy choose by August one of five sites for boosting the current reserve capacity of about 700 million barrels of oil to 1 billion. In addition to Stratton Ridge, which is near Clute, the U.S. Department of Energy also is considering sites at Bruinsburg, Miss., Richton, Miss., Clovelly, La., and Chacahoula, La.

The reserve is used as a fuel supply backup for national defense and to defend the economy against a disruption in commercial oil supplies, but U.S. Department of Energy official David Johnson said those goals could be threatened by an increase in consumption and a dependence on oil imports.

Appendix N: Comments on Draft Environmental Impact Statement

Dow uses Stratton Ridge salt for the production of thousands of products, worth more than \$5 billion annually, and about half of Dow's \$125 million annual state and local taxes are dependent on those, Walker said.

Art Colwell, vice president and general manager of BASF's Freeport site, said after the meeting the local chemical industry is tightly integrated and the entire complex could suffer if Dow is negatively affected by this project.

"Dow is a major player in the area," Colwell said. "Things that happen to reduce Dow's presence impact other industry in the area."

Walker said other sites under consideration make a better fit because they lack salt-based production facilities and the salt dispensed in the ocean couldn't otherwise be used for manufacturing.

After the meeting, Johnson, the department's director of planning and engineering of petroleum reserves, said people at public hearings at proposed Mississippi sites were more receptive to the expansion project in their areas.

Though the Energy Policy Act of 2005 requires a site be selected by August, the impact of recent hurricanes and the late inclusion of a fifth candidate site could cause that decision to be made slightly later than planned, Johnson said.

"The criteria will be what gives us the best distribution capabilities to meet the needs of the future, and also takes into account the environmental impacts of the decision as well as the whole project cost," he said.

The proposed Stratton Ridge site would receive crude oil through a pipeline to Texas City, where the fuel would be deposited at a tank farm. The pipeline would travel parallel to the current line reaching to Bryan Mound, the only Strategic Petroleum Reserve in Brazoria County.

That site, north of Bryan Beach and east of the Brazos River, stores 240 million barrels of oil.

Dow originally owned Bryan Mound, Walker said.

"We experienced the concept of eminent domain firsthand when the U.S. government first used its power to take Bryan Mound, now the local SPR site, from us when we were an unwilling seller," he said.

Brazoria County Commissioner Donald "Dude" Payne and David Stedman, chief executive officer of the Brazoria County Economic Alliance, read resolutions stating county commissioners and the alliance are opposed to the local expansion project.

While the alliance is aimed at diversifying the area economy, Stedman said the chemical industry will remain the backbone of most future investments.

"Like it or not, the chemical manufacturing industry has been, is now and will be for the foreseeable future the absolute bedrock of the economy of Brazoria County," he said. "All the big chemical and manufacturing complexes around here, they exist to make a profit, but they also exist to provide welfare for our people. That's what puts roofs over families' heads, that's what sends kids to college and what puts bread on the table."

Johnson said U.S. Energy Secretary Samuel Bodman will make the final call on which site is selected.

"I understand your opposition to us coming to this dome, and definitely we'll take that into consideration," Johnson said.

Chris Robinson covers business and industry for The Facts. Contact him at (979) 230151

Article in Reuters News (June 29, 2006)

Dow at odds with U.S. on land for SPR expansion

HOUSTON, June 29 (Reuters) - Leading U.S. chemical maker Dow Chemical Co. <DOW.N> and the U.S. Department of Energy are at odds over the proposed government purchase of a site near Dow's largest plant to expand the Strategic Petroleum Reserve.

The land, part of an area known as Stratton Ridge near the Gulf Coast southwest of Houston, contains an underground salt deposit that would be hollowed out to store oil.

Dow says the deposit is a crucial source of chlorine used to make half the chemicals produced at its Freeport, Texas, plant. The facility makes a fifth of Dow products sold worldwide. Loss of the resource would threaten the viability of the 65-year-old complex that now employs 6,000, Dow says.

"A significant number of jobs could be in jeopardy," said Dow spokesman Jan Huisman.

The plant already faces high energy costs. Loss of access to the salt would be an additional blow, making it less competitive in the world market, Huisman said.

Local officials, union leaders and neighboring companies that buy from or supply Dow have joined in opposition to forcing Dow to give up the site.

"We're taking it very seriously," said David Stedman of the Brazoria County Economic Development Alliance.

The Stratton Ridge site is one of five in Mississippi, Louisiana and Texas that the government is considering for expansion of the reserve. Plans call for a decision by the end of August, said the Energy Department's David Johnson.

"They've asked us politely to take a look at other salt domes," said Johnson, noting officials in Mississippi and Louisiana want to be chosen. "We'll take that into consideration."

Congress in 2005 directed the Energy Department to expand the SPR because of growing oil demand and U.S. dependence on potentially insecure supplies of imported crude.

The SPR, created after the 1973-74 oil embargo to bolster U.S. military defense and economic security, held 686.6 million barrels of oil at four sites in Texas and Louisiana as of June 23. Capacity currently is 727 million barrels. The goal is to increase storage to 1 billion barrels, energy officials said.

The government has the power to force Dow to sell the 269-acre Stratton Ridge site under the legal doctrine of eminent domain. The doctrine allows government taking of property at a fair price for the public good.

The DOE bought the site of the existing Bryan Mound reserve near Freeport when the SPR was created despite Dow objections.

15

Attachment C – Dow's October 28, 2005 Comments



2030 Building
October 28, 2005

The Dow Chemical Company
Midland, Michigan 48674

Donald Silawsky
Office of Petroleum Reserves (FE-17)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0301
Donald.Silawsky@hq.doe.gov

Comments of The Dow Chemical Company in Response to Department of Energy's Notice of Intent and Extension of Comment Period (70 FR 52,088 and 56,649) for a Proposed Expansion of the Strategic Petroleum Reserve, Implementing Congress' Requirements Contained in The Energy Policy Act of 2005

Dear Mr. Silawsky,

The Dow Chemical Company (Dow) thanks the Department of Energy (DoE) for this opportunity to comment on the scoping for the Environmental Impact Statement (EIS). We have had extensive experience with the operation of the Strategic Petroleum Reserve (SPR), having initially shared the Bryan Mound location with the SPR and having some of our major manufacturing operations close to the SPT operations in Bayou Choctaw. A more extensive description of Dow is included in the attached Testimony.

Dow has been a frequent commenter on the SPR process, specifically, and the US national energy policy in general. We participated in the public comment process leading up to The Energy Policy Act of 2005 (Energy Act) and are pleased to see DoE moving forward in implementing its obligations under the Energy Act. Dow has historically commented on DoE's prior EIS efforts. Dow incorporates into these comments its prior comments, which are in the DoE docket related to the prior EIS related to locating a new SPR oil storage facility in Stratton Ridge, Texas, by reference, as if repeated in full in these comments.

Dow understands that the comments being solicited by the cited *Federal Register* notices are limited to the scoping of the EIS. This will be the focus of these comments. Some aspects of our concerns with the Stratton Ridge potential location for the new SPR facility will be raised in other appropriate forums.

Dow includes two documents in these comments in an Appendix: the written testimony of Dow and ACC to the Senate Energy and Natural Resources (Testimony) and a letter from Gordon Slack to Ms. Orr (Slack Letter). Both contain concerns relevant to this EIS.

The attached comments make the following major points:

I. Ecological Resources

The EIS needs to fully evaluate the concern mentioned in the existing Draft EIS (page 63) that migratory birds are only in Texas and Louisiana. This means that the impact of the migratory birds raised in the existing Draft EIS are not a factor in considering the Mississippi potential location for the new SPR facility.

17

- 21 | II. Land Use
a) The EIS needs to fully evaluate the potential diversion of over one and a quarter billion barrels of brine, containing valuable chlorine, from the US economy and wasting this diverted brine into the Gulf of Mexico.
- 22 | b) The EIS needs to fully evaluate the potential that the new SPR facility will create a significantly larger creep and subsidence in an area near important brine, liquid storage and natural gas storage caverns and important commercial pipelines
- 23 | c) The EIS needs to fully evaluate the conflict of the SPR oil storage with the developing natural gas storage on the Stratton Ridge salt dome.
- 24 | d) The EIS needs to fully evaluate the impact of the security zone on the planned and established local industry.
- 25 | III. Geological and Soil Resources
a) The EIS need to fully evaluate the increased creep and subsidence that will be caused by locating the new SPR facility in Stratton Ridge directly under this section.
- IV. Public Health and Safety
a) The EIS needs to fully evaluate the potential impact the security zone will have on the existing and planned industrial facilities.
- 26 | V. Socioeconomics
a) The EIS needs to fully evaluate the socioeconomic impact of locating the new SPR facility in currently hurricane devastated states (Louisiana and Mississippi).
- 27 | VI. Environmental Justice
a) The EIS needs to fully evaluate the potential benefit from locating the new SPR facility in the recently devastated hurricane states of Louisiana and Mississippi by locating it in a state that has many new low income populations.

By this letter, Dow requests a copy of the Draft EIS and notice of any significant activity related to this EIS.

Paul Bork
2030 Building
The Dow Chemical Company
Midland, MI 48674
989.636.4399
PBork@Dow.com

Thank you for your consideration of our comments and feel free to contact me if you have any questions or which to discuss our concerns or other things related to this expansion of the SPR.

Sincerely,

Paul Bork
EHS Legal - Freeport
EHS Legal - Mergers and Acquisitions
Six Sigma Black Belt - Legal
989.636.4399 phone 989.638.9636 facsimile
979.238.3587 Texas facsimile
989.430.2193 mobile PBork@dow.com

Comments of The Dow Chemical Company

I. Ecological Resources

Migratory birds only mentioned as being in Texas and Louisiana on page 7-15 of the current Draft EIS, located on page 63 of the electronic version on the DoE web page. Given this documentation of the well known migratory bird passage to and through the wetlands of these states, the EIS needs to address the incremental adverse impact locating the new SPR facility in either Texas or Louisiana. To the extent that the cited statement in the current Draft EIS is correct, the potential site in Mississippi seems to be a clear alternative to adversely impacting the migratory birds that caused the statement in the current Draft EIS, this needs to be evaluated in the Ecological Resources section of the EIS. In any event the relative impact on migratory birds needs to be evaluated for each of the potential sites for the new SPR facility.

II. Land Use

Dow raises four important Land Use issues that the EIS needs to address: The first is the potential diversion of over one and a quarter billion barrels of brine, containing valuable chlorine, from the US economy and wasting this diverted brine into the Gulf of Mexico. The second is the potential creation of significantly larger creep and subsidence in an area near important brine, liquid storage and natural gas storage caverns and important commercial pipelines. The third is the conflict of the SPR oil storage with the developing natural gas storage on the Stratton Ridge salt dome. The fourth is the impact of the security zone on the planned and established local industry. All of these important Land Use issues are resolved if the chosen location is a location other than Stratton Ridge.

First, the EIS needs to address the impact of wasting the chlorine from the Stratton Ridge salt dome. This is salt that is located near a major commercial chemical facility that is currently using salt solely from the Stratton Ridge salt dome to produce chlorine that is either itself in many products or used in the manufacturing of many products. In addition the chlorine produced from Stratton Ridge salt is used in products that are critical in providing many services. See Testimony for a discussion of the utility of Chlorine.

28 | All of the potential locations for the new SPR facility do not have the potential for use of the salt for chemical manufacturing. This location specific aspect of wasted essential natural resources needs to be evaluated in the Land Use section of the EIS.

The magnitude of the potential salt diversion/waste can be calculated from two of the figures in the DoE's *Proposed Action Information* pamphlet distributed in the public meetings associated with the public comments this EIS scoping effort. On page 3 of that pamphlet, DoE says that the proposed new SPR facility will have up to 160 million barrel of oil storage capacity and that leaching a cavern generates approximately 8 barrels of brine for each barrel of created cavern space. This means that locating the new SPR facility in Stratton Ridge will potentially divert 1,280,000,000 barrels of brine from the US economy and waste it into the Gulf of Mexico.

29 | Second, the adverse impact the potentially increased subsidence, discussed in the *Geological and Soil Resources* section of these comments, will have on the existing commercial pipeline corridors and their included pipelines caused by locating the new SPR facility on the well developed Stratton Ridge salt dome needs to be evaluated in the Land Use section of the EIS. In making this comparison in the Land Use section of the EIS, DoE needs to have the base case the lesser subsidence caused by the continuation of the existing rate of development of the Stratton Ridge salt dome. If the leached salt continues to be consumed by the nearby chemical facility, the rate of development can be easily calculated.

30 | Third, the potential adverse impact of the locating of the new SPR facility on the Stratton Ridge on the developing natural gas storage industry related to the Freeport Liquid Natural Gas terminal (FLNG). While over a handful of Liquid Natural Gas terminals (LNG) have been proposed, the FLNG is the only one moving forward into the construction phase. There are commercial transactions related to the construction

Appendix N: Comments on Draft Environmental Impact Statement

of storage wells. Given the well developed nature of the Stratton Ridge salt dome, taking the only large property remaining on the salt dome for oil storage prevents the expansion of natural gas storage on the Stratton Ridge salt dome. Given the even more critical need for natural gas development in the energy policy of the US, it would be an inappropriate use of DoE resources to quench this ongoing commercial development in the natural gas area in locating the new SPR facility on the Stratton Ridge salt dome. DoE has a greater ability to construct the pipelines and spend the capital needed to develop a salt dome farther from commercial pipelines than does industry. DoE needs to spend its resources in a way that supports the current and developing land use and that encourages developing industry in the natural gas storage area.

30

Dow incorporates as if set forth in full in these comments, the DoE discussion of the importance of natural gas storage on its web page <http://www.fossil.energy.gov/programs/oilgas/delivery/index.htm>. Dow mentions the discussion in the attached Slack Letter of the impact of the energy crisis and the impact of natural gas pricing and availability on Dow, the chemical industry and the US industry in general. Dow also mentions the discussion of the energy crisis and the impact of natural gas pricing and availability on Dow and the chemical industry.

31

Fourth, the EIS needs to evaluate the potential adverse impact the established security zone that will be established around the new SPR facility will have on planned and existing industrial facilities. The well developed Stratton Ridge salt dome will have more extensive potential adverse impacts than would location of the new SPR facility at a less well developed site.

32

III. Geological and Soil Resources
Dow raises one important issue that the EIS needs to evaluate in the *Geological and Soil Resources* section of the EIS and consider the adverse impact that the new facility may have on Geological and Soil Resources. The Stratton Ridge, Texas salt dome has been extensively developed. The parcel of land proposed for the location for the SPR new location is the only large parcel of land not already developed or under development on the Stratton Ridge salt dome. Locating the same series of caverns for oil storage on such a well developed salt dome will increase both the creep and subsidence in comparison to the same series of caverns for oil storage on a salt dome that is not developed to the same extent. The EIS needs to take the existing and planned (permitted) wells on salt domes to have a valid comparison of the creep and subsidence between the various alternative locations for the new SPR location. First, the adverse impact on existing and planned salt, liquid storage and gas storage caverns on Stratton Ridge needs to be evaluated. Second the adverse impact on planned and existing pipelines, including those in the nearby existing commercial pipeline corridors needs to be evaluated.

33

IV. Public Health and Safety
Dow raises one concern in the *Public Health and Safety* section of the EIS. The Stratton Ridge potential site for the new SPR facility is very close to existing security from existing and planned industrial facilities. The EIS has to evaluate the potential for the security of the new facility adversely interacting with the existing security from existing and planned industrial facilities and resulting in a decrease in the safety provided both by the new SPR facility and the existing industrial facilities.

34

V. Socioeconomics
a) Dow cites Testimony for a discussion of the well known devastation caused by the recent hurricanes to the states of Louisiana and Mississippi. Everything else being equal, there would be a greater societal value for the funding and jobs associated with the new SPR facility to be located in Louisiana or Mississippi than Texas. This aspect of the *Socioeconomics* needs to be carefully and fully evaluated by the EIS.

35

VI. Environmental Justice
a) Dow cites Testimony for a discussion of the well known devastation caused by the recently devastated hurricanes states of Louisiana and Mississippi. There are many newly low-income people created in Louisiana and Mississippi. While Environmental Justice has historically focused solely on the adverse effect of the proposed project, Dow suggests that DoE takes a larger view of Environmental Justice and weighs the good locating a project in a devastated area can cause relative to locating the project in another location. If the beneficial aspects of locating the new

35

SPR facility in Mississippi or Louisiana outweigh the harm, Dow suggests that the Environmental Justice aspect of the EIS be weighed in favor of locating the new SPR facility in Mississippi or Louisiana. This project may well be one that has a positive overall impact from the location, from an Environmental Justice perspective.

Appendix



The Dow Chemical Company
400 West Sam Houston Pkwy, S
Houston, TX 77042-1299

October 4, 2005

Ms Renee Orr, 5-Year Program Manager
Minerals Management Service (MS-4010)
Room 3120, 382 Elden Street
Herndon, VA 20170

Re: Comments on Preparation of a New 5-Year OCS Oil and Gas Leasing Program for 2007-2012. 70
Federal Register 49669-49679 (08/24/05)

Dear Ms Orr:

The Dow Chemical Company is pleased to comment on the Minerals Management Service (MMS) Request for Comments on the preparation of a new 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012. Dow is the nation's leading manufacturer of chemicals, plastics and agricultural products that are essential to a wide range of consumer goods – from automobiles and electronics to household cleaners and personal care products. Because chemical manufacturing is very energy intensive, companies like Dow must have access to a reliable, affordable supply of domestic energy in order to meet the needs of our customers – and to remain globally competitive. Therefore, Dow has a direct and a strong interest in the development of the next offshore leasing program.

In recent years, persistently high and volatile U.S. oil and natural gas prices have threatened the long-term health of our nation's chemical manufacturers. Over the past six years the rising price of natural gas, in particular, has been felt acutely by chemical producers like Dow, because we use natural gas as both an energy source and a critical raw material. This energy crisis has recently been underscored by Hurricane Katrina and Hurricane Rita.

In recent years, Dow has been forced to take aggressive action to mitigate the impact of escalating feedstock and energy costs. We have implemented a companywide cost-reduction plan, improved our energy efficiency, increased productivity, raised the prices of our products, shut down a number of non-competitive U.S. facilities, and shifted some production and jobs overseas – to parts of the world where energy is far more available and competitively priced. In short, we are doing everything in our power to address this unprecedented challenge – but we are reaching the limit of what we can do without further government action. For the sake of our nation's economy, we absolutely must drive toward environmentally sound production of this nation's vast off-shore energy reserves.

The OCS is vitally important to America's energy security.

The Outer Continental Shelf (OCS) contains huge, untapped resources of oil and natural gas that are critically important to sustaining our national economic growth and maintaining much-needed jobs in virtually every sector of the economy. Therefore we commend the Minerals Management Service (MMS) for asking for comments on all areas of the Outer Continental Shelf (OCS), including the 89% of the lower

48 OCS acreage that remains "off limits" due to moratoria (including, the Atlantic and Pacific offshore and most of the Eastern Gulf of Mexico) as well as the resource-rich areas off Alaska's coast.

We need to fully develop the OCS -- and we urge you to adopt as expansive a 5-year leasing program as possible.

OCS development has been limited for too long to the Central and Western Gulf of Mexico. This has been a vitally important area – supplying almost 30% of the oil produced in the U.S. and about 20% of the natural gas. As we have been reminded all too starkly by recent events, disruptions in supplies from this area have national implications affecting consumers throughout the country. While this area will remain vitally important, it is clear we must expand energy development to other parts of the OCS.

The next 5-year plan must provide for expanded leasing in the OCS.

While the OCS has played a key role in helping meet US energy needs, particularly the need for clean-burning natural gas, expanded access to new OCS areas is needed to ensure adequate future domestic energy supplies. The Energy Policy Act of 2005 was an important step toward addressing the nation's energy challenges – with its emphasis on energy efficiency & conservation, improved infrastructure, and practical renewables and alternatives such as clean coal and advanced nuclear power. However, U.S. energy policy has not sufficiently emphasized the importance of developing domestic oil and natural gas supplies. As the Congressional Joint Economic Committee pointed out, U.S. policy has encouraged the use of clean-burning natural gas, while discouraging the development of new supplies – an approach that they called "a recipe for problems." The next 5-year plan can take an important step to address American consumers' future energy needs by providing for expanded OCS leasing, including:

- Open the remaining Sale 181 area; it has substantial energy resource potential and access to existing infrastructure that could help speed delivery to energy users.
- Expand acreage offered for lease in Alaska. Alaska's OCS is estimated to contain 122 trillion cubic feet (Tcf) of natural gas and 25 billion barrels of oil – enough natural gas to heat more than 60 million homes for 30 years and enough oil to fuel more than 50 million cars for 15 years.
- Provide a flexible, timely process for amending the plan to allow inclusion of areas where development is currently prohibited should they be opened to development in the future.

Policymakers intended to use the OCS to support energy development.

The Outer Continental Shelf Lands Act (OCSLA) explicitly recognizes the importance of OCS oil and natural gas production. The OCSLA declares that it is "... the policy of the United States that ... the Outer Continental Shelf is a vital national resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs." Further, the 1978 amendments to the OCSLA found that "... increasing reliance on imported oil is not inevitable, but is rather subject to significant reduction by increasing the development of domestic sources of energy supplies..."

Substantial OCS resources could be developed.

Various types of moratoria have restricted energy development by preventing exploration and production off most of the U.S. coastline. Such restrictions mean we are denying American consumers vast domestic energy supplies. For example, there are about 300 Tcf of natural gas and more than 50 billion barrels of oil on the OCS off the 48 states that can be recovered using today's technology but which have yet to be discovered.

To put this in perspective, this is enough oil to maintain current US oil production for more than 80 years and current natural gas production for almost 70 years. Put another way, this is enough oil to produce gasoline for 116 million cars *and* heating oil for 47 million homes for 15 years. Or, it is enough oil to replace current imports from the Persian Gulf for 59 years and enough natural gas to heat 75 million homes

for 60 years. Or, it could supply current industrial and commercial needs for 29 years. Or, it could supply current electricity generating needs for 55 years. And, that is before the Alaska OCS is considered, with additional resources of 122 tcf of natural gas and 25 billion barrels of oil. The importance of these resources cannot be overstated.

Current resource estimates could well understate OCS supply potential

Experience suggests that there may be even greater OCS resources than the data show. Current resource estimates may be conservative since the areas are largely unexplored and the estimates have not benefited from the use of new seismic and computer modeling technology. Generally, the more an area is explored, the more its resource estimates grow. For example, government estimates of undiscovered oil in the Central and Western Gulf of Mexico increased by over 400% between 1995 and 2003 and undiscovered natural gas resources by more than 100%.

Failure to expand access will hurt our nation's economy.

Across the nation, Americans will pay a high price if the OCS remains essentially "off limits." The US Energy Information Administration (EIA) forecasts that, by 2025, petroleum demand will increase by 39% and natural gas demand by 34%. EIA also estimates that oil and natural gas will provide nearly two-thirds of the energy consumed in 2025.

In the past two years, higher energy prices have slowed U.S. economic growth by .5 to 1.0% (based on pre-hurricane prices). Since 2000 more than 2.8 million U.S. manufacturing jobs have been lost. The US chemical industry has been especially hard hit. Our industry's natural gas costs have increased by \$10 billion since 2003 – and already \$40 billion in business has been lost to overseas competitors who pay less for natural gas. Chemical companies closed 70 facilities in the United States in 2004 and have tagged at least 40 more for shutdown. Of the 120 chemical plants being built around the world with price tags of \$1 billion or more, only one is in the U.S. Dow has no plans to build in the U.S. given current uncompetitive energy prices.

Expanded OCS access is a national imperative, and the nation just received a wake-up call. The OCS has played a growing role in US natural gas and oil supply for more than 50 years. Technological advances not only helped increase and expand production, but also have assured safe operations that protect the environment. Worldwide, virtually every other country with oil and gas resources is promoting investment in and developing their offshore resources.

The U.S. has an opportunity to improve our energy situation and continue to support economic growth, while providing consumers and businesses with the essential energy that they need. Let's take this opportunity to strengthen the U.S. economy, preserve an essential industry, maintain our nation's leadership in science and technology, and keep more high-wage manufacturing jobs in the U.S. – by adopting an expansive OCS leasing program.

Dow appreciates the opportunity to comment. If you have any questions, please contact me at (713) 978-2569 or e-mail gslack@dow.com.

Sincerely,



Gordon Slack
Energy Business Director
The Dow Chemical Company

**The Dow Chemical Company
American Chemistry Council**

STATEMENT FOR THE RECORD

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

HEARING ON

Hurricanes Katrina and Rita's effects on energy
infrastructure and the status of recovery efforts in the Gulf
Coast region.

SECTION I Introduction and Executive Summary

“After Katrina we got a call from a bottled water company in the South scrambling to get some HDPE (high density polyethylene plastic). His regular supplier curtailed him. He needed the plastic to make bottles so he could supply bottled water to FEMA. Our Louisiana plants were still restarting, gas supply was curtailed and we were closing our TX plants in anticipation of Rita. We couldn’t help him.”

Chemical Company Executive Located in Hurricane Zone

The Dow Chemical Company and the American Chemistry Council welcome the opportunity to provide the Committee with an update on Hurricanes Katrina and Rita’s effects on energy infrastructure and the status of recovery efforts in the Gulf Coast region.

This topic is of acute interest to the US chemical industry because the Gulf Coast is home to the world’s largest concentration of chemical manufacturing capacity. The Gulf is to chemical manufacturing as Wall Street is to finance.

The chemical industry has been operating in the Gulf for more than seven decades. Our engineers and operators are experts in hurricane preparedness. Plants are designed and built to withstand Category Five storms. All members of the American Chemistry Council (ACC), under our trademark health, safety, environment and security program, Responsible Care®, have long-established hurricane plans that operate before, during and after storms. Facilities cooperate with local, state and national authorities, other businesses and transportation systems, along the path of the storms and through recovery. Companies will evaluate and enhance those plans to incorporate learnings from Katrina and Rita as part of their ongoing performance improvement process.

Typically, these emergency plans include the safe shutdown and lockdown of facilities, removal of vehicles and other equipment, evacuation and accounting of employees, and placement of emergency “ride-out” crews on-site, when feasible. We then carefully assess post-storm conditions to allow facilities to resume operations safely.

Having said that, our industry has also been severely damaged by the hurricanes. Not by the high winds and not by the storm surges and floodwaters, but by the high cost and limited availability of natural gas.

Natural gas is of vital importance to our industry. It heats and powers our facilities, but it is also our most important raw material. We process natural gas molecules into thousands of products that can be found everywhere in the economy.

Today, most chemical plants in the Gulf Coast are closed or are operating at reduced rates. For some, it is because they are without power. For others, they have been cut off from their gas supply or they are choosing not to pay today’s prices. Soon the loss of chemical manufacturing in the Gulf will ripple through the economy in the form of shortages and higher prices.

The industry faces hard choices on how and where it will base its operations in the future. On September 30, 2005 the wholesale spot price of natural gas was \$14.50 per MMBtu. In Europe natural gas costs about \$7.00. In China, it’s less than \$5.00. In Saudi Arabia, it’s less than \$1.00. US manufacturers must compete in global markets. Companies must decide where to locate production, where to locate jobs, where to pay taxes and support communities. When US production costs two to twenty times more than it does in the rest of the world, it is hard to justify investing in America.

Public policy makers will exert enormous influence on how those decisions are made. It is well documented how certain policies bid up demand for natural gas to make electricity in the US and other policies restrict access to supply. What is not as well known is that the manufacturing sector pays the price for those policy decisions. In the recent past, policy decisions costs the US chemical industry dearly. Policy induced price gyrations between 2000 and 2005 handed overseas chemical operations a huge competitive advantage: The US chemical industry went from posting the largest trade surpluses in the nation’s history in the late 1990’s to becoming a net importer. In that time, the industry lost more than \$50 billion in business to overseas operations and more than 100,000 good-paying jobs in our industry have disappeared. The National Association of Manufacturers reports that 2.9 million American manufacturing jobs disappeared in that time.

Policy makers are again in a position to influence the US manufacturing environment. The short-term outlook for natural gas consumers is grim. Until very recently, government officials had severely underestimated the combined impact of the two hurricanes (especially Rita) on the nation’s energy infrastructure. As of this writing, nearly 100 percent of the Gulf of Mexico oil production and 80 percent of natural gas output remain shut in. More than 20 natural gas processing plants on shore are closed, some are damaged, some have no power. Pipelines are not fully operational. Eight refineries remained closed and eight are restarting. Power remains out in the Beaumont-Port Arthur-Lake Charles area.

ACC is doubtful that the Gulf’s energy infrastructure will be fully restored before the winter heating season starts. There is no surplus natural gas production capacity available to fill the void. There is not a “Strategic Natural Gas Reserve” available to make up for supply disruptions. Natural Gas will be in short supply this winter.

Natural Gas consumers will be competing for a scarce commodity. Policy makers can cushion the blow, if swift action is taken to stretch the supply and curb consumption. We recommend the following:

1. **Send a powerful message to the markets by eliminating barriers to energy production in the Outer Continental Shelf (OCS) and share revenues on new production with states.**
2. Expedite leasing in the area of the eastern Gulf of Mexico known as Lease Sale 181, at least for areas greater than 100 miles from the coast of Florida.
3. Declare a national emergency before winter, shock national awareness of supply problem and mobilize federal resources

4. Give priority to dispatching highly efficient CHP and Natural Gas Combined Cycle generating capacity to the grid.
5. Restore service to damaged natural gas processing plants on the Louisiana coast.

More detailed policy recommendations are contained in Section V

If the right responses are put in place right away, tensions in the market can be eased and gas consumers can weather the current crisis. If prices remain at or near current levels, manufacturers will be driven out of the market and many may not return.

SECTION II The US Chemical Industry at a Glance

The chemical industry fuels the American economy.

- The chemical industry is the leading American export industry accounting for 10% of all U.S. exports.
- We generate more than half a trillion dollars to the U.S. economy each year.
- The chemical industry has created a \$154 billion trade surplus over the past ten years.
- The industry directly employs more than 885,000 people, a figure larger than the combined populations of Boston and Buffalo.
- Chemistry dependent industries account for nearly 37 million jobs or 26.6% of the entire workforce.

The chemical industry improves our health and keeps our families safe.

- New drugs and medicines made possible by chemistry have increased life expectancy in the US by more than 30-years over the past century.
- A plastic bicycle helmet, one of the chemistry industry's most popular innovations, can reduce a child's risk of head injury by 85% according to Safe Kids USA.
- 98% of all U.S. public drinking water is safe to use because of chemistry.
- According to the National Highway Traffic Safety Administration, more than 14,000 lives have been saved thanks to airbags, a product of chemistry.

Chemistry is essential to U.S. business and industry.

- The chemical industry supplies the raw materials used by virtually every industry from aircraft construction to zoo management.
- More than 80% of the materials used to formulate all medicine come from the chemistry industry.
- The chemical industry is America's second largest rail shipper.
- The major innovations over the past century that have increased productivity from the phone, computer and Blackberry exist because of chemistry.

Chemistry is at the heart of innovation, helping to make our lives better, healthier and safer.

- The chemical industry invests more than \$22 billion a year in research and development – the most of any single industry outside of national defense.
- One out of every eight new patents is awarded to the chemistry industry.
- The American chemical industry employs the highest percentage of knowledge workers of any industry and employs more than 80,000 chemists, scientists and engineers.

28

SECTION III Hurricane Katrina & Rita: Ripple Effects from Shortages

Potential Product Shortages Following Hurricanes Katrina and Rita

Some of the most commonly used consumer and industrial products may be in short supply in coming months due to North American chemical capacity shut-ins following the hurricanes in the Gulf of Mexico. Following are some examples of products for which there may be shortages.

- **Tires, radiator and other hoses, fan belts, and bumpers; seals and gaskets; automotive belts and hoses, asphalt binder and roofing.** (62 percent of North American butadiene capacity, used to make these products, is down)
- **Oil, milk, detergent bottles; gasoline tanks; corrugated and drainage pipe.** (55 percent of North American high density polyethylene capacity, used to make these products, is down.)
- **Syringes, medical fabrics, automotive battery cases, dairy containers, diaper coverstock, and food packaging.** (55 percent of North American polypropylene capacity used to make these products, is down).
- **Diaper liners, shrink film and bread bags.** (46 percent of North American low density polyethylene capacity, used to make these products, is down).
- **Plastic resins, films and bottles; automobile antifreeze blends, including those for military vehicles, and for de-icing runways and aircraft; fire extinguishers and sprinkler systems.** (39 percent of North American ethylene glycol capacity, used to make these products, is down)

Source: CMAI, petrochemicals consultant (www.cmaiglobal.com)

SECTION IV Background: The importance of affordable energy to the

US Chemical Industry, How the natural gas crisis

developed, and what the Energy Policy Act of 2005

accomplishes

29

America's chemical industry is the nation's largest energy consumer. We use energy – especially natural gas – to heat and power our facilities, and as a raw material to make thousands of products consumers use every day. Chemical companies use more natural gas than California and more electricity than the state of New York. The chemical industry consumes enough natural gas to heat 30 million homes a year – almost half of the nation's home heating needs

Natural gas can do amazing things. It can be used to heat and cool a home, to make electricity and as a key ingredient in products – lots and lots of products. These include medicines, medical equipment, packaged goods, military applications and others. Numerous “downstream” industries rely on natural gas-produced chemistry products, including agriculture, steel, aluminum, and cement.

Advances in Energy Efficiency

Fortunately, the chemical industry has made great strides in energy efficiency. For example, we can make a pound of product with half as much energy as it took a generation ago. But even with these efficiency improvements, an immense amount of energy is still required for chemical manufacturing. Chemical makers need more energy than the entire country of Mexico, and roughly the same amount as Brazil.

Many chemistry products that are made with natural gas help make other parts of the economy more energy efficient. Energy-saving products such as insulation, lightweight vehicle parts, advanced window systems and reflective coatings are all made from chemicals made from natural gas.

Supply/Demand Imbalance Leads to Skyrocketing Natural Gas Costs

The problem is, America is using more and more natural gas and producing less and less. As a result, the price of natural gas has increased by 700 percent since the late 1990's. If the same thing happened to gasoline, prices at the pump would be more than \$7.00 a gallon.

For industries like ours, those high prices hurt. In 1999, the chemical industry paid about \$25 billion for all of its energy inputs – fuel, power and feedstocks such as natural gas. Last year, the tab topped \$52 billion. Beginning in 2000, the industry has shelled out \$80 billion more for energy than it was paying in the 1990's.

The effect of those additional costs – think of it as a huge energy tax – has been severe. We've seen a 20 percent decline in natural gas consumption in the chemical industry. Call it demand destruction. Dozens of plants around the country have closed their doors and gone away – and are never coming back.

US chemical industry domestic operations lost \$50 billion in business to overseas operations since 2000. We went from posting trade surpluses in excess of \$20 billion – the most successful export industry in the history of this nation – to becoming a net importer of chemicals. More than 100,000 American jobs have been displaced, in large part due to the hidden “energy tax.”

Not long ago, *Business Week* noted that of the 120 large-scale chemical plants under construction around the globe, only one is being built in the United States. The plants under construction are located in places where natural gas supply is abundant, reliable and affordable.

Unlike oil, natural gas is a regional commodity, not a global one. And US natural gas prices are the highest in the world – at the moment, US gas prices are 20 times higher than in Saudi Arabia.

Impact of Government Policies on Natural Gas Supply, Price

In the 1990's, new government regulations began driving electric utilities to reduce air emissions by burning natural gas to make power. An enormous amount of gas-fired power generation capacity came on line in the past decade. Utility consumption of natural gas grew by 31 percent in a few short years.

The nation's appetite for electricity is rapidly growing and is expected to increase by as much as 50 percent in the next 20 years. Natural gas supply cannot meet incremental demand. The government says that new supplies of domestically produced natural gas will only meet 30 percent of future demand growth. Quite simply, there's not enough gas to go around. To meet this challenge, the U.S. must meet its growing energy needs by investing in new technologies that produce power from renewables (for example wind and solar), non-polluting nuclear, agricultural sources of energy (sometimes called biomass) and low-polluting coal power.

Energy Policy Act of 2005

In August of 2005, the president signed into law a sweeping new energy bill called the Energy Policy Act of 2005. On balance, it is a very good policy and, over the long haul, it can change the way the nation makes and uses power. The legislation breaks new ground in the area of energy efficiency: We will see new standards of performance for appliances, homes and buildings as a result of the legislation's efficiency measures.

It also makes a serious effort to diversify the energy supply – to move away from the natural gas-is-the-answer-to-everything mentality that dominates current policy. The legislation will launch a new generation of technologies used to make power, including coal gasification, renewable energy and nuclear power.

The nation's energy infrastructure will get a much-needed facelift. The legislation will lead to new investment in gas pipelines and storage facilities and will result in new LNG terminals.

SECTION V: Unfinished Business. New policies needed in the post-Hurricane period

Expand natural gas supplies and reduce concentration of nation's energy infrastructure in three ways:

- eliminate barriers to energy production in OCS and share revenues on new production with states. MMS estimates that OCS contains 400 TCF of recoverable natural gas. More than 85 percent of OCS is off-limits to use as a result of federal policies set in place 25 years ago when NG was cheap and plentiful;
- increase gas production on shore by removing red tape and seasonal restrictions;
- accelerate and increase tax credits and guarantees for investing in gasification technologies for the production of fuels and feedstocks;
- expedite leasing in the area of the eastern Gulf of Mexico known as Lease Sale 181, at least for areas greater than 100 miles from the coast of Florida.
- Site new LNG terminals, especially on Atlantic and Pacific coasts. Set a goal of four new terminals (not all on Gulf Coast) by 2010.

Restore lost gas and oil production. The government should use its authority to speed emergency reconstruction of damaged pipelines (Emergency Reconstruction of Interstate Pipeline ruling of 2003) and implement other red-tape cutting measures to restore damaged drilling rigs and production platforms. The government should also employ the Coast Guard, Army Corps of Engineer and other federal assets as needed to speed repairs of damaged production sites and infrastructure. Priority should be given to restoring service to **damaged natural gas processing plants on the Louisiana coast.** In addition to removing sulfur and other impurities, these plants also remove natural gas liquids, such as ethane and propane, primary chemical feedstocks. Three of those damaged plants process the equivalent of three LNG terminals. Help is needed to transport and house repair crews, pump out the plants, restore power, repair damages and resume operations.

Encourage Efficient Consumption. To avert shortages this winter and in future years, actions are needed now to ease the strain on natural gas markets. In the short term emphasis should be placed on reducing gas demand through conservation and efficiency measures. These immediate actions are needed:

- Declare a national emergency before winter, shock national awareness of supply problem and mobilize federal resources, including...
- Fund in 08 the national public education campaign authorized in Title I of EPACTOS. Doing so will harness the American people's strong desire to "do something" to help recovery efforts. Little actions can achieve big results. If all Americans turned down their thermostats by 2 degree this winter, it would free up 3 BCF of gas per day.
- Move up to Oct. 1, 2005 effective date for tax credits authorized in EPACTOS for homeowners, builders and commercial building owners for investment in energy efficiency.
- Require up-to-date building codes in states using federal funds to recover from the hurricanes and encourage all states to use most current codes.
- Accelerate completion of tardy appliance codes and development of new codes authorized in the energy bill.
- Expand and spotlight The Partnership for Home Energy Efficiency (DOE,HUD,EPA).
- Expand funding for weatherization programs and dispatch crews to go into homes, audit energy consumption, and install weatherization materials and equipment as needed.

Encourage Efficient Generation. In many parts of the country inefficient natural gas power generators supply baseload power and highly efficient generation is reserved for peak demand. To make power generation more efficient, the following actions are needed:

- Build new and efficient transmission capacity in order to remove system constraints.
- Retire or put in reserve inefficient single-cycle generation capacity
- Give priority to dispatching CHP and Natural Gas Combined Cycle capacity ... restore CHP tax incentives.

Diversify Fuel Supplies. The large build up of natural gas fired power generation in recent years is putting an unsustainable strain on natural gas supplies. Gas consumption for power generation increased by 25 percent this summer, driving prices up from \$6.00 to nearly \$10.00 per million BTU. Utilities should be encouraged to make power from other fuel sources, by:

- Accelerating coal and biomass gasification. The US has the world's largest reserves of coal and (potentially) biomass. Gasification technology is ready for deployment and the government should help speed up commercial use by utilities.
- Site new nuclear power. Nuclear answers environmental and energy questions. The government should consider building new reactors on federal lands.

Distribute energy supply and power generation. The Hurricanes proved that the entire nation can be affected by regional disruptions and the energy infrastructure is highly reliant on the integrity of the electrical grid. To reduce economic and national security vulnerabilities government should:

- Create incentives for refineries, pipelines and large energy using industrial, institutional and commercial facilities to produce heat and power on site
- Encourage all states to implement "efficient portfolio standards" defined to include renewables, CHP, gasification and other low-polluting means.

Increase Natural Gas storage capacity to make the natural gas system more resilient. The Strategic Petroleum Reserve did its job and restored calm to jittery oil markets. Natural gas does not have adequate reserve capacity and that contributes to price volatility. Additional storage capacity would help the market adjust to temporary supply shortages.

Hurricane Katrina & Rita: Ripple Effects from Shortages

(Source: CMAI and ACC)

Acrylonitrile – 55% of North American acrylonitrile capacity is down. It is used to manufacture ABS resins for automotive trim, irrigation, and office equipment, telecommunications and appliance housings and to manufacture SAN resins used in medical housings and industrial batteries, among other applications.

Butadiene - 62% of North American butadiene capacity is down. It is the primary olefin used to make a variety of synthetic elastomers including: styrene-butadiene used in tires, radiator and other hoses, fan belts, and bumpers; polybutadiene used in seals and gaskets, belts, and tires; and polychloroprene used in automotive belts and hoses, asphalt binder, and roofing.

Chlorine – 16% of North American chlorine capacity is down. It is used directly in water treatment, paper manufacturing, and in the production of certain lightweight metals (titanium and magnesium) used in aircraft. Indirectly, it is used to make a variety of important building-block chemicals, such as trichloroethylene, phosgene, chlorinated hydrocarbons, neoprene, polyvinyl chloride (PVC), hydrogen chloride, and ethylene dichloride. In turn, these are used to ultimately produce thousands of industrial and consumer products. Some indirect applications include the production of pharmaceuticals, wool, flame retardant materials, and special batteries (lithium and zinc). Chlorine is also used in the processing of fish, meat, vegetables, and fruit. The largest end uses of chlorine include the making of ethylene dichloride, vinyl chloride monomer, and PVC resins (used to make a variety of products such as medical bags and tubing, adhesives, protective clothing, pipes, siding for homes, and raincoats).

Caustic soda is co-produced with chlorine and a similar share is down. Caustic soda is used in glass making and variety of products. It's used in epichlorohydrin used in glycerin for food products as well as epoxy resins for coatings, aircraft composites, dry toner resin, electronic encapsulants, automotive leaf springs, printed circuit boards, etc. Caustic soda is used to manufacture carbomethylcellulose for oil drilling muds, food processing, and pharmaceuticals. Caustic soda is used to manufacture sodium citrate used as a food conditioning agent in cheese and meat as well as in detergents. Caustic soda is used to manufacture polycarbonate used for eyeglass lenses, helmets, computers, and CDs.

Cyclohexane – 80% of North American cyclohexane capacity is down. It is used to manufacture nylon resins used in electrical and automotive components, wire jackets, non-textile monofilament, and tool housing as well as nylon fibers used in parachutes and other textile applications.

Ethylene Glycol - 39% of North American ethylene glycol capacity is down. Most ethylene glycol produced is used to make polyethylene terephthalate (PET), which is used to make plastic resins, films, and bottles. The other major end use is as a coolant in automobile antifreeze blends, including for military vehicles. It is used in de-icing runways and aircraft. It is also used in fire extinguishers and in sprinkler systems. Army boot soles are derived from ethylene glycol.

Ethylene Oxide – 43% of North American ethylene oxide capacity is down. The largest share is used to make ethylene glycol (which is used to make polyester fibers/resins and antifreeze). The next largest application is in the making of surfactants and detergents. This chemical is also used to make other chemicals, such as ethanolamines (used for gas conditioning and soap production) and glycol ethers (used to make paint, brake fluids, aircraft fuel additives). Ethylene oxide is also

used as a petroleum demulsifier, as a fumigant, in the making of rocket propellant, and as a sterilizing agent for industrial applications.

HDPE – 55% of North American HDPE (high density polyethylene) capacity is down. Important products made from HDPE include oil, milk, and detergent bottles, as well as conduit, gasoline tanks, and corrugated and drainage pipe.

LDPE – 46% of North American LDPE (low density polyethylene) capacity is down. Important products made from LDPE include diaper liners, shrink film, and bread bags.

LLDPE – 73% of North American LLDPE (linear low density polyethylene) capacity is down. Important products made from LLDPE include chemical tanks, trash bags, pallet wrap, produce bags, food storage bags, and landfill liners.

Methyl Methacrylate - 69% of North American methyl methacrylate capacity is down. This is used to manufacture acrylic paints as well as acrylic resins used in disposable and reusable medical devices, especially in the area of drug delivery components and diagnostics. Other resin applications include automotive tail lights, instrument cluster lenses, optical disks, glazing, and safety signs.

Phenol - 38% of North American phenol capacity is down. It is used to manufacture bisphenol-A which is used to manufacture polycarbonate resins (eyeglass lenses, safety helmets, etc.) and caprolactum used to manufacture nylon resins (fan blades, brake reservoirs, etc.) Phenol is also used to manufacture phenolic resins used in structural panels for reconstruction.

Polybutadiene - 84% of North American polybutadiene capacity is down. It is used in seals and gaskets, conveyor belts, and the tread for automotive tires.

Polypropylene – 55% of North American polypropylene capacity is down. Important products made from polypropylene include syringes, medical fabrics, automotive battery cases, dairy containers, diaper coverstock, and food packaging.

PVC – 21% of North American PVC capacity is down. PVC resins are used in pipe, conduit, siding and other construction products needed for re-building after Katrina and Rita. Vinyl resins are also used in IV and other medical tubing and bags.

Styrene - 85% of North American styrene capacity is down. Styrene is used to manufacture polystyrene, ABS & other styrenic resins, SB latex used in carpeting, unsaturated polyester, and SBR elastomers. The latter is the key elastomer for tires, radiator hoses, and fan belts

Styrene-Butadiene Rubber (SBR) - 55% of North American SBR capacity is down. It is the key elastomer for tires (it provides abrasion resistance), radiator hoses, and fan belts

Notable Quotes

“Chemical companies have been under assault for several years’, said Robert Koort, an analyst at Goldman Sachs who has an attractive rating on the chemical sector.”

“As Natural Gas Prices Rise, So Do the Costs of Things Made With Chemicals,” The New York Times, September 28, 2005

“The chemical industry also has been sluggish with rising fossil fuel prices, in the form of natural gas. Now its customers must deal with potential shortages.”

“Spikes and Shortages Go Far Beyond Gas,” The Washington Post, September 2, 2005

“While there is concern about high gasoline prices, a more serious impact may be felt this winter with regards to natural gas, with sky-high winter utility bills looming. On an ominous note, natural gas prices on the New York Mercantile Exchange closed Thursday at the highest level since 1990.”

“Rita Adds to Gulf Gas Woes as Shut-ins Mount in Wake of Storm,” Natural Gas Week, Sept. 26, 2005

“Natural gas prices set a record yesterday, pointing to sharply higher heating bills for a majority of Americans this winter and soaring costs for makers of plastics and chemicals, which use natural gas as their main fuel and raw material.”

“Heat Costs Expected to Surge: Natural Gas Price Continues Climb,” The New York Times, Sept. 30, 2005

“Natural gas not only fuels chemical plants, but it is used to extract chemical ingredients...Natural gas prices, which were already high, soared after Katrina. They have more than doubled in the last year. The complications from Rita are expected to boost prices on a whole range of products from milk containers to computers to pharmaceuticals.”

The Nightly Business Report, PBS, Sept. 23, 2005

“American industry consumes a third of the country’s natural gas, while residential use is less than a quarter. As a result of the current supply crunch, prices for all sorts of goods are likely to rise, some products may be in short supply and the flow of U.S. jobs to overseas plants may increase.”

“The Other Gas Crisis: Katrina’s Blow to Natural Gas Will Pinch Chemical Makers, Cost Jobs and Raise Prices for Cars and Shampoo,” CQ Weekly, Sept. 19, 2005.

“The Institute for Supply Management, which issues a monthly report on the U.S. industrial sector, reported this week that prices manufacturers are paying for goods surged in August. Rising energy costs pushed a key index measuring prices to 62.5 from July’s 48.5.”

“Cost of Warm, Stocked House Surges; Household Goods’ Raw Materials Scarcer,” The Baltimore Sun, September 3, 2005.

Appendix N: Comments on Draft Environmental Impact Statement

"Industry groups, including the American Chemistry Council, argue it is important to find more natural gas to get prices down. The fuel, which has increased five-fold in recent years, not only is used widely to heat homes and for electric power but also in the making of fertilizer and other chemical products."

"Katrina Spurs New Debate on Energy Policy," *Associated Press*, September 12, 2005

"Although not as prominent as oil – its fossil fuel cousin – natural gas is used for heating and cooking in over 61 million homes, according to the U.S. Energy Information Administration. Nearly 25 percent of the country's electricity comes from gas."

"Natural Gas Prices Put U.S. Jobs and Businesses At Risk," *CQ Green Sheets*, Sept. 22, 2005

"The U.S. Energy Information Administration estimates natural gas prices could rise by 71 percent in the Midwest and an average of 50 percent nationwide. And Mother Nature may yet again make the problem worse...If we have a particularly cold winter, an unusually cold winter, the market will be even then much tighter."

The Today Show, NBC News, Sept. 29, 2005

"The Energy Information Administration predicts that natural gas prices will remain above \$10 per million cubic feet throughout peak winter demand. EIA analysts estimate that the average Midwestern household will pay between 71 percent and 77 percent more for natural gas this winter compared to last year."

"Bingaman Says Agencies Must Immediately Implement Energy Law," *EnergyWashington Week*, Sept. 28, 2005

"The U.S. Interior Department reported that as of September 29, 2005...shut-in [natural] gas production [in the Gulf of Mexico, following the hurricanes] is 7,979 cubic feet (79.79 percent of the daily production.)"

"Hurricane Update," CMAI, petrochemicals consultant, Sept. 29, 2005

"Marshall Steeves, energy analyst at Refco in New York...said [natural] gas traders are worried about the amount of supply affected by the recent hurricane. A US government report this week raised the amount of natural gas production shut down in the US Gulf of Mexico from 78 to 80 per cent. 'The market has been looking for more gas to come back into production. Instead there appears to be more output affected than we first thought,' he said."

"Natural Gas Prices Rise to Record High," *Financial Times*, Sept. 30, 2005

"[Senator Jeff] Bingaman's letter to Energy Secretary Samuel Bodman urges the [Dept. of Energy] to take action to reduce natural gas demand by consulting with states, consumers and industry to develop an action plan. The first step would be to initiate a public outreach similar to the one employed in California during the 2000-01 energy crisis. The Energy Policy Act of 2005 authorizes \$90 million a year for DOE to implement a conservation campaign. 'I urge you to initiate a public outreach program targeted at natural gas this fall,' wrote Bingaman."

"Bingaman Says Agencies Must Immediately Implement Energy Law," *EnergyWashington Week*, Sept. 28, 2005

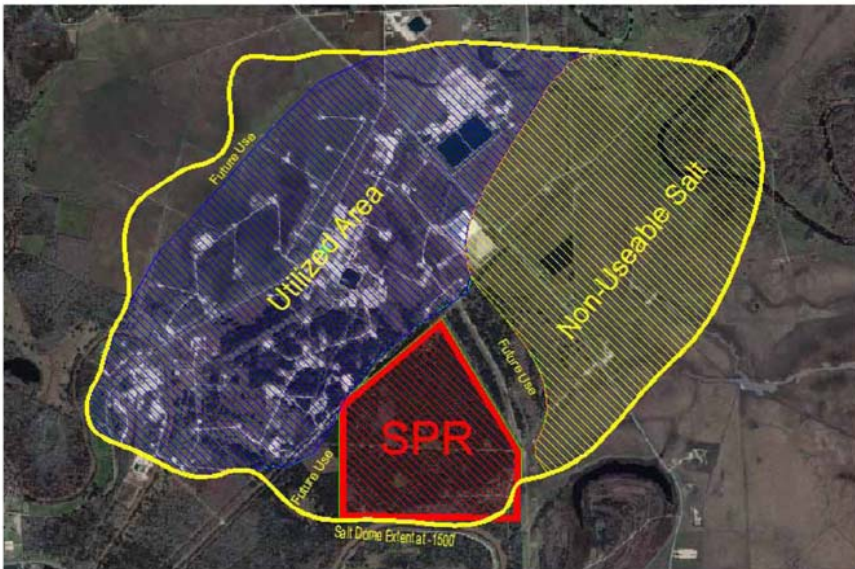
38

"Natural gas again hit record highs Wednesday as the delay in restarting production in the Gulf of Mexico worries investors that damage may be more severe than expected... ..The hurricanes boosted prices for natural gas more than for other commodities because the country cannot import enough gas to make up for possible deficiencies. Moving natural gas long distances involves liquefying the gas, and the country has limited facilities to process such gas. 'Industry is starting to realize that natural gas is scarce. There's no such thing as a strategic natural gas reserve. We're on our own,' said Walter Otstott, a trader with Dallas Commodity Co."

"Natural Gas Hits Record: Production Delays Spur Fears That Rita Damage Is Worse Than Expected," *The Dallas Morning News*, Sept. 29, 2005

39

Stratton Ridge Dome Usage and SPR Site



SPR Expansion Newest Proposal 7-06



SPR Expansion Newest Proposal 7-06



37

36

RESOLUTION NO. R-06-516

RESOLUTION OF THE CITY OF LAKE JACKSON, TEXAS, IN OPPOSITION TO A STRATEGIC PETROLEUM RESERVE AT STRATTON RIDGE

WHEREAS, it is understood that the Energy Policy Act of 2005 directs the Secretary of Energy to fill the Strategic Petroleum Reserve to its one billion barrel capacity, and this will require the Department of Energy to expand the Strategic Petroleum Reserve, such plans to include adding one new storage site, and

WHEREAS, Stratton Ridge, Texas is one of the new sites being considered from the group of sites previously assessed in the Draft Environmental Impact Statement, and Stratton Ridge is located within Brazoria County, Texas, and

WHEREAS, the proposal to locate a Strategic Petroleum Reserve storage operation at Stratton Ridge, Texas would have an adverse affect on the area's chemical manufacturing industry which constitutes the very foundation of the economy of South Brazoria County with over five thousand direct jobs and as many as four to eight times that number of indirect jobs among contractors and suppliers; and

WHEREAS, the City of Lake Jackson and other cities in Southern Brazoria County would be harmfully affected by expansion of the Strategic Petroleum Reserve at Stratton Ridge, Texas, since much of the annual revenue for the cities flows from the Chemical Manufacturing Industries; and

WHEREAS, the expansion of the Strategic Petroleum Reserve at Stratton Ridge would create virtually no significant economic benefit that could conceivably compensate for the potential harm it would do the local economy; and

WHEREAS, the Department of Energy has other options to meet its mandated expansion of the Strategic Petroleum Reserve capacity;

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Lake Jackson, Texas hereby opposes said location of a Strategic Petroleum Reserve at Stratton Ridge, Texas.

APPROVED AND ADOPTED by the Council of the City of Lake Jackson, Texas, this 3rd day of July, 2006.


Bob Sipple, Mayor
City of Lake Jackson, Texas

ATTEST:

Alice Rodgers
City Secretary

Appendix N: Comments on Draft Environmental Impact Statement

7

1 could ultimately cause Dow in Freeport to lose its global
2 competitiveness and, again, with the potential result in
3 the inevitable and painful shutdown.

4 Thank you for allowing me to express our
5 concerns and state the reasons why Dow opposes the use of
6 the Stratton Ridge location for the new Strategic
7 Petroleum Reserve site.

8 Thank you very much.

7:29P 9 MR. DAVID JOHNSON: Thank you.

10 MS. KAREN FADELY: I'd like to call David
11 Stedman of the Economic Development Alliance for Brazoria
12 County.

13 MR. DAVID STEDMAN: Thank you.

D0092

14 I'm David Stedman, S-t-e-d-m-a-n. I'm the
15 president and CEO of The Economic Development Alliance for
16 Brazoria County.

17 The Economic Development Alliance is an
18 organization composed of businesses large and small. We
19 have members that include chemical manufacturers, people
20 in the petroleum industry, contractors, engineers,
21 retailers, businesses of all types. Some of our members
22 are small businesses that depend on the local economy and
23 the spending dollars that are created by some of the large
24 industries. Our economy is interrelated.

1 | 25 And so, on the 12th of June, our board met

8

1 to represent the entire business community of Brazoria
2 County and unanimously adopted this resolution, the
3 Resolution, In Opposition to the Strategic Petroleum
4 Reserve At Stratton Ridge, Whereas, the Economic
5 Development Alliance for Brazoria County's mission is to
6 promote and to diversify the economic base, attract
7 high-wage jobs and target industries to Brazoria County,
8 and support and champion the interests of existing
9 business; and Whereas, it is understood that the Energy
10 Policy Act of 2005 directs the Secretary of Energy to fill
11 the Strategic Petroleum Reserve to its one billion barrel
12 capacity, and this will require the Department of Energy
13 to expand the Strategic Petroleum Reserve, such plans to
14 including -- to include adding one new storage site; and
15 Whereas, Stratton Ridge, Texas, is one of the new sites
16 being considered from the group of sites previously
17 assessed in the Draft Environmental Impact Statement, and
18 Stratton Ridge is located within Brazoria County, Texas;
19 Whereas, the proposal to locate a Strategic Petroleum
20 Reserve storage operation at Stratton Ridge, Texas, would
21 have an adverse effect on the area's chemical
22 manufacturing industry which constitutes the very
23 foundation of the economy of South Brazoria County with
24 over 5,000 direct jobs and as many as four to eight times
25 that number of indirect jobs among contractors and

Appendix N: Comments on Draft Environmental Impact Statement

2

1 suppliers; Whereas the expansion of the Strategic
2 Petroleum Reserve at Stratton Ridge would create virtually
3 no significant economic benefit that could conceivably
4 compensate for the potential harm it would do to the local
5 economy; and Whereas, the Department of Energy has other
6 options to meet its mandated expansion of the Strategic
7 Petroleum Reserve capacity. Now, Therefore, Be It
8 Resolved, that the Economic Development Alliance for
9 Brazoria County hereby opposes said location of a
10 Strategic Petroleum Reserve at Stratton Ridge, Texas.

11 And hereby -- in witness hereby, we set our
12 hands.

13 So, I appreciate the opportunity to read
14 this Resolution into the record. And I would just like to
15 add my personal comments to this.

16 One of the potential -- or one of the great
17 benefits of heading an organization like the Economic
18 Development Alliance is to look at Brazoria County and
19 look at it as it can be as well as as it is. We want to
20 diversify our economy, and we're working to do that with
21 the support of the chemical manufacturing industry and
22 with the support of our court and all the various elements
23 that make up our existing economy. And we're doing that
24 with things like nanotechnology and biotechnology in terms
25 of trying to attract those to Brazoria County. But how

1 many nanotechnology companies or how many biotechnology
2 companies would it take to compensate for the loss of one
3 single plant that operate within Brazoria County? We just
4 couldn't do it.

5 Like it or not, the chemical manufacturing
6 industry has been, is now, and will be for the foreseeable
7 future the absolute bedrock of the economy of Brazoria
8 County. And we realize that the existence of that
9 industry here -- just as Bob just got through saying -- it
10 is based on the global competitiveness of our site and --
11 as a means or a base of operation versus sites that exist
12 all over the globe and all over the world.

13 One of the great strategic advantages that
14 we have here is the salt that exists within Stratton
15 Ridge, within those caverns, to take that salt and pump it
16 out as brine and dump it out into the ocean when it could
17 be used to support the people of Brazoria County which
18 ultimately is what Dow exists for, is what BASF exists
19 for, what Schenectady and what Shintech and what
20 ConocoPhillips and all of the big chemical and
21 manufacturing complexes around here, they exist to make a
22 profit but they also exist to provide welfare for our
23 people. That's what puts roofs over families' heads.
24 That's what sends kids to college, and it's what puts
25 bread on the table.

Appendix N: Comments on Draft Environmental Impact Statement

11

1 So, therefore, I think that we need to
2 really evaluate this in terms of risks. The risks that
3 you talk about on your slide are risks of disaster or
4 environmental impact; but there's also a risk when people
5 can't work, when people can't feed their families.

6 When I first came here to the Economic
7 Development Alliance, in some of our cities, we had
8 employment (sic) as high as 17 percent. 17 percent.
9 Think about that. That means almost one in five people
10 are out of a job. Now, because of some things that we
11 have done in the expansion and activity that we have here,
12 we now have a good unemployment rate and it's dropping.
13 We happen to be fortunate right now that it's a little bit
14 lower than the state level. And we're real proud of that.
15 But that could be reversed instantly with the decision not
16 to keep a plant open or put it somewhere else because
17 there's a better strategic environment there. And so, I
18 urge you to look at all your alternatives and pick some
19 place other than Stratton Ridge for the Strategic
20 Petroleum Reserve expansion.

21 Thank you very much.

22 MS. KAREN FADELY: I'd like to call Bill
23 Henry of Freeport LNG.

7:36P 24 MR. BILL HENRY: My name is Bill Henry,
25 H-e-n-r-y. I'm vice president of Freeport LNG. I just

D0093

12

1 want to make a few comments here. While our business is
2 not directly dependent upon salt, I should mention to you
3 that Dow Chemical is the 15 percent owner of Freeport LNG;
4 and we're very concerned about their welfare. They're
5 also one of the biggest customers of our terminal. We
6 want to see their economic viability continue for a long
7 period of time so that they can utilize our facilities.

8 One of the comments I wanted to make is that
9 in your environmental impact statement study it was
10 unclear to me, as I went through it, that you were really
11 considering the fact that there was an LNG plant being
12 built here. Let me assure you that it is. We were -- we
13 had filed for and received our federal regulatory permits
14 back in June of 2004. In August of 2005 we started
15 construction. In January, 2005, we are 18 months into
16 construction. First deliveries through the first phase of
17 our plant will begin at the end of '07 and continue from
18 thereon.

19 We have also filed for an expansion of this
20 facility. It's specified in those dockets there. That
21 expansion is to go from 1.5 Bcf of daily capacity to 4 Bcf
22 of daily capacity at the terminal. That was filed in May
23 of 2005. The environmental assessment on that has just
24 been published, and it is on the FERC agenda for July.
25 So, we anticipate getting all the permits for that by the

Appendix N: Comments on Draft Environmental Impact Statement

13

1 end of this year and -- and then possibly starting
2 construction at the first part of 2007.

3 We also have as part of this project a
4 send-out pipeline -- a 42-inch send-out pipeline which
5 goes from Quintana Island to Stratton Ridge. It actually
6 crosses the 40-inch DOE line going to Texas City. That's
7 a high-pressure pipeline. 1250 pounds, MAOP of 1440. So,
8 I want to make sure that if you're going to build another
9 pipeline you be real careful where you put it.

10 The second thing that's in our expansion is
11 salt cavern storage wells. We have in our plans to build
12 up to two natural gas salt cavern storage wells as part of
13 our Freeport LNG facility. We have permitted those with
14 the Texas Railroad Commission. They're considered
15 non-jurisdictional by FERC. So, they were permitted by the
16 Texas Railroad Commission. That docket is shown in the --
17 the material I have given you. So, that -- that's going
18 to happen. It is on the other side about approximately
19 where you pointed. I will send you by E-mail the X and Y
20 coordinates of those particular -- those wells so that
21 you'll be able to consider those in your consideration.

22 Our position is that -- is that we want to
23 make sure that you've considered our operations in any
24 development just like we would be concerned about Dow or
25 anybody else's development therein concerning our

14

1 operations.

2 One other thing, which I don't know if it
3 was recognized in your environmental impact statement, but
4 because of our first phase and second phase, we would have
5 up to 400 LNG ships a year coming into this port. So,
6 we're going to add fairly considerably to the marine
7 traffic coming in here. We have worked with the Coast
8 Guard. We have received our waterway suitability studies
9 for that number of ships. So, I suggest those are things
10 that you may want to consider as you consider your project
11 with additional ships and crude carriers that would come
12 into the Freeport port.

13 I think that's it. I appreciate your time.

14 MR. DAVID JOHNSON: Thank you.

15 MS. KAREN FADELY: At this point that's all
16 the speakers that I had pre-registered. So, I'd like to
17 open it up, if you want to raise your hand.

7:42P

18 MR. VICK WADE: My name is Vick Wade. I'm
19 coming to you as a local, long-time Brazoria County
20 resident. And I -- I mean, I'm just here to express --
21 I'm not going to give you a long speech or anything but
22 I'm just putting my vote in and my vote would be that we
23 don't -- do not have you-all come in. I just -- I see it
24 as an eminent domain thing that -- and I do have a small
25 business here, and I have long-term interests in our area.

D0094

D0013

June 23, 2006

Donald Silawsky
Office of Petroleum
Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue
SW., Washington, DC 20585-0301;
(email at Donald.Silawsky@hq.doe.gov)

Re: Draft Environmental Impact Statement: Site Selection for the
Expansion of the Strategic Petroleum Reserve, DOE/EIS-0385

Dear Mr. Silwasky,

The Gulf Restoration Network (GRN) is a diverse coalition of groups and individuals committed to uniting and empowering people to protect and restore the resources of the Gulf Region. The GRN has reviewed the United States Department of Energy's (DOE) draft environmental impact statement (DEIS) assessing a proposed capacity expansion at three of the four existing Strategic Petroleum Reserve (SPR) storage sites and the development of a new storage site at Clovelly, LA; Chacahoula, LA; Richton, MS; Mississippi; Bruinsburg, MS; and/or Stratton Ridge, TX. The GRN has the following concerns and comments:

SCOPE OF REVIEW

The GRN believes that the Draft Programmatic Environmental Impact Statement (DEIS) does not meet the requirements of the National Environmental Policy Act (NEPA). We recognize that Congress, in section 303 of the Energy Policy Act of 2005, required that

not later than 1 year after the date of enactment of this Act, the Secretary shall complete a proceeding to select, from sites that the Secretary has previously studied, sites necessary to enable the acquisition by the Secretary of the full authorized volume of the Strategic Petroleum Reserve.

Nonetheless, the GRN would argue that circumstances surrounding the DOE's decision have changed substantially, particularly in light of the 2005 hurricane season and the prediction of increasing hurricane severity in the Gulf of Mexico over the next ten years. Although the DEIS

notes that its existing facilities and the proposed sites survived the storm, existing storm barriers (wetlands, barrier islands, etc) in Louisiana, Mississippi, and Texas are being lost, putting coastal facilities at greater risk. It is not, therefore, in the national interest to expand the SPR in the coastal areas of the Gulf states. Instead, the DOE should request that Congress revisit the provisions of the Act to allow consideration of sites outside the coastal area of the Gulf that were not previously considered.

BRINE DUMPING IN THE GULF UNACCEPTABLE

The DOE must fully analyze the potential impacts of, and where possible, avoid alternatives that would require disposal of brine in the Gulf of Mexico. Depending on the season, a salinity change of 4.23 may or may not be a "normal" variability as claimed by the DOE. In either case, during the summer, discharge near the bottom can contribute to low oxygen, which in turn, can affect finfish and other marine species.

The DOE has already identified alternatives to ocean dumping at some sites. For example, expansion of the Bayou Choctaw and West Hackberry sites would involve disposal of the brine in underground injection wells (DEIS at pp. 2-10, 2-11). Similarly, construction of a storage site at Clovelly and/or Bruinsburg would involve disposal of brine via underground injection. Accordingly, it is clear that discharge of brine to the Gulf is not the only disposal option. Yet, despite the potential for harmful impacts to marine species, the DEIS does not consider alternative disposal scenarios for brine at the other sites. The final EIS must fully analyze alternatives to disposal of brine in the Gulf of Mexico at other sites, and if no other alternative exists, should eliminate those sites from consideration.

PREFERRED ALTERNATIVE MUST BE LEAST ENVIRONMENTALLY DESTRUCTIVE ALTERNATIVE

The goal of the Energy Act of 2005 is to expand the SPR to 273 MMB. The final EIS should develop as their preferred alternative one that includes those site decisions that would lead to the least environmentally destructive options.

It is evident from review of the DEIS that expansion of existing SPR sites would require minimal additional infrastructure and minimal impact, over and above that associated with initial construction, on environmental resources. Expansion of these sites could account for 153 MMB of the 273 MMB target (DEIS at p. S-3). Expansion of existing sites, should therefore, be part of the preferred alternative.

With regard to the remaining 120 MMB short fall, the question then becomes identification of new sites which would be the least environmentally damaging.¹ Although the 6 sites considered

¹ Although the mathematically the shortfall would be 120 MMB, DOE asserts that 160 MMB is needed to provide capability to store two types of crude oil and support a drawdown rate of 1 million barrels per day. (DEIS at p. S-3). It is unclear from the DEIS why this is necessary, or why 160 MMB was not included in setting the target (i.e. a target of 313 MMB would include the 160 MMB). What is clear, however, is that by making this claim DOE

4 for a new facility could all - singly or in combination - meet the target, it is clear that some carry significantly greater potential environmental impact than others. Specifically, there are at least 3 sites that have the potential to inflict significant and irreparable (non-mitigable ?sp?) environmental impacts. **These sites should be excluded from consideration and should not be included in any preferred alternative.** These sites are:

(1) **The Chacahoula, LA site:**

Development of the Chacahoula site would require the clearing of 239 acres of cypress-tupelo swamp, and removal of trees from an additional 90 acres. The DEIS notes that the site falls within a large continuous patch of cypress-tupelo wetlands in the area and also indicates that there is an abundance of this habitat in the region (DEIS, p 3-220). The DEIS ignores environmental realities as reflected by the conclusions of a Science Working Group (SWG) empanelled by Governor Blanco (LA).

It is true that cypress-tupelo swamps were once abundant in coastal Louisiana. These forests were extensively clear-cut early in the last century and extensive parts of Louisiana's Maurepas Basin and other parts of the Deltaic plain where such clear-cutting occurred have witnessed **no significant regeneration of cypress trees**. In fact, some scientists doubt that cypress swamps can regenerate in the face of rising water levels and the continuing deterioration of wetlands being experienced in coastal Louisiana. Successful sprouting of seeds can take place only during prolonged drought conditions when deep swamps have exposed unsaturated soils, conditions which are not likely today in coastal Louisiana.

6 The Governors' SWG scientists have identified three "condition classes" for the coastal wetland forests:

- Class I:* Sites with Potential for Natural Regeneration;
- Class II:* Sites with the Potential for Artificial Regeneration Only (through use of aggressive reforestation techniques); and
- Class III:* Sites with No Potential for either Natural or Artificial Regeneration

Within the final EIS the DOE must determine the class of Cypress/Tupelo wetlands located on the Chatahoula site. If, as suspected, the Chacahoula site consists of Class III cypress/tupelo swamps. The wetland impacts associated with development of this site will not be mitigable in-kind or in region. If it is found that the forests on the site are a Class II wetlands, the DOE must include within any mitigation plan, an acknowledgement that mitigation will be in-kind requiring aggressive reforestation, to ensure replacement of this dwindling natural resource.

eliminates from possibility the selection of one of the least environmentally damaging sites (Clovelly, LA) unless combined with another site. (i.e. Clovelly has capacity for 120 MMB but not 160 MMB).

(2) **The Richton, MS site:**

7 Selection of this site also poses a significant risk of environmental degradation and irreparable damage to endangered species. Predominantly these impacts are associated with water withdrawal associated with salt dome excavation. As currently planned, water will be withdrawn from the Leaf River (DEIS at p. 2-44). The DEIS authors admit that "the flow rate of the Leaf River is highly variable and there would be significant potential for withdrawing a significant fraction of the total river flow during drought periods (DEIS at p. 2-70). In fact, during low flow, withdrawal from the Leaf River could constitute as much as 11% or more of total flow in the river. Such a withdrawal rate during low flow conditions, as aptly noted by the DEIS, could significantly impact downstream aquatic communities as the decrease in flow would lower water depth, reduce stream channel width, and change currents. The severity of the effect on species would depend on the length and frequency of low-flow rate in the Leaf River during the four to five years of cavern solution mining (DEIS at pp.3-253, 3-254). Water withdrawal could also potentially affect water quality as it would reduce capacity of river to assimilate waste from non-point and permitted dischargers (DEIS at p. 3-254). In addition, several pipeline Right of Ways (ROWs) will cross the lower Pascagoula drainage, potentially affecting habitat for resident endangered species.

The area of the Leaf River that will be the site of this activity is designated habitat for several species listed as threatened or endangered under the Endangered Species Act or that are candidates for listing. For example, the pearl darter (a federal candidate species) has been documented throughout the Leaf River to the lower Pascagoula drainage. The black pine snake (another federal candidate species) and the gopher tortoise (a federally listed species) are found within close proximity of both the proposed storage site and all ROW's. In fact, the segment containing the RWI is designated as critical habitat for the federally threatened gulf sturgeon (DEIS, p. 3-247). Both, the USFWS and Mississippi Natural Heritage Program have expressed serious concern about the effect that selection of the Richton site will have on water flow and the Gulf sturgeon, due to the importance of the Leaf River near Hattiesburg to spawning and juvenile sturgeon (DEIS at p 3-255).

(3) **The Stratton Ridge, TX site**

Choice of this site would require two ROW's crossing the Brazoria National Wildlife Refuge (NWR) (DEIS, at p. 2-74). Approximately three miles of the co-located RWI pipelines, brine disposal pipeline, and power line ROW would cross the southwestern edge of the Brazoria NWR complex. In addition, 4.7 miles of the pipeline along the existing Bryan Mound pipeline ROW would cross the refuge along its northern border.

8 The Brazoria NWR was established to provide habitat for migratory waterfowl and other birds (DEIS at pp. 3-262-263). ROW crossings of the NWR would reduce the areas value as habitat and thus undermine the purposes of the NWR.

9 The authors of the DEIS admit that some "wildlife would be killed or displaced to surrounding areas during construction at the Stratton Ridge." Due to the fact that forested

9 wetland habitat is uncommon in the area, some wildlife species may be unable to find suitable habitat, including migrating neo-tropical birds that use palustrine forested wetlands as stopover habitat. Reduction in the quantity of forested habitat available to these birds would add to the stress of annual migration (DEIS at p. 3-266). In short, selection of this site would result in potential irretrievable injury to increasingly rare forested wetland habitats in the area and the bird species dependent upon those habitats, and will potentially undermine the purposes of an established NWR.

10 In the opinion of the GRN, the site with the least environmental impacts is the Clovelly, LA site. The proposed Clovelly SPR site is located at the existing site of the Louisiana Offshore Oil Port (LOOP) dome storage facility. Except for the new RWI structure, the facility would, with the exception of a new RWI and 0.1 mile access road, rely on existing LOOP infrastructure, thereby reducing construction impacts. Although brine disposal in the Gulf is contemplated, there few, if any, additional environmental impacts from the selection of this alternative that are not already associated with the LOOP facility (DEIS, pp. 2-35-2-39). Although some dredging and filling of wetlands is contemplated, the impacts to jurisdictional wetlands associated with this site are much less than are those at other sites being considered. The GRN would argue, therefore, that if a new site in the coastal area of the Gulf states must be selected from those already considered by the DOE, Clovelly should be the chosen as the preferred (least environmentally destructive) alternative.

We recognize that Clovelly only has the capacity for 120 MMB, and that DOE asserts that 160 MMB is required. However, under the Energy Act of 2005 the fully authorized volume for the SPR is 263 MMB, not 313 MMB. The Clovelly site if chosen would provide capacity for the fully "authorized" volume and thus should not be excluded from consideration on the basis that it does not have sufficient capacity. In the event that DOE persists in its assertion that it must have 160 MMB, some combination of the Clovelly site and the Bruinsburg, MS site should be considered. Although the Bruinsburg site involves unacceptable environmental impacts, it is evident that those impacts are not as egregious as are those associated with the three sites discussed above and thus must be considered the lesser of the evils presented by the restrictions placed on site selection by the Energy Act of 2005.

INCORPORATION OF COMMENTS

The GRN notes that comments are being submitted by persons having expertise on issues of specific concern to the GRN. We therefore adopt as our comments and incorporate herein by reference any and all comments submitted by the Gulf of Mexico Regional Fishery Management Council, the Gulf States Marine Fish Commission, the U.S. Fish and Wildlife Service, and the U. S. Environmental Protection Agency,

Respectfully submitted,

Cynthia M. Sarthou
Executive Director

Appendix N: Comments on Draft Environmental Impact Statement

20

1 MR. DAVID JOHNSON: Thank you very much.

2 MS. KAREN FADELY: Would anybody else like
3 to come up?

7:50P

4 MR. TOMMY SORIERO: I don't have a prepared
5 statement. My name is Tommy Soriero. I represent the
6 owner of Pinto Energy Partners. We are the owner of the
7 majority of the land where the -- the site has -- has been
8 platted, and I want to make a statement. I'm not going to
9 reiterate the words of Mr. Walker and Mr. Henry, but we
10 have owned the property since the Thirties with the view
11 towards the mineral value of both the salt and the storage
12 capabilities from the property itself.

D0098

13 We have in the last year worked a deal with
14 Freeport LNG. They are building their cavern -- both
15 their caverns, and they are permitted on our property. We
16 also have additional development underway on the property
17 for additional caverns both for gas storage to support the
18 LNG and the local consumption of the chemical facilities
19 in the area. We also have, obviously, a very large
20 interest in the mineral value of the salt that Mr. Walker
21 alluded to in his speech that we hate to see that -- that
22 mineral wasted and it seems like it'd certainly be a way
23 to accomplish both goals both realizing the mineral value
24 of the salt as it is mined and not being wasted since
25 there is a consumer in the area that could take the salt

1

21

1 and it's also something, I said, the company has owned
2 for -- in the range of 70 years -- maintain the ownership
3 of this land for this specific reason. And we anticipate
4 that there's probably going to be a difference in the
5 economic value as being proposed by -- by the DOE versus
6 our company and how long we've held the property with the
7 development plans that we have and this would certainly
8 interfere with all of those plans.

1

9 What we would like to see is -- is some way
10 to work out a -- an arrangement whereby both the mineral
11 can be extracted and the value derived from those minerals
12 which -- like I said, I'm not going to reiterate all the
13 words -- chemical producers in that area would like to see
14 that mineral exploited and -- and the operations as well
15 as potentially provide the storage for the -- for the SPR
16 utilizing those same caverns in that same production
17 process.

18 Now, I know that it's difficult to
19 accomplish all those goals at the same time but it's
20 certainly something that would be done with minimum waste
21 and -- and most value to us, the mineral owner, and to the
22 chemical consumption industries -- or the chemical
23 production industries that use the salt as feedstock and
24 as well as to develop a potential of the property for gas
25 storage which was just alluded to that we see in the

1 infrastructure and the storage that is capable of being
2 developed on the property for the natural gas, we see it
3 as being as, you know, every bit as important as the
4 security and the need for the oil storage.

5 Thank you.

7:53P

6 **MR. SHANE PIRTLE:** Shane Pirtle,

D0099

7 F-i-r-t-l-e, immediate and former mayor of Lake Jackson.
8 And I won't presume to speak for other elected officials.
9 I say that -- as you've already heard, Dow Chemical is a
10 major -- the primary employer in this community, largest
11 employer in this community; and obviously it's a
12 substantial contributor to this community.

1

13 So, with that being said, we wouldn't want
14 to see anything that jeopardizes what we've seen as a
15 great partner in this community both as an employer and
16 contributing in a number of other activities. So, I think
17 that would -- and as well as the cities -- all those --
18 most of the large cities are members of The Economic
19 Development Alliance and we're a part of this resolution.

20 Thank you.

21 **MS. KAREN FADELY:** Would anybody else like
22 to come up and make a comment?

23 Go ahead, ma'am.

7:54P

24 **MS. JANICE EDWARDS:** My name is Janice
25 Edwards. And my background -- and I'm retired from Getty,



Houston Regional Group
P. O. Box 3021
Houston, Texas 77253-3021
713-895-9309
<http://texas.sierraclub.org/houston/>

July 18, 2006

D0113

Mr. Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, D.C. 20585-0301

Dear Mr. Silawsky,

Enclosed are the comments of the Houston Regional Group of the Sierra Club (HSC) regarding the Department of Energy's (DOE) Draft Environmental Impact Statement (EIS) for the Strategic Petroleum Reserve Expansion (SPRE). The HSC understands that the deadline for the EIS has passed. Until last week we were not aware where the proposed locations for the SPRE were and that the Stratton Ridge site in Brazoria County would destroy several hundred acres of Columbia Bottomlands ecosystem.

The HSC has been involved with protection of the Columbia Bottomlands ecosystem for over 10 years. We are very concerned that that DOE will choose the Stratton Ridge site and inadequately mitigate damage to the Columbia Bottomlands ecosystem and other wetlands ecosystems.

1) The HSC is appalled that the DOE has no wetlands delineation to document the potential damage. The wetlands delineation for the Stratton Ridge site is needed to create an adequate mitigation plan. This DEIS should be withdrawn or supplemented with a new public comment period when the DOE conducts a wetlands delineation and the Corps of Engineers verifies its accuracy. **The public and decision-makers need the wetlands delineation in the DEIS to review, comment on, and understand the full environmental impacts of the SPRE.**

1

2) The HSC requests that a 10:1 compensation ratio (in acres) be assigned to any Columbia Bottomlands that are destroyed or damaged by the proposed SPRE. This means that the reported 258 acre loss of Columbia Bottomlands would be mitigated with compensation that results in land acquisition, protection, and management of 2,580 acres of Columbia Bottomlands forested wetlands. The HSC recommends that an amount of money that will buy 2,580 acres of Columbia Bottomlands forested wetlands be earmarked and given to the U.S. Fish & Wildlife Service for the acquisition of this compensation land.

"When we try to pick out anything by itself, we find it hitched to everything else in the universe." *John Muir*

Printed on 100% Kenaf tree free paper

An EIS is not complete unless it contains "a reasonably complete discussion of possible mitigation measures." *Robertson v. Methow Valley Citizens Council*, 490 U.S. 332, 352, 109 S.Ct. 1835, 104 L.Ed.2d 351 (1989). ("...omission of a reasonably complete discussion of possible mitigation measures would undermine the "action-forcing" function of NEPA. Without such a discussion, neither the agency nor other interested groups and individuals can properly evaluate the severity of the adverse effects.") That requirement is implicit in NEPA's demand that an EIS must discuss "any adverse environmental effects which cannot be avoided should the proposal be implemented." *Id.* at 351-52, 109 S.Ct. 1835 (quoting NEPA, 42 U.S.C. § 4332(C)(ii)); see also 40 C.F.R. § 1502.16(h) (stating that an EIS must contain "[m]eans to mitigate adverse environmental impacts").

A "mitigated FONSI" is upheld when the mitigation measures significantly compensate for a proposed action's adverse environmental impacts. *Friends of Endangered Species, Inc. v. Jantzen*, 760 F.2d 976, 987 (9th Cir.1985); *Greenpeace Action*, 14 F.3d at 1332-33. See also *City of Auburn*, 154 F.3d at 1033 (agency may condition its decision not to prepare a full EIS on adoption of mitigation measures). However, although mitigation measures need not completely compensate for adverse environmental impacts, *Friends of the Pavette v. Horseshoe Bend Hydroelectric Co.*, 988 F.2d 989, 993 (9th Cir.1993), the agency must analyze mitigation measures in detail and explain how effective the measures would be. *Northwest Indian Cemetery Protective Ass'n v. Peterson*, 795 F.2d 688, 697 (9th Cir.1986), *rev'd on other grounds, Lynq v. Northwest Indian Cemetery Protective Ass'n*, 485 U.S. 439, 108 S.Ct. 1319, 99 L.Ed.2d 534 (1988). "A mere listing of mitigation measures is insufficient to qualify as the reasoned discussion required by NEPA." *Id.* Instead, mitigation measures should be supported by analytical data, *Idaho Sporting Congress v. Thomas*, 137 F.3d 1146, 1151 (9th Cir.1998), even if that data is not based on the best scientific methodology available. *Greenpeace Action*, 14 F.3d at 1333. The general invocation of a term like "Best Management Practices" does not satisfy the NEPA requirement that the analysis discuss measures to mitigate the proposed action's adverse environmental impacts. *Northwest Indian Cemetery Protective Ass'n v. Peterson*, 565 F.Supp. 586 (D.C.Cal. 1983).

In other words, the applicable regulations require that a DEIS discuss means to mitigate adverse environmental impacts of the proposed action. Those mitigation measures must be analyzed in detail and must explain, in detail, how effective they will be in mitigating any adverse environmental impacts. Without analytical data to support the proposed mitigation measures they amount to nothing more than a "mere listing" of good management practices. A mere listing of mitigation measures is insufficient to qualify as the reasoned discussion required by NEPA. Simply pointing out, for instance, that BMPs will be followed is not an adequate discussion of means to mitigate adverse environmental impacts.

2

The DEIS does not analyze any mitigation measures in detail or explain how effective these measures would be. This could hardly qualify as a detailed analysis.

1 The DEIS does not adequately analyze mitigation measures in detail and lacks an explanation of how these measures would be effective for this particular project. The mitigation measures are not supported by any site-specific analytical data. Therefore the DEIS violates NEPA. Without this analysis and a showing that the mitigation measures will be effective at averting significant environmental effects the DEIS is deficient.

3) The HSC is concerned that cumulative impacts have not been adequately covered in the SPRE DEIS. There is insufficient documentation in the DEIS of cumulative impacts, including direct, indirect, secondary, and connected impacts of past, present, and foreseeable future actions. Yet the NEPA and the CEQ require that analysis, assessment, and evaluation of cumulative impacts be conducted. Please see Chapters 1502.16, 1508.7, and 1508.8 of the CEQ regulations which are binding on all federal agencies to implement. The DOE does not include in its cumulative impacts analysis all past actions.

At minimum, an adequate cumulative effects analysis must:

1) Identify the past, present, and reasonably foreseeable actions of DOE and other parties affecting each particular aspect of the affected environment

2 Must provide quantitative information regarding past changes in habitat quality and quantity, water quality, resource values, and other aspects of the affected environment that are likely to be altered by DOE actions

3) Must estimate incremental changes in these conditions that will result from DOE actions in combination with actions of other parties, including synergistic effects

4) Must identify any critical thresholds of environmental concern that may be exceeded by DOE actions in combination with actions of other parties

5) Must identify specific mitigation measures that will be implemented to reduce or eliminate such effects

Please also see the CEQ's January 1997 document, "Considering Cumulative Effects Under the National Environmental Policy Act." It is clear that the DOE has an affirmative duty, a statutory duty, and a regulatory duty to carry out cumulative impacts assessment.

Some of the especially important quotes from the CEQ document include:

3

a. On page v, "Only by reevaluating and modifying alternatives in light of the projected cumulative effects can adverse consequences be effectively avoided or minimized. Considering cumulative effects in also essential to developing appropriate mitigation and monitoring its effectiveness."

b. On page v, "By evaluating resource impact zones and the life cycle of effects rather than projects, the analyst can properly bound the cumulative effects analysis. Scoping can also facilitate the interagency cooperation needed to identify agency plans and other actions whose effects might overlap those of the proposed action."

c. On page vi, "When the analyst describes the affected environment, he or she is setting the environmental baseline and thresholds of environmental change that are important for analyzing cumulative effects. Recently developed indicators of ecological integrity (e.g., index of biotic integrity for fish) and landscape conditions (e.g., fragmentation of habitat patches) can be used as benchmarks of accumulated change over time ... GIS technologies provide improved means to analyze historical change in indicators of the condition of resources, ecosystems, and human communities, as well as the relevant stress factors."

d. On page vi, "Most often, the historical context surrounding the resource is critical to developing these baselines and thresholds and to supporting both imminent and future decision-making."

e. On page ... the consequences of human activities will vary from those that were predicted and mitigated ... therefore, monitoring the accuracy of predictions and the success of mitigation measures is critical.

f. On page vi, "Special methods are also available to address the unique aspects of cumulative effects, including carrying capacity analysis, ecosystem analysis, economic impacts analysis, and social impact analysis."

g. On page vii, Table E-1, "CEA Principles ... Cumulative effects analysis ... Address additive, countervailing, and synergistic effects ... Look beyond the life of the action."

h. On page 1, "The range of actions that must be considered includes not only the projects proposal but all connected and similar actions that could contribute to cumulative effects."

i. On page 3, "The purpose of cumulative effects analysis, therefore is to ensure that federal decisions consider the full range of consequences of actions ... If cumulative effects become apparent as agency programs are being planned or as larger strategies and policies are developed then potential cumulative effects should be analyzed at that times."

j. On page 3, Cumulative effects analysis necessarily involves assumptions and uncertainties, but useful information can be put on the decision-making table now ... Important research and monitoring programs can be identified that will improve analyses in the future, but their absence should not be used as a reason for not analyzing cumulative effects to the extent possible now ... adaptive management provisions for flexible project implementation can be incorporated into the selected alternative."

k. On page 4, "The Federal Highway Administration and state transportation agencies frequently make decisions on highway projects that may not have significant direct environmental effects, but that may induce indirect and cumulative effects by permitting other development activities that have significant effects on air and water resources at a regional or national scale. The highway and other development activities can reasonably be foreseen as "connected actions."

l. On page 7, "Increasingly, decision makers are recognizing the importance of looking at their projects in the context of other development in the community or region (i.e., of analyzing the cumulative effects) ... Without a definitive threshold, the NEPA practitioner should compare the cumulative effects of multiple actions with appropriate national, regional, state, or community goals to determine whether the total effect is significant ... Cumulative effects results from spatial (geographic) and temporal (time) crowding of environmental perturbations. The effects of human activities will accumulate when a second perturbation occurs at a site before the ecosystem can fully rebound from the effect of the first perturbation."

m. On page 8, Table 1-2, lists 8 principles of cumulative effects analysis. **A summary of summary of these principles includes:**

1) Cumulative effects are caused by the aggregate of past, present, and reasonably foreseeable future actions.

2) Cumulative effects are the total effect, including both direct and indirect effects, on a given resource, ecosystem, and human community of all actions taken no matter who has taken the actions.

3) Cumulative effects need to be analyzed in terms of than specific resource, ecosystem, and human community being affected.

4) It is not practical to analyze the cumulative effects of an action on the universe; the list of environmental effects must focus on those that are truly meaningful.

5) Cumulative effects on a given resource, ecosystem, and human community are rarely aligned with political or administrative boundaries.

6) Cumulative effects may result from the accumulation of similar effects or the synergistic interaction of different effects.

7) Cumulative effects may last for many years beyond the life of the action that caused the effects.

8) Each affected resource, ecosystem, and human community must be analyzed in term of its capacity to accommodate additional effects, based on its own time and space parameters.

n. On page 19, "The first step in identifying future actions is to investigate the plans of the proponent agency and other agencies in the area. Commonly, analysts only include those plans for actions which are funded or for which other NEPA analysis is being prepared. This approach does not meet the letter or intent of CEQ's regulations ... The analyst should develop guidelines as to what constitutes "reasonably foreseeable future actions" based on planning process within each agency ... In many cases, local government planning agencies can provide useful information on the likely future development of the region, such as master plans. Local zoning requirements, water supply plans, economic development plans, and various permitting records will help in identifying reasonably foreseeable private actions ... These plans can be considered in the analysis, but it is important to indicate in the NEPA analysis whether these plans were presented by the private party responsible for originating the action. Whenever speculative projections of future development are used, the analyst should provide an explicit description of the assumptions involved ... NEPA litigation ... has made it clear that "reasonable forecasting" is implicit in NEPA and that it is the responsibility of federal agencies to predict the environmental effects of proposed actions before they are fully known.

o. On page 23, "Characterizing the affected environment in a NEPA analysis that addresses cumulative effects requires special attention to defining baseline conditions. These baseline conditions provide the context for evaluating environmental consequences and should include historical cumulative effects to the extent feasible.

p. On page 29, "Lastly, trends analysis of change in the extent and magnitude of stresses is critical for projecting the future cumulative effects.

q. On page 29, "Government regulations and administrative standards ... often influence developmental activity and the resultant cumulative stress on resources, ecosystems, and human communities.

r. On page 31, "Cumulative effects occur through the accumulation of effects over varying periods of time. For this reason, an understanding of the historical context of effects is critical to assessing the direct, indirect, and cumulative effects of proposed actions. Trends data can be used ... to establish the baseline for the affected environment more accurately (i.e., by incorporating variation over time) ... to evaluate the significance of effects relative to historical degradation (i.e., by helping to estimate how close the resource is to a threshold of degradation) ... to predict the effects of the actions (i.e., by using the model of cause and effects established by past actions)."

s. On pages 38-40, "Using information gathered to describe the affected environment, the factors that affect resources (i.e., the causes in the cause-and-effect relationships) can be identified and a conceptual model of cause and effect developed ... The cause-and-effect model can aid in the identification of past, present, and future actions that should be considered in the analysis ... The cause-and effect relationships for each resource are used to determine the magnitude of the cumulative effect resulting from all actions included in the analysis ... one of the most useful approaches for determining the likely response of the resource ... to environmental change is to evaluate the historical effects of activities similar to those under consideration.

t. On page 41, "The analyst's primary goal is to determine the magnitude and significance of the environmental consequences of the proposed action in the context of the cumulative effects of other past, present, and future actions ... The critical element in this conceptual model is defining an appropriate baseline or threshold condition of the resource.

u. On page 43, "Situations can arise where an incremental effect that exceeds the threshold of concern for cumulative effects results, not from the proposed action, but the reasonably foreseeable but still uncertain future actions.

v. On page 45, "The significance of effects should be determined based on context and intensity ... Intensity refers to the severity of effect ... As discussed above, the magnitude of an effect reflects relative size or amount of an effect. Geographic extent considers how widespread the effect might be. Duration and frequency refers to whether the effect is a one-time event, intermittent, or chronic.

w. On page 45, "Determinations of significance ... are the focus of analysis because they lead to additional (more costly) analysis or to inclusion of additional mitigation (or a detailed justification for not implementing mitigation) ... the project proponent should avoid, minimize, or mitigate adverse effects by modifying alternatives ... in most cases, however, avoidance or minimization are more effective than remediating unwanted effects."

y. On page 51, "different resource effects that cumulatively affect interconnected systems must be addressed in combination."

The DOE must utilize the CEQ document to the maximum extent possible so that a full and legal cumulative impacts assessment is conducted in the DEIS.

4) If the DOE does not include important information (see wetlands delineation and cumulative impacts comments above) in the DEIS it will hide from the public and decision-makers the magnitude and significance of the SPRE. The need for this information is clearly documented by the following:

- 1) **CEQ NEPA Regulation, 1500.1(b)**, "NEPA procedures must insure that environmental information is available to public officials and citizens before decisions are made and before actions are taken. The information must be of high quality. Accurate scientific analysis, expert agency comments, and public scrutiny are essential to implementing NEPA."
- 2) **CEQ NEPA Regulation, 1500.1(c)**, "The NEPA process is intended to help public officials make decisions that are based on understanding of environmental consequences."
- 3) **CEQ NEPA Regulation, 1500.2(b)**, "Implement procedures to make the NEPA process more useful to decision-makers and the public."
- 4) **CEQ NEPA Regulation, 1500.2(d)**, "Encourage and facilitate public involvement in decisions which affect the quality of the human environment."
- 5) **CEQ NEPA Regulation, 1500.4(b)**, "Preparing analytic rather than encyclopedic environmental impact statements."
- 6) **CEQ NEPA Regulation, 1500.4(f)**, "Emphasizing the portions of the EIS that are useful to decision-makers and the public."
- 7) **CEQ NEPA Regulation, 1501.2(b)**, "Identify environmental effects and values in adequate detail so they can be compared to economic and technical analyses."
- 8) **CEQ NEPA Regulation, 1502.2**, "EISs shall be analytic rather than encyclopedic."
- 9) **CEQ NEPA Regulation, 1502.4(a)**, "Agencies shall make sure the proposal which is the subject of an EIS is properly defined."
- 10) **CEQ NEPA Regulation 1502.16**, "This section forms the scientific and analytic basis for the comparisons ... environmental impacts of the alternatives including the proposed action, any adverse environmental effects which cannot

be avoided should the proposal be implemented, the relationship between short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and irreversible or irretrievable commitments of resources."

11) **CEQ NEPA Regulation, 1502.21**, "No material may be incorporated by reference unless it is reasonably available for inspection by potentially interested persons within the time allowed for comment."

12) **CEQ NEPA Regulation, 1502.24**, "Agencies shall insure the professional integrity, including scientific integrity, of the discussions and analyses in EISs. They shall identify any methodologies used and shall make explicit reference by footnote to the scientific and other sources relied upon for conclusions in the statement."

13) **CEQ NEPA Regulation, 1506.6(a)**, "Agencies shall make diligent efforts to involve the public in preparing and implementing their NEPA procedures."

14) **CEQ NEPA Regulation, 1508.3**, "Affecting means will or may have an effect on."

15) **CEQ NEPA Regulation, 1508.14**, "Human Environment shall be interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment ... When an EIS is prepared and economic or social and natural or physical environmental effects are interrelated then the EIS will discuss all of these effects on the human environment."

16) **CEQ NEPA Regulation, 1508.18**, "Major Federal action includes actions with effects that may be major and which are potentially subject to Federal control and responsibility. Major reinforces but does not have a meaning independent of significantly ... Actions include new and continuing activities, including projects ... approval of specific projects, such as construction or management activities located in a defined geographic area."

17) **CEQ NEPA Regulation, 1508.27**, "Significantly as used in NEPA requires considerations of both context and intensity ... Context means that the significance of an action must be analyzed in several contexts ... For instance, in the case of a site-specific action, significance would usually depend upon the effects in the locale rather than in the world as whole ... Intensity refers to the severity of impact ... impacts may be both beneficial and adverse. A significant effect may exist even if the Federal agency believe that on balance the effect will be beneficial ... Unique characteristics of the geographic area (like the Lone Star Hiking Trail) ... The degree to which the effects on the quality of the human environment are likely to be highly controversial ... The degree to which the possible effects ... are highly uncertain or involve unique or unknown risks ... Whether the action is related to other actions with individually insignificant but cumulatively significant impacts ... Whether the action threatens a violation of

Federal, State, or local law or requirements imposed for the protection of the environment."

Examples of where the DOE is deficient in determining cumulative impacts include but are not limited to:

- 1) The DOE does not examine the cumulative impacts due to the U.S. Army Corps of Engineers not implementing Section 404 as required by the Clean Water Act.
- 2) The DOE does not examine the cumulative impacts due to the Intercoastal Waterway (for instance the continued loss of wetlands due to the widening of the Intercoastal Waterway via boat wakes).
- 3) The DOE does not examine the cumulative impacts due to implementation or lack of implementation of Federal Emergency Management Administration's floodplain and storm surge regulations and development in the 100 year floodplain and the hurricane storm surge areas.
- 4) The DOE does not list all Federal Highway Administration, Texas Department of Transportation, Brazoria County, and Brazoria County cities actions (projects) and discuss in detail the cumulative impacts they have on Columbia Bottomlands forested wetlands and other sensitive environmental receptors.

The HSC requests that the DEIS be revised and put out again for a 60 day public review and comment period. The HSC appreciates this opportunity to comment. Thank you.

Sincerely,

Brandt Mannchen
 Chair, Forestry Subcommittee
 Houston Sierra Club
 Lone Star Chapter
 5431 Carew
 Houston, Texas 77096
 713-664-5962
brandtshnfbt@juno.com

MS. BECKY GILLETTE: First I would like to make a comment that's not really directed to the Department of Energy, but to Congress. And it seems to me that it's -- at a time when global warming is a huge concern and when we've had evidence of that through Hurricane Katrina and are now facing stronger hurricanes as a result, the fact that the government would spend billions of dollars to store more oil rather than investing in the renewable energy and energy conservation is a shame and it's an outrage. That's where our efforts need to be placed, not squirreling away more oil while we spend it like there's no tomorrow. Now, specific to the draft EIS, when I made -- I made this point with the scoping comments, that when this hearing was held in Jackson we were still recovering from the nation's largest national disaster. Local residents, nobody was aware of this. Our elected officials were not aware of it. The environmental community was not aware of it. I am co-chair of the Mississippi Chapter of the Sierra Club. I only became aware of this the day after when a reporter called me for comment and said that there were no opponents or nobody at the scoping meeting in Jackson. If you do look at page S21 on the Potential Resource Impact for Alternatives I think you could see from there that the Richton dome is a not a preferred alternative. And when you put things in a chart like this and look at the different -- different sites that are being considered, that's very useful I guess from a scientific standpoint, but you have a little dot here under water resources. The Leaf River flows into the Pascagoula River which is one of the great river systems of the United States. It is the last large un-dammed river system in the entire U.S. It's incredibly important. The Leaf River is important. I lived up there near the Leaf River myself for 13 years and I can tell you that in periods of drought like now it gets very low and there is an impact from that, water usage. You have as -- as addressed in the EIS, you have all kinds of difficulties, not just with your aquatic resources, but everybody who has a wastewater discharge downriver from that will have less water in which to put their wastewater which causes problems for the municipalities that are discharging that wastewater and also from industrial water users. You may actually have a conflict with Chevron Refinery. There have been times when Chevron Refinery has come very close to not being able to run their refinery because the drought conditions have made the Pascagoula River low. So I would say that that is definitely a conflict of interest there in taking more water out of the Leaf River. Also, even though you only see a few members of the public here I would like to make the point that there was a proposal simply to put a dam on the buoy in Hattiesburg for which flows into the Leaf. That was involved about a year or two ago. I guess it was two years ago now in an area where the gulf sturgeon spawns. There was -- they filled up the whole -- a room bigger than this with people who were opposed to that project, so I think if people knew about the impact -- if people in the Hattiesburg area knew about the impact to the Leaf River water quality alone, that there would be a large number people that would have turned out for that. One point that I do take exception to is this idea that the salt domes are completely stable and nothing ever happens. That isn't true. It's my understanding there have been no new engineering studies at the Richton dome. These domes are inherently unstable. They do change and there should have been new engineering studies done before signing off on saying that this is a stable salt dome that would have no problems. I am also concerned about the ability of the Mississippi Department of Environmental Quality to adequately monitor any problems that might be associated with the salt dome if it leaked oil or if it leaked salt. I believe that some of our drinking water actually comes from up in that area in the underground flow, so I would be concerned about the drinking water quality. And I note here on page S22 of the summary that it says that the

D0083

8 total number of brine spills predicted with each alternative is 96 to 103. We have very productive, important natural estuaries here on the Gulf Coast and if you dump salt water into that you can kill it for years. These are important to our seafood industry and it can take a long time to recover. The other -- this other last point that I will make is I don't think that you've adequately considered the cumulative impact. And I had an idea if TV was here tonight, I was going to walk from the back and just go like this (indicating) and say, I surrender. We have four major public hearings this week in this county of major environmental impacts. We have two LNG boards that you want to put right next to the island that you are talking about putting this marine Shell terminal. These two LNG ports are going to have to require a great amount of security around them. I don't know how you are going to get all of these tankers in and out. 9 Two LNG ports, right next door, Chevron Pascagoula Refinery is planning on expanding, doubling the size of their refinery so they would go from being the seventh largest refinery in the country to the third largest refinery in the country. I just went to a hearing tonight at 6:00 about DuPont Chemical expanding their operations there and bringing in a dangerous chemical that I don't think we need. So I don't think that you've adequately addressed the cumulative impact. This area has been hit hard by Katrina. The last thing we need to do is bring huge amounts of additional developments into the marine area that we rely on for our seafood production and our cultural heritage. Thank you.

[This page intentionally left blank]

N.2.4 Individuals

D0031

DOE selecting the Stratton Ridge Site in TexasFrom: Aguilar Jr, Jesse (J)
[JAguilarJr@dow.com]
Sent: Wednesday, June 28, 2006 3:12 PM
To: Silawsky, Donald
Subject: DOE selecting the Stratton Ridge Site in Texas

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,
Jesse Aguilar

D0032

Stratton RidgeFrom: Dan Ault [permaflame@yahoo.com]
Sent: Wednesday, June 28, 2006 1:30 PM
To: Silawsky, Donald
Subject: Stratton Ridge

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in
Texas. I feel this will eliminate jobs in Brazoria
County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,
Daniel B. Ault

Do You Yahoo!?
Tired of spam? Yahoo! Mail has the best spam protection around
<http://mail.yahoo.com>

Appendix N: Comments on Draft Environmental Impact Statement

D0055

From: Tim B [bucsax2008@yahoo.com]
Sent: Friday, June 30, 2006 1:13 AM
To: Silawsky, Donald
Subject: From a student at Brazoswood

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Do you Yahoo!?
Get on board. You're invited to try the new Yahoo! Mail Beta.

D0042

Salt DomesFrom: Basaldua, Jr, Richard (RC) [RCBasalduaJr@dow.com]
Sent: Thursday, June 29, 2006 6:51 AM
To: Silawsky, Donald
Subject: Salt Domes

Expires: Friday, June 29, 2007 1:00 AM

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Richard C. Basaldua Jr.
Process Operator
Union Steward
(979)238-3705 (wk)
(979)238-0287 (fax)

Appendix N: Comments on Draft Environmental Impact Statement

D0025

From: Rick Basaldua [blaise072602@yahoo.com]
Sent: Wednesday, June 28, 2006 5:47 PM
To: Silawsky, Donald
Subject: Oil reserve in Brazoria County

Dear Mr. Silawsky,

1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Do you Yahoo!?
Next-gen email? Have it all with the all-new Yahoo! Mail Beta.

D0109

July 5, 2006

Mr. Donald Silawsky
U. S. Department of Energy

Dear Sir,

The enclosed editorial is from our local paper, "The Spectator", July 2, 2006.

Please ask Energy Secretary Bodman to choose a site other than Stratton Ridge to store 160 million barrels of oil. This procedure would have an extremely negative impact on Dow Chemical Company.

Dow Chemical is important to Brazoria County. Besides the jobs it supplies, the company is very involved in the total community, as are its employees.

Thank you for reading my letter.

Yours very truly,
Bernice St. Bilich



14A
SUNDAY
July 2, 2006

OURVIEWPOINT

Expansion of oil reserve a good idea — just not here

In August or sometime not long after, the U.S. Department of Energy will choose a spot to store precious cargo — 160 million barrels of oil that will supplement the nation's emergency stockpile of the precious resource.

We wholeheartedly support the expansion of the Strategic Petroleum Reserve, which already includes a site in Brazoria County at Bryan Mound. But it is with just as much vehemence that we join others in Brazoria County in asking the federal government to choose a site other than Stratton Ridge at which to store the oil in underground caverns.

This is not simply another tired case of "not in my backyard." Rather, the caverns near Clute already are filled with a precious resource to industry in this area: salt.

The same brine the Department of Energy is contemplating siphoning out of 16 caverns at Stratton Ridge is vital to Dow Chemical Co., Brazoria County's largest employer.

The method of brine removal for a petroleum reserve could waste about 130 billion pounds of salt, Dow Texas Operations Vice President Bob Walker said at a public meeting on the proposed expansion last week. The proximity of the project also would prevent Dow from using five planned wells on property the company owns at Stratton Ridge.

To Dow, and by extension to this area, that salt means money.

Dow uses Stratton Ridge salt for the production of thousands of products, worth more than \$5 billion annually. About half of the \$125 million Dow pays annually in state and local taxes are dependent on those Walker said



ONTHEWEB
The draft Environmental Impact Study for the Strategic Petroleum Reserve expansion is available online at www.fossil.energy.gov.

TOCOMMENT
To comment on the proposed site:

BY MAIL
Donald Silawsky,
Office of
Petroleum
Reserves (FE-47)

County's largest employer. The method of brine removal for a petroleum reserve could waste about 130 billion pounds of salt, Dow Texas Operations Vice President Bob Walker said at a public meeting on the proposed expansion last week. The proximity of the project also would prevent Dow from using five planned wells on property the company owns at Stratton Ridge.

To Dow, and by extension to this area, that salt means money.

Dow uses Stratton Ridge salt for the production of thousands of products, worth more than \$5 billion annually. About half of the \$125 million Dow pays annually in state and local taxes are dependent on those, Walker said.

Without government interference, Dow has enough salt at Stratton Ridge to last 30 years, which is important because, to Southern Brazoria County, Dow means even more than money. It means jobs.

Dow officials have said thousands of jobs could be lost if the Strategic Petroleum Reserve chooses the Stratton Ridge site. Even more than that, Dow Chemical is intrinsically connected with other industry in the area and with community service and charitable giving.

The U.S. Department of Energy also is considering sites at Bruinsburg, Miss., Richton, Miss., Clovelly, La., and Chachoula, La.

People at public meetings near the proposed Mississippi sites were much more receptive to the expansion in their towns, so it should be an easy call that the government would choose another site. However, while an energy department spokesman said public sentiment on the proposed site will be taken into consideration as Energy Secretary Samuel Bodman makes the choice of where to expand, there will, of course, be other factors that could scream louder than us.

The department also will consider which of the five possible sites offers the best distribution capabilities at the lowest cost with the least environmental impact.

We urge the department also to consider non-environmental impact in the form of possible economic peril to the site chosen, and we urge area residents to make themselves heard on the matter before the comment period ends on July 10.

Today's editorial was written by Yvonne Mintz, managing editor of The Facts.



ONTHEWEB
The draft Environmental Impact Study for the Strategic Petroleum Reserve expansion is available online at www.fossil.energy.gov.

TOCOMMENT
To comment on the proposed site:

BY MAIL
Donald Silawsky,
Office of
Petroleum
Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave. SW
Washington DC, 20585-0301

BY E-MAIL
donald.silawsky@hq.doe.gov

BY FAX
(202) 586-4446

The public comment period will close July 10.

Appendix N: Comments on Draft Environmental Impact Statement

D0014

-----Original Message-----
From: Tony Bland [mailto:tbland@localnet.com]
Sent: Friday, June 23, 2006 7:43 AM
To: Silawsky, Donald
Subject: Richton Salt Dome Project

Dear Mr. Silawsky,

1 | I am writing to let you know of my opposition to the proposal to expand the nation's Strategic Petroleum Reserve in the Richton Salt Domes. I am concerned about the environmental impact of the project.

2 | My overwhelming concern is the impact on the Pascagoula River Basin by diverting the flow of the Leaf River. The Pascagoula, as one of the few remaining natural river systems in the U.S., is a national treasure. I do not want to see it affected by having the flow of one of its main tributaries diverted.

3 | My second main concern is the effect of dumping large quantities of brine directly into the Mississippi Sound and the impact it would have on fish and other seafood.

4 | I am also concerned about the inherent lack of stability of salt domes and the potential for groundwater contamination from oil stored there.

I urge you to reject this proposal.

Sincerely

Tony Bland
Rt. 2; Box 760
Maben, MS 39750
662-263-4754
tbland@localnet.com

D0052

-----Original Message-----
From: Brown, Brintley (BL) [mailto:BLBrown@dow.com]
Sent: Thursday, June 29, 2006 8:28 PM
To: Silawsky, Donald
Subject: DOE selecting the Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You, Brint Brown. A concerned citizen and tax payer.

Appendix N: Comments on Draft Environmental Impact Statement

D0012

-----Original Message-----

From: donnybruce@aol.com [mailto:donnybruce@aol.com]
Sent: Thursday, June 22, 2006 10:04 AM
To: Silawsky, Donald
Subject: "The Salting of the Leaf River"

To Whom It May Concern:

1 | This sounds, at best, a very flaky project.....Please reconsider
this theory and do more research on how to solve your problem....water
and air are quite possibly the most important assets to life here in
Mississippi - and elsewhere! There must be a better way!!

Bruce Browning, concerned canoe guide and lover of Mississippi's
Coastal Region.....

Check out AOL.com today. Breaking news, video search, pictures, email
and IM. All on demand. Always Free.

D0054

Dow Stratton Ridge SiteFrom: kaplita [kaplita@cebridge.net]
Sent: Friday, June 30, 2006 7:29 AM
To: Silawsky, Donald
Subject: Dow Stratton Ridge Site

Donald Silawsky
Office of Petroleum Reserves

1 | As a concerned citizen of Brazoria County, I am asking you not to choose
Stratton Ridge as the location of the petroleum reserve. This will completely
ruin the lives of so many people and the future economy of this area. Please
choose one of the locations that is more receptive to this project. This
decision would be very devastating to the 6,000 employees of Dow Chemical and
their families. This would effect every business in Brazoria County and leave
this area extremely depressed.

Thank you,
Jeanette Bumpers

Appendix N: Comments on Draft Environmental Impact Statement

D0064

-----Original Message-----

From: Clint & Jill Church [mailto:Smb90@verizon.net]
Sent: Saturday, July 01, 2006 1:57 AM
To: Silawsky, Donald
Subject:

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Jill Church

D0047

From: Fred Cummins [usanvil@usanvil.com]
Sent: Thursday, June 29, 2006 11:18 AM
To: Silawsky, Donald
Subject: Dow

Sir

1 Concerning expansion of the oil reserve in the Stratton ridge area of Clute, Texas. There is some other reason that Dow opposes this project obviously. They seem to have a lock on the Texas environmental People so it may be that they have injected something that they do not want exposed. I have lived here and worked on the Gulf as a Sea Captain for fifty years. I have seen this coast destroyed by the Chemical industry.

The community wets itself if Dow makes rumors of moving or laying off. I suggest you take the country into account and let the chips fall for Dow and the Community as they will. Dow is not a trustworthy company but it has a good PR department and the local newspaper is their cheerleader.

This is one citizens opinion. Do what is best for the Country.
Fred Cummins
979-233-2633
327 Hagerman Road
Freeport, Texas 77541

Appendix N: Comments on Draft Environmental Impact Statement

D0049

JobsFrom: Dickens, D (DC) [DCDickens@dow.com]
Sent: Thursday, June 29, 2006 4:28 PM
To: Silawsky, Donald
Subject: Jobs

1 | Dear Mr. Silawsky,
I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

DAN DICKENS

D0067

From: djedwards@mdanderson.org [mailto:djedwards@mdanderson.org]
Sent: Monday, July 03, 2006 3:33 PM
To: Silawsky, Donald
Subject: Draining of Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve,
just not in Brazoria County.

Thank You,
Dennis J. Edwards
5189 Wickwillow Ln.
Alvin, Tx. 77511

Appendix N: Comments on Draft Environmental Impact Statement

22

1 infrastructure and the storage that is capable of being
2 developed on the property for the natural gas, we see it
3 as being as, you know, every bit as important as the
4 security and the need for the oil storage.

5 Thank you.

7:53P

6 **MR. SHANE PIRTLE:** Shane Pirtle, D0099
7 P-i-r-t-l-e, immediate and former mayor of Lake Jackson.
8 And I won't presume to speak for other elected officials.
9 I say that -- as you've already heard, Dow Chemical is a
10 major -- the primary employer in this community, largest
11 employer in this community; and obviously it's a
12 substantial contributor to this community.

1

13 So, with that being said, we wouldn't want
14 to see anything that jeopardizes what we've seen as a
15 great partner in this community both as an employer and
16 contributing in a number of other activities. So, I think
17 that would -- and as well as the cities -- all those --
18 most of the large cities are members of The Economic
19 Development Alliance and we're a part of this resolution.

20 Thank you.

21 **MS. KAREN FADELY:** Would anybody else like
22 to come up and make a comment?

23 Go ahead, ma'am.

7:54P

24 **MS. JANICE EDWARDS:** My name is Janice D0100
25 Edwards. And my background -- and I'm retired from Getty,

23

1 Texaco, and Shell and so, I know a lot about the oil
2 industry.

3 And my question to you-all is -- I
4 understand we need strategic oil reserves. But looking at
5 the map where they all are, they all reside in the Gulf
6 Coast. I realize most of our refineries are here; but the
7 problem I see is if we have a major disaster like a
8 Katrina and a Rita again and you cannot get to the
9 strategic oil reserves, it'd do you no good. I suggest
10 that you consider some place a little bit further inland
11 that would not be impacted by the hurricanes that we are
12 going to continue to receive down in the Gulf Coast.

1

13 Thank you.

(Mr. David Johnson concludes with closing remarks and meeting is concluded at 7:55 p.m.)

Appendix N: Comments on Draft Environmental Impact Statement

D0028

From: Sheri Edwards [sedwards3111@yahoo.com]
Sent: Wednesday, June 28, 2006 4:29 PM
To: Silawsky, Donald
Subject: Strategic Petroleum Reserve

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

Sheri E. Edwards
5189 Wickwillow Ln
Alvin, TX 77511

Sheri E. Edwards

D0111

-----Original Message-----

From: Filippi, Carlo (CA) [mailto:CAFilippi@dow.com]
Sent: Thursday, July 06, 2006 2:01 PM
To: Silawsky, Donald
Subject: jobs

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.
Thank You,
Carlo Filippi

Appendix N: Comments on Draft Environmental Impact Statement

D0070

From: TIMOTHY FISCHER [mailto:timfischer@sbcglobal.net]
Sent: Wednesday, July 05, 2006 8:40 PM
To: Silawsky, Donald
Subject:

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Tim fischer
timfischer@sbcglobal.net

Timmy Fischer

D0023

DOE selecting the Stratton Ridge Site in TexasFrom: Fischer, Wanda (WC)
[WCFischer@dow.com]
Sent: Wednesday, June 28, 2006 10:10 AM
To: Silawsky, Donald
Subject: DOE selecting the Stratton Ridge Site in Texas

Expires: Thursday, June 28, 2007 1:00 AM

Attachments: ATT-15-C041CBDA471CA143AA4A4F6709CCB563-ATT10.jpg

Dear Mr.. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Wanda Fischer
A-915 Distribution Lab
979.238.4233

Appendix N: Comments on Draft Environmental Impact Statement

D0046

From: Tony [tonylocal564@sbcglobal.net]
Sent: Thursday, June 29, 2006 11:25 AM
To: Silawsky, Donald
Subject: Stratton Ridge

Donald Silawsky

Office of Petroleum Reserves (FE-47)

U.S. Department of Energy

1000 Independence Avenue SW

Washington, DC 20585-0301

Dear Mr. Silawsky,

1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Manuel "TONY" Fuentes

Organizer

IUOE LOCAL 564

D0105

From: Garza Jr, Herbert (HJ) [mailto:HJGarzaJr@dow.com]
Sent: Thursday, June 29, 2006 6:10 AM
To: Silawsky, Donald
Subject: FW: Strategic Petroleum Reserve

-----Original Message-----

From: Woodard Jr, Cuney (CM)

Sent: Wednesday, June 28, 2006 10:07 PM

To: Woodard Jr, Cuney (CM); Area, Donald (DR); Bell, Gerald (GH); Branch, Herman (HL); Brannan, Bruce (BM); Brown, Steven (M); Butler, Clifton (CW); Carrales, George (GL); Crockett, Lance (LJ); Davis, Jerry (J); Edwards, Ralph (RD); Garza Jr, Herbert (HJ); Glass, Kenneth (KW); Hancock, David (DM); Harding, Randy (RH); Hodge, David (A); Hollingsworth, Holly (RA); Ledesma, Jaime (J); Lindsey, Gary (GL); Nieto, Hipolito (HG); Robinson, Carlos (CR); Rodriguez, Fred E. (FE); Scott Jr, Bobby (BE); Slack, Eric (E); Smith, Ben (BM); Thomas, Donnie (DW); Tipp, Robert (RW); Wisch Jr, Billy (WH)

Subject: FW: Strategic Petroleum Reserve

F Y I

-----Original Message-----

From: local564 [mailto:local564@sbcglobal.net]

Sent: Wednesday, June 28, 2006 8:58 AM

To: Roy, R (RM); Keith Peralta (hm); Peralta, Keith (K); James Price (hm); Price, James (JW); Damian, Joe (JL); Judkins, Graylyn (GW); Bratcher, D (DW); Donald (HM) Bratcher; David White (hm); Ledesma, D (D); White, David (DK); Adell, Darrell (DA); Saenz, Clemente (CS); Bryan Porter (hm); Porter, Bryan (BA); Bob Ed Johnson (hm); Johnson, Bob Ed (BE); Rudy Herrera (hm); Herrera, Rudy (R); Van Hawkins (hm); Hawkins, Van (D); Davis, Steve (SW); Scott Tyler (hm); Tyler, Scott (SV); Moore, Robert (RJ); Rick Basaldua (hm); Basaldua, Jr, Richard (RC); Cranfill, R (RL); McCleary, Mike (MP); Miles, L (LR); Miller, Ken (KD); Joe Echartea (hm); Echartea, J (J); Alex Arguello (hm); Arguello, Alex (AA); Damian Jr, I (IG); Fischer, Wanda (WC); Stephen Griffith (hm); Griffith, Stephen (SW); Phillips, Juan (JF); MIKE HOLDEN (HM); Holden, Mike (MJ); Carroll, Kevin (KW); Kevin Carroll (hm); Spillers, John (J); JESSE MONDRAGON; Mondragon, Jesse (JJ); Mihalovich, Jim (JM); Wines, Jarrod (JB); Danny Kier (hm); Kier, Danny (JD); Sims, Billy (BR); Branch, Bruce (BL); Troy Black (hm); Black, Troy (TW); Rubalcaba, Fred (F); Fred Rubalcaba (hm); Woodard Jr, Cuney (CM); DEXTER SARGENT (hm); Felix P Nunez (hm); Nunez, Felix (FP); Sargent III, Dexter (DJ); Genna, Jason (JP); Bennett, John (JB); John Bennett (hm); Voss, Johnny (JL); JOHNNY VOSS (HM); McMinn, Mike (MF); Partlow, Matthew (MJ); Matt Partlow (hm); George, Nolan (NK); Haagensen, Pat (P); Pat Haagensen (hm); Cole, Brian (SB)

Subject: Strategic Petroleum Reserve

Dear Friend of Labor,

The Department of Energy is wanting to take part of the Stratton Ridge storage facility and drain the brine water to the Gulf of Mexico, thus eliminating salt that the Dow Chemical uses to make 50% of their products. This will affect *thousands of jobs in Brazoria County*. We need your help.

How can you help?

1. Cut and paste the following statement to an e-mail:

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy

Appendix N: Comments on Draft Environmental Impact Statement

1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

- 1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

2. Send it to donald.silawsky@hq.doe.gov
3. Please forward this message.
4. Your done. Thanks

D0045

From: RANDYG351@aol.com
Sent: Thursday, June 29, 2006 10:25 AM
To: Silawsky, Donald
Subject: (no subject)

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

- 1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

_____ Randy Griffin _____

2. Send it to donald.silawsky@hq.doe.gov
3. Please forward this message.
4. Your done. Thanks

Randy Griffin

Appendix N: Comments on Draft Environmental Impact Statement

D0018

Strategic Petroleum ReserveFrom: Larry Grimmett [legrimm@bellsouth.net]
Sent: Wednesday, June 28, 2006 11:57 AM
To: Silawsky, Donald
Subject: Strategic Petroleum Reserve

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

D0063

Purposed Strategic Petroleum Reserve in Brazoria CountyFrom: Grossman IV., Karl
(KD) [KDGrossmanIV@dow.com]
Sent: Friday, June 30, 2006 9:02 PM
To: Silawsky, Donald
Subject: Purposed Strategic Petroleum Reserve in Brazoria County

Expires: Saturday, June 30, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

> Karl Grossman
>
>

Appendix N: Comments on Draft Environmental Impact Statement

5

1 Other than that, Dominion is very interested in
2 pursuing and hoping that our alternative is considered.
3 3 It does make a lot of sense. Obviously it could be put in
4 service probably the quickest of any of the alternatives.
5 Although it is small, it certainly meets the criteria.

6 Questions, comments?

7 MR. JOHNSON:

8 Well, thank you very much.

9 MR. KOHLER:

10 Thank you.

11 MS. FADLEY:

12 I'd like to invite Sybil Guidry up.

13 **MS. SYBIL GUIDRY:**

D0102

14 My name is Sybil Guidry and I'm a resident of
15 Terrebonne Parish. I'd like to voice my concerns
16 1 regarding the destruction of wetlands in Chacahoula, the
17 Department of Energy and disappointingly on the
18 recommendation of the State of Louisiana.

19 I'm not sure. Where's Dominion? Where did you say
20 Dominion was?

21 MR. KOHLER:

22 We're at the Hackberry facility.

23 MS. GUIDRY:

24 Hackberry facility?

25 MR. KOHLER:

6

1 Yes, ma'am.

2 MS. GUIDRY:

3 Is that where the Morton Salt Company was, the -- no?

4 MR. KOHLER:

5 No. Farther west.

6 MS. GUIDRY:

7 Farther west?

8 MR. KOHLER:

9 I think they were actually developed -- (inaudible).

10 MS. GUIDRY:

11 Well, I feel that it would impact severely the
12 fragile ecosystem that's already wounded from exploitation
13 by oil companies, by some thoughtless locals, as well as
14 the natural forces.

15 2 Terrebonne Parish has been negatively impacted by
16 Hurricanes Katrina and Rita. And so that's my concern, is
17 that, here goes some more wetlands, some more destruction.
18 And I'd just like to see the funding that DOE would expend
19 on building the petroleum oil reserves in the development
20 of alternative sources of clean energy. Thank you.

21 MR. JOHNSON:

22 Thank you.

23 MS. FADLEY:

24 Charlotte, did you have some comment?

25 **MS. CHARLOTTE RANDOLPH:**

Appendix N: Comments on Draft Environmental Impact Statement

D0009

-----Original Message-----

From: June Havens [mailto:jhavens@publconline.net]
Sent: Tuesday, June 20, 2006 8:45 AM
To: Silawsky, Donald
Subject: Richton, MS inappropriate for Strategic Petroleum Reserve storage site

1 | Dr. Mr. Silawsky,
Richton, MS is inappropriate for a Strategic Petroleum Reserve storage site. The salt domes are not stable and the ground water for the coastal area could be in jeopardy. Hasn't the Coast suffered enough.

2 | Also the devastating impact on endangered species is unacceptable. The loss of the Leaf River flow into the Pascagoula River could be detrimental to the only unfettered river bed in the area. And with the current drought situation any loss of water is crucial.

Why would it even be considered since it would violate the Endangered Species Act?

This area is a very sensitive ecosystem and completely inappropriate for a storage site.

Thank you,
June Havens
1819 Stuart Avenue
Ocean Springs, MS 39564
228-872-2303

D0039

Stratton Ridge SiteFrom: Holden, Mike (MJ) [MJHolden@dow.com]
Sent: Wednesday, June 28, 2006 7:40 PM
To: Silawsky, Donald
Subject: Stratton Ridge Site

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Appendix N: Comments on Draft Environmental Impact Statement

D0071

Stratton Ridge SiteFrom: Hollingsworth, Holly (RA) [RAHollingsworth@dow.com]
Sent: Wednesday, July 05, 2006 11:30 PM
To: Silawsky, Donald
Subject: Stratton Ridge Site

Expires: Thursday, July 05, 2007 1:00 AM

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

D0037

Stratton Ridge Site in Texas.From: Hudgins, Anthony (A) [AHudgins@dow.com]
Sent: Wednesday, June 28, 2006 9:31 PM
To: Silawsky, Donald
Subject: Stratton Ridge Site in Texas.

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

Anthony Hudgins
Environmental Operations
The Dow Chemical Company
2301 N. Brazosport Blvd. Bldg E-3501
Freeport, TX. 77541-3257
Ph. (979) 238-2269
Mobile # (979) 236-7307

Appendix N: Comments on Draft Environmental Impact Statement

7 going to build this Rube Goldberg. I hope in God's name we don't. Let's see.
There's a couple of other points I would like to get if I can see them. We've
got to have good drinking water and we have good drinking water. Now, I was
8 watching a program the other night on the earthquake. If you put that petroleum
in there and we do have an earthquake -- because I think it's a New Madrid
9 fault. Is that right, Frank and Becky? A New Madrid fault between Memphis and
St. Louis and if it comes and breaks that thing open and dumps it into our
water supply we've all lost, so, you know, it's not practical. It's not
practical at all. I think that's mainly the points I wanted to get in and I hope
they'll be taken with -- seriously. So I would like to close with one word.
No.

MR. LIN JACOBSON: My name the Lin, L-I-N, Jacobson, J-A-C-O-B-S-O-N. I live at
802 Washington Avenue, Pascagoula. That's the west end of Washington Avenue.
My home is approximately one-third mile north of Singing River Island. I was
1 amazed to see a small blurb in Saturday's Mississippi Press announcing this
public hearing. And in my asking around town the past three days, does anybody
have any information on this public hearing. Nobody knew the first thing about
it. Mr. Leech has done an excellent job of expressing his displeasure. He has
expressed the way I feel. I have no information to offer to this hearing at all
other than the fact I feel that -- Mr. Lemon talked about a railroad or a rail
2 line. We are being railroaded here it feels like. We have been through a
tremendous amount the past ten months and to be hit with something like this is
extremely distasteful. I would expect more from my federal government quite
honestly. So I have nothing further to say. I would like to learn a lot about
3 the brine situation as a result of the salt dome. Brine to me is a
concentrated, concentrated salt water solution and I don't think that needs to
be pumped out into our front yard in the Gulf, but I will need further
information. The planning on this may have been exquisite for you guys, but
your public relations as to what is going on to the people of Jackson County has
been a zero and that's unfortunate. Thank you.

MR. LEECH: the State of Mississippi has done a poor job as well, then, of having
the local jurisdictions which have home rule advised within the process because
I would expect the Mississippi Development Authority -- we do have an Area
Development Partnership that spoke at Jackson which is supporting the Perry
County Board of Supervisors. We have relationships across this state regarding
economic development and it would just seem as though to me that something would
have been communicated. And I am -- I am a little bit taken back by the fact
that the storm has become everybody's whipping boy, so to speak. It is the
fault of everything that is not happening and our federal government hasn't done
a good job with regard to it and neither are we doing a good job now with regard
to other things that have really nothing to do with this storm, y'all. You need
to carry on your business as usual and to me if you are going to set up a
meeting it's going to be published in the Federal Register that you are coming
here, then come and do what you say you are going to do. If you are not, then
some communication needs to be sent so that people could be aware of the fact
that this is going on. And you know when you had to have a meeting today with
Matthew Avara as well as the Port of Pascagoula in order to -- to, you know,
enlighten them in some fashion. Well, heavens to Betsy, 9-1 was two days after
the storm and for this to go to the Federal Register then and us just think, you
know, it's business as usual then. It wasn't. So, yes, I guess we can blame
some of this on the storm, but I think due diligence was the cause or give cause
for your need to take an extra step with regard to this process and any
Environmental Impact Statement that has been developed in what I would call a
vacuum, without local input, I think is just quite -- it's quite disrespectful

D0086

for the local jurisdiction. So again, I think I made my point clear. I won't
go any further.

MR. LEMON: Dave, let me say this. I just got my roof fixed on my house and
repaired -- a complete new roof three weeks ago and everybody down here is just
way behind, so really this stuff should really be advertised completely and give
us time -- even the Feds gave us time on our income tax. Boy, that is something
when you get something out of the IRS.

MR. LEECH: Yes. As a CPA they even gave us another extension to October 15th,
so needless to say, there is some consideration.

(MEETING CONCLUDED AT 8:20 P.M.)

Appendix N: Comments on Draft Environmental Impact Statement

D0072

jobsFrom: Jimenez, Xavier (X) [XJimenez@dow.com]
Sent: Wednesday, July 05, 2006 10:41 PM
To: Silawsky, Donald
Subject: jobs

Expires: Thursday, July 05, 2007 1:00 AM

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

D0022

Strategic Petroleum ReserveFrom: Johnson, Bob Ed (BE) [BEJohnson@dow.com]
Sent: Wednesday, June 28, 2006 10:29 AM
To: Silawsky, Donald
Subject: Strategic Petroleum Reserve

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

Bob Ed Johnson
Union Steward, IUOE Local 564

Appendix N: Comments on Draft Environmental Impact Statement

D0030

From: Bob Ed Johnson [bobedjohnson@sbcglobal.net]
Sent: Wednesday, June 28, 2006 3:31 PM
To: Silawsky, Donald
Subject: Strategic petroleum reserve

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Bob Ed Johnson
114 Willenberg
Lake Jackson, Texas

D0026

From: bomar22213@sbcglobal.net
Sent: Wednesday, June 28, 2006 4:45 PM
To: Silawsky, Donald
Subject: Strategic petroleum reserve

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

BOB I JOHNSON

307 REDWOOD
LAKE JACKSON TX.

Appendix N: Comments on Draft Environmental Impact Statement

D0048

-----Original Message-----

From: Johnson, Jennifer (J) [mailto:jjohnson4@dow.com]
Sent: Thursday, June 29, 2006 3:50 PM
To: Silawsky, Donald
Subject: Oil reserve

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

1 | Dear Mr. Silawsky,
I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,
Jennifer Johnson

D0011

-----Original Message-----

From: Nan Johnson [mailto:nan@olemiss.edu]
Sent: Tuesday, June 20, 2006 6:31 PM
To: Silawsky, Donald
Subject: protecting Leaf/Pascagoula rivers from petroleum project

Dear Mr. Silawsky,

- 1 | I am writing in opposition to the proposed expansion of the Strategic Petroleum Reserve in the Richton Salt Domes....especially as it would impact on the Leaf and Pascagoula Rivers.
- 2 | I find the existing EIS to be inadequate, especially as it does not seem to address the stability of the salt domes with any new studies. The U.S. Fish and Wildlife Service Mississippi field office has stated there are concerns over potential negative impacts to 17 threatened or endangered species and their habitats. Black bears, sturgeon, bald eagles and sea turtles, among others, could all be "adversely impacted by the proposed construction or operation of the oil storage facility."
- 3 |

The proposal comes at a time when the marine environment has taken a huge hit from Katrina.

As a Mississippian, I value the incredible natural resource represented by the Pascagoula River, and feel that short term gain/profit will mean long-term damage, which won't be repaired. I am so tired of us shortchanging ourselves and our children by treating these rivers and other natural resources as expendable commodities.

I agree with President Bush that our addiction to oil must be addressed.
In the meantime, we can do better than this proposed project.

Sincerely,

Nan Johnson

PO Box 167

Water Valley, MS 38965 662-473-3670 (registered voter and concerned citizen)

Appendix N: Comments on Draft Environmental Impact Statement

D0065

-----Original Message-----
From: kaplita [mailto:kaplita@cebridge.net]
Sent: Saturday, July 01, 2006 10:52 AM
To: Silawsky, Donald
Subject: Dow Stratton Ridge Site

Donald Silawsky
Office of Petroleum Reserves

1

As a citizen of Brazoria County I am very concerned about the economic impact your decision as to the location of the proposed petroleum reserve will have on our county. The companies and businesses in this county and surrounding counties are all so interlocked it would impact, not only Dow and this immediate area, but also a very large surrounding area. The economic impact on the people would be devastating.

Thank you for your consideration,
Sharon L. Jones

D0061

-----Original Message-----
From: Kennedy, Kevin (K) [mailto:KKennedy@dow.com]
Sent: Monday, July 03, 2006 2:19 AM
To: Silawsky, Donald
Subject: FW: Strategic Petroleum Reserve

-----Original Message-----
From: Smith, Larry (Freeport) (LR)
Sent: Thursday, June 29, 2006 5:59 PM
To: .DL E1 B390PR
Subject: FW: Strategic Petroleum Reserve

-----Original Message-----
From: Holden, Mike (MJ)
Sent: Wednesday, June 28, 2006 6:36 PM
To: .DL MFG HAA OPERATORS
Subject: FW: Strategic Petroleum Reserve

-----Original Message-----
From: local1564 [mailto:local1564@sbcglobal.net]
Sent: Wednesday, June 28, 2006 8:58 AM
To: ROBERT ROY; Keith Peralta (hm); Keith Peralta; James Price (hm); James Price; J. L. DAMIAN; G. W. JUDKINS; DONALD BRATCHER; Donald (HM) Bratcher; David White (hm); DAVID LEDESMA; D. K. WHITE; D. A. ADELL; C. S. SAENZ; Bryan Porter (hm); BRYAN PORTER; Bob Ed Johnson (hm); B. E. JOHNSON; Rudy Herrera (hm); Herrera, Rudy (R); Van Hawkins (hm); VAN HAWKINS; Steve Davis; Scott Tyler (hm); SCOTT TYLER; Robert J. Moore; Rick Basaldua (hm); RICK BASALDUA; RED CRANFILL; M. P. MCCLEARY; L. R. MILES; KEN MILLER; Joe Echartea (hm); JOE ECHARTEA; Alex Arguello (hm); Alex A. Arguello; I. G. DAMIAN; WANDA FISCHER; Stephen Griffith (Hm); S. W. GRIFFITH; Phillips, Juan (JF); MIKE HOLDEN (HM); Michael Holden; KEVIN W. CARROLL; Kevin Carroll (hm); John Spillars; JESSE MONDRAGON; Jesse J Mondragon; J. M. MIHALOVICH; J. B. WINES; Danny Kier (hm); Danny Kier; BILLY SIMS; B. L. BRANCH; Troy Black (hm); T. W. BLACK; Fred Rubalcaba; Fred Rubalcaba (hm); C. M. WOODARD; DEXTER SARGENT (hm); Felix P Nunez (hm); Felix P Nunez II; III DEXTER SARGENT; JASON GENNA; John Bennett; John Bennett (hm); JOHNNY VOSS; JOHNNY VOSS (HM); M. F. MCMINN; Matt J Partlow; Matt Partlow (hm); N. K. GEORGE; PAT HAAGENSEN; Pat Haagensen (hm); S. B. Cole
Subject: Strategic Petroleum Reserve

Dear Friend of Labor,

Appendix N: Comments on Draft Environmental Impact Statement

The Department of Energy is wanting to take part of the Stratton Ridge storage facility and drain the brine water to the Gulf of Mexico, thus eliminating salt that the Dow Chemical uses to make 50% of their products.
This will affect thousands of jobs in Brazoria County. We need your help.

How can you help?

1. Cut and paste the following statement to an e-mail:

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel
this
will eliminate jobs in Brazoria County. I'm not opposed to having more
oil
for reserve, just not in Brazoria County.

Thank You,

2. Send it to donald.silawsky@hq.doe.gov
<mailto:donald.silawsky@hq.doe.gov>

3. Please forward this message.

4. Your done. Thanks

D0024

From: JDANNY0220@aol.com
Sent: Wednesday, June 28, 2006 6:15 PM
To: Silawsky, Donald
Subject: Stratton Ridge

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,
Danny Kier

Appendix N: Comments on Draft Environmental Impact Statement

D0107

-----Original Message-----

From: Rick Lampard [<mailto:rlampard@dps-lc.com>]
Sent: Thursday, July 13, 2006 3:25 PM
To: Silawsky, Donald
Subject: EIS

Donald Silawsky,

In the earlier days of Dow, they decided to do a erosion project on some Dow property with the old chlorine concert cells by putting them along the banks of the Brazos River. The chlorine in the concert KILLED the bacteria in the water which caused the River to be on-inhabitable for 50+ - years and took away from the Freeport TX. Fishing Industry. Freeport was the Tarpon Capital of the World at one time and now Tarpon does not even come up the River.

Now your telling the people, Me, that our Government is going to take the Brine out of the salt domes, and pump it to 30 ft. deep of Golf water, which is only about 2 to 3 miles from the Beach. These will cause a dead area where fish can't live again.

1 | Why not do like There doing now and take the salt out of the water before they pump it anywhere. That way it doesn't leave a dead spot in our Gulf !!!!!!!!

R.D.L.

Rick Lampard
Safety Manager
Diversified Plant Services, L.C.
14004 S Hwy 288 B
Angleton, Texas 77515
Phone: 979-849-9323 Fax: 979-849-9325

D0053

-----Original Message-----

From: Ledesma, Jaime (J) [<mailto:JLedesma@dow.com>]
Sent: Thursday, June 29, 2006 9:01 PM
To: Silawsky, Donald
Subject: I oppose the DOE selecting the Stratton Ridge Site in Texas.

Dear Mr. Silawsky,
1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

Appendix N: Comments on Draft Environmental Impact Statement

our meeting today, who happens to be celebrating his 30th wedding anniversary today, so I can appreciate why he is not here or he would have been, I am certain, because he has great concern about our environment. But I have asked each and every one of them if they were aware of any or all of this and there was not the first single, solitary person that was aware, that I spoke to, be it at the port or be it at our board. In that I am going to close and I am going to say once again I thank you for allowing us the opportunity to come. I am saddened by the fact that this was not very well publicized. I am saddened by the fact that we do not have an abundance of people here this evening to respond to what I think could be an issue that could provide a critical situation in Jackson County as we go forward. And I personally do not believe it would be in our best interest and the State of Mississippi necessarily to have this 160 million barrels of oil stored here when it could be stored other ways and other places. Thank you very much.

MR. FRED LEMON: First I'd like to thank Dave and Karen. Thank y'all for coming, taking your time down here. We appreciate it. I am also mighty honored to follow Ms. Gillette and Mr. Leech, Supervisor Leech and I want to thank the Congress. I think they are on the right track. They just took the wrong trail, especially when it came to Richton. I don't think that the Richton deal -- it's kind of like the pleasure is not worth the pain. You know, I just don't think it's a good idea at all. Number one, we might want that salt for something else. Number two, are we going to change the salinity? Number two, (sic) we are going to spend a lot of the Chinese money we borrowed from them for Congress and I like Congress. And I've had a lot to do with helping good men get in and helping bad ones get out. As long as they keep their money not too cold, I think they are right. They are doing right. We've just got to get this thing straight. Now, as far as us having this meeting, I am not sure it's a legal meeting because if it wouldn't have been for Ms. Gillette I wouldn't have even known about it, so, you know, I think we need to look at that. But let's get on back to our water. Our water comes through those salt domes. How much of it comes out, how much of it gets salted because our water down here -- and I've traveled this country from one end to the other and crisscrossed in a camper and in only one-third of the sites would I put the water in that campground in my camper it was so bad and we have good water. Are we are going to take a chance -- are we going to take a chance in polluting it with this petroleum? I don't think it's -- I don't think it's worth it. And I was in on the atomic dump. They tried their very level best to dump that atomic waste here. It was real popular at the time to dump on Mississippi and so, boy, they really tried. I have got an older radiologist friend -- when they started using radium and he says the place to put that atomic waste is back in the mountain, so we got it to the Oquirrh (phonetic) Mountains, but they haven't just been smart enough yet to put it in, but it's got to go somewhere. It can't go into Congress's back pocket, so eventually it's got to go somewhere. But let's don't screw this salt dome up with petroleum. It needs to go somewhere. Let's put it back in the ground where it came out of, but let's don't put it there. In fact, this plan on the wall, it kind of looks like -- and some of you people are not old enough to remember, but it looks like the Rube Goldberg and the old comic strips. You know, you run this here and you pump this water in there and you -- you take away from the Leaf River and then you put the salt down in the other pipeline and then you pump the petroleum in. It's just a -- the pleasure is not worth the pain. It's a Rube Goldberg. It's poor. The price, like I'd asked you today and you couldn't give me the price and we have borrowed money from the Chinese. Are they going to own our country one day? I hope not because I am a professional businessman. And we've just got to stop that. When I went into business -- I hate to say this, but it was 54 years ago you could do a lot with a dollar. Now, it's not even worth a dime. It's close to a nickel and we are

D0085

going to build this Rube Goldberg. I hope in God's name we don't. Let's see. There's a couple of other points I would like to get if I can see them. We've got to have good drinking water and we have good drinking water. Now, I was watching a program the other night on the earthquake. If you put that petroleum in there and we do have an earthquake -- because I think it's a New Madrid fault. Is that right, Frank and Becky? A New Madrid fault between Memphis and St. Louis and if it comes and breaks that thing open and dumps it into our water supply we've all lost, so, you know, it's not practical. It's not practical at all. I think that's mainly the points I wanted to get in and I hope they'll be taken with -- seriously. So I would like to close with one word. No.

MR. LIN JACOBSON: My name the Lin, L-I-N, Jacobson, J-A-C-O-B-S-O-N. I live at 802 Washington Avenue, Pascagoula. That's the west end of Washington Avenue. My home is approximately one-third mile north of Singing River Island. I was amazed to see a small blurb in Saturday's Mississippi Press announcing this public hearing. And in my asking around town the past three days, does anybody have any information on this public hearing. Nobody knew the first thing about it. Mr. Leech has done an excellent job of expressing his displeasure. He has expressed the way I feel. I have no information to offer to this hearing at all other than the fact I feel that -- Mr. Lemon talked about a railroad or a rail line. We are being railroaded here it feels like. We have been through a tremendous amount the past ten months and to be hit with something like this is extremely distasteful. I would expect more from my federal government quite honestly. So I have nothing further to say. I would like to learn a lot about the brine situation as a result of the salt dome. Brine to me is a concentrated, concentrated salt water solution and I don't think that needs to be pumped out into our front yard in the Gulf, but I will need further information. The planning on this may have been exquisite for you guys, but your public relations as to what is going on to the people of Jackson County has been a zero and that's unfortunate. Thank you.

D0086

MR. LEECH: the State of Mississippi has done a poor job as well, then, of having the local jurisdictions which have home rule advised within the process because I would expect the Mississippi Development Authority -- we do have an Area Development Partnership that spoke at Jackson which is supporting the Perry County Board of Supervisors. We have relationships across this state regarding economic development and it would just seem as though to me that something would have been communicated. And I am -- I am a little bit taken back by the fact that the storm has become everybody's whipping boy, so to speak. It is the fault of everything that is not happening and our federal government hasn't done a good job with regard to it and neither are we doing a good job now with regard to other things that have really nothing to do with this storm, y'all. You need to carry on your business as usual and to me if you are going to set up a meeting it's going to be published in the Federal Register that you are coming here, then come and do what you say you are going to do. If you are not, then some communication needs to be sent so that people could be aware of the fact that this is going on. And you know when you had to have a meeting today with Matthew Avara as well as the Port of Pascagoula in order to -- to, you know, enlighten them in some fashion. Well, heavens to Betsy, 9-1 was two days after the storm and for this to go to the Federal Register then and us just think, you know, it's business as usual then. It wasn't. So, yes, I guess we can blame some of this on the storm, but I think due diligence was the cause or give cause for your need to take an extra step with regard to this process and any Environmental Impact Statement that has been developed in what I would call a vacuum, without local input, I think is just quite -- it's quite disrespectful

Appendix N: Comments on Draft Environmental Impact Statement

D0008

D0076

From: Silawsky, Donald [Donald.Silawsky@hq.doe.gov]
Sent: Monday, July 10, 2006 8:06 AM
To: Fadely, Karen
Subject: FW: Stretegic oil storage

More from the perturbed citizens of Brazoria County.

-----Original Message-----

From: Bill and Brenda Logan [mailto:blogan2@houston.rr.com]
Sent: Sunday, July 09, 2006 2:41 AM
To: Silawsky, Donald
Subject: Stretegic oil storage

Dear Mr. Silawsky,

1 We in the Brazoria County, TX, area are concerned that the plan to take over Dow's Stratton Ridge facilities would do a great deal of harm to our economy. According to an editorial in The Facts, the people near the proposed Mississippi sites are generally in favor of having storage facilities there.

We hope you will choose one or both of the Mississippi sites.

Thank you.

Bill and Brenda Logan
304 Forest Drive
Lake Jackson, TX 77566

-----Original Message-----

From: AMajorman@aol.com [mailto:AMajorman@aol.com]
Sent: Monday, June 19, 2006 12:10 PM
To: Silawsky, Donald
Subject: PLEASE

Mr. Silawsky,

1 PLEASE don't turn the Leaf\Pascagoula rivers into dry streambeds! This is far worse a proposal than the dams on the Leaf proposed for flood control that was so successfully opposed by a large number of people in Hattiesburg.

Thank you,

Alex Major
A Concerned Mississippian

Appendix N: Comments on Draft Environmental Impact Statement

17

1 would be willing to look at going somewhere else other
2 than in Brazoria County. Commissioner's Court does not
3 oppose having an increase in the barrels of oil. We just
4 oppose it coming to Brazoria County.

5 Thank you-all.

6 MS. KAREN FADELY: Anybody else like to say
7 something?

7:45P

8 MS. TERI MASTERON: My name is Teri
9 Masterson, M-a-s-t-e-r-s-o-n. And my background is in
10 trade and commodity markets. And I was just -- I really
11 have a question more than a comment.

D0096

12 Do you-all consider, when you're doing your
13 economic and risk analysis, not only the economic risks to
14 the local economy but also to the natural gas supplies of
15 the United States? Because as we look at more LNG coming
16 in and we look at storage capability, the strategic oil
17 reserve is obviously for disruptions in oil production.
18 But natural gas production is also key to electric power
19 generation as well as the gas that we use in -- for power
20 and feedstocks in the -- in industries all around the
21 state and, in fact, all around the United States.

22 So, when you look at the impact of affecting
23 LNG and the volatility that that can have on natural gas
24 markets -- because that will help depress volatility of
25 natural gas markets. I know you-all are focused on oil;

18

1 but you do need to consider the impact on natural gas, its
2 volatility and that impact on the domestic economy when
3 you do your economic analysis.

4 Thank you.

5 MS. DIANE KILE: Good evening. My name is
6 Diana Kile. And I am the deputy director for U.S.
7 Congressman Ron Paul. And I would -- and Kile is K-i-l-e.
8 And I would like to read a statement written by
9 Congressman Paul today.

D0097

10 I want to join with others tonight in
11 expressing my concerns regarding the Stratton Ridge
12 expansion of the Strategic Petroleum Reserve. In the
13 recent past, President Bush has stated the need to
14 judiciously diminish the reserve in order to reduce
15 non-market demand, thus helping to reduce energy costs.
16 In light of that, we should seriously consider not only
17 where but also whether or not to increase the reserve.
18 Certainly if high energy prices are a legitimate
19 concern -- and they clearly are at this time -- we should
20 not undertake such an expansion in a way that could
21 negatively impact any component of the petrochemical
22 industry. Any federal action that would threaten to raise
23 costs to business, which would be passed along to
24 consumers, is a bad policy at any time. However, this is
25 a particularly bad time for any such policy to be enacted.

1

Appendix N: Comments on Draft Environmental Impact Statement

D0034

Strategic Petroleum ReserveFrom: Matt [Matt@ezgameservers.com]
Sent: Wednesday, June 28, 2006 1:06 PM
To: Silawsky, Donald
Subject: Strategic Petroleum Reserve

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel
this will eliminate jobs in Brazoria County. I'm not opposed to having
more oil for reserve, just not in Brazoria County.

Thank You,

Matt

D0029

saltFrom: McCleary, Mike (MF) [MPMcCleary@dow.com]
Sent: Wednesday, June 28, 2006 3:55 PM
To: Silawsky, Donald
Subject: salt

Expires: Thursday, June 28, 2007 1:00 AM

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,
Mike McCleary

Appendix N: Comments on Draft Environmental Impact Statement

D0033

Stratton Ridge storage facility
From: Mihalovich, Jim (JM) [JMihalovich@dow.com]
Sent: Wednesday, June 28, 2006 1:20 PM
To: Silawsky, Donald
Subject: Stratton Ridge storage facility

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
James M. Mihalovich
Lake Jackson, Texas

D0036

StopFrom: Mondragon, Chad (C) [u382045@eximc.nam.dow.com]
Sent: Wednesday, June 28, 2006 10:44 PM
To: Silawsky, Donald
Subject: Stop

Expires: Thursday, June 28, 2007 1:00 AM

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Appendix N: Comments on Draft Environmental Impact Statement

D0020

Stratton Ridge Site - Brazoria CountFrom: Mondragon, Jesse (JJ)
[JJMondragon@dow.com]
Sent: Wednesday, June 28, 2006 10:39 AM
To: Silawsky, Donald
Subject: Stratton Ridge Site - Brazoria Count

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate many jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

JESSE MONDRAGON /S/
U.S. Army, MSG (Ret)
Persian Gulf War Veteran
Brazoria County Resident

D0035

Stratton Ridge SiteFrom: Morgan, Chester (CD) [CDMorgan@dow.com]
Sent: Thursday, June 29, 2006 12:33 AM
To: Silawsky, Donald
Subject: Stratton Ridge Site

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

Appendix N: Comments on Draft Environmental Impact Statement

D0040

From: Randy and Marcy Murrell [rmmurrell@earthlink.net]
Sent: Wednesday, June 28, 2006 8:27 PM
To: Silawsky, Donald
Subject: doe

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

RANDY MURRELL

D0059

-----Original Message-----
From: Pavlik, Matt (M) [mailto:MPavlik@dow.com]
Sent: Friday, June 30, 2006 3:10 PM
To: Silawsky, Donald
Subject: Stratton Ridge

Dear Mr. Silawsky,
1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.
Thank You,

Matt Pavlik
The Dow Chemical Company

Appendix N: Comments on Draft Environmental Impact Statement

D0041

JobsFrom: Price, Charles (CW) [CWPrice@dow.com]
Sent: Thursday, June 29, 2006 7:25 AM
To: Silawsky, Donald
Subject: Jobs

Expires: Friday, June 29, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

D0069

-----Original Message-----

From: Jason Price [mailto:jason3857@sboglobal.net]
Sent: Wednesday, July 05, 2006 2:51 PM
To: Silawsky, Donald
Subject: Petroleum Reserves

Donald Silawsky

Office of Petroleum Reserves (FE-47)

U.S. Department of Energy

1000 Independence Avenue SW

Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Appendix N: Comments on Draft Environmental Impact Statement

D0062

Opposition to DOE Stratton Ridge Project
From: Sanchez, Jr., Santos (S)
[SSanchezJr@dow.com]
Sent: Friday, June 30, 2006 8:34 PM
To: Silawsky, Donald
Subject: Opposition to DOE Stratton Ridge Project

Expires: Saturday, June 30, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Santos Sanchez, Jr.

D0082

-----Original Message-----

From: LakesYogi@aol.com [mailto:LakesYogi@aol.com]
Sent: Monday, July 10, 2006 10:33 PM
To: Silawsky, Donald
Subject: Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Norman Schroeder
P.O. Box 296
Angleton, Tx 77516
LakesYogi@aol.com

Appendix N: Comments on Draft Environmental Impact Statement

D0060

-----Original Message-----

From: Schuelke, Tim (T) [mailto:TSchuelke@dow.com]
Sent: Sunday, July 02, 2006 10:11 PM
To: Silawsky, Donald
Subject: DOE

1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,

Timmy Schuelke
Environmental Operations
Water Distribution
B-3501
Phone-238-2269
mailto:E-mailHYPERLINK "mailto:E-mailtschuelke@dow.com"tschuelke@dow.com
<mailto:E-mailHYPERLINK >

D0017

-----Original Message-----

From: Charlie Singletary [mailto:charlie564@sbcbglobal.net]
Sent: Wednesday, June 28, 2006 9:54 AM
To: Silawsky, Donald
Subject: Stratton Ridge Site

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Charlie Singletary
Business Manager
Operating Engineers Local 564
Phone(979)480-0003
Fax (979)480-0509

Appendix N: Comments on Draft Environmental Impact Statement

D0051

-----Original Message-----

From: Smith, Larry (Freeport) (LR) [mailto:LRSmith@dow.com]
Sent: Thursday, June 29, 2006 7:05 PM
To: Silawsky, Donald
Subject: Brazoria County oil reserves

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.
Thank You,
Larry R. Smith

D0056

strategic petroleum reserveFrom: Solano, Mario (MP) [MFSolano@dow.com]
Sent: Friday, June 30, 2006 7:26 AM
To: Silawsky, Donald
Subject: strategic petroleum reserve

Follow Up Flag: Follow up
Flag Status: Flagged
Expires: Saturday, June 30, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this
will eliminate jobs in Brazoria County. I'm not opposed to having more oil
for reserve, just not in Brazoria County.
Thank You,

D0104

-----Original Message-----

From: Cindy Suggs [mailto:csuggs@univ-wea.com]
Sent: Tuesday, July 11, 2006 9:14 AM
To: Silawsky, Donald
Subject: Brazosport will become a ghost town

Hello,

1 | As a lifetime resident of the greater Brazosport area, I am terribly
concerned about the proposed Strategic Energy Reserve at Stratton
Ridge.

I'm not sure how strategic it is when the entire economic viability of
the region would be at risk. I formerly worked for Dow, and realize
that as Dow goes, so goes our communities. If Dow cannot get the raw
materials it needs for its key processes, it will be forced to build
overseas - such of which they are already doing.

2 | That in turn costs thousands of jobs, including Dow employees, vendors,
contractors, medical professionals, local stores, etc. The Brazosport
area would cease to exist.

I understand there are other sites being looked at. It makes sense to
me to look at those (such as Damon) that are not directly tied to the
entire economic livelihood of tens of thousands of people.

I already work in Houston. I can - along with my husband - easily move
there, taking my votes, my tax dollars, and my spending with me. Well,
maybe not easily, because I live in the greater Brazosport region for a
reason. But I'm afraid we would be forced to go where there are jobs.

Thank you for considering my opinion.

Cindy
Cindy S. Suggs, APR
Corporate Communications Manager
Universal Weather & Aviation, Inc.
8787 Tallyho
Houston, TX 77061
(713) 944-1622 ext 5710
(713) 943-4624 fax
email: csuggs@univ-wea.com <mailto:csuggs@univ-wea.com> Success from
the word GO.

This email and any files transmitted with it are confidential and
intended solely for the use of the individual or entity to whom they
are addressed. If you have received this email in error please notify
the sender. This message contains confidential information and is
intended only for the individual named. If you are not the named
addressee you should not disseminate, distribute or copy this e-mail.
Please notify the sender immediately by e-mail if you have received
this e-mail by mistake and delete this e-mail from your system. If you
are not the intended recipient you are notified that disclosing,

copying, distributing or taking any action in reliance on the contents
of this information is strictly prohibited.

Appendix N: Comments on Draft Environmental Impact Statement

D0068

-----Original Message-----

From: A. Thomason [mailto:thomas1@livingston.net]
Sent: Tuesday, July 04, 2006 9:57 PM
To: Silawsky, Donald
Subject: Oppose

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
Allen Thomason

D0019

Petroleum ReservesFrom: Thornberg, Mike (MC) [MThornberg@dow.com]
Sent: Wednesday, June 28, 2006 11:35 AM
To: Silawsky, Donald
Subject: Petroleum Reserves

Expires: Thursday, June 28, 2007 1:00 AM

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Michael C Thornberg

Appendix N: Comments on Draft Environmental Impact Statement

D0027

From: Duke Tullis [rtullis1@houston.rr.com]
Sent: Wednesday, June 28, 2006 4:36 PM
To: Silawsky, Donald
Subject: oppose selecting Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

1 | Dear Mr. Silawsky,
I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,
R.Duke Tullis

D0057

-----Original Message-----
From: Tyler, Scott (SV) [mailto:SVTyler@dow.com]
Sent: Friday, June 30, 2006 7:48 AM
To: Silawsky, Donald
Subject: Stratton Ridge Site

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

1 | Dear Mr. Silawsky,
I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.
Thank You,
Scott Tyler

Appendix N: Comments on Draft Environmental Impact Statement

D0058

-----Original Message-----

From: Tywater, Elizabeth (ER) [mailto:ERTywater@dow.com]
Sent: Friday, June 30, 2006 8:54 AM
To: Silawsky, Donald
Subject: Oil reserves

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.
Thank You,
E. R. Tywater

D0050

Strategic Oil ReservesFrom: Vaughn, Donald (DL) [DLVaughn@dow.com]
Sent: Thursday, June 29, 2006 4:09 PM
To: Silawsky, Donald
Subject: Strategic Oil Reserves

Expires: Friday, June 29, 2007 1:00 AM

Mr. Silawsky,

1 | I am not opposed to more oil reserves. I am opposed to having them in Brazoria
County, Texas as I feel that using the underground storage facility at Stratton
Ridge will be detrimental to our local economy. I am afraid that it will cause
local jobs to be lost over the long term.

Thanks,

D.L. "Donnie" Vaughn
Ph. 979-238-1615
Eg. 800-342-3976

Appendix N: Comments on Draft Environmental Impact Statement

D0038

From: JOHNNY VOSS [johnny.voss@sbcglobal.net]
Sent: Wednesday, June 28, 2006 9:29 PM
To: Silawsky, Donald
Subject: Brazoria County Jobs

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,
Johnny Voss,
My wife is alive thanks to an organ donor!

14

1 operations.
2 One other thing, which I don't know if it
3 was recognized in your environmental impact statement, but
4 because of our first phase and second phase, we would have
5 up to 400 LNG ships a year coming into this port. So,
6 we're going to add fairly considerably to the marine
7 traffic coming in here. We have worked with the Coast
8 Guard. We have received our waterway suitability studies
9 for that number of ships. So, I suggest those are things
10 that you may want to consider as you consider your project
11 with additional ships and crude carriers that would come
12 into the Freeport port.

3

13 I think that's it. I appreciate your time.
14 MR. DAVID JOHNSON: Thank you.
15 MS. KAREN FADELY: At this point that's all
16 the speakers that I had pre-registered. So, I'd like to
17 open it up, if you want to raise your hand.

7:42P

18 MR. VICK WADE: My name is Vick Wade. I'm
19 coming to you as a local, long-time Brazoria County
20 resident. And I -- I mean, I'm just here to express --
21 I'm not going to give you a long speech or anything but
22 I'm just putting my vote in and my vote would be that we
23 don't -- do not have you-all come in. I just -- I see it
24 as an eminent domain thing that -- and I do have a small
25 business here, and I have long-term interests in our area.

1

D0094

Appendix N: Comments on Draft Environmental Impact Statement

15

1 And I don't see it as a -- this as a long-term positive
 2 for our area.
 3 Thanks.
 4 MR. DAVID JOHNSON: Thank you.
 7:43P 5 **MR. DONALD PAYNE:** Donald Payne, P-a-y-n-e. D0095
 6 I'm County Commissioner, Precinct 1, Brazoria County. And
 7 I'd like to read a Resolution that was passed in
 8 Commissioner's Court today.
 9 To all to whom these present shall come,
 10 Greetings: Whereas, it is understood that the Energy
 11 Policy Act of 2005 directs the Secretary of Energy to fill
 12 the Strategic Petroleum Reserve to a capacity of 1 billion
 13 barrels of oil; and Whereas, it will require the
 14 Department of Energy to expand the Strategic Petroleum
 15 Reserve, such plans to include adding one new site; and
 16 Whereas, the new site must be selected from a group of
 17 sites previously assessed in the Draft Environmental
 18 Impact Statement; and Whereas, Stratton Ridge, Texas, is
 19 one of the new sites being considered; and Whereas,
 20 Stratton Ridge, Texas, is in Brazoria County, Texas; and
 21 Whereas, the proposed location of a Strategic Petroleum
 1 22 Reserve storage operation is Stratton Ridge, Texas --
 23 would have an adverse effect on the area's chemical
 24 manufacturing industry and related jobs and thus the
 25 area's new economic base would be adversely affected; and

D0007

-----Original Message-----
 From: elizabeth waldorf [mailto:elizabeth.waldorf@mgccc.cc.ms.us]
 Sent: Mon 6/19/2006 9:29 AM
 To: Silawsky, Donald
 Cc: bgillett@bellsouth.net
 Subject: Leaf, Pascagoula River

Dear Mr. Silawsky,

- 1 We are writing to oppose the use of Leaf River water in the Richton petroleum storage. This practice would create more problems that it solves.
 - 2 South Mississippi is developing a vigorous ecotourism industry. Eliminating a large input to the Pascagoula River would imperil that pristine ecosystem.
 - 3 Currently excess water pumping is mining ground water from Mississippi soils. On average over the state our water table drops a foot a year. Your proposed withdrawals would combine with this excess.
 - 4 Endangered species are protected by federal law. Sturgeon survive in the Pascagoula. Dramatically reducing its flow would put this remnant population of ancient fish at greater risk.
- Ecologist Eugene Odom recognized in the 1970's that communities should cherish and protect their water as equal or greater in importance than energy. Renewable energy provides an alternative to petroleum. There is no alternative to clean water.
- Please care for our glorious Earth as you make decisions about water.
- Sincerely,
 Dr. Elizabeth Waldorf

Appendix N: Comments on Draft Environmental Impact Statement

D0043

From: Kimmy Wessels [mailto:kimmywessels@sbcglobal.net]
Sent: Thursday, June 29, 2006 9:09 AM
To: Silawsky, Donald
Subject: Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will eliminate jobs in Brazoria County. I'm not opposed to having more oil for reserve, just not in Brazoria County.

Thank You,

Kimmy Wessels
Specializing in Home Marketing
979-417-6955
Keller Williams Realty
Texas Gulf Properties
103 Circle Way
Lake Jackson TX 77566
www.kimmywessels.net

D0003

-----Original Message-----

From: Mary Ellen Whitworth [mailto:mewhit@hal-nc.org]
Sent: Tue 6/13/2006 11:55 AM
To: Silawsky, Donald
Subject: Stratton Ridge

1 | Dear Mr. Silawsky: I am opposed to destroying 258 acres of relatively rare and ecologically important bottomland hardwood forest at the Stratton Ridge site. The Brazoria National Wildlife Refuge is meant to be an area that is protected for generations to come. The DOE needs to look at other sites for their pipeline that does not destroy what cannot be restored. The lowest cost is not sufficient reason to use public land over other alternatives. Thank you for giving me the opportunity to review the summary of the EIS. Mary Ellen Whitworth, 1408 Michigan, Houston, Texas 77006

Appendix N: Comments on Draft Environmental Impact Statement

D0066

-----Original Message-----

From: Williams, Hannah (HF) [mailto:HFWilliams@dow.com]
Sent: Saturday, July 01, 2006 10:37 PM
To: Silawsky, Donald
Subject: Stratton Ridge Site in Texas

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this will
eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

Hannah F. Williams
A-915 Distribution Lab
Ph: 979-238-4233
Fax: 979-2382768

D0044

From: Bill & Nelda [lwoods@sbcglobal.net]
Sent: Thursday, June 29, 2006 10:41 AM
To: Silawsky, Donald
Subject: Petroleum Reserves

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky,

1 | I oppose the DOE selecting the Stratton Ridge Site in Texas. I feel this
will eliminate jobs in Brazoria County. I'm not opposed to having more oil for
reserve, just not in Brazoria County.

Thank You,

William Woods

N.3 PUBLIC MEETING TRANSCRIPTS

N.3.1 Pascagoula Public Meeting

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

U.S. DEPARTMENT OF ENERGY
DRAFT EIS PUBLIC MEETING

TRANSCRIPT OF A PUBLIC MEETING

The following public meeting was held in
Pascagoula, Mississippi, on the 20th day of June
2006, commencing at approximately 7:00 p.m.

2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PRESENT:

MR. DAVID JOHNSON
DEPARTMENT OF ENERGY
OFFICE OF PETROLEUM RESERVE
MS. KAREN FADELY
DEPARTMENT OF ENERGY
OFFICE OF PETROLEUM RESERVE

ALSO PRESENT: MR. ALAN SUMMERVILLE

Phyllis A. Hoiles, AL-CSR-338
Court Reporter
Mississippi CSR 1726

Appendix N: Comments on Draft Environmental Impact Statement

MS. BECKY GILLETTE: First I would like to make a comment that's not really directed to the Department of Energy, but to Congress. And it seems to me that it's -- at a time when global warming is a huge concern and when we've had evidence of that through Hurricane Katrina and are now facing stronger hurricanes as a result, the fact that the government would spend billions of dollars to store more oil rather than investing in the renewable energy and energy conservation is a shame and it's an outrage. That's where our efforts need to be placed, not squirreling away more oil while we spend it like there's no tomorrow. Now, specific to the draft EIS, when I made -- I made this point with the scoping comments, that when this hearing was held in Jackson we were still recovering from the nation's largest national disaster. Local residents, nobody was aware of this. Our elected officials were not aware of it. The environmental community was not aware of it. I am co-chair of the Mississippi Chapter of the Sierra Club. I only became aware of this the day after when a reporter called me for comment and said that there were no opponents or nobody at the scoping meeting in Jackson. If you do look at page S21 on the Potential Resource Impact for Alternatives I think you could see from there that the Richton dome is a not a preferred alternative. And when you put things in a chart like this and look at the different -- different sites that are being considered, that's very useful I guess from a scientific standpoint, but you have a little dot here under water resources. The Leaf River flows into the Pascagoula River which is one of the great river systems of the United States. It is the last large un-dammed river system in the entire U.S. It's incredibly important. The Leaf River is important. I lived up there near the Leaf River myself for 13 years and I can tell you that in periods of drought like now it gets very low and there is an impact from that, water usage. You have as -- as addressed in the EIS, you have all kinds of difficulties, not just with your aquatic resources, but everybody who has a wastewater discharge downriver from that will have less water in which to put their wastewater which causes problems for the municipalities that are discharging that wastewater and also from industrial water users. You may actually have a conflict with Chevron Refinery. There have been times when Chevron Refinery has come very close to not being able to run their refinery because the drought conditions have made the Pascagoula River low. So I would say that that is definitely a conflict of interest there in taking more water out of the Leaf River. Also, even though you only see a few members of the public here I would like to make the point that there was a proposal simply to put a dam on the buoy in Hattiesburg for which flows into the Leaf. That was involved about a year or two ago. I guess it was two years ago now in an area where the gulf sturgeon spawns. There was -- they filled up the whole -- a room bigger than this with people who were opposed to that project, so I think if people knew about the impact -- if people in the Hattiesburg area knew about the impact to the Leaf River water quality alone, that there would be a large number people that would have turned out for that. One point that I do take exception to is this idea that the salt domes are completely stable and nothing ever happens. That isn't true. It's my understanding there have been no new engineering studies at the Richton dome. These domes are inherently unstable. They do change and there should have been new engineering studies done before signing off on saying that this is a stable salt dome that would have no problems. I am also concerned about the ability of the Mississippi Department of Environmental Quality to adequately monitor any problems that might be associated with the salt dome if it leaked oil or if it leaked salt. I believe that some of our drinking water actually comes from up in that area in the underground flow, so I would be concerned about the drinking water quality. And I note here on page S22 of the summary that it says that the

D0083

total number of brine spills predicted with each alternative is 96 to 103. We have very productive, important natural estuaries here on the Gulf Coast and if you dump salt water into that you can kill it for years. These are important to our seafood industry and it can take a long time to recover. The other -- this other last point that I will make is I don't think that you've adequately considered the cumulative impact. And I had an idea if TV was here tonight, I was going to walk from the back and just go like this (indicating) and say, I surrender. We have four major public hearings this week in this county of major environmental impacts. We have two LNG boards that you want to put right next to the island that you are talking about putting this marine Shell terminal. These two LNG ports are going to have to require a great amount of security around them. I don't know how you are going to get all of these tankers in and out. Two LNG ports, right next door, Chevron Pascagoula Refinery is planning on expanding, doubling the size of their refinery so they would go from being the seventh largest refinery in the country to the third largest refinery in the country. I just went to a hearing tonight at 6:00 about DuPont Chemical expanding their operations there and bringing in a dangerous chemical that I don't think we need. So I don't think that you've adequately addressed the cumulative impact. This area has been hit hard by Katrina. The last thing we need to do is bring huge amounts of additional developments into the marine area that we rely on for our seafood production and our cultural heritage. Thank you.

MR. FRANK LEECH: Dr. Osborne and Mr. Johnson, especially on behalf of Jackson County, I would like to say welcome here this evening. And to the rest of you folks that are here to support this, the effort, I am appreciative of your coming our way. I suppose that I would much rather have been able to say that I appreciated being officially invited here this evening, but as you well know I was not officially invited and as far as I am aware, there is not a member of the Jackson County Board of Supervisors that was officially invited or notified as to this meeting or this hearing. Neither was there a notification on October 5th, which was to be a local scoping meeting for this -- Environmental Impact Statement was there any notice given to our Board of Supervisors nor our port authority, nor was there any local meeting relative to input that I am aware of in either Jackson County nor was there one on October the 4th, I believe, as it was scheduled in Hattiesburg, either. So with regard to the fact that none of the meetings have been held on a local level and I don't believe there has been adequate notice relative to this issue being placed before the citizens of Jackson County, I would say that I think this Environmental Impact Statement needs to take a step backward and I think in taking a step backward we need to then recognize and realize that the citizens of the Gulf Coast of Mississippi should be apprised and especially those individuals that are elected to represent a constituency, especially in Jackson County, should be one of the very first people that are on mailing list. I would further request that the Board of Supervisors be advised of why we have not been on an official mailing list and I would like to also know who has been notified as to any scoping meetings or any of the publications of the record that are taking place with regard to this Environment Impact Statement. I am aware that also within this Environmental Impact Statement it makes reference to establishing a marine terminal within the Port of Pascagoula. The Port of Pascagoula is represented by nine board members. Five of those being appointed by the Board of Supervisors. Four of those being appointed by the governor of the State of Mississippi and they, too, were not in the loop with regard to this project at all. I notified -- after having found out via the grapevine today that this meeting was taking place, I notified Mark McAndrews, the director of the Port of Pascagoula, as to this meeting and suggested that -- I wondered if he was aware of this and he apprised me that he was not. Mr. Johnson, it's my understanding

D0084

Appendix N: Comments on Draft Environmental Impact Statement

1 that a meeting was scheduled at 3:00 p.m. this afternoon to bring Mr. McAndrews
as well as George Freeland, the director of the Jackson County Economic
Development Foundation, QUASI, up to speed on what may be taking place here. I
2 think all of this is a little bit on the ridiculous side as far as our federal
government not working with local government to at least apprise it of what is
going on. I further am very concerned about the fact that there seems to be some
3 idea that has been quote, unquote, concocted that we are going to build a marine
terminal on Singing River Island that is in the process of base realignment and
the closure process. And I think in that regard and the fact that we do have an
4 organization that has been recognized in Jackson County by the federal
government as being an organization that would work toward the adaptive reuse of
the island and look at it as to what may transpire there in the future that even
that organization, I do not believe, is aware of this proposed marine terminal.
I think in that regard things that are up for discussion is the future
ownership, maintenance and the adaptive reuse of the Singing River Island as we
5 try to proceed and as we try to solidify economic development within Jackson
County with regard to that island, which the State of Mississippi and the
Jackson County citizens have certainly made significant investment toward. We
further, I believe, would be concerned about the fact that here we are about to
-- it appears as though if this were found to be the right site -- incur a
significant capital outlay into an area that is right on the face of the Gulf of
6 Mexico and with the onslaught of the various and sundry not only tropical
storms, but catastrophic hurricanes it would appear as though to me we will be
in a constant state of maintenance with regard to a marine terminal that is
going to be placed within the brunt of a zone that would be impacted by each and
every hurricane that enters the Gulf and comes our way. Not only am I concerned
7 about the fact that -- that is an issue, but with regard to what was described
by Ms. Gillette as far as water resources and the extraction of water from a
water supply that Jackson County has been concerned about for a long period of
time. It would be my idea on 325 when it talks about water resources, we
address surface water, and it says the proposed facilities would draw water from
nearby surface water bodies for use in the cavern solution mining -- if I can
8 read up here in the dark. Two of the proposed new sites would withdraw the
water from the ICW the proposed, et cetera, et cetera. Then you get down to the
fact the new Richton site, the flow rate of the Leaf River is highly variable
and there would be a potential for withdrawing a significant fraction of the
9 total river flow during drought periods. This withdrawal could exceed the
minimum instream flow levels established by the Mississippi Department of
Environmental Quality during periods of low flow in the Leaf River. Well, we
have certainly experienced low flow within that river system and the fact that
10 the Jackson County Board of Supervisors is presently in the final stages of a
water supply for industrial purposes as well as for potential potable water for
drinking water for our municipalities, a project by which we would continue to
withdraw sizable amounts of water from the Pascagoula River. I am concerned
about the fact that all of this could certainly place quite a strain upon the
water resources, so I would ask that some additional consideration with regard
to that be given and the fact that we are presently -- have in the last five
years, I know, had to purchase water from the Fat Harrison Waterway through the
Port of Pascagoula in order to stabilize industrial water supply for the local
industries. I think we need to reconsider the fact -- withdrawing from the
local surface water supply as far as this cavern is concerned. I am very also
much interested in the fact that we are -- are looking for alternatives for
storage and why are the locations all within a three-state area of the southern
United States on the Gulf of Mexico. It would seem as though to me with regard
for a need -- we certainly have a great need in the northeastern quadrant of the
United States as well as the West Coast, so would it not be appropriate to
establish some other location as opposed to a concentration of strategic

5 petroleum reserve being stored in such close proximity to each other? I do not
have any earthly idea what the impact from a security standpoint may be, but
with the fact that this is all around the Gulf, it would seem as though to me it
could be better if it were spread out into other jurisdictions and this were not
6 basically crammed down a couple or three states' throats as it appears as though
we sometimes become the whipping posts for our government. I am also very
concerned about the fact that these -- that there is such a concern about life
cycle costs and if you want to look at life cycle costs why couldn't we merely
7 look at another investment as opposed to merely incurring all of this capital
outlay of pipelines and terminals and such as that by looking at a
public/private partnership within some of our refineries whereby I am certain
that an arrangement could be made for them to store some of this needed reserve
8 product and could probably be done in such a fashion that it would be much less
costly and would be ever present for productivity at those refineries so that
that product that is called "crude" could then certainly be converted to
something that would be consumable by the citizens of the United States? I am
cognizant of the fact that we certainly need and we will always need to look for
alternative uses or alternative energy sources. And I think that certainly I
9 echo Ms. Gillette's comment with regard to the message to Congress that we need
to be looking at something other than continuing to build strategic petroleum
reserves and look at another means of providing as opposed to oil. I would ask
that the prior Environmental Impact Statement that was developed in the '90s be
returned to the website or that copies of that specifically be made available as
far as a CD ROM or such so that we could compare what prior findings were made
10 as compared to today's Environmental Impact Statement. That we probably are just
merely recreating the wheel and all of this has been studied and studied and
studied again, so it would be my opinion that we probably ought to quit studying
and we ought to just try to get down to the brass tacks of the matter of the
fact that there are some alternatives other than Mississippi becoming this
process of having oil stored in our salt domes and then have to be concerned
with this brine sludge or whatever is going to come down this pipeline for
introduction into the Gulf of Mexico. I would further ask that the Gulf of
Mexico program office be consulted with regard to any and all concerns as well
as national marine fisheries simply because our Gulf is a very -- is very much
an impact financially and economically across the entire southern United States.
And with the shrimp and the aquaculture production that we are working so hard
to improve so that we don't have to rely upon foreign seafood and the import of
11 additional products, it would seem as though to me we would want to be much more
protective of our Gulf than what we are presently talking about doing and that's
merely dumping some additional brine or whatever is going to come out of that
salt dome down this pipeline into the Gulf of Mexico. So with that you can
gather from my comments that I am concerned. I am very much displeased with the
fact that a federal agency has come to Pascagoula, Mississippi on this date
without having had any prior meeting in Jackson County with regard to something
that is going to ultimately end up here in our county and guess what, it is not
appropriate I do not believe for this local government to be ignored and to be
glossed over. So for that I would say y'all have not done justice to our local
government. It is with great disdain that I stand here having to say this
evening that I don't appreciate any or all of this. I don't appreciate that
many federal agencies have been involved, but yet, none of have had any
discussion with the people that are elected to care about our county and how we
go forward. I'd ask that you please do not take these comments personal. These
are my personal comments and I would further say that I do not speak on behalf
of the five members of the Board of Supervisors. I am speaking as Frank Leech,
District 4 Supervisor of the Jackson County Board of Supervisors and I am not
speaking on behalf of the board, even though I did ask each one of our board
members today that were present as well as Mr. Broussard, who was not present at

Appendix N: Comments on Draft Environmental Impact Statement

11 our meeting today, who happens to be celebrating his 30th wedding anniversary today, so I can appreciate why he is not here or he would have been, I am certain, because he has great concern about our environment. But I have asked each and every one of them if they were aware of any or all of this and there was not the first single, solitary person that was aware, that I spoke to, be it at the port or be it at our board. In that I am going to close and I am going to say once again I thank you for allowing us the opportunity to come. I am saddened by the fact that this was not very well publicized. I am saddened by the fact that we do not have an abundance of people here this evening to respond to what I think could be an issue that could provide a critical situation in Jackson County as we go forward. And I personally do not believe it would be in our best interest and the State of Mississippi necessarily to have this 160 million barrels of oil stored here when it could be stored other ways and other places. Thank you very much.

12 **MR. FRED LEMON:** First I'd like to thank Dave and Karen. Thank y'all for coming, taking your time down here. We appreciate it. I am also mighty honored to follow Ms. Gillette and Mr. Leech, Supervisor Leech and I want to thank the Congress. I think they are on the right track. They just took the wrong trail, especially when it came to Richton. I don't think that the Richton deal -- it's kind of like the pleasure is not worth the pain. You know, I just don't think it's a good idea at all. Number one, we might want that salt for something else. Number two, are we going to change the salinity? Number two, (sic) we are going to spend a lot of the Chinese money we borrowed from them for Congress and I like Congress. And I've had a lot to do with helping good men get in and helping bad ones get out. As long as they keep their money not too cold, I think they are right. They are doing right. We've just got to get this thing straight. Now, as far as us having this meeting, I am not sure it's a legal meeting because if it wouldn't have been for Ms. Gillette I wouldn't have even known about it, so, you know, I think we need to look at that. But let's get on back to our water. Our water comes through those salt domes. Now much of it comes out, how much of it gets salted because our water down here -- and I've traveled this country from one end to the other and crisscrossed in a camper and in only one-third of the sites would I put the water in that campground in my camper it was so bad and we have good water. Are we are going to take a chance -- are we going to take a chance in polluting it with this petroleum? I don't think it's -- I don't think it's worth it. And I was in on the atomic dump. They tried their very level best to dump that atomic waste here. It was real popular at the time to dump on Mississippi and so, boy, they really tried. I have got an older radiologist friend -- when they started using radium and he says the place to put that atomic waste is back in the mountain, so we got it to the Oquirrh (phonetic) Mountains, but they haven't just been smart enough yet to put it in, but it's got to go somewhere. It can't go into Congress's back pocket, so eventually it's got to go somewhere. But let's don't screw this salt dome up with petroleum. It needs to go somewhere. Let's put it back in the ground where it came out of, but let's don't put it there. In fact, this plan on the wall, it kind of looks like -- and some of you people are not old enough to remember, but it looks like the Rube Goldberg and the old comic strips. You know, you run this here and you pump this water in there and you -- you take away from the Leaf River and then you put the salt down in the other pipeline and then you pump the petroleum in. It's just a -- the pleasure is not worth the pain. It's a Rube Goldberg. It's poor. The price, like I'd asked you today and you couldn't give me the price and we have borrowed money from the Chinese. Are they going to own our country one day? I hope not because I am a professional businessman. And we've just got to stop that. When I went into business -- I hate to say this, but it was 54 years ago you could do a lot with a dollar. Now, it's not even worth a dime. It's close to a nickel and we are

00085

7 going to build this Rube Goldberg. I hope in God's name we don't. Let's see. There's a couple of other points I would like to get if I can see them. We've got to have good drinking water and we have good drinking water. Now, I was watching a program the other night on the earthquake. If you put that petroleum in there and we do have an earthquake -- because I think it's a New Madrid fault. Is that right, Frank and Becky? A New Madrid fault between Memphis and St. Louis and if it comes and breaks that thing open and dumps it into our water supply we've all lost, so, you know, it's not practical. It's not practical at all. I think that's mainly the points I wanted to get in and I hope they'll be taken with -- seriously. So I would like to close with one word. No.

8 **MR. LIN JACOBSON:** My name the Lin, L-I-N, Jacobson, J-A-C-O-B-S-O-N. I live at 802 Washington Avenue, Pascagoula. That's the west end of Washington Avenue. My home is approximately one-third mile north of Singing River Island. I was amazed to see a small blurb in Saturday's Mississippi Press announcing this public hearing. And in my asking around town the past three days, does anybody have any information on this public hearing. Nobody knew the first thing about it. Mr. Leech has done an excellent job of expressing his displeasure. He has expressed the way I feel. I have no information to offer to this hearing at all other than the fact I feel that -- Mr. Lemon talked about a railroad or a rail line. We are being railroaded here it feels like. We have been through a tremendous amount the past ten months and to be hit with something like this is extremely distasteful. I would expect more from my federal government quite honestly. So I have nothing further to say. I would like to learn a lot about the brine situation as a result of the salt dome. Brine to me is a concentrated, concentrated salt water solution and I don't think that needs to be pumped out into our front yard in the Gulf, but I will need further information. The planning on this may have been exquisite for you guys, but your public relations as to what is going on to the people of Jackson County has been a zero and that's unfortunate. Thank you.

00086

9 **MR. LEECH:** the State of Mississippi has done a poor job as well, then, of having the local jurisdictions which have home rule advised within the process because I would expect the Mississippi Development Authority -- we do have an Area Development Partnership that spoke at Jackson which is supporting the Perry County Board of Supervisors. We have relationships across this state regarding economic development and it would just seem as though to me that something would have been communicated. And I am -- I am a little bit taken back by the fact that the storm has become everybody's whipping boy, so to speak. It is the fault of everything that is not happening and our federal government hasn't done a good job with regard to it and neither are we doing a good job now with regard to other things that have really nothing to do with this storm, y'all. You need to carry on your business as usual and to me if you are going to set up a meeting it's going to be published in the Federal Register that you are coming here, then come and do what you say you are going to do. If you are not, then some communication needs to be sent so that people could be aware of the fact that this is going on. And you know when you had to have a meeting today with Matthew Avara as well as the Port of Pascagoula in order to -- to, you know, enlighten them in some fashion. Well, heavens to Betsy, 9-1 was two days after the storm and for this to go to the Federal Register then and us just think, you know, it's business as usual then. It wasn't. So, yes, I guess we can blame some of this on the storm, but I think due diligence was the cause or give cause for your need to take an extra step with regard to this process and any Environmental Impact Statement that has been developed in what I would call a vacuum, without local input, I think is just quite -- it's quite disrespectful

Appendix N: Comments on Draft Environmental Impact Statement

for the local jurisdiction. So again, I think I made my point clear. I won't go any further.

MR. LEMON: Dave, let me say this. I just got my roof fixed on my house and repaired -- a complete new roof three weeks ago and everybody down here is just way behind, so really this stuff should really be advertised completely and give us time -- even the Feds gave us time on our income tax. Boy, that is something when you get something out of the IRS.

MR. LEECH: Yes. As a CPA they even gave us another extension to October 15th, so needless to say, there is some consideration.

(MEETING CONCLUDED AT 8:20 P.M.)

29

C E R T I F I C A T E

STATE OF ALABAMA:

COUNTY OF BALDWIN:

I do hereby certify that the above and foregoing transcript of proceedings in the matter aforementioned was taken down by me in machine shorthand, and the questions and answers thereto were reduced to writing under my personal supervision, and that the foregoing represents a true and correct transcript of the proceedings given by said witness upon said hearing.

I further certify that I am neither of counsel nor of kin to the parties to the action, nor am I anyway interested in the result of said cause.

PHYLLIS A. HOILES, AL-CSR-338

Court Reporter

Mississippi CSR 1726

N.3.2 Richton Public Meeting

1 U.S. DEPARTMENT OF ENERGY
2 DRAFT EIS PUBLIC MEETINGS

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TRANSCRIPT OF A PUBLIC MEETING

The following public meeting was
held in Richton, Mississippi on the
21st day of June 2006, commencing at
approximately 7:00 p.m.

1 PRESENT:
2
3 Mr. David Johnson
4 U.S. Department of Energy
5 Office of Petroleum Reserve
6
7 Ms. Karen Fadely
8 U.S. Department of Energy
9 Office of Petroleum Reserve

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COURT REPORTER: Deborah Ann Payton, CCR, RPR

Appendix N: Comments on Draft Environmental Impact Statement

1
MR. JACK MOODY: All right. My name is Jack Moody. I work for the Mississippi Development Authority. First of all, I would like to acknowledge the very thorough job that Dave and his people have done in Mississippi and Mississippi is delighted to have two candidates for consideration in this expansion. As he pointed out, there was a second candidate put into it and, really, we've got two features in Mississippi, very distinct, very different, and can serve two different purposes, in a sense. Where we are, it's got the biggest, prettiest, shallowest piece of salt anywhere in Mississippi. It's a fabulous natural resource with tremendous storage capacities, but as you saw, the plumbing involved in this is quite extensive, so it would take two different views of our two different sites. One would be a very long term, very major, strategic decision here, money going in up front, investing in something very big, but that's what y'all live on top of in the Richton salt dome; tremendous capabilities. We've got room in there. Our state geologist and one of his staff is with us. They've put out publications. I think Stan published a summary of all of our salt domes here in Mississippi just a few years ago and that document puts about 5,800 acres under -- above 2,000 feet in the salt. That's a lot of storage capability. So, again, the Richton site, you would have to think of almost building an interstate. It's the type of investment the government looked at, and yes, it's big; yes, it's expensive, but oh, when it gets done, it's going to do a great job. The other site that we have at Bruinsburg on the river, as Dave pointed out, is a smaller site. On a good day, you could put 160 million barrels in it. That's a yawn for the Richton site. Oh, yeah, it's a good beginning, but when we're really going to get going, you know. But there are two different sites and it will be up to his office and the amount of monies that they have going. But we, in Mississippi, are also saying we think it's a good idea. As you saw from those maps, the Strategic Petroleum Reserve is located on the coast and both of our sites are geographically removed from the coast, geographically removed from surge influence that the hurricanes will bring. NOAA, which is the National Oceanic and Atmospheric Administration, has put out on its site that hurricane seasons are cyclical, just like everything else in life, and we have been in one of those really nice, low-intensity cycles for about 30 years and we are embarking -- starting about two seasons ago, on our next high-intensity, high-frequency cycle. So, that goes back to, we would politely -- we're going to put our best foot forward, that we would hope the DOE would take that into consideration. The Strategic Petroleum Reserve, we think it would be a strategic move to geographically pull part of that off of the coast and be able to serve the Midwest in the event that we had a repeat of a Katrina-type situation, but something, whether it would be a foreign import interruption or whether it would be domestic difficulties from natural disasters. But nevertheless, we would be removed from the coast and be able to continue to contribute to the stability of the country while they're dealing with whatever problems developed. But again, we really appreciate the thoroughness of the review the DOE has given Mississippi and we certainly wish them - as a country, we wish them the best decision for the good of the country. Thank you.

D0087

1 CERTIFICATE

2
3 STATE OF ALABAMA)
4 MOBILE COUNTY)
5
6 I hereby certify that the above and
7 foregoing deposition was taken down by me
8 in stenotype, and the questions and answers
9 thereto were transcribed by means of
10 computer-aided transcription, and that the
11 foregoing represents a true and correct
12 transcript of the deposition given by said
13 witness upon said hearing.
14 I further certify that I am neither
15 of counsel nor of kin to the parties to the
16 action, nor am I in any way interested in the
17 result of said cause.
18
19
20
21
22 DEBORAH ANN PAYTON, CCR, RPR
23
24 My Commission expires
25 September 10, 2006

N.3.3 Port Gibson Public Meeting

1

U.S. DEPARTMENT OF ENERGY
PUBLIC MEETING ON THE DRAFT EIS
FOR THE EXPANSION OF THE STRATEGIC PETROLEUM RESERVE
CLAIBORNE COUNTY MULTIPURPOSE BUILDING
THURSDAY, JUNE 22, 2006
7:00 P.M

AS REPORTED BY:

ROSIE KAISER HAILS, CVR
CERTIFIED VERBATIM REPORTER
CERTIFIED MS COURT REPORTER #1613
203 SOUTH M. L. KING ST.
NATCHEZ, MISSISSIPPI 39120
601-442-6311 / 601-807-4196

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

2

I N D E X

COMMENTS BY:	PAGE NO.
Mr. Jack Moody Mississippi Development Authority	3
Mr. Vernon Phillips Anabasis, LLC	10
Mr. James Miller Claiborne County Board of Supervisors	14

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

PROCEEDINGS

MR. DAVID JOHNSON
 DEPARTMENT OF ENERGY
 OFFICE OF PETROLEUM RESERVES
 DIRECTOR OF PLANNING AND ENGINEERING OFFICE

Mr. Johnson gave a 20-minute presentation and then opened the floor to questions and comments from the audience.

COMMENTS FROM THE AUDIENCE

JACK MOODY

D0088

My name is Jack Moody. I'm with the Mississippi Development Authority. And on behalf of the state, I would like to recognize the tremendous amount of work that the DOE is doing. They've really been time constrained to come to a final decision by the Congress, and we have been working with them all along and really admire the level of effort that's having to go into doing a thorough analysis in such a pressed timeframe.

Mississippi did put a second salt dome into the process, as you saw the big dome over towards Pascagoula, Richton. Historically, it was in the process; it was in the running for the last expansion of the Strategic Petroleum Reserve and it, therefore, was grandfathered in, so to speak, on the process.

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

And then the additional location for Bruinsburg was then added when the opportunity came up.

And what Bruinsburg brings to the table, as Mr. Johnson pointed out, and as you saw on that map, right now the Strategic Petroleum Reserve is primarily located on the coast. And in the events of Katrina and Rita, that pointed up some of the vulnerabilities of having all your eggs in one basket.

Mississippi feels like it would be a strategic move for the Strategic Petroleum Reserve to spread the geography out on this reserve, because when something comes up, whether it's a natural disaster or something else, and we need it, it would be good -- and in our pocket: We're trying to sell Mississippi -- it would be good to have us up and away from that concentration and be able to supply those crude oils that are going to go up to the Midwest and to the center part of the United States, coming out of what we hope would be this Bruinsburg location.

Bruinsburg, in our view, has quite a few things going for it. Stan Fielding, with the Office of Geology, authored a booklet several years ago that basically gathered all of the information for all the shallow salt domes here in Mississippi. There're 51 of them, I believe. And in the Bruinsburg and putting that information together -- and he's good at digging up stuff that nobody else can find -- there was a lot of drilling. There was a lot a history here:

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

5

1 everything from salt companies who have gone in and drilled
2 the top of this salt; they've analyzed the salt, and it's very
3 pure salt.

4 In some other locations, you've got a lot of minerals
5 that are mixed in with it; but in this case, not many of
6 those, according to the analysis, which is good when you start
7 to put some freshwater into it. You're going to end up with a
8 bunch of water and not a lot of solids, and that's going to go
9 thorough the solution process better.

10 But we've got control. There were some seismic, which is
11 a technique that allows you to look down into the earth, the
12 exploration people use quite a bit. It wasn't on top of the
13 dome. It wasn't designed to see the dome. It was actually
14 designed to get away from it a little bit. But it picked up
15 some of the edges. Of course they had the responsibility of
16 locating this site and making a very big decision and a very
17 expensive decision. And so, again, in the diligence and in
18 the timeframe, they're going to do a seismic survey over the
19 Bruinsburg dome in the very near future.

20 Mr. Johnson got creative on getting the incentives to
21 make these people get up and go so that they can get it done
22 in time, but there will be two more lines that are going
23 across there, and it will be designed to see the dome. The
24 oil and gas seismic was not designed to see the dome. It was
25 designed to see stuff down at about 15,000 feet, and what he

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

6

1 needs to see is at about 2000 to 5000 feet. So there'll be
2 some very good high quality data that they'll be able to build
3 a lot more confidence on the size of the dome. Again the
4 state, from all of the data that we've been able to put
5 together, we feel confident that the size of the dome is going
6 to be there to accommodate the 160 million barrel option if
7 need be.

8 And then we also recognized the strategic location of
9 Bruinsburg in and of itself, the mighty Mississippi sitting
10 right here. Freshwater to make these caverns can be a big,
11 big deal if you don't have any. If you don't believe that, go
12 talk to the people at Richton. But you have got the biggest
13 river in North America coming through there, and there's going
14 to be plenty of water source.

15 We also, from DOE's point of view, our way of getting rid
16 of that brine, when they put the fresh water in the well, and
17 when it comes back up, it's going to be salty. It will pucker
18 your lips. And they've got to get rid of it. So in this
19 case, we're too far from the Gulf of Mexico to get rid of it
20 that way. So it will be injected into salt water disposal
21 wells, which will be drilled here in a line going one way.
22 It's all designed to have a series of salt water disposal
23 wells. So the Mississippi River is going down in the cavern,
24 the brine is coming out, and then the brine is being put down
25 way below freshwater. You don't have to worry about the

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

7

1 drinking water.

2 Their experiences down in South Louisiana and Texas,
3 they're not that comfortable with that process. In
4 Mississippi the oil industry moves a lot of water this way;
5 albeit, not as much water as fast as what they need. But the
6 analysis that archaeologists have done along the Mississippi
7 River and in this location, you couldn't find a better place
8 in Mississippi to have a salt water injection project than
9 here. It is loaded with sands down from about 2000 feet on
10 down. So we have a lot of confidence that when DOE gets into
11 the salt water injection process, they're going to find that
12 there's going to be a better story than the what they've run
13 into at other locations.

14 The geology that we see is favorable for the salt water
15 injection. We've got the Mississippi River giving them the
16 freshwater that they need in great big quantities, and the
17 Mississippi also plays a part in the distribution. And it's a
18 critical part of the job they have to do. If we get into
19 trouble as a country, and they say that we've got to get this
20 oil out of here, it's got to go. And so in the due diligence
21 that they were doing, they discovered -- is it the Baxter
22 Wilson -- a power plant up near Vicksburg has and maintains an
23 active port there. And so they made a deal with the folks,
24 that if this were chosen as the site, that that would allow
25 them to distribute something on the order of 200,000 barrels.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

8

1 So part of it's going to go up the river, and the rest of
2 it's going to head over to the Capline, which is the main
3 artery that's going to be serving all the way up close to
4 Chicago.

5 So we feel like the Mississippi is a real asset to us.
6 We feel like in the 80 million barrels -- remember, he said
7 that we have two options. The 80 million barrel option, we're
8 sharing that, I guess, if that came to pass, with the Clovelly
9 dome in South Louisiana, which is really out in South
10 Louisiana, way down there. And it would be an interesting
11 combination. And they've noted that by going that route it
12 kind of doubles their overhead, instead of having your
13 overhead for one location, you have double overhead. But you
14 also are splitting the risks. You feel like here you've got
15 the possibility to move out of harm's way for a natural
16 disaster, that certainly South Louisiana is in a position to
17 suffer some of those things.

18 And at the same time, there's a lot of experimental
19 activity that's going to go on with Clovelly because they've
20 already got salt domes sitting with caverns in them. And for
21 the first time anywhere, I think, they're going to come in and
22 make it the second story or the second basement, so to speak.
23 They'll create theirs underneath the existing ones. So it's
24 going to be a real interesting engineering experiment because
25 you go deeper and you go into higher pressures, higher

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

1 temperatures, and they'll be dealing with a lot of those
 2 things, which will be wonderful because you can see that you
 3 can take any salt dome and you can double the capacity of it
 4 if it works out. They'll have their work to do down there,
 5 and we feel like, what our salt dome here does would be
 6 complimentary to that.

7 So we're hoping that in the final analysis -- they've got
 8 a big responsibility, national security, petroleum for us. I
 9 guess y'all over in this part of the state, and I know I did
 10 in my place, went on for about 15 days. We've been without
 11 for a little bit, so we know what that's like.

12 So they've got the responsibility to keep things going.
 13 And we certainly wish them well, and we certainly hope that
 14 Mississippi will be one of those locations. We hope to see,
 15 and I stress again, we really would like to see that reserve
 16 spread out a little bit, a little bit out of harm's way. And
 17 we think that we've got the candidate site here that could
 18 contribute to that.

19 With that, we wish them well in their endeavors and look
 20 forward to their final analysis.

23 **VERNON PHILLIPS**

D0089

24 Hi, once again. My name is Vernon Phillips, and if it's
 25 all right, I'll speak from a prepared document.

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

1 My name is Vernon Phillips, and I speak on behalf of
 2 Anabasis, LLC. I would first like to thank Claiborne County
 3 for the hearing in the past, as well as the hearing today, and
 4 their hospitality and the opportunity to speak. I would like
 5 to thank Governor Barbour, the State of Mississippi for having
 6 included the Bruinsburg site as a candidate. I commend the
 7 DOE for consideration of the Bruinsburg site as a candidate
 8 for expansion of the United States Petroleum Strategic
 9 Reserve.

1

10 I would ask the Department of Energy to consider the
 11 following advantages that the Bruinsburg site offers:

12 Number 1 is geographic distribution. The Bruinsburg site
 13 lies 100 miles north of existing storage sites to offer
 14 strategic supply advantages to the PADD, (spelling) P.A.D.D.
 15 Number 2 and removes the site from all possibilities of
 16 hurricane storm surge. Furthermore, the Bruinsburg site
 17 offers the strategic disbursement from other sites acquired by
 18 the original enabling legislation of the United States
 19 Strategic Petroleum Reserve.

2

20 Number 2 is the minimal environmental impact. The
 21 Bruinsburg offers the shortest possible pipeline routes of all
 22 the candidate sites with the facilities completely under the
 23 Department of Energy's security procedures.

24 The Bruinsburg site offers raw water availability out of
 25 the fragile brackish marsh environment.

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

1 The Bruinsburg site offers highland pipeline construction
 2 for minimal environmental impact and least of cost.
 3 The Bruinsburg site offers abundant availability of
 4 disposal zones underground, which completely protect the
 5 underground fresh water supplies and result in no discharge to
 6 the environment of hyper-saline brine.
 7 The Bruinsburg site offers cost-effective construction
 8 options with excellent distribution by pipeline and barge to
 9 PADD, PADD II, and PADD III.
 10 Anabasis would like to respectfully submit for
 11 consideration an option incorporating several elements of the
 12 Department of Energy's proposal of the Bruinsburg site, which
 13 will substantially reduce pipeline mileage, minimize
 14 environmental impact, and reduce its cost without compromising
 15 security, operational flexibility, or crude distribution in
 16 times of national emergency.
 17 A facility can be constructed at Bruinsburg with the
 18 capacity of 80 million barrels, as a joint facility with
 19 Clovelly, or as a 100 million barrel facility that could stand
 20 alone at Bruinsburg. The following suggestions can be applied
 21 to either at the facilities.
 22 By locating the new road along the common right-of-way of
 23 the proposed power line, which the Department of Energy
 24 depicted on the southeast side of the facility, the visual
 25 impact of the historic Civil War landscape, which is alluded

2

3

3 1 to in Section 23 of the Summary Draft EIS, will be totally
 2 eliminated.
 3 Structure of a brine disposal system with a pipeline
 4 paralleling the raw water supply line and constructing
 5 disposal wells perpendicular to the pipeline will allow
 6 minimal environmental impact.
 7 Additionally, by using both the Sparta and Wilcox
 8 formations for brine disposal, the capacity of each well can
 9 be doubled or increased fourfold, thus reducing the number of
 10 disposal wells required, reducing the wellhead pressure of
 11 each well, and increasing injection runtime between workovers,
 12 which will commensurate reduced cost and enhance environmental
 13 safety.
 14 Both the Sparta and Wilcox formations have proven to be
 15 safe, well known, and commonly used disposal zones in
 16 Mississippi with excellent disposal capacity. Both zones can
 17 be used at the same time in each well-bore further enhancing
 18 safety and the disposal capacity.
 19 Additionally, by constructing a dock at the Mississippi
 20 River, near the old ferry site, less than three miles to the
 21 southwest of the site, a short crude oil distribution line can
 22 be also laid parallel to the raw water supply pipeline and the
 23 brine disposal pipeline. To do this will minimize
 24 environmental impact. A dock there will also be available to
 25 be accessed by the old ferry road.

3

4

5

6

Appendix N: Comments on Draft Environmental Impact Statement

7 1 The 30-inch crude oil distribution pipeline to the
 2 Capline can be laid parallel to the proposed power line right-
 3 of-way and our proposed access road to the southeast side of
 4 the site. The pipeline then can be parallel to the Energy
 5 power line, which runs from the Grand Gulf Power Plant to
 6 Peetsville.

8 7 As the DOE mentioned in the Summary Draft EIS on page
 8 S23, the natural landscape can be preserved by placing
 9 pipelines underground and otherwise working with agencies to
 10 minimize impact. The issues addressed in the Summary Draft
 11 EIS on concerns with the Homochitto National Forest can be
 12 eliminated by routing the pipeline around the forest to the
 13 north for short distances necessary to avoid any problems on
 14 the east end of the Bruinsburg and Peetsville line.

15 However, by going through the forest, the pipeline can be
 16 laid to incorporate existing right-of-ways; and in many cases,
 17 some pipeline exposure in the forest is a boon to recreational
 18 use by providing different ecosystems to enhance activities,
 19 such as hunting and bird watching. Any endangered species
 20 encountered along the route will be found in streams, which
 21 can be avoided by horizontal boring beneath the stream bed.

22 At Bruinsburg the salt has been cored and analyzed by the
 23 Atomic Energy Commission in the 1960's and was reported with
 24 salt purity in excess of 99 percent. The top of the salt is
 25 2000 feet below the surface, which is the optimum depth for

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

1 environmental safety and cost effectiveness for construction
 2 and operations during the life of the storage facility.

9 3 By moving the caverns and service facilities as far west
 4 on the site as practical, the maximum subsurface safety as to
 5 the geologic control and operational effectiveness can be
 6 obtained. By constructing a facility in that manner, visual
 7 resources, endangered species, cultural resources impact can
 8 be minimized or eliminated. The affected area will be less
 9 than 700 acres. This will result in an environmentally sound,
 10 very cost-effective site. I would like to submit to you for
 11 the record a proposal incorporating all of these features.

12 Thank you so much for your time. I appreciate it.

13
 14 **JAMES MILLER**

D0090

15 My name is James Miller. I'm Claiborne County
 16 Administer, and I'm here on behalf of the Claiborne County
 17 Board of Supervisors. And I want to apologize. They're in a
 18 board meeting as we speak, so that's why they're not here.
 19 They sent me to echo their concerns.

1 20 I want to first and foremost say the Claiborne County
 21 Board of Supervisors totally supports this effort. And, as a
 22 matter of fact, we, the county, we have been talking to our
 23 congressional delegation about this particular endeavor for
 24 the last couple or three years. Congressman Pickering, I
 25 think, was very instrumental in bringing this to the

ROSIE KAISER HAILS, CVR
 601-442-6311 / 601-807-4196
 rosiehails@belsouth.net

Appendix N: Comments on Draft Environmental Impact Statement

1

forefront, in terms of Claiborne County being included in the process, as well as Governor Barbour. So the Claiborne County Board of Supervisors is totally committed to doing whatever it needs to do to support this.

Having said that, we also see this as having implications for national security. It seems to me, very clearly, that we need to do everything we can to make sure that our country is independent and we have a diversified portfolio as it relates to our energy needs.

Most of y'all know that we've also embraced Claiborne County to the building of Grand Gulf Nuclear Power Plant Number Three. So we see southwest Mississippi and Claiborne County being an integral part of the solution to coming energy solutions to our problems in this country as it relates to gas, natural gas, and oil, as well as nuclear power. We see nuclear power and these other energy conglomerates as an integral part of having a diversified energy portfolio.

And so the Claiborne County Board of Supervisors, again, supports this effort, and we will do anything and everything we can to work with the Department of Energy and other federal agencies as we go through this process to make sure that we act in the best interest of Claiborne County, southwest Mississippi, the State of Mississippi, and our country.

Thank you.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

CERTIFICATE

I, Rosie Kaiser Hails, Notary Public in and for the County of Adams, State of Mississippi at Large, do hereby certify that there appeared before me the foregoing speakers;

That the testimony was recorded by me, by Stenomask, reduced to typewriting via speech recognition, and proofed under my direct supervision, and the foregoing consecutively numbered pages are a complete and accurate record of the comments at said time by said speakers;

That the undersigned is not of kin nor in any way associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the 4th day of July, 2006.

ROSIE KAISER HAILS, CVR
CERTIFIED VERBATIM REPORTER/
CERTIFIED MISSISSIPPI COURT
REPORTER NO. 1613/NOTARY PUBLIC

My commission expires April 19, 2009.

ROSIE KAISER HAILS, CVR
601-442-6311 / 601-807-4196
rosiehails@belsouth.net

N.3.4 Lake Jackson Public Meeting

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PUBLIC MEETING
FOR
DEPARTMENT OF ENERGY'S
STRATEGIC PETROLEUM RESERVE

JUNE 27, 2006

PRESENTED BY MR. DAVID JOHNSON

LAKE JACKSON CIVIC CENTER
333 HIGHWAY 332 EAST
LAKE JACKSON, TEXAS
GRACIE O'ROURKE & ASSOCIATES - 210.479.6161

2

6:54P 1 (Presentation by Mr. David Johnson is
2 presented and completed.)
3 MR. DAVID JOHNSON: Karen will introduce the
4 speakers; and if you would, go ahead.
5 MS. KAREN FADELY: Okay. So, at this point
6 we're going to have our court reporter ready to record
7 your comments on the draft EIS. I want to remind you that
8 all of the different methodologies of how you can submit
9 comments before that July 10th deadline is on the green
10 sheet of paper. You can mail it in. You can E-mail us.
11 You can fax us, or you can come up tonight.
12 I do have a number of speakers that have
13 already registered. So, I'm just going to go through the
14 list. Everybody has about five minutes, more or less. I
15 have these little cards. So, if you get a little
16 long-winded, I might wave you down. That's just so that
17 everybody has an equal opportunity to get up and speak.
18 So, first -- also, when you get up here,
19 please state your name clearly and spell your last name
20 for the record.
21 And I'd like to start off with Bob Walker.
7:22P 22 **MR. BOB WALKER:** Good evening. My name is
23 Bob Walker. I am vice president and site director of The
24 Dow Chemical Company based here in Freeport, Texas. I'd
25 like to share with you a number of concerns that our

D0091

Appendix N: Comments on Draft Environmental Impact Statement

3

1 company has with the consideration of Stratton Ridge as a
2 potential location for the SPR expansion site. These are
3 primarily concerns of economic impact to Dow and to the
4 region that flow from this environmental impact study.

5 Let me start by stating that we are
6 certainly not opposed to expanding the Strategic Petroleum
7 Reserves, but Dow does not support the use of Stratton
8 Ridge for this expansion. The reasons for this are fairly
9 straightforward.

10 Over 50 percent of the more than 6,000 Dow
11 employees and contractor jobs in our Freeport facilities
12 exist because of the salt that we mine at Stratton Ridge.
13 This salt is a critical raw material for our chlor-alkali
14 production, which is, in turn, critical for our downstream
15 user plants that are dependent upon chlorine and caustic,
16 as well as several fence line customer plants.

17 From this Stratton Ridge salt, we make
18 thousands of different products worth over \$5 billion
19 annually. We also use the Stratton Ridge area to store
20 raw materials and products. Approximately half of the
21 \$125 million a year that we pay in taxes for state and
22 local purposes for Dow's Texas Operations are dependent
23 upon these assets.

24 On the other hand, the SPR uses underground
25 salt formations -- as was just covered -- as the basis for

4

1 their oil storage operations. For their purposes, they
2 remove the salt and discharge it into the ocean. Placing
3 the SPR at Stratton Ridge would waste salt that Dow could
4 otherwise mine and convert into useful, value added
5 products that support the economy of this area.

6 The use of seawater for mining, the speed of
7 mining the caverns in the salt dome, and the lack of a
8 fully saturated brine solution as a discharge precludes
9 this salt from being consumed by Dow to make useful
10 products. This salt would simply be wasted into the
11 ocean.

12 Now, we understand that other sites are also
13 in consideration to locate the SPR facility but they do
14 not have any co-located and salt-base production
15 facilities. So that that salt wasted into the ocean is
16 not salt that could be used otherwise as a feedstock for
17 manufacturing purposes.

18 In addition, we have concerns about our
19 current Stratton Ridge operations, as these assets are
20 critical to the economic operation of our Freeport site,
21 which happens to be Dow's largest manufacturing facility
22 globally. We experienced the concept of eminent domain
23 firsthand when the U.S. Government first used its power to
24 take Bryan Mound -- now the local SPR site -- from us when
25 we were an unwilling seller.

Appendix N: Comments on Draft Environmental Impact Statement

5

1 Allow me to demonstrate this impact with
2 some numbers. At the moment -- without the SPR at
3 Stratton Ridge -- we estimate that Dow has access to salt
4 reserves that should last us for more than 30 years. But
5 the 16 proposed SPR caverns would waste about 130 billion
6 pounds of salt, or the equivalent of seven years of Dow
7 salt consumption. But it really doesn't stop there.
8 When the Department of Energy presented its
9 initial plan in the fall of 2005, two of Dow's planned
10 wells on Dow land would have been directly impacted,
11 wasting another four years of salt that Dow could have
12 converted into raw material. Since that initial plan, the
13 DOE has expanded the area that it needs for the SPR. This
14 impacts another three planned Dow wells, thus reducing
15 Dow's potential salt consumption up to 11 years.
16 So, bottom line, under the DOE's current
17 proposal, up to 18 years of equivalent Dow salt
18 production -- or consumption is wasted.
19 The waste of Stratton Ridge salt and the
20 possibility that the government may take some business
21 critical property from Dow is a grave concern to our
22 internal business analysts who make investment
23 recommendations to Dow's senior management.
24 Simply put, Texas operations competes with
25 chemical and plastic producers around the world. We

6

1 already have a competitive disadvantage due to high energy
2 and feedstock prices here on the Gulf Coast. The Dow
3 Texas Operations site could lose its global
4 competitiveness completely if the SPR expansion is located
5 at Stratton Ridge. But not only potential new investment
6 would be in jeopardy, these same factors would also be --
7 negatively affect business decisions for investments to
8 support current operations.
9 So, the future of Dow Texas Operations is
10 dependent on the willingness of Dow, first, to continue to
11 make investments in new products; second, to continue to
12 make these products that are made today; and third, to
13 improve the site's energy efficiency and sustainability.
14 Without such investments, manufacturing facilities like
15 ours may cease to be viable and ultimately shut down.
16 Now, we understand that a hundred or so jobs
17 might be created for managing the SPR site. However,
18 placing our Freeport Dow site in further economic jeopardy
19 would literally put thousands of high-wage manufacturing
20 jobs, as well as thousands of additional jobs in our
21 community, at risk.
22 In short, the long-term viability of our
23 Texas Operations site depends upon having low cost salt
24 feedstock and hydrocarbon storage facilities located at
25 the Stratton Ridge site. The loss of these capabilities

Appendix N: Comments on Draft Environmental Impact Statement

7

1 could ultimately cause Dow in Freeport to lose its global
2 competitiveness and, again, with the potential result in
3 the inevitable and painful shutdown.

4 Thank you for allowing me to express our
5 concerns and state the reasons why Dow opposes the use of
6 the Stratton Ridge location for the new Strategic
7 Petroleum Reserve site.

8 Thank you very much.

7:29P 9 MR. DAVID JOHNSON: Thank you.

10 MS. KAREN FADELY: I'd like to call David
11 Stedman of the Economic Development Alliance for Brazoria
12 County.

13 MR. DAVID STEDMAN: Thank you.

D0092

14 I'm David Stedman, S-t-e-d-m-a-n. I'm the
15 president and CEO of The Economic Development Alliance for
16 Brazoria County.

17 The Economic Development Alliance is an
18 organization composed of businesses large and small. We
19 have members that include chemical manufacturers, people
20 in the petroleum industry, contractors, engineers,
21 retailers, businesses of all types. Some of our members
22 are small businesses that depend on the local economy and
23 the spending dollars that are created by some of the large
24 industries. Our economy is interrelated.

1 | 25 And so, on the 12th of June, our board met

8

1 to represent the entire business community of Brazoria
2 County and unanimously adopted this resolution, the
3 Resolution, In Opposition to the Strategic Petroleum
4 Reserve At Stratton Ridge, Whereas, the Economic
5 Development Alliance for Brazoria County's mission is to
6 promote and to diversify the economic base, attract
7 high-wage jobs and target industries to Brazoria County,
8 and support and champion the interests of existing
9 business; and Whereas, it is understood that the Energy
10 Policy Act of 2005 directs the Secretary of Energy to fill
11 the Strategic Petroleum Reserve to its one billion barrel
12 capacity, and this will require the Department of Energy
13 to expand the Strategic Petroleum Reserve, such plans to
14 including -- to include adding one new storage site; and
15 Whereas, Stratton Ridge, Texas, is one of the new sites
16 being considered from the group of sites previously
17 assessed in the Draft Environmental Impact Statement, and
18 Stratton Ridge is located within Brazoria County, Texas;
19 Whereas, the proposal to locate a Strategic Petroleum
20 Reserve storage operation at Stratton Ridge, Texas, would
21 have an adverse effect on the area's chemical
22 manufacturing industry which constitutes the very
23 foundation of the economy of South Brazoria County with
24 over 5,000 direct jobs and as many as four to eight times
25 that number of indirect jobs among contractors and

Appendix N: Comments on Draft Environmental Impact Statement

2

1 suppliers; Whereas the expansion of the Strategic
2 Petroleum Reserve at Stratton Ridge would create virtually
3 no significant economic benefit that could conceivably
4 compensate for the potential harm it would do to the local
5 economy; and Whereas, the Department of Energy has other
6 options to meet its mandated expansion of the Strategic
7 Petroleum Reserve capacity. Now, Therefore, Be It
8 Resolved, that the Economic Development Alliance for
9 Brazoria County hereby opposes said location of a
10 Strategic Petroleum Reserve at Stratton Ridge, Texas.

11 And hereby -- in witness hereby, we set our
12 hands.

13 So, I appreciate the opportunity to read
14 this Resolution into the record. And I would just like to
15 add my personal comments to this.

16 One of the potential -- or one of the great
17 benefits of heading an organization like the Economic
18 Development Alliance is to look at Brazoria County and
19 look at it as it can be as well as as it is. We want to
20 diversify our economy, and we're working to do that with
21 the support of the chemical manufacturing industry and
22 with the support of our court and all the various elements
23 that make up our existing economy. And we're doing that
24 with things like nanotechnology and biotechnology in terms
25 of trying to attract those to Brazoria County. But how

2

1 suppliers; Whereas the expansion of the Strategic
2 Petroleum Reserve at Stratton Ridge would create virtually
3 no significant economic benefit that could conceivably
4 compensate for the potential harm it would do to the local
5 economy; and Whereas, the Department of Energy has other
6 options to meet its mandated expansion of the Strategic
7 Petroleum Reserve capacity. Now, Therefore, Be It
8 Resolved, that the Economic Development Alliance for
9 Brazoria County hereby opposes said location of a
10 Strategic Petroleum Reserve at Stratton Ridge, Texas.

11 And hereby -- in witness hereby, we set our
12 hands.

13 So, I appreciate the opportunity to read
14 this Resolution into the record. And I would just like to
15 add my personal comments to this.

16 One of the potential -- or one of the great
17 benefits of heading an organization like the Economic
18 Development Alliance is to look at Brazoria County and
19 look at it as it can be as well as as it is. We want to
20 diversify our economy, and we're working to do that with
21 the support of the chemical manufacturing industry and
22 with the support of our court and all the various elements
23 that make up our existing economy. And we're doing that
24 with things like nanotechnology and biotechnology in terms
25 of trying to attract those to Brazoria County. But how

Appendix N: Comments on Draft Environmental Impact Statement

11

1 So, therefore, I think that we need to
2 really evaluate this in terms of risks. The risks that
3 you talk about on your slide are risks of disaster or
4 environmental impact; but there's also a risk when people
5 can't work, when people can't feed their families.

6 When I first came here to the Economic
7 Development Alliance, in some of our cities, we had
8 employment (sic) as high as 17 percent. 17 percent.
9 Think about that. That means almost one in five people
10 are out of a job. Now, because of some things that we
11 have done in the expansion and activity that we have here,
12 we now have a good unemployment rate and it's dropping.
13 We happen to be fortunate right now that it's a little bit
14 lower than the state level. And we're real proud of that.
15 But that could be reversed instantly with the decision not
16 to keep a plant open or put it somewhere else because
17 there's a better strategic environment there. And so, I
18 urge you to look at all your alternatives and pick some
19 place other than Stratton Ridge for the Strategic
20 Petroleum Reserve expansion.

21 Thank you very much.

22 MS. KAREN FADELY: I'd like to call Bill
23 Henry of Freeport LNG.

7:36P 24 MR. BILL HENRY: My name is Bill Henry,
25 H-e-n-r-y. I'm vice president of Freeport LNG. I just

D0093

12

1 want to make a few comments here. While our business is
2 not directly dependent upon salt, I should mention to you
3 that Dow Chemical is the 15 percent owner of Freeport LNG;
4 and we're very concerned about their welfare. They're
5 also one of the biggest customers of our terminal. We
6 want to see their economic viability continue for a long
7 period of time so that they can utilize our facilities.

8 One of the comments I wanted to make is that
9 in your environmental impact statement study it was
10 unclear to me, as I went through it, that you were really
11 considering the fact that there was an LNG plant being
12 built here. Let me assure you that it is. We were -- we
13 had filed for and received our federal regulatory permits
14 back in June of 2004. In August of 2005 we started
15 construction. In January, 2005, we are 18 months into
16 construction. First deliveries through the first phase of
17 our plant will begin at the end of '07 and continue from
18 thereon.

19 We have also filed for an expansion of this
20 facility. It's specified in those dockets there. That
21 expansion is to go from 1.5 Bcf of daily capacity to 4 Bcf
22 of daily capacity at the terminal. That was filed in May
23 of 2005. The environmental assessment on that has just
24 been published, and it is on the FERC agenda for July.
25 So, we anticipate getting all the permits for that by the

Appendix N: Comments on Draft Environmental Impact Statement

13

1 end of this year and -- and then possibly starting
2 construction at the first part of 2007.

3 We also have as part of this project a
4 send-out pipeline -- a 42-inch send-out pipeline which
1 5 goes from Quintana Island to Stratton Ridge. It actually
6 crosses the 40-inch DOE line going to Texas City. That's
7 a high-pressure pipeline. 1250 pounds, MAOP of 1440. So,
8 I want to make sure that if you're going to build another
9 pipeline you be real careful where you put it.

10 The second thing that's in our expansion is
11 salt cavern storage wells. We have in our plans to build
12 up to two natural gas salt cavern storage wells as part of
13 our Freeport LNG facility. We have permitted those with
14 the Texas Railroad Commission. They're considered
2 15 non-jurisdictional by FERC. So, they were permitted by the
16 Texas Railroad Commission. That docket is shown in the --
17 the material I have given you. So, that -- that's going
18 to happen. It is on the other side about approximately
19 where you pointed. I will send you by E-mail the X and Y
20 coordinates of those particular -- those wells so that
21 you'll be able to consider those in your consideration.

22 Our position is that -- is that we want to
3 23 make sure that you've considered our operations in any
24 development just like we would be concerned about Dow or
25 anybody else's development therein concerning our

14

1 operations.

2 One other thing, which I don't know if it
3 was recognized in your environmental impact statement, but
4 because of our first phase and second phase, we would have
5 up to 400 LNG ships a year coming into this port. So,
3 6 we're going to add fairly considerably to the marine
7 traffic coming in here. We have worked with the Coast
8 Guard. We have received our waterway suitability studies
9 for that number of ships. So, I suggest those are things
10 that you may want to consider as you consider your project
11 with additional ships and crude carriers that would come
12 into the Freeport port.

13 I think that's it. I appreciate your time.

14 MR. DAVID JOHNSON: Thank you.

15 MS. KAREN FADELY: At this point that's all
16 the speakers that I had pre-registered. So, I'd like to
17 open it up, if you want to raise your hand.

7:42P

18 MR. VICK WADE: My name is Vick Wade. I'm
19 coming to you as a local, long-time Brazoria County
20 resident. And I -- I mean, I'm just here to express --
21 I'm not going to give you a long speech or anything but
1 22 I'm just putting my vote in and my vote would be that we
23 don't -- do not have you-all come in. I just -- I see it
24 as an eminent domain thing that -- and I do have a small
25 business here, and I have long-term interests in our area.

D0094

Appendix N: Comments on Draft Environmental Impact Statement

15

1 And I don't see it as a -- this as a long-term positive
2 for our area.
3 Thanks.
4 MR. DAVID JOHNSON: Thank you.
7:43P 5 MR. DONALD PAYNE: Donald Payne, P-a-y-n-e. D0095
6 I'm County Commissioner, Precinct 1, Brazoria County. And
7 I'd like to read a Resolution that was passed in
8 Commissioner's Court today.
9 To all to whom these present shall come,
10 Greetings: Whereas, it is understood that the Energy
11 Policy Act of 2005 directs the Secretary of Energy to fill
12 the Strategic Petroleum Reserve to a capacity of 1 billion
13 barrels of oil; and Whereas, it will require the
14 Department of Energy to expand the Strategic Petroleum
15 Reserve, such plans to include adding one new site; and
16 Whereas, the new site must be selected from a group of
17 sites previously assessed in the Draft Environmental
18 Impact Statement; and Whereas, Stratton Ridge, Texas, is
19 one of the new sites being considered; and Whereas,
20 Stratton Ridge, Texas, is in Brazoria County, Texas; and
21 Whereas, the proposed location of a Strategic Petroleum
1 22 Reserve storage operation is Stratton Ridge, Texas --
23 would have an adverse effect on the area's chemical
24 manufacturing industry and related jobs and thus the
25 area's new economic base would be adversely affected; and

16

1 Whereas, the Department of Energy has other options to
2 meet its mandated expansion of the Strategic Petroleum
3 Reserve capacity.
4 Now, therefore be it resolved, that Brazoria
2 5 County hereby opposes any location of a Strategic
6 Petroleum Reserve at Stratton Ridge, Texas.
7 In witness thereof, we have hereunto set our
8 hands and cause the Great Seal of Brazoria County to be
9 affixed on the 27th day of June, 2006. It's signed by all
10 the members of the Commissioner's Court: County Judge,
11 John Willy; myself, Commissioner of Precinct 1; Jim
12 Clawson, Commissioner of Precinct 2; Jack Harris,
13 Commissioner of Precinct 3; and L.L. Stanley, Commissioner
14 of Precinct 4.
15 And on a personal note, before I was elected
16 in 2001, I worked for Dow for 22 years, and ten of those
17 years were in a chlorine plant. And I know the need of
18 the brine for the -- for the chlorine operations. And I'm
3 19 actually surprised when Bob stood up here and said it
20 would only affect 50 percent of the people out there. I
21 figured it would be more than that because at all of the
22 other plants -- or a lot of the other plants tie in to
23 chlorine.
24 So, this is something that would -- with
25 you-all having another site, I sure would hope you-all

Appendix N: Comments on Draft Environmental Impact Statement

17

1 would be willing to look at going somewhere else other
2 than in Brazoria County. Commissioner's Court does not
3 oppose having an increase in the barrels of oil. We just
4 oppose it coming to Brazoria County.

5 Thank you-all.

6 MS. KAREN FADELY: Anybody else like to say
7 something?

7:45P

8 MS. TERI MASTERON: My name is Teri
9 Masterson, M-a-s-t-e-r-s-o-n. And my background is in
10 trade and commodity markets. And I was just -- I really
11 have a question more than a comment.

D0096

12 Do you-all consider, when you're doing your
13 economic and risk analysis, not only the economic risks to
14 the local economy but also to the natural gas supplies of
15 the United States? Because as we look at more LNG coming
16 in and we look at storage capability, the strategic oil
17 reserve is obviously for disruptions in oil production.
18 But natural gas production is also key to electric power
19 generation as well as the gas that we use in -- for power
20 and feedstocks in the -- in industries all around the
21 state and, in fact, all around the United States.

22 So, when you look at the impact of affecting
23 LNG and the volatility that that can have on natural gas
24 markets -- because that will help depress volatility of
25 natural gas markets. I know you-all are focused on oil;

18

1 but you do need to consider the impact on natural gas, its
2 volatility and that impact on the domestic economy when
3 you do your economic analysis.

4 Thank you.

5 MS. DIANE KILE: Good evening. My name is
6 Diana Kile. And I am the deputy director for U.S.
7 Congressman Ron Paul. And I would -- and Kile is K-i-l-e.
8 And I would like to read a statement written by
9 Congressman Paul today.

D0097

10 I want to join with others tonight in
11 expressing my concerns regarding the Stratton Ridge
12 expansion of the Strategic Petroleum Reserve. In the
13 recent past, President Bush has stated the need to
14 judiciously diminish the reserve in order to reduce
15 non-market demand, thus helping to reduce energy costs.
16 In light of that, we should seriously consider not only
17 where but also whether or not to increase the reserve.
18 Certainly if high energy prices are a legitimate
19 concern -- and they clearly are at this time -- we should
20 not undertake such an expansion in a way that could
21 negatively impact any component of the petrochemical
22 industry. Any federal action that would threaten to raise
23 costs to business, which would be passed along to
24 consumers, is a bad policy at any time. However, this is
25 a particularly bad time for any such policy to be enacted.

1

Appendix N: Comments on Draft Environmental Impact Statement

19

1 In addition, it is always a concern of local
2 property owners that federal activity will result in a
3 taking of private property. Such takings have a direct
4 negative impact not merely on the property owner who has
5 every right to expect that government will protect its
6 property interest but also upon economic activity. When
7 property rights are in jeopardy, property owners do not
8 take the kinds of economic actions that benefit themselves
9 as well as other economic actors.

2

10 As a leading advocate of property rights, I
11 share the strong concern of others in the area that
12 locating this reserve expansion in Stratton Ridge will
13 negatively impact property owners. Moreover, I join with
14 the local government authorities and taxpayers who are
15 always concerned about taking property off of the local
16 tax rolls. With many suffering from property valuation
17 inflation, further erosion of the tax base will only serve
18 to further increase property taxes upon already strapped
19 homeowners and businesses.

3

20 Again, I wish to join with The Economic
21 Development Alliance for Brazoria County, the Dow Chemical
22 Company, and other concerned members of the community in
23 expressing my concern regarding the siting of an SPR
24 expansion at Stratton Ridge.

25 I thank you for giving me this opportunity.

20

1 MR. DAVID JOHNSON: Thank you very much.
2 MS. KAREN FADELY: Would anybody else like
3 to come up?

7:50P

4 **MR. TOMMY SORIERO:** I don't have a prepared
5 statement. My name is Tommy Soriero. I represent the
6 owner of Pinto Energy Partners. We are the owner of the
7 majority of the land where the -- the site has -- has been
8 platted, and I want to make a statement. I'm not going to
9 reiterate the words of Mr. Walker and Mr. Henry, but we
10 have owned the property since the Thirties with the view
11 towards the mineral value of both the salt and the storage
12 capabilities from the property itself.

D0098

1

13 We have in the last year worked a deal with
14 Freeport LNG. They are building their cavern -- both
15 their caverns, and they are permitted on our property. We
16 also have additional development underway on the property
17 for additional caverns both for gas storage to support the
18 LNG and the local consumption of the chemical facilities
19 in the area. We also have, obviously, a very large
20 interest in the mineral value of the salt that Mr. Walker
21 alluded to in his speech that we hate to see that -- that
22 mineral wasted and it seems like it'd certainly be a way
23 to accomplish both goals both realizing the mineral value
24 of the salt as it is mined and not being wasted since
25 there is a consumer in the area that could take the salt

Appendix N: Comments on Draft Environmental Impact Statement

21

1 and it's also something, I said, the company has owned
2 for -- in the range of 70 years -- maintain the ownership
3 of this land for this specific reason. And we anticipate
4 that there's probably going to be a difference in the
5 economic value as being proposed by -- by the DOE versus
6 our company and how long we've held the property with the
7 development plans that we have and this would certainly
8 interfere with all of those plans.

9 What we would like to see is -- is some way
10 to work out a -- an arrangement whereby both the mineral
11 can be extracted and the value derived from those minerals
12 which -- like I said, I'm not going to reiterate all the
13 words -- chemical producers in that area would like to see
14 that mineral exploited and -- and the operations as well
15 as potentially provide the storage for the -- for the SPR
16 utilizing those same caverns in that same production
17 process.

18 Now, I know that it's difficult to
19 accomplish all those goals at the same time but it's
20 certainly something that would be done with minimum waste
21 and -- and most value to us, the mineral owner, and to the
22 chemical consumption industries -- or the chemical
23 production industries that use the salt as feedstock and
24 as well as to develop a potential of the property for gas
25 storage which was just alluded to that we see in the

22

1 infrastructure and the storage that is capable of being
2 developed on the property for the natural gas, we see it
3 as being as, you know, every bit as important as the
4 security and the need for the oil storage.

5 Thank you.

7:53P

6 **MR. SHANE FIRTLE:** Shane Firtle,

D0099

7 F-i-r-t-l-e, immediate and former mayor of Lake Jackson.
8 And I won't presume to speak for other elected officials.

9 I say that -- as you've already heard, Dow Chemical is a
10 major -- the primary employer in this community, largest
11 employer in this community; and obviously it's a
12 substantial contributor to this community.

1

13 So, with that being said, we wouldn't want
14 to see anything that jeopardizes what we've seen as a
15 great partner in this community both as an employer and
16 contributing in a number of other activities. So, I think
17 that would -- and as well as the cities -- all those --
18 most of the large cities are members of The Economic
19 Development Alliance and we're a part of this resolution.

20 Thank you.

21 **MS. KAREN FADELY:** Would anybody else like
22 to come up and make a comment?

23 Go ahead, ma'am.

7:54P

24 **MS. JANICE EDWARDS:** My name is Janice

D0100

25 Edwards. And my background -- and I'm retired from Getty,

Appendix N: Comments on Draft Environmental Impact Statement

23

1 Texaco, and Shell and so, I know a lot about the oil
2 industry.

3 And my question to you-all is -- I
4 understand we need strategic oil reserves. But looking at
5 the map where they all are, they all reside in the Gulf
6 Coast. I realize most of our refineries are here; but the
7 problem I see is if we have a major disaster like a
8 Katrina and a Rita again and you cannot get to the
9 strategic oil reserves, it'd do you no good. I suggest
10 that you consider some place a little bit further inland
11 that would not be impacted by the hurricanes that we are
12 going to continue to receive down in the Gulf Coast.

13 Thank you.

(Mr. David Johnson concludes with closing remarks and meeting is concluded at
7:55 p.m.)

24

1 STATE OF TEXAS
2 COUNTY OF BRAZORIA
3 REPORTER'S CERTIFICATE
4 TO THE PUBLIC MEETING
5 HELD ON JUNE 27, 2006
6

7 I, the undersigned Certified Shorthand Reporter in
8 and for the State of Texas, certify that the comments
9 stated in the foregoing pages are true and correct.

10 I further certify that I am neither attorney or
11 counsel for, related to, nor employed by any parties in
12 which these comments were taken and, further, that I am
13 not a relative or employee of anyone employed by the
14 parties hereto or financially interested in the outcome of
15 the meeting.

16 SUBSCRIBED AND SWORN TO under my hand and seal of
17 office on this the 6th day of July, 2006.

18
19

20 IDA H. SALINAS, TEXAS CSR 4469
21 Expiration Date: 12/31/2006

22

23 Gracie O'Rourke & Associates
24 19015 La Verita
25 San Antonio, Texas 78258
(210) 479-6161
(210) 479-6162

GRACIE O'ROURKE & ASSOCIATES - 210.479.6161

25

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

GRACIE O'ROURKE & ASSOCIATES - 210.479.6161

[This page intentionally left blank]

N.3.5 Houma Public Meeting

1

1 U.S. DEPARTMENT OF ENERGY
2 DRAFT EIS PUBLIC MEETING
3 SITE SELECTION FOR STRATEGIC PETROLEUM RESERVE EXPANSION
4
5
6

JUNE 28, 2006

7 HOUMA-TERREBONNE CIVIC CENTER, HOUMA, LOUISIANA
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

24 Pilant Court Reporting
25 TOLL FREE 1-800-841-6863

2

1
2 REPRESENTING THE DEPARTMENT OF ENERGY:
3 Mr. David Johnson, Director, Planning & Engineering Office,
Office of Petroleum Reserves, U.S. Department of Energy
4

Ms. Karen Fadley, ICF International

5 Mr. Alan Summerville, ICF International
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

24 Pilant Court Reporting
25 TOLL FREE 1-800-841-6863

Appendix N: Comments on Draft Environmental Impact Statement

PUBLIC STATEMENTS

MS. FADLEY:

I'm going to read out the people who are pre-registered to come and give a comment, and then I'll invite anyone who's decided since walking in the door that you'd like to give a comment.

MR. DAVID KOHLER:

D0101

David Kohler, K-O-H-L-E-R. I'm with Dominion. We own the Hackberry facility. It's one of the facilities that is pre-existing. I'll just comment further on Dave Johnson's comments, that our facility actually has three completed caverns, five million barrels each, that have already been bleached and are just sitting empty. So as far as meeting the criteria -- or the four criteria that were outlined, one of them being cost effectiveness, "expeditiously," you know, in service, and the third one being the least impact. And that's the reason why we wanted to come here and have our comments heard, because in the Draft EIS there's a comment in there that really was misdirected, and I want to read it to you. It's on Page S, Paragraph 2 of the Draft Order, and it says, "The Chacahoula alternative, including the Chacahoula storage site and two of the three SPR expansion sites, Bayou Choctaw and West Hackberry, would affect the most acres of wetland of any alternative in the combination with other

projects in the same ecosystem. The Clovelly alternative would have the smallest effect the combination with the other projects. Louisiana has lost substantial amounts of wetlands associated with agricultural activities, land development, natural land subsidence, erosive forces over the many decades."

Well, our facility happens to sit juxtaposed to the SPR facility. We share a fenceline with them. It's 18 feet above sea level, and when Hurricane Rita came through we didn't even have any water in the wells, so we found it kind of difficult to think that there may be a wetland issue, so we actually invited the Corps of Engineers to come out with us. We actually met them today down at the facility just to have a walk-through, because they're the ones that made the comment.

And I think the reason why the comment was probably made was misconstrued, because we do own some other property that does go out into Black Lake, and I think they misconstrued that the development would go into Black Lake. The three caverns sit up 18 feet above sea level.

We had them come out, and they said if the DOE pursues the plan that they have outlined in their depiction, said that there would be no need for a wetlands permit and there's no issue. So we wanted to make sure that was made very clear.

Appendix N: Comments on Draft Environmental Impact Statement

5

1 Other than that, Dominion is very interested in
2 pursuing and hoping that our alternative is considered.
3 3 It does make a lot of sense. Obviously it could be put in
4 service probably the quickest of any of the alternatives.
5 Although it is small, it certainly meets the criteria.

6 Questions, comments?

7 MR. JOHNSON:

8 Well, thank you very much.

9 MR. KOHLER:

10 Thank you.

11 MS. FADLEY:

12 I'd like to invite Sybil Guidry up.

13 **MS. SYBIL GUIDRY:**

D0102

14 My name is Sybil Guidry and I'm a resident of
15 Terrebonne Parish. I'd like to voice my concerns
16 1 regarding the destruction of wetlands in Chacahoula, the
17 Department of Energy and disappointingly on the
18 recommendation of the State of Louisiana.

19 I'm not sure. Where's Dominion? Where did you say
20 Dominion was?

21 MR. KOHLER:

22 We're at the Hackberry facility.

23 MS. GUIDRY:

24 Hackberry facility?

25 MR. KOHLER:

6

1 Yes, ma'am.

2 MS. GUIDRY:

3 Is that where the Morton Salt Company was, the -- no?

4 MR. KOHLER:

5 No. Farther west.

6 MS. GUIDRY:

7 Farther west?

8 MR. KOHLER:

9 I think they were actually developed -- (inaudible).

10 MS. GUIDRY:

11 Well, I feel that it would impact severely the
12 fragile ecosystem that's already wounded from exploitation
13 by oil companies, by some thoughtless locals, as well as
14 the natural forces.

15 2 Terrebonne Parish has been negatively impacted by
16 Hurricanes Katrina and Rita. And so that's my concern, is
17 that, here goes some more wetlands, some more destruction.
18 And I'd just like to see the funding that DOE would expend
19 on building the petroleum oil reserves in the development
20 of alternative sources of clean energy. Thank you.

21 MR. JOHNSON:

22 Thank you.

23 MS. FADLEY:

24 Charlotte, did you have some comment?

25 **MS. CHARLOTTE RANDOLPH:**

Appendix N: Comments on Draft Environmental Impact Statement

7

1 Yes.

2 MS. FADLEY:

3 You can come up now if you have a comment. Please
4 remember to state your name and spell your last name.

5 MS. RANDOLPH:

D0103

6 Let me first apologize for my dress, so -- we had
7 some field work to do today. I am Charlotte Randolph,
8 Lafourche Parish President.

9 My comments, as they had been at the last meeting,
10 are directed to the Clovelly site. Because LOOP had been
11 a good environmental storage for many years, we feel that
12 any expansion could actually be best achieved in that
13 site. We feel that LOOP would certainly be a good monitor
14 of the situation, as well.

15 I realize that it will take some time for this
16 particular project to develop and come to fruition, but at
17 the same time Lafourche Parish, and in particular the LOOP
18 site, is encased and encircled by a levee system which was
19 able to survive Rita last year, and that was very
20 important because we certainly had some infrastructure
21 that was involved in that situation.

22 The Chacahoula site is straddling the border between
23 Lafourche and Terrebonne, and certainly we would be
24 somewhat concerned about the ecosystem there, but at the
25 same time -- we're open to discussion about that site, but

8

1 certainly we would favor more a site that has already been
2 developed, already been established, already been
3 represented as a group that will certainly make certain
4 that everything that is necessary to protect the
5 environment, as well as to provide the storage for this
6 very important American oil -- I think it would be best
7 served at LOOP. Thank you very much.

8 MR. JOHNSON:

9 Thank you.

10 MS. FADLEY:

11 Would anybody else like to stand up and make a
12 comment? Okay. Well, I do remind you that you have until
13 July 10th to submit your comments.

14 (Whereupon the public statements were concluded.)

15 * * * * *

C E R T I F I C A T E

I, Paul Stahls, Certified Court Reporter,
in and for the State of Louisiana, do hereby certify that
the proceedings were reported by me and transcribed under
my personal direction and supervision, and that this is a
true and correct transcript, to the best of my ability and
understanding.

PAUL STAHL
Certified Court Reporter

[This page intentionally left blank]