

U.S. Department of  
Homeland Security

United States  
Coast Guard



Commanding Officer  
United States Coast Guard  
Marine Safety Unit Port Arthur

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16611  
March 7, 2019

DIRECTOR OF GAS ENVIRONMENT AND ENGINEERING, PJ 11  
FEDERAL ENERGY REGULATORY COMMISSION  
888 1ST ST NE  
WASHINGTON, DC 20426-0002

Dear Madam or Sir:

This Letter of Recommendation (LOR) is issued pursuant to 33 CFR 127.009 in response to the Letter of Intent (LOI) submitted by Commonwealth LNG, LLC on July 23, 2017. Commonwealth LNG proposes to site, construct, and operate a liquefaction facility with a capacity of 9.5 million metric tonnes per annum (MTPA) of Liquefied Natural Gas (LNG) in Cameron Parish, Louisiana, at which LNG is to be transferred in bulk to or from a vessel.<sup>1</sup> It conveys the Coast Guard's recommendation on the suitability of the Calcasieu River Ship Channel for LNG marine traffic as it relates to safety and security. In addition to meeting the requirements of 33 CFR 127.009, this letter fulfills the Coast Guard's commitment for providing information to your agency under the Interagency Agreement signed in February 2004.

After reviewing the information in the applicant's LOI and Waterway Suitability Assessment (WSA), and completing an evaluation of the waterway in consultation with a variety of state and local port stakeholders, I recommend that the Calcasieu River Ship Channel be considered suitable for LNG marine traffic. My recommendation is based on review of the factors listed in 33 CFR 127.007 and 33 CFR 127.009. The reasons supporting my recommendation are outlined below.

On February 28, 2019, our energy project team from Marine Safety Unit Lake Charles (MSULC) completed a review of the Follow-on WSA for the proposed Commonwealth LNG project, submitted to the Coast Guard by AcuTech Consulting Group, Vienna, Virginia on November 15, 2018. This review was conducted following the guidance provided in U.S. Coast Guard Navigation and Vessel Inspection Circular (NVIC) 01-2011, dated January 24, 2011. In conducting this review and analysis, MSULC focused on the navigation safety and maritime security aspects of LNG vessel transits along the affected waterway. Their analysis included an assessment of the risks posed by these transits and validation of the risk management measures proposed by the applicant in the WSA. During this review, a variety of stakeholders were consulted including the Area Maritime Security Committee, Harbor Safety Committee, State and local government representatives, and local emergency response groups.

Based upon a comprehensive review of the applicant's WSA and after consultation with State and local port stakeholders, I recommend that the Calcasieu River Ship Channel be considered suitable for accommodating the type and frequency of LNG marine traffic associated with this project.

The attached LOR Analysis contains a detailed summary of the WSA review process that has guided this recommendation. It documents the assumptions made during the analysis of the Commonwealth LNG WSA. It discusses details of potential vulnerabilities and operational safety and security measures that were analyzed during the review. The portion of the LOR Analysis which addresses matters that affect

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<sup>1</sup> Vessel to vessel LNG bunkering operations fall outside the scope of this Letter of Recommendation.

maritime security is marked as Sensitive Security Information and is withheld from distribution.<sup>2</sup> The LOR Analysis sets forth the navigational safety and maritime security resource gaps that currently exist in, on, and adjacent to the waterway, including the marine transfer area of the proposed facility, and which, to the extent allowable under FERC's existing legal authority, may be addressed in its Commission Order if one is issued. To the extent implementation of specific mitigation measures fall outside the scope of FERC's legal authority, the applicant is expected to examine the feasibility of implementing such mitigation measures, in consultation with the Coast Guard and State and Local agencies as applicable.

This recommendation is provided to assist in the Commission's determination of whether the proposed facility should be authorized. This letter is not an enforceable order, permit, or authorization that allows any party, including the applicant, to operate a facility or a vessel on the affected waterway. Similarly, it does not impose any legally enforceable obligations on any party to undertake any future action be it on the waterway or at the proposed facility. It does not authorize, nor in any way restrict, the possible future transit of properly certificated vessels on the Calcasieu River Ship Channel. As with all issues related to waterway safety and security, I will assess each vessel transit on a case by case basis to identify what, if any, safety and security measures are necessary to safeguard the public health and welfare, critical marine infrastructure and key resources, the port, the marine environment, and vessels. In the event the facility begins operation and LNG vessel transits commence, if matters arise concerning the safety or security of any aspect of the proposed operation, a Captain of the Port Order could be issued pursuant to my authority under the Ports and Waterways Safety Act of 1972, as amended by the Port and Tanker Safety Act of 1978, 33 U.S.C. § 1221 – 1232, among other authorities, to address those matters.

If you have questions, my point of contact is Commander Dan Cost. He may be reached at 337-491-7801 or email [Daniel.H.Cost@uscg.mil](mailto:Daniel.H.Cost@uscg.mil).

Sincerely,



J. M. TWOMEY  
Captain, U.S. Coast Guard  
Captain of the Port  
Port Arthur, Texas

Enclosures: (1) LOR Analysis, SSI  
(2) LOR Analysis, Public Release

Copy: Commander Coast Guard District 8 (dw), (dl)  
Commander Atlantic Area (LANT-544)  
Commandant (CG-DCO-D), (CG-OES), (CG-ODO), (CG-FAC), (CG-741)  
Commonwealth LNG, LLC

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<sup>2</sup> Documents containing SSI may be made available upon certification that the requestor has a need to know and appropriate document handling and non-disclosure protocols have been established.