

U.S. Department of  
Homeland Security

United States  
Coast Guard



Commandant  
United States Coast Guard

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July 31, 2018

Texas Gulf Terminals Inc.  
Attn: Ms. Denise Rogers  
1401 McKinney, Suite 1500  
Houston, Texas 77010

Dear Ms. Rogers:

On July 9, 2018, Texas Gulf Terminals Inc. (TGTI) submitted a deepwater port license application to the U.S. Coast Guard (Coast Guard) and the U.S. Maritime Administration (MARAD) to own, construct, and operate a deepwater port used for the export of domestically sourced crude oil. In accordance with the Deepwater Port Act, Title 33, United States Code § 1504(c)(1), I determine TGTI's application to own, construct, operate and eventually decommission a deepwater port is complete. This means TGTI's license application contains sufficient information to commence processing. Please note, however, TGTI will receive additional information requests (data gaps) as its application is processed. This project will be known as the Texas Gulf Terminals Project. The State of Texas is designated as an Adjacent Coastal State.

A Notice of Application (NOA) will be published in the Federal Register, and a complete copy of the application will be transmitted to Governor Greg Abbott of Texas. The application will also be distributed to appropriate Federal, State, and Tribal entities and will be posted on the Federal Docket # **MARAD-2018-0114**, which will become active upon publication of the NOA. The Coast Guard and MARAD will consult with, and receive input from, the public, Texas State agencies, affected Tribes, and several other Federal agencies. At the conclusion of this process, the Maritime Administrator will render a decision on TGTI's application.

MARAD, as the licensing authority, will work directly with you and your representatives to identify more detailed information regarding the financial arrangements for the construction, operation, and decommissioning of the deepwater port that may need to be submitted.

The USCG and MARAD will coordinate with TGTI and other Federal/State agencies and Tribal representatives to identify suitable locations in the Adjacent Coastal State where public meetings and hearings can be held. Dates, times and locations for public scoping meetings will be noticed in the Federal Register via a Notice of Intent (NOI) to Prepare an Environmental Impact Statement – Notice of Public Scoping.

The Deepwater Port Act requires that all deepwater port applications include "the location of existing and proposed storage facilities and pipelines which will...transport oil through the deepwater port, to the extent known by the applicant..." (33 U.S.C. § 1504(c)(2)(G)). The applicant is also required to include in its application "the type and design of all components of

the deepwater port and any storage facilities associated with the deepwater port.” (33 U.S.C. § 1504(c)(2)(E)). In its application, TGTI notes that it does not include any information related to “the pipeline infrastructure that will feed the OSTF [Onshore Storage Terminal Facility].” TGTI assures that “[o]nce more information is available about this pipeline infrastructure, [TGTI] may supplement” its application. The Deepwater Port Act directs that deepwater port applications be processed in compliance with the National Environmental Policy Act (NEPA). This compliance “shall fulfill the requirement of all Federal agencies in carrying out their NEPA responsibilities.” Pursuant to NEPA, the Coast Guard and MARAD are required to identify and analyze all connected actions that are closely related to the proposed action. In relation to TGTI’s proposal to construct and operate a deepwater port, the construction and operation of the OSTF, and its associated pipeline infrastructure, is a connected action. While it is my conclusion that the processing of TGTI’s application may commence, this information gap in TGTI’s application must be filled as soon as possible in order to include it prior to publication of the Draft Environmental Impact Statement (Draft EIS). Other data gaps related to TGTI’s application will be combined into a matrix and provided to you at a later date.

If you have any questions regarding processing of the application, please contact Mr. Roddy Bachman, Coast Guard project lead, at (202) 372-1451, or Mr. Wade Morefield, MARAD project lead, at (202) 366-7026. The Coast Guard and MARAD look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Curtis E. Borland".

CURTIS E. BORLAND  
Attorney Advisor,  
Vessel and Facility Operating Standards  
U.S. Coast Guard

Copy: Ms. Yvette Fields, MARAD  
Federal Participating Agencies (Distribution)