



**BILLING CODE: 4910-81-P**

**DEPARTMENT OF TRANSPORTATION**

**Maritime Administration**

**[Docket No. MARAD-2018-0114]**

**Deepwater Port License Application: Texas Gulf Terminals, Inc.**

**AGENCY:** Maritime Administration, Department of Transportation.

**ACTION:** Notice of application.

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**SUMMARY:** The Maritime Administration (MARAD) and the U.S. Coast Guard (USCG) announce they have received an application for the licensing of a deepwater port and that the application contains all required information. This notice summarizes the applicant's plans and the procedures that will be followed in considering the application.

**DATES:** The Deepwater Port Act of 1974, as amended, requires any public hearing(s) on this application to be held not later than 240 days after publication of this notice, and a decision on the application not later than 90 days after the final public hearing.

**ADDRESSES:** The public docket for MARAD-2018-0114 is maintained by the U.S. Department of Transportation, Docket Management Facility, West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE, Washington, DC 20590.

The license application is available for viewing at the Regulations.gov website:

<http://www.regulations.gov> under docket number MARAD-2018-0114.

We encourage you to submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. If you submit your comments electronically, it is not necessary to also submit a hard copy. If you cannot submit

material using <http://www.regulations.gov>, please contact either Mr. Roddy Bachman, USCG or Mr. Wade Morefield, MARAD, as listed in the following “FOR FURTHER INFORMATION CONTACT” section of this document. This section provides alternate instructions for submitting written comments. Additionally, if you go to the online docket and sign up for email alerts, you will be notified when comments are posted. Anonymous comments will be accepted. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. The Federal Docket Management Facility’s telephone number is 202-366-9329, the fax number is 202-493-2251.

**FOR FURTHER INFORMATION CONTACT:** Mr. Roddy Bachman, U.S. Coast Guard, telephone: 202-372-1451, email: *Roddy.C.Bachman@uscg.mil* or Mr. Wade Morefield, Maritime Administration, telephone: 202-366-7026, email: *Wade.Morefield@dot.gov*. For questions regarding viewing the Docket, call Docket Operations, telephone: 202-366-9826.

## **SUPPLEMENTARY INFORMATION:**

### **Receipt of Application**

On July 9, 2018, MARAD and USCG received an application from Texas Gulf Terminals, Inc. (TGTI) for all Federal authorizations required for a license to own, construct, and operate a deepwater port for the export of oil authorized under the Deepwater Port Act of 1974, as amended, 33 U.S.C. 1501 *et seq.* (the Act), and implemented under 33 Code of Federal Regulations (CFR) Parts 148, 149, and 150. After a coordinated completeness review by MARAD, the USCG, and other cooperating Federal agencies, it was determined that the application was complete and contains all

information necessary to initiate processing of the application.

## **Background**

The Act defines a deepwater port as any fixed or floating manmade structure other than a vessel, or any group of such structures, that are located beyond State seaward boundaries and used or intended for use as a port or terminal for the transportation, storage, and further handling of oil or natural gas for transportation to, or from, any State. A deepwater port includes all components and equipment, including pipelines, pumping or compressor stations, service platforms, buoys, mooring lines, and similar facilities that are proposed as part of a deepwater port to the extent they are located seaward of the high water mark.

The Secretary of Transportation delegated to the Maritime Administrator authorities related to licensing deepwater ports (49 CFR 1.93(h)). Statutory and regulatory requirements for processing applications and licensing appear in 33 U.S.C. 1501 *et seq.* and 33 CFR Part 148. Under delegations from, and agreements between, the Secretary of Transportation and the Secretary of Homeland Security, applications are jointly processed by MARAD and USCG. Each application is considered on its merits.

In accordance with 33 U.S.C. 1504(f) for all applications, MARAD and the USCG, working in cooperation with other Federal agencies and departments considering a deepwater port application shall comply with the requirements of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 *et seq.*). The U.S. Environmental Protection Agency (EPA), the U.S. Army Corps of Engineers (USACE), the National Oceanic and Atmospheric Administration (NOAA), the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement

(BSEE), and the Pipeline and Hazardous Materials Safety Administration (PHMSA), among others, are cooperating agencies and will assist in the NEPA process as described in 40 CFR 1501.6; may participate in scoping meeting(s); and will incorporate the Environmental Impact Statement (EIS) into their permitting processes. Comments addressed to the EPA, USACE, or other federal cooperating agencies will be incorporated into the Department of Transportation (DOT) docket and considered as the EIS is developed to ensure consistency with the NEPA process.

All connected actions, permits, approvals and authorizations will be considered in the deepwater port license application review.

MARAD, in issuing this Notice of Application pursuant to section 1504(c) of the Act, must designate as an “Adjacent Coastal State” any coastal state which (A) would be directly connected by pipeline to a deepwater port as proposed in an application, or (B) would be located within 15 miles of any such proposed deepwater port (see 33 U.S.C. 1508(a)(1)). Pursuant to the criteria provided in the Act, Texas is the designated Adjacent Coastal State for this application. Other states may apply for Adjacent Coastal State status in accordance with 33 U.S.C. 1508(a)(2).

The Act directs that at least one public hearing take place in each Adjacent Coastal State, in this case, Texas. Additional public meetings may be conducted to solicit comments for the environmental analysis to include public scoping meetings, or meetings to discuss the Draft EIS and the Final EIS.

MARAD, in coordination with the USCG, will publish additional Federal Register notices with information regarding these public meeting(s) and hearing(s) and other procedural milestones, including the NEPA environmental review. The Maritime

Administrator's decision, and other key documents, will be filed in the public docket.

The Deepwater Port Act imposes a strict timeline for processing an application. When MARAD and USCG determine that an application is complete (i.e., contains information sufficient to commence processing), the Act directs that all public hearings on the application be concluded within 240 days from the date the Notice of Application is published.

Within 45 days after the final hearing, the Governor of the Adjacent Coastal State, in this case the Governor of Texas, may notify MARAD of their approval, approval with conditions, or disapproval of the application. MARAD may not issue a license without the explicit or presumptive approval of the Governor of the Adjacent Coastal State. During this 45-day period, the Governor may also notify MARAD of inconsistencies between the application and State programs relating to environmental protection, land and water use, and coastal zone management. In this case, MARAD may condition the license to make it consistent with such state programs (33 U.S.C. 1508(b)(1)). MARAD will not consider written approvals or disapprovals of the application from the Governor of the Adjacent Coastal State until after the final public hearing is complete and the 45-day period commences.

The Maritime Administrator must render a decision on the application within 90 days after the final hearing.

In accordance with section 1504(d) of the Act, MARAD designates an application area encompassing the TGTI deepwater port that is a circle having a 12.7 nautical mile radius centered at latitude N27° 28' 42.60" and longitude W97° 00' 48.43". Any person interested in applying for the ownership, construction, and operation of a deepwater port

within this designated application area must file with MARAD (see FOR FURTHER INFORMATION CONTACT) a notice of intent to file an application not later than 60 days after the date of publication of this notice.

Should a favorable record of decision be rendered and license be issued, MARAD may include specific conditions related to design, construction, operations, environmental permitting, monitoring and mitigations, and financial responsibilities. If a license is issued, USCG in coordination with other agencies as appropriate, would oversee the review and approval of engineering, design, and construction; operations/security procedures; waterways management and regulated navigation areas; maritime safety and security requirements; risk assessment; and compliance with domestic and international laws and regulations for vessels that may call on the port. The deepwater port would be designed, constructed and operated in accordance with applicable codes and standards.

In addition, installation of pipelines and other structures may require permits under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act, which are administered by the USACE.

Permits from the EPA may also be required pursuant to the provisions of the Clean Air Act, as amended, and the Clean Water Act, as amended.

### **Summary of the Application**

TGTI is proposing to construct, own, and operate a deepwater port terminal in the Gulf of Mexico to export domestically produced crude oil. Use of the DWP would include the loading of various grades of crude oil at flow rates of up to 60,000 barrels per hour (bph). Approximately eight Very Large Crude Carrier (VLCC) vessels (or equivalent volumes) would be loaded per month from the proposed deepwater port.

Loading of one VLCC vessel is expected to take 48 hours, including vessel approach, mooring, cargo transfer, and vessel departure.

The overall project would consist of three distinct, but interrelated components: 1) the "offshore" component; 2) the "inshore" component; and 3) the "onshore" component.

The proposed deepwater port (offshore component) would be located approximately 12.7 nautical miles off the coast of North Padre Island (Kleberg County, TX) and consists of 14.71 miles of two new parallel 30-inch diameter crude oil pipelines, which terminate at a single point mooring (SPM) buoy. The SPM buoy system would be positioned in water depths of approximately 93 feet and consist of a pipeline end manifold, catenary anchor leg mooring system, and other associated equipment. The SPM would be located in BOEM lease block number 823 at latitude N27° 28' 42.60" and longitude W97° 00' 48.43".

The inshore components associated with the proposed project include 5.74 miles of two new parallel 30-inch diameter pipelines and onshore valve stations used to connect the onshore project components to offshore project components. The inshore portions of the proposed pipeline infrastructure cross the Laguna Madre Bay complex, the Gulf Intracoastal Waterway, and extend across North Padre Island to the mean high tide line located at the interface of North Padre Island and the Gulf of Mexico. The inshore project components include the installation of an onshore valve station on North Padre Island to allow for the isolation of portions of the proposed pipeline infrastructure for servicing, maintenance, and inspection operations.

Onshore components associated with the proposed project include the

construction and operation of an onshore storage terminal facility (OSTF), booster station, and approximately 6.36 miles of two new parallel 30-inch diameter pipelines located within Nueces and Kleberg Counties, TX. The OSTF would occupy approximately 150 acres in Nueces County, TX and would consist of all necessary infrastructure to receive, store, measure and transport crude oil through the proposed inshore and deepwater port pipeline infrastructure. The proposed booster station would occupy approximately 8.25 acres in Kleberg County, TX and would consist of the necessary pumping infrastructure to support the transport of crude oil from the OSTF to the deepwater port. Onshore pipeline infrastructure would extend from the OSTF to the landward side of the mean high tide line located at the interface of the western shoreline of the Laguna Madre.

### **Privacy Act**

In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its administrative and rulemaking processes. DOT posts comments, without edit, to [www.regulations.gov](http://www.regulations.gov), as described in the system of records notice, DOT/ALL-14 FDMS, accessible through [www.dot.gov/privacy](http://www.dot.gov/privacy). To facilitate comment tracking and response, we encourage commenters to provide their name, or the name of their organization; however, submission of names is completely optional. Whether or not commenters identify themselves, all timely comments will be fully considered. If you wish to provide comments containing proprietary or confidential information, please contact the agency for alternate submission instructions.

(Authority: 33 U.S.C. 1501, et seq.; 49 CFR 1.93(h))



Dated: July 31, 2018

By Order of the Maritime Administrator.

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**T. Mitchell Hudson, Jr.**

Secretary, Maritime Administration

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