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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

IN THE MATTER OF :
GOLDEN PASS LNG TERMINAL :
L.P., GOLDEN PASS : PERMIT APPLICATION
PIPELINE, L.P. : NO. 23260
: DOCKET NO. CPO4-386-000
: DOCKET NO. CPO4-4-400-000
: DOCKET NO. CP04-401-000
: DOCKET NO. CP04-402-000

Sabine Pass School Auditorium
5041 South Gulfway Drive
Sabine Pass, Texas

Wednesday, March 23, 2005

The above-entitled matter came on for hearing, pursuant
to notice at 7:00 p.m.

BEFORE: Jennifer Kerrigan, FERC; Patricia Patterson,
TRC Environmental; Doug Boren, U.S. Corps of Engineers

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P R O C E E D I N G S

MS. JENNIFER KERRIGAN: Will you-all take a seat where you plan to sit. I'll give you another minute to do that.

Good evening, and welcome to the Federal Energy Regulatory Commission comment meeting for the Draft Environmental Impact Statement for the proposed Golden Pass LNG Terminal and Pipeline project. My name is Jennifer Kerrigan, and I'm the FERC project manager for the environmental impact statement. Also with me tonight are Pat Patterson from TRC Environmental and Richard Grieg from Coastal Environmental who are the consultants assisting us in preparation of this EIS.

This project was filed with the Federal Environmental Regulatory Commission in Document CPO4-386 and CP04-400 by Golden Pass LNG Terminal, L.P. And Golden Pass Pipeline, L.P., respectfully for the subsidiary of ExxonMobil Corporation. The EIS for this project was issued on March 3rd, 2005, and the last date for filing written comments on this document is April 19th, 2005.

The purpose of tonight's meeting is to provide the opportunity to comment on the EIS. We are here to listen to your concerns. The comments you present

1 tonight along with any written comments that are filed
2 with this office will be addressed in the filing of the
3 environmental impact statement that is being prepared
4 for the project. Written comments will be given the
5 same consideration as any comments we make here
6 tonight.

7 Early in 2004, we began evaluating the Golden
8 Pass project and there were two filing processes
9 whereby you were assisting ExxonMobil staff in the
10 preparation of draft resources for the certificate
11 applications filed with the FERC. On January 23rd,
12 2004, we issued a notice of intent to prepare an
13 environmental impact statement or request for comments;
14 and after, we began a pre-filing process. In it, we
15 stated that we had established prefile docket, Docket
16 No. PF04-1, in which we placed that they follow the
17 document and all the comments about the project we
18 received from agencies, members of the public and other
19 interested parties. We saw a list of that in part of
20 the record in this process that has been filed in the
21 certificate applications in the CP04-386 and 400.

22 There is a pre-file enclosure as to the input
23 from commenters which is modified in several ways,
24 including changes and modifications of LNG filing to
25 eliminate the needs for LNG degradation of the

1 facility.

2 We issued a second one for this project on
3 September 20, 2004, after the certificate applications
4 were filed for the facilities. The part of the EIS
5 will be part of the information the Commission will use
6 in examining the Golden Pass project applications. In
7 addition to environmental issues, the Commission will
8 also be considering issues related to gas
9 transportation rates, engineering design and any need
10 for the project. When the Commission has concluded its
11 evaluation of these issues related to the application,
12 it will issue its decision about the project in an
13 order.

14 The U.S. Army Corps of Engineers would like to
15 say a few words about Corps' permitting dockets for
16 this project.

17 MR. DOUG BOREN: Good evening, my name
18 is Doug Boren for the United States Army Corps of
19 Engineers, Galveston District. On behalf of Colonel
20 Stephen P. Haustein, district engineer of the Galveston
21 District, I join the Federal Energy Regulatory
22 Commission, first, in welcoming you to this public
23 meeting in consideration for the construction and the
24 offshore port terminal and gas transmission line for
25 the importation of liquefied natural gas.

1 The Corps of Engineers has authority under
2 Section 10 of Rivers and Harbors Act of 1899 in Section
3 404 of the Rivers and Harbor Act of 1972 to regulate
4 the proposal of the port terminal and pipeline. The
5 Corps published our public notice on 16, March, 2005.
6 The public notice is available online at
7 www.swg.usace.army.mil/reg/pm.asp, Application No.
8 23620. Comments on the proposed project pertaining to
9 the Corps of Engineers permit application can be
10 submitted through the Galveston District, P.O. Box
11 1229, Galveston, Texas 77553-1229, on or before 15,
12 April, 2005.

13 We will be evaluating proposed work in
14 accordance with our regulatory rules. The FERC is the
15 lead federal agency in the preparation of the
16 environmental impact statement, EIS, required by the
17 National Environmental Policy Act of 1969. The Corps
18 is a cooperating agency in the preparation of the EIS.
19 The Corps is neither a proponent nor opponent of the
20 proposed action. The decision whether to issue a
21 permit will be based on evaluation of the probable
22 effect on public interest. The EIS process will be
23 used to identify the impact of the project for the
24 beneficial as well as detrimental impact.

25 We look forward to hearing from you. If the

1 Corps of Engineers can be of assistance to you during
2 the current evaluation process, please do not hesitate
3 to call on us.

4 MS. JENNIFER KERRIGAN: Thank you.

5 As you may have noticed, we have a court
6 reporter here to record the meeting and a transcript of
7 this meeting will be filed and be part of the record of
8 this proceeding. If you wish to take the transcript,
9 you need to speak to the court reporter after the
10 meeting concludes. Also, if you have any written
11 material that you would like to be part of the public
12 record, please give it the to the court reporter so it
13 can be attached as an exhibit to the transcript.

14 Now, we'll proceed now with the meeting. We
15 have a sign up list for speakers and we'll just go in
16 the order of sign up. I think we have 25 or so
17 people. So, we should be pretty good for time
18 tonight. But if you can, try to keep your comments to
19 about 5 minutes. That would be appreciated.

20 I would like to state again for the people
21 that may have been in the hall and didn't hear this
22 remark, that we are holding this public meeting to hear
23 your comments on this EIS; and the comments that you
24 make tonight will be addressed in the FDI that is being
25 prepared for this project.

1 Our first speaker is Mark Sikkel.

2 MR. MARK SIKKEL: Thank you. And it is
3 good to see every one here again this evening. And let
4 me begin by once again thanking everybody for coming
5 out tonight. This input is important and valuable to
6 this process and we know people have lots to do and so
7 we are grateful for people's attendance tonight.

8 It is another opportunity for feedback from
9 the community and an important step in the process that
10 is being led by the Federal Energy Regulatory
11 Commission, and obviously has significant involvement
12 by the Corps of Engineers. For the past 15 months, we
13 have been working with over a dozen federal and state
14 regulatory agencies, as well as community leaders and
15 the public at large, as we undertook the work and the
16 environmental and safety assessments and provided input
17 to the relevant agencies.

18 In concert with those agencies, the FERC has
19 now completed its draft EIS; and this brings us one
20 step closer to the completion of the this very
21 important regulatory process. And it is a real
22 milestone for the project. A lot of very significant
23 effort went into that draft. The draft EIS
24 demonstrates that the project can and will be an
25 environmentally sound and safe project. We are working

1 diligently to address the recommendations that are set
2 forth by FERC in the draft EIS, but we don't see any
3 obstacles to the timely completion of the FERC
4 process. And in order to allow us to make the
5 investment decisions we need to make on this project
6 this summer, we really urge the FERC to issue its final
7 EIS within 45 days of the end of the DEIS comment
8 period, and for the Commission, then, to act on that
9 record and issue its record of decision as promptly as
10 it can.

11 From a broader prospective, we are pursuing
12 the other activities in our joint venture with Gutter
13 Petroleum to advance the other significant components
14 of this project, including some initial work on the
15 first ships that we'll need for U.S. delivery, as well
16 as work to advance the engineering on the offshore
17 facilities of liquefaction facilities that are needed
18 to make this project work. It is important to have an
19 LNG terminal ready to receive those supplies and to
20 meet the mid 2008 time frame we've been trying to
21 achieve in which the country really needs us to achieve
22 to bring this gas to the nation. We need to have the
23 okay to start construction by the end of August of
24 2005. So we have a lot to do to reach that milestone.

25 The FERC's assessment and our own assessment

1 of the project has reinforced our initial thinking that
2 this is an excellent site for an LNG project. It will
3 be a world class facility. We continue to believe that
4 the project has many benefits for southeast Texas in
5 the form of jobs, taxes, opportunities for contractors
6 and suppliers and, most importantly, the very
7 significant long-term supply of clean, safe natural gas
8 that this country and this area so desperately needs.

9 We will have, as part of this activity, a
10 long-term relationship with this community. We've been
11 operating in this area for over 100 years through our
12 refining activities and chemical activities. And
13 Golden Pass LNG wants, also, to be a valued part of
14 this community.

15 Again, let me thank everybody for coming out
16 tonight and providing your input to FERC and the Corps
17 as part of this process. We very much look forward to
18 a successful completion of it in as timely a time
19 period as we can achieve.

20 MS. JENNIFER KERRIGAN: Thank you. Our
21 next speaker is Jeff Hayes.

22 MR. JEFF HAYES: Good evening. I'm Jeff
23 Hayes, president of Hayes Real Estate. I have been, in
24 the past, president of the economic development
25 corporation here, a Retail Merchants Association that

1 has merchants in it. I would just like to encourage
2 you to move as fast as possible. We, in this room,
3 you, all of us, would not be here if it were not for
4 Spindletop, January the 10th, 1901. That discovery put
5 this area on the map, and this community is ready,
6 willing and able to have the largest company in the
7 world invest money that will benefit locally and
8 nationally and be a part of the energy for our national
9 well-being and defense.

10 I would like to put as part of the record --
11 and if you-all have a chance, look through this book.
12 It is titled The Height About Hydrogen; The Fact and
13 Fiction in the Race to Save the Climate. And it is by
14 a guy named Joseph Romm, R-o-m-m. Under President
15 Clinton, he was in charge of studying hydrogen. My
16 take on this book is it's about 50 years off, so we
17 better do something today for energy in this country.
18 Let's move as quickly as possible.

19 Thank you very much.

20 MS. JENNIFER KERRIGAN: Thank you.

21 Our next speaker is Walter Almon.

22 MR. WALTER ALMON: I'm Walter Almon. I'm
23 the chairman of the Golden Triangle Business
24 Roundtable. I would like to say that Liquefied Natural
25 Gas Facility is important for the Golden Triangle from

1 an economic standpoint. You know that natural gas
2 prices are high and they are going to remain high for
3 quite a number of years to come. And the U.S. economy,
4 in many facets, needs lower prices of natural gas.

5 To put the facility here would create 50-plus
6 permanent jobs plus a number of contractor jobs,
7 construction jobs, initially. And these jobs will
8 remain to support this facility for many years to
9 come. This will also increase tax revenue to the
10 county. Lower natural gas prices are important for all
11 types of industries. One, in particular, in the
12 chemical industries, those that are very dependent on
13 natural gas as a feedstock. It is critical to the
14 competitive nature of these facilities to have the
15 lowest possible natural gas prices.

16 The chemical plant that I work at, for
17 example, we have seen two units shut down permanently
18 within the last 4 years strictly due to high natural
19 gas prices. So we are very interested in a competitive
20 source for lower natural gas prices.

21 The Golden Pass facility will operate, I know,
22 in a safe and environmentally friendly manner and they
23 will be a good neighbor for the Golden Triangle. We in
24 the Business Roundtable are very supportive in a
25 facility coming here and as soon as possible.

1 Thank you.

2 MS. JENNIFER KERRIGAN: Thank you. The
3 next speaker is Stuart Salter.

4 MR. STUART SALTER: Good evening. I am
5 Stuart Salter. I'm a local business owner, but I'm
6 here today to speak as a local homeowner. I live at
7 3770 Dr. Martin Luther King Drive in Port Arthur on
8 Pleasure Island, some roughly 1 mile from where I am
9 standing right now.

10 I'm here tonight to express my full support
11 for the proposed Golden Pass LNG project and to address
12 the environmental impact this facility will have on
13 myself and my family and our home.

14 I guess first I would like to address the
15 noise issue. If you'll look at your diagram in this
16 wonderful scientific document you put together for us
17 in Section 4 Page 142 in your March, 2005, draft, it
18 appears that my house will be located some 50 yards
19 from the location of your noise sensitive area No. 5,
20 over on Pleasure Island. We saw them set it up and
21 monitor it sometime back. So I'm about as close to
22 that area as you can get.

23 If you look at the Table 4.11.2 through 3, I
24 have had a chance to review the scientific data that
25 you evaluated in there; and I agree with FERC's

1 assumption in conclusion that there would be no
2 significant adverse noise impact due to operation of
3 this project.

4 Now, if you-all could do something about the
5 trucks that are coming down 82 skirting the weigh
6 stations on I-10, now, you could help us with our noise
7 problem; but this doesn't appear to be an issue for
8 us. I think the differential was .07 or something like
9 that; but trucks are our problem, not this issue.

10 Let's talk about air quality. On Page ES5
11 under executive summary, the Texas Counsel on
12 Environmental Quality, which I think most everyone
13 around here knows is not what you would call a pushover
14 agency here in the State of Texas, particularly those
15 in industry. They have already agreed to issue a
16 conformity certificate petitioned upon Golden Pass's
17 planned emissions mitigation measures and have
18 concluded themselves that the LNG terminal would be in
19 general conformity with the state implementation plan,
20 something that many of area industries have spent tens
21 of millions of dollars just here in the last few years
22 towards a painting and they continue to make progress
23 towards. I'm thinking this is an excellent opportunity
24 to help us maintain good air quality, since TECQ has
25 already given it its blessings. So I don't see a

1 problem there.

2 Let's talk about safety. On Page ES5 --
3 pardon me. Executive Summary 6, you-all spent a lot of
4 time evaluating the cirogenic design, the terminal
5 design, the safety systems, the thermal radiation
6 effects, flammable vapor hazards from accidents or
7 attacks; and you reviewed the LNG shipping experience,
8 the structural design and operational controls that
9 will be imposed by our local Cost Guard. And I spoke
10 with the captain of the port yesterday. She confirmed
11 this for me, and our local Sabine Pass pilots, and they
12 all confirm that a vessel casualty is highly unlikely.
13 Those are your words exactly. You also evaluated the
14 onshore LNG terminal containment failure probability,
15 and it was equally highly unlikely, and that the risk
16 to the public should be considered negligible at best.
17 I agree with that.

18 Finally, I would like to address the issue
19 that I believe many of my friends and neighbors over on
20 Lafitte's 1 and 2 on Pleasure Island, who I'm not too
21 well liked by these days; but I do want to address it.
22 I think what they are mostly concerned about is the
23 viewscape, what they are going to see out their front
24 door. And I can't find anything in here that talks
25 about viewscape because frankly I think that's an

1 opinion and not a scientific issue, but I can tell you
2 my opinion on the issue. When I look out my front door
3 and I look down at the southeast and I see those huge
4 jacked up rigs down at Gabby's Dock, I see employment
5 and I see stability. When I look across a little
6 further to the east and I see the fleets of shrimp
7 boats with the masses sticking up in the air, I see a
8 group of hardworking immigrants who have worked for the
9 betterment of their family and their future in the
10 community. When I look out to the west and I see that
11 big thing Primcore built -- I don't know what it does,
12 but it has the red lights on it, the warning don't run
13 into it. It is that big -- I see a commitment, a
14 long-term commitment, and a significant investment in
15 the future of Port Arthur. And if you choose to
16 approve Golden Pass LNG, what I will see when I look
17 across the ship channel to the south will be great
18 progress and prosperity for my city, for my county, for
19 my family and for every person in this room.

20 In conclusion, I just want to refer you to
21 Page 1 of this draft environmental impact statement.
22 And it says, After reevaluating alternatives to the
23 proposal, including system alternatives, alternative
24 sites for the LNG import terminal and pipeline
25 alternatives, after reviewing all of that by your

1 organization, Federal Energy Regulatory Commission and
2 U.S. Army Corps of Engineers, NOAA, U.S. Parks and
3 Wildlife and the United States Coast Guard, the staff
4 concludes that approval of the Golden Pass LNG Terminal
5 and Pipeline project is a good idea. I concur.

6 Thank you.

7 MS. JENNIFER KERRIGAN: Thank you. Our
8 next speaker is Tex Carter.

9 MR. TEX CARTER: He is a hard act to
10 follow. I didn't come prepared to talk tonight; but
11 after thinking about it, I spent 35 years in the
12 construction industry and this project is a world class
13 project. The efforts that have gone into the EIS, the
14 draft EIS so far by FERC and ExxonMobil and all the
15 other stakeholders in the project are pretty
16 impressive. I have worked in the construction industry
17 all over the world; and after returning to America and
18 seeing how projects proceed and the screening
19 activities that have to go forward for a project to be
20 built in the United States, it is very impressive. And
21 I suppose what I want to add to the mix is that
22 ExxonMobil's commitment to invest and to follow the
23 recommendations of the EIS represent commitments of one
24 of the leading operators in the world. I have worked
25 with 80 clients. I counted them in preparation for

1 coming up here to talk. ExxonMobil stands out as
2 probably the most responsible corporate citizen of
3 those that I have worked with around the world. If
4 they commit to doing this project in the way that you
5 folks have worked out, they will do it and they will
6 deliver those results. And I know that because they
7 have started working on contractors like my company to
8 start getting in position to deliver those results.
9 And they have asked us a tremendous number of questions
10 and asked us to supply a tremendous amount of
11 information to show that we are prepared to deliver the
12 same kinds of commitments that they've made to the
13 community here and that they've made to you guys as
14 they've proceeded with the work. They've made a
15 commitment to invest in a safe and responsible manner;
16 and from what we see, this project will be world class
17 here in Southeast Texas.

18 Someone talked about the number of jobs that
19 the project will create or that the plant will create.
20 I have worked in a lot of places where you build world
21 class projects of a size like this and project
22 literally create hundreds and thousands of jobs for a
23 short term period and it challenges the local economies
24 to grow. It challenges the people to grow, to accept
25 new training to understand today's methods of

1 constructing as opposed to yesterday's methods. And in
2 order to meet the requirements that are set out to this
3 project, folks are going to have to be trained. They
4 are going to walk away from these projects with a set
5 of skills that they didn't have going into it. And
6 that will make a difference to this area. I have seen
7 that. I have seen that in the back waters of
8 Thailand. I have seen it in Chile. I have seen it
9 even in Louisiana.

10 I better be careful walking out of here. But
11 I'm serious about that, the amount of training and the
12 amount of effort that people put into constructing
13 world class projects today makes a big difference in
14 the lives of people.

15 I'm scared now. I started out as a
16 construction worker when Kay and I graduated from high
17 school here in East Texas. I have gotten to do 35
18 years of construction around the world and it's been a
19 wonderful experience. I'm looking forward to that
20 experience for people here from Southeast Texas on this
21 project. It will add to the economy. It will improve
22 their environment and it will give them a sense of
23 belonging to a world economy and to a global economy
24 that they might not have without the opportunity that
25 this project presents.

1 Thank you

2 MS. JENNIFER KERRIGAN: Thank you. Our
3 next speaker is Father Sinclair Oubre.

4 FATHER SINCLAIR OUBRE: I'm Father
5 Sinclair Oubre, and of the many titles that brings me
6 here today, as I am the diocese and director for the
7 Apostleship of the Sea and work closely with the Port
8 Arthur International Seafarers Center in Port Arthur,
9 Texas. Both the Apostleship of the Sea and the Port
10 Arthur International Seafarer's Center are caught up in
11 participating in what is called Seafarer Welfare
12 Activities. The city of Port Arthur, which I was born
13 an raised in, was founded by Arthur Stillwell in the
14 late 1800s when he had a vision of establishing a
15 deepwater port to move midwestern grain from Missouri
16 and Kansas directly into the Gulf and then sell it to
17 the Europeans. And from that time, this has always
18 been a shipping and a seafarer's town.

19 In the 1930s, Port Arthur supplied the first
20 seafarer welfare facility which was called the Seaman's
21 Church Institute. And founded by parishioners at the
22 St. George Episcopal church and that continued into the
23 1940s. During the second World War, we had two
24 seafarer welfare facilities. They were the United
25 Seaman's Service, which was founded at 201 Proctor

1 Street and also the Negro Seafarer's Club which was on
2 Texas Avenue on the west side of Port Arthur.

3 In the 1970s, the Port Arthur International
4 Seafarer Center itself was founded and has continued in
5 operation to this present day and really becomes the
6 focal point for seafarer welfare.

7 In the midst of this discussion about LNG and
8 the question about seafarers and Catholic maritime
9 ministry and Port Arthur's Seafarer Center, it may
10 raise a question as to where does it cross over. What
11 we do at the Port Arthur International Seafarer's
12 Center is to take care of the spiritual and temporal
13 needs of the thousands of seafarers that come. In the
14 Port Arthur waterway way area alone, we see over 23,000
15 deep sea mariners. That doesn't include the traffic
16 that goes north of Port Neches in what we consider the
17 Beaumont area. Those 23,000 seafarers come to us every
18 year from around the world. And as they come here,
19 they have needs for transportation, communication with
20 their families, rest and relaxation and often shopping
21 and taking care of personal needs in that 24 or 36 or
22 maybe, if they are lucky, two days of time that they
23 have ashore before they set out for sea again.

24 What we do, though, is not just sort of nice
25 churchy things for the welfare seafarers, because

1 anyone who is an expert in regards to the human factor
2 in the maritime industry will know that 80 percent of
3 the casualties and fatalities that occur in the
4 industry are caused by human factors; and most of those
5 are directly attributed to fatigue and low morale. And
6 I say that because, as we are discussing the LNG
7 programs, whether it is this one or the other two other
8 proposed projects that are taking place, I am concerned
9 at the lacuna in discussion of anything that has to do
10 with the seafarer welfare. When those ships come in,
11 they will have probably 23 or more seafarers who will
12 be responsible for bringing those ships in safely,
13 discharging them safely and leaving safely. I know
14 we're doing this a lot of times talking about safety.
15 We are not doing anything talking about the human
16 factors of the actual people who are going to be doing
17 that work. And I really see that the work of the Port
18 Arthur's Seafarer Center and all seafarer welfare
19 agencies are going to have a significant impact on
20 improving the potential for safety so that a tired
21 merchant mariner from the Phillipines is not going to
22 cause a catastrophic problem in our community because
23 he is fatigued or he is suffering from low morale
24 because of his 8 to 10 months that he's been away from
25 home.

1 The discussion of the LNG facilities make us
2 tremendously excited at the Apostleship of the Sea as
3 well as the Port Arthur International Seafarer Center
4 because it gives us the opportunity to reach out and to
5 welcome tens of thousands more mariners into our local
6 community.

7 It will give us the opportunity to do more
8 work to improve the seafarer welfare, and this is in
9 respect to the human factors and also to improve those
10 human factors that will so much improve safety. I'm
11 truly convinced that if we can work with ExxonMobil and
12 their planning and working with the ISPS code in
13 regards to the safety of the facility, that we will be
14 able to alleviate what that may eventually see as a
15 seafarer problem and as an opportunity by partnering
16 with us that we can, in fact, enhance the seafarers'
17 safety and welfare while being able to partner together
18 in regards to those issues that are brought up in the
19 International Ship and Port Security Code.

20 And then, finally, the alternative to this
21 present LNG facility, I really have tremendous
22 questions about. The primary alternative is to place
23 it offshore. We are talking right now about shipping
24 natural gas from Katar, which has about a 28-to-30-day
25 voyage to this area, discharge, turn around and go back

1 to Katar. The average unlicensed seafarer on these
2 ships will be onboard for 8 to 10 months at a time.
3 That's the standard. They will be coming from places
4 like Burma, the Phillipines and India. They will leave
5 their wives, families and children to be onboard those
6 ships for that long of a time. If the facility is
7 offshore, that means that they will never, in an
8 8-month period, see anybody except their other 23
9 shipmates until they finally can get home. This is a
10 recipe for incredibly bad morale and also for a
11 tremendous amount of fatigue that up in this constant
12 unbroken routine that takes place there. And there is
13 enough literature out there in the International
14 Maritime Press in regards to human factor that can
15 certainly base what my point is here.

16 And the second point is, this is a simple
17 situation of the security. I, myself, am an
18 able-bodied seafarer. I do sail on U.S. Flag merchant
19 ships. I have come in and out of these areas and out
20 of the Houston areas. And what I know is that it is
21 absolutely wide open in the Gulf of Mexico. Coming up
22 the fareways into Houston or Port Arthur, we are always
23 docking shrimp boats that are moving backwards and
24 forwards. If you put a facility out there, there is no
25 way that you could secure that facility because we are

1 not going to have 24 hours a day, 7 days a week, 365
2 days armed Coast Guards patrolling around those
3 facilities. There may be one when the ship is out
4 there, but they're not going to be there all the time.
5 So the opportunity for terrorist attacks or just
6 foolish accidents of shrimpers moving out there and
7 running into the facility as they are culling the
8 shrimp on the back of the boat is out there.
9 Certainly, Captain Ellen Warner is here. She can
10 certainly tell stories about trying to hail shrimp
11 boats when nobody is in the pilot house as they are
12 sailing through the middle of the fareways taking care
13 of the shrimp on the back deck.

14 So I don't see the alternative as anything
15 that has any value, one, for seafarer welfare because
16 of the lack of any type of care or the well-being of
17 the seafarers in that situation nor as a security
18 issue. So I wanted to raise those concerns, and I do
19 look forward to the opportunity that we will begin to
20 see 50, 60 more ships coming to Port Arthur in the near
21 future and we will be able to reach out to those
22 seafarers and greet them when they come.

23 MS. JENNIFER KERRIGAN: Thank you. The
24 next speaker is Chet Lloyd.

25 MR. CHET LLOYD: Good evening. I

1 probably don't have a lot of new comments to add, but I
2 do have maybe a prospective on those comments from
3 working in the area. I work at the ExxonMobil refinery
4 in Beaumont on a major project, and I have actually
5 been impressed working with the ExxonMobil personnel
6 there in terms of their attention to safety and in
7 terms of their attention to the community.

8 From a safety prospective, as a contractor
9 working there, we have actually been challenged and
10 stretched quite a bit in our thinking working with the
11 ExxonMobil personnel. In terms of working with the
12 community, we do quite a bit of work and we're very
13 impressed with the work we've done with the ExxonMobil
14 team.

15 Several of those members who are on that team
16 that we are working with are assigned on this project
17 also. So, I have high hopes that on this project there
18 will be a similar transfer of safety and community
19 involvement. The folks that I have met here with
20 ExxonMobil lead me to believe that we will have that
21 same type of impact.

22 For the area during construction, as I
23 understand the project right now, I believe somebody
24 had mentioned hundreds and thousands of jobs. I would
25 say that during construction over a three-year period

1 through 2008 was mentioned; and I'm sure that in the
2 local content type of situation, we would probably have
3 between a thousand and 2,000 jobs potentially.

4 Also the impact, of course, is obvious in
5 terms of operating the unit. There is a secondary
6 impact which another speaker had mentioned, and that is
7 the fact that a considerable amount of the natural gas
8 that will be coming in will be used in the local area
9 and will have impact on the refineries, including
10 ExxonMobil's refinery and other industries in the area,
11 certainly helping the job situation down here.

12 From the standpoint of working with
13 ExxonMobil, we've been very impressed with the job that
14 they've done. We think that the ExxonMobil LNG project
15 will be very beneficial for the area and I would like
16 to give me vocal support to that.

17 Thank you.

18 MS. JENNIFER KERRIGAN: Thank you.

19 The next speaker is Dall Landry.

20 MR. DALL LANDRY: I'm Dall Landry, and I
21 live at 3594 South MLK Drive, which is across the ship
22 channel from where ExxonMobil is proposing to build an
23 LNG terminal. On your Page ES4, you stated that there
24 are no more current proposals for residential
25 development for any area within a 0.25 miles of the

1 proposed LNG terminal. Well, that is not true. We
2 still have about 80 vacant lots over on Pleasure Island
3 that the city of Port Arthur sold us for residential
4 homes. And when all of these are built, there will be
5 anywhere from 200 or better residents there. We have a
6 state park, thanks to Walter Humphrey, at the end of
7 Pleasure Island next to the causeway bridge.

8 And one thing I don't understand, we are in
9 the city limits of Port Arthur. We pay city taxes and
10 we've been in the city of Port Arthur ever since that
11 Lafitte's Landing 1 and 2 was built. And how can you
12 say it is remote or rural? How can you be in a remote
13 and rural area living with inside the city limits of
14 Port Arthur.

15 Also, homeland security lists LNG tankers as
16 an enemy target; and I think we all realize we are at
17 war. With all of the oil and chemical plants that we
18 have in this area, do we need more targets for the
19 enemy? I don't think so. I'm against this being
20 built, and this man before me or ahead of me said
21 something about the people on the ships, if it was
22 going offshore, they would be away from home to long.
23 Well, as far as I'm concerned, that's the only place
24 the LNG terminal should be built is offshore.

25 Thank you for your time.

1 MS. JENNIFER KERRIGAN: Thank you.

2 Our next speaker is Larry Richard.

3 MR. LARRY RICHARD: My name is Larry
4 Richard and I'm the fire chief of the city of Port
5 Arthur and I support this project. This terminal would
6 be built and designed for safety. There would be
7 multiple layers of protections built into the facility,
8 including sound design and construction, FERC required
9 safety exclusion zones, well-maintained equipment and
10 trained personnel. Redundant fire and gas protection
11 alarm systems would monitor for the presence of LNG
12 leaks or spills or fires. An extensive fire water and
13 high expansion foam supply and distribution system
14 would provide firefighting capability at the terminal.
15 Automated and manual emergency shutdown systems would
16 be employed to contain the spreading of an incident.
17 World class state of the art tug boats with
18 firefighting capability would service the LNG ships and
19 also would be available for other industry in the
20 area.

21 The fire protection system would utilize a
22 variety of automatic, manual fixed and portable systems
23 and equipment to fight fires. Equipment and systems
24 would utilize water, dry chemicals, high expansion
25 foam, carbon dioxide for surface cooling, LNG vapor

1 control, LNG fire control and fire extinguishing.
2 Access to fire water would be provided by means of an
3 extensive of hydrants, fire monitors, hose, reels
4 located throughout the facility.

5 Thank you.

6 MS. JENNIFER KERRIGAN: Thank you.

7 The next speaker is Philip Long.

8 MR. PHILIP LONG: Good evening. My name
9 is Philip Long. I'm not nearly as well-spoken or
10 well-informed as some of the gentlemen here, and I
11 concur with most of their comments. I come tonight
12 speaking in favor of the proposed ExxonMobil LNG plant
13 and representing the architects of Southeast Texas as
14 the current president of the Southeast Texas Chapter of
15 the American Institute of Architects.

16 I'm also standing in for Mrs. Barbara Mulroy,
17 who is the executive director of the Associated General
18 Contractors of Southeast Texas who is in unable to
19 attend this evening because of medical difficulties but
20 sends with me her wholehearted support for this
21 project.

22 From my research, LNG has proven itself to be
23 a safe clean industry and has shown itself to be a good
24 neighbor and a good employer. The positive impact of
25 the construction of this facility will be far-reaching

1 and longlasting for our entire region. I'm convinced
2 that construction of the LNG facility will be good for
3 economic development in Southeast Texas and will be
4 good for diversity for the local and regional economy.
5 It will be good for the growth of peripheral businesses
6 created as a result of the project. And it will be
7 good for job creation and retention in our region.

8 Representing those I previously mentioned, we
9 wholeheartedly support the construction of the onshore
10 LNG Terminal proposed to be built at Sabine Pass and
11 hope the Commission will look favorably upon it also.

12 Thank you.

13 MS. JENNIFER KERRIGAN: Thank you.
14 Johnnie Landry.

15 MS. JOHNNIE LANDRY: Hi. Well, at the
16 last meeting that you-all had at the Holiday Inn, there
17 was a young man there that was from Lake Charles and he
18 spoke for the Lake Charles LNG facility. Well, my
19 husband and I have been to Lake Charles and we have
20 driven all around the area where the LNG plant is.
21 There is not one home visible anywhere in that area,
22 none in close proximity. This is all industrial. And
23 we deserve the same consideration, and that's why we
24 have asked that you put this facility offshore. That
25 would be a good place to have it in the event of a

1 hurricane. You can't smell it. You can't see it. So,
2 you know, nobody on the East Coast wants LNG. Nobody
3 on the West Coast wants it. Mobile, Alabama, didn't
4 want it; and said no thank you to ExxonMobil. And I
5 think there was some talk about Corpus Christi. And I
6 think we are your last hope. And so, you know, if you
7 had a home that was on Pleasure Island and nobody in
8 this audience but the few people that are sitting here
9 do; but I can tell you that not one of you would want
10 your home built across from it except for maybe
11 Stuart. But we are not for it, and it would be a great
12 boom to us if y'all would just consider putting it
13 offshore.

14 Thank you.

15 MS. JENNIFER KERRIGAN: Thank you. Our
16 next speaker is LeAnn Ewing.

17 MS. LEANN EWING: I'm a property owner on
18 the south end of Pleasure Island at 3630 Martin Luther
19 King. I have voiced my opposition to the ExxonMobil
20 permitting process of the LNG facility at Golden Pass
21 on several occasions, and I have written numerous
22 letters to that regard. It is my contention and my
23 opposition of this facility due to the proximity of
24 this location to residents on the south end of Pleasure
25 Island.

1 I know in the report it states that there are
2 33 residents that would be affected by this, and I'm
3 not even considered one of those yet as I have not
4 built a permanent residence. That building and
5 structure is pending on the outcome of this permitting
6 process. And I believe that there are many others on
7 the south end of Pleasure Island that are waiting to
8 see the outcome of this process to see whether or not
9 they are going to build a home on the south end of
10 Pleasure Island.

11 It was the intent of Congress and our
12 legislature to have these facilities in remote
13 settings. My neighbors are 1,700 feet from this
14 facility. My property for my family and myself that I
15 have committed our resources, our hard work and a
16 financial commitment to are less than a half mile. The
17 Golden Pass facility, I don't believe that the DEIS has
18 taken into consideration the latest report that was
19 issued by Sandia which talked about the one-mile radius
20 of -- the minimum radius for exclusion zones and safety
21 zones, one mile. That involves myself, and numerous of
22 my neighbors are within that one-mile setting. So I
23 urge FERC and our legislature and those that are so pro
24 LNG to think about the remote settings and those
25 exclusion zones that relate directly to safety

1 considerations.

2 It appears to me that FERC and ExxonMobil are
3 attempting to push this through for approval before the
4 pending petition to the U.S. Coast Guard regarding the
5 marine exclusion zones. At this time, there are no
6 such exclusion zones. I recommend that you deny this
7 permit and that ExxonMobil needs to actively engage in
8 seeking alternative sites. Please consider the
9 one-mile radius exclusion zones as reported in the
10 Sandia report.

11 Thank you.

12 MS. JENNIFER KERRIGAN: Thank you.

13 Our next speaker is Shirley McGuire.

14 MS. SHIRLEY MCGUIRE: On February 15,
15 2005, the following letter was sent to the Attorney
16 General of the State of Rhode Island, the Honorable
17 Patrick C. Lynch, from Captain David L. Scott, Chief
18 Office of Operating Environmental Standards, United
19 States Coast Guard.

20 I quote, "In response to your letter of
21 February 1st, 2005, regarding the petition of the City
22 of Fall River, Massachussetts, Seeking to Promulgate
23 Regulations Establishing Exclusion Zones for LNG Marine
24 Transportation, Docket USCG2004-19615, we will reopen
25 the comment period for 60 days. As per your letter,

1 you indicated that there is ongoing Threat Analysis
2 being conducted by Mr. Richard Clarke. I would like to
3 take this opportunity to formally request a copy of
4 this report upon its release," end quote.

5 In his letter, the Commander, John Cushing,
6 United States Coast Guard, United States Department of
7 Transportation, Attorney General Lynch says,
8 quote, "These economic trends have coincided with the
9 most unprecedented challenges to ever affect our
10 nation. The events of September 11, 2001, and the
11 unfolding War on Terrorism. Despite these
12 unprecedented threats to the security of the United
13 States, no regulations exist to adequately safeguard
14 the public from the risk associated with the trends of
15 LNG supertankers through coastal waterways along
16 populated communities. With all due respect, the time
17 is long over due for the federal government to take
18 decisive action to secure the homeland by promulgating
19 regulations that establish marine exclusion zones for
20 LNG tanker operations. While public safety risks and
21 consequences associated with a breach of a LNG
22 supertanker far exceed the consequences of a spill
23 within an earthen dike around the environment...While
24 the industry purports that it has enjoyed an impeccable
25 safety record, the Coast Guard and FERC - my addition,

1 must consider the biased source of the representations
2 as well as the following incidents where LNG
3 supertankers were involved in grounding, accidents and
4 episodes of human error. They are as follows:

5 Q. The Polenger, April 1979- LNG spill caused
6 cracking of steel plate.

7 2. Mastafa Ben Boulaid, no date given -
8 failure of check valve and release of gas.

9 3. El Paso Paul Kayser, June, 1979, a
10 grounding with extensive bottom damage.

11 4. LNG Libia, October, 1980 - grounding,
12 Japan.

13 5. LNG Taurus, December 1980 - grounding,
14 Japan.

15 6. Isabella, June 1985 - LNG cargo tank
16 overflow.

17 7. The Tellier, February, 1989 - blown from
18 its docking berth in Skikda, Algeria.

19 8. The Normand Lady, November, 2002 - struck
20 by the nuclear submarine USS Oklahoma City.

21 So you see, accidents do happen. History
22 demonstrates that even during the pre 9/11 era, the LNG
23 marine industry has had multiple close calls in terms
24 of potential catastrophe. If anything, the history of
25 accidents merely indicates that the LNG marine industry

1 has been lucky so far. In Algeria, they were not so
2 lucky a year ago when a leak caused an explosion that
3 killed 22 people.

4 It is clear that the industry is requesting
5 that it be granted carte blanche discretion and the
6 right to continue operating as if the War on Terrorism
7 never began. Simply because there have been no related
8 deaths or disasters yet within the confines of our
9 nation or federal waters does not excuse the federal
10 government from proactively protecting citizens through
11 the establishment of sensible regulations for marine
12 safety zones," end quote. How I wish that our elected
13 officials, both local and state had acted so honorably
14 as did this man.

15 Again, as I have said before in your presence,
16 I request that the government establish definitions for
17 remote siting of LNG terminals and establish 1,600
18 meters or one mile according to the Sandia report for
19 safety zones around these supertankers...meaning
20 terminals cannot be built in areas close to highways,
21 homes, commercial establishments, parks or recreational
22 areas. People are too important. The conservation law
23 foundation in its letter to FERC on January 21st says,
24 Relying upon scientific analysis in the Sandia/DOE
25 report, CLF concludes that a minimum safety zone

1 extending a radius 1,600 meters from the tankers
2 navigation path should be the standard nor LNG terminal
3 sites. The report presents strong evidence supporting
4 a safety zone of this size, reflecting the risk that a
5 large scale fire could cause second degree burns at a
6 distance of up to one mile." The national promulgation
7 of regulations establishing thermal and vapor
8 dispersion exclusion zones for marine spills will
9 contribute to a more reasonable process for early
10 evaluation of the feasibility of LNG import terminals.
11 If ensuring the security of the tankers and protecting
12 life and property while tankers are in transit or
13 berthed at a proposed terminal, would involve measures
14 acceptable to the public, then no one need waste time
15 debating or processing an application for that
16 location. Again, I request FERC to define remote
17 siting and to establish marine safety zones concerning
18 human habitation and safety.

19 The second point I would like to make tonight
20 is that according to scientists working with other
21 anti-LNG homeowners around the nation, FERC has failed
22 to apply correct mathematical procedure for
23 determination of exclusion zones contained in the draft
24 environmental impact statement. I request to see the
25 mathematical for determining the zones for Golden Pass

1 LNG. FERC has yet to respond to any request by anyone
2 involved asking to review the formulas and procedures
3 for the tables on Pages 4-173 and 4-174. I believe
4 that applying the correct data would indicate the need
5 for larger distances to be included in these zones;
6 and, by implication, federal law requires that if these
7 exclusion zones are incorrectly applied, then they may
8 be incorrectly applied to other LNG terminals in the
9 permitting process around the nation or to those that
10 have already been permitted. This should be a public
11 record policy of FERC and their engineers.

12 Thirdly, the according to the Clean Air Task
13 Force in the Beaumont Enterprise newspaper, the
14 Jefferson County metro area ranked No. 1 in the nation
15 for deaths linked to diesel soot per 100,000 adults,
16 according to a study released on Tuesday, February 22nd
17 of this year. Southeast Texas' soot sources include
18 ships. A May, 2002, EPA report linked long-term diesel
19 engine exhaust exposure to lung cancer and other
20 respiratory health problems. Diesel exhaust contains
21 pollutants including formaldehyde and benzene. The
22 Clean Air Task Force study established that in 1999
23 diesel soot contributed to 59 premature deaths, over a
24 thousand asthma attacks and 58 heart attacks in
25 Jefferson County alone. The study also established

1 that the average lifetime diesel soot cancer risk for
2 Jefferson County residents is one in 845, almost 1,200
3 times greater than the EPA's acceptable cancer level of
4 one in one million. Of course, you know that the main
5 source of ozone pollution around LNG terminals is due
6 to diesel emissions from both the supertankers
7 themselves and the huge tugs that will be accompanying
8 them into the channel and while offloading the gas. If
9 any of you are curious as to what it feels like to have
10 an asthma attack or what it is like to have chronic
11 obstructive pulmonary disease due to nothing you have
12 overtly done in your life but live in this area over a
13 period of time, let me help you out. Just take a few
14 deep breaths and hold it for as long as you can, then
15 without expelling that air in your lungs, try taking
16 another deep breath and another and another. You will
17 find you feel as if your chest is about to explode and
18 you quickly find that your outlook on environmental
19 pollution has changed dramatically. Southeast Texas
20 does not need more ozone problems. And, further, the
21 purchasing of credits from neighboring counties is an
22 absurd game of card shuffling.

23 Fourth, using the government's own Sandia
24 National Laboratory measurement of a 1,600 meter safety
25 zone, it would encompass, among others, the McGuire,

1 Cooper, Gripp, Wyble, Henderson, Landry, Bosarge,
2 Salter Dike, Coleman, Ewing, Woolsey, Bodin, Gaudet,
3 Turner, Adair, Mills, Thorpe, and Kent homes, already
4 purchased and/or built on land that they bought before
5 knowing or having any idea that a significant
6 detrimental impact in their lives would be built
7 directly across the ship channel from their property.
8 Concerning a marine spill, the 1,600 BTU per square
9 feet per hour flux level is associated with an exposed
10 person experiencing burns within about 30 seconds. At
11 3,000, an exposed person experiences burns within 30
12 seconds -- excuse me. A 3,000 exposed person would
13 experience within 10 seconds, and a wooden structure
14 would not be expected to burn and affords protection to
15 a sheltered person. A 10,000 BTU per square feet per
16 hour, clothing and wood can ignite spontaneously. Let
17 me translate this for you: What you are saying is how
18 quickly we will burn up in the event of a catastrophe.
19 We are all within a 900 to 1,000 feet of the middle of
20 the ship channel. What plans do you have for our
21 evacuation in the event of a large spill accompanied by
22 high winds from the southeast? A magic carpet? Surely
23 you can't mean we can evacuate by means of our internal
24 combustion engines? Going to issue us some thermal
25 protective clothing and gear like firefighters wear?

1 Do we wear them instead of pajamas? How would we be
2 warned? How do we live with this kind of situation
3 hanging over our every move every day and night. At
4 high wind speeds, the fire bends over in a pool fire
5 situation and can easily extend over Highway 82 and
6 over homes on the south end of the Pleasure Island, the
7 homes and the people I mentioned above. We were here
8 first. ExxonMobil, you can go offshore or go remote.
9 FERC and ExxonMobil, you have spent countless dollars
10 and hours on the DEIS, especially concerning benthic
11 invertebrates, the mosquito fish, the hardhead catfish,
12 and the brown shrimp, environmental habitats and
13 wetlands. How about spending a little more time and
14 effort on human beings. Establish marine safety zones,
15 define remote, let our scientists and engineers review
16 the safety zone formulas and stop letting businesses
17 control the process.

18 Respectfully submitted today. Thank you.

19 MS. JENNIFER KERRIGAN: Thank you.

20 Our next speaker is Tom Henderson.

21 MR. TOM HENDERSON: Good evening. My
22 name is Tom Henderson. I am the city counsel member
23 with the City of Port Arthur. The council, after the
24 very first reception that ExxonMobil held, went on
25 record as endorsing this project. The environmental

1 impact statement that was issued by FERC seems to help
2 put to rest a number of issues or concerns that have
3 been raised regarding this project; not all of them,
4 but most. I would like to briefly cite some of the
5 statements contained in this report. For the benefit
6 of those who may not have read this EIS or possibly
7 made it for the record here.

8 One, it states the construction and operation
9 of the proposed Golden Pass terminal and pipeline
10 project would have minimal effect on geologic
11 resources. And, further, overall project impacts are
12 not expected to substantially affect local wildlife or
13 wildlife population movements. Also, we conclude that
14 the LNG terminal would be in conformity with the Texas
15 State Implementation Plan. Also, the risk to the
16 public from accidental causes should be considered
17 negligible. So we concluded that there is no practical
18 alternative sites which meet the project purpose and
19 that offer a clear environmental advantage. In other
20 words, this was the best site that could have been
21 chosen. And in their major conclusion, FERC states
22 that with the adoption of its suggested litigation
23 measures, that the already minimal environmental impact
24 would be substantially reduced.

25 Hopefully, this FERC report will help get this

1 project on the fast track. The Port Arthur city
2 council counsel stands ready to assist Golden Pass in
3 any way possible to facilitate this project.

4 You know, we in the City of Port Arthur, we
5 have lived in the shadow of these refineries for a
6 hundred years. We have been willing to exchange any of
7 the dangers that might be involved for the jobs that
8 these industries provided, understanding that there is
9 no such thing as being 100 percent safe. In terms of
10 safety, this project is very much less dangerous than
11 other area industries. It is less polluting and more
12 environmentally friendly than the existing industries
13 that we already have. The Port Arthur city council
14 give this project our wholehearted support.

15 Thank you very much.

16 MS. JENNIFER KERRIGAN: Thank you.

17 Our next speaker is Anthony Valentine.

18 MR. ANTHONY VALENTINE: Good evening.

19 I'm Anthony "Val" Valentine. I'm the business manager
20 for the Pipefitters Local 195 here in Beaumont, Port
21 Arthur and Orange and surrounding areas. I represent
22 approximately 1,300 members and their families that
23 reside mainly in this area and the surrounding areas as
24 well. I understand there has been an extreme amount of
25 controversy pro and con on the construction of this

1 particularly large and potentially dangerous project,
2 due mainly to the fact that it is to be built across
3 the channel from the Pleasure Island neighborhood. I
4 believe we can all see these concerned citizens'
5 point. With that said, I also believe that with
6 organized laborers present on this project that it
7 would be built with the most highly-skilled,
8 highly-qualified local work force available to man.
9 Therefore, eliminating any possible questions or
10 concerns that may be raised in regard to the
11 construction of this project.

12 In light of what happened just today in Texas
13 City, let's never believe that something can't happen.
14 I would again like to point out that with organized
15 laborers' involvement in the construction of this
16 project that we will be here not only during the
17 construction phase but when the first ship is unloaded
18 and the first switch is flipped to start this
19 tremendous process. We live here. We pay taxes here.
20 We vote here. We attend church here, and our children
21 attend school here.

22 Thank you.

23 MS. JENNIFER KERRIGAN: Thank you.

24 Our next speaker is Tyrell Woolsey.

25 MR. TYRELL WOOLSEY: My name is Tyrell

1 Woolsey, 3634 South MLK. I didn't come real prepared
2 tonight. I don't have anything really written. I left
3 my glasses at home, but -- and I think Shirley McGuire
4 pretty much already said pretty much everything I
5 wanted to say. But I'm here to show my opposition,
6 along with the other residents of Pleasure Island,
7 except for one. And I've talked here at these meetings
8 before and I have written to FERC before, so I'm not
9 going to go over everything that I said before. But
10 the human safety aspect is what I'd like to reiterate
11 on tonight in having an LNG facility move next to a
12 residential neighborhood.

13 You know, when Spindletop came and when the
14 refineries were built, people chose to move next to
15 them. Well, I moved to Pleasure Island to be on Sabine
16 Lake and not next to an LNG facility. And I agree we
17 need this source of energy and we need to move fast.
18 But -- well, I don't have my glasses; but this
19 particular --

20 We need to move fast on this, but this
21 particular facility needs to be moved away from
22 residential areas. You know, we need to have more
23 industries like this; but they need to be in more
24 remote locations, such as the Sheneer facility is in a
25 remote and the Lake Charles facility is.

1 Thank you very much.

2 MS. JENNIFER KERRIGAN: Thank you.

3 Our next speaker is Evan Ford.

4 MR. EVAN FORD: Hello. My name is Evan
5 Ford and I am also a resident on Pleasure Island. This
6 is my first meeting with regard to this. And I decided
7 I better come and make myself heard after reading all
8 of these pages in this book. I find it a little
9 insulting that interest groups can put things to light
10 like people's lives, their investments and their
11 properties. When we are referred to as a view shed and
12 there is only 19 people here, 19 houses. And, by the
13 way, I wasn't on the list that they submitted as those
14 that might burn up if the thing did blow up. So we can
15 get me on there as well.

16 And I have quite a few -- I can understand how
17 certain groups and people think this is a good thing.
18 ExxonMobil don't have any relationship with the
19 company. I'm surprised that a company who claims to be
20 as forthright and as upstanding as they are takes the
21 policy of: Well, what we'll do is we'll go out and
22 request about 10 of these permits and whoever puts up
23 the least resistance is probably where it's going to
24 go. If there are legitimate problems with LNG -- by
25 reading, again, all of this stuff in here, I find lots

1 of inconsistencies where we have various different
2 vapor zones, you know, anywhere from -- according to
3 the FERC's conclusion, they are establishing it at
4 about 900 feet based on 42 degrees temperature, 45
5 percent humidity and 18 mile an hour wind. Has there
6 ever been a day like that in Sabine? Certainly not in
7 the summer.

8 I am an acting engineer. Don't practice in
9 engineering; but, you know, gases are very volatile and
10 I have a feeling that, as we can see from these various
11 different Sandia reports, even in the EIS studies from
12 the '79 Calcasieu they established that this zone of
13 safety at 3,595 feet, the 2001 Quest Consultants did a
14 study for the Department of Energy. They declared it
15 at 770 feet. And then in the EIS for the Yukon Pacific
16 LNG, they established the rate at 3.3 miles. So there
17 is obviously not a lot of good information with regard
18 to the safety zones for this type of a project. I
19 don't see the rush. You know, if ExxonMobil needs this
20 gas so bad, you know, at their facilities, which
21 appears to be a major concern here, the fact that the
22 No. 1 reason for having this plant in this area is
23 because they have a Beaumont facility where they are
24 intending to use this gas; and I suppose that's a nice
25 competitive advantage. And I'm deducting that from the

1 fact that several of these other locations were not
2 approved because they were too far away from this
3 particular area.

4 And, again, all of this stuff is in this book
5 here. I'm surprised that in a city like Port Arthur
6 where you have a population leaving your market, where
7 you have substandard employment rates and you have
8 lower than Texas average job payments, way lower than
9 Texas average real estate values, I'm just curious why
10 that is. I think that is because of the amount of
11 industry and the amount of risk associated in living in
12 these industrial areas.

13 I bought built my house on Pleasure Island
14 because it was away from that kind of thing. There is
15 not a lot of Gulf Coast property left along the coast.
16 We are having lots of wetland deterioration. We are
17 having erosion problems. Lots of different various
18 issues. We are having some fish problems. You know,
19 all of the coastal conservation associations and
20 everybody are fighting to keep our environment the way
21 it is. And we certainly don't need anymore of this
22 particular type of activity.

23 It states, again in the report, that we're
24 going to lose some 300 acres of wetlands, destroy 2,000
25 acres of wildlife habitat. We're going to hurt the

1 wildlife and the migratory birds. We're going to
2 destroy aquatic resources from the dredge work. We're
3 going to impair the central fish habitat. We're going
4 to threaten 15 elected state species of which have a
5 low priority or a low percent that these things might
6 exist here. But we are going to create 60 new jobs,
7 and 60 new jobs is great. I think there is 20 or 25
8 working at McDonald's. So I don't understand what that
9 is going to do for the economy.

10 I do understand that this thing would generate
11 a nice bit of work for the short term. And I'm sure
12 that the area and the community could use that, but I
13 don't believe that that is a good reason or a good
14 enough reason based again on this particular report to
15 have this thing built.

16 The safety concerns are very high. I think
17 there is probably a lot of good people. You have the
18 pipers' people here. You've got the firefighters. And
19 these people are all good qualified people who probably
20 need work. I wouldn't dispute that fact. But to
21 endanger people's lives to do it, I don't believe is
22 right. There is just not enough research on the safety
23 zones for this project.

24 BP had an explosion today at their gasoline
25 plant in Texas City where quite a few people were

1 killed. I'm sure they have all kinds of nice
2 regulations in that industry as well, but you still
3 have people and things still happen. There is probably
4 no study based on the fact of what an airplane will do
5 to the World Trade Center. Nobody in their right mind
6 would have ever had to calculate the fact that that
7 thing could come tumbling down, but it did. These are
8 real events and there are real people who are so close
9 to this project. So, I also oppose it; and I really
10 hope that we can come to some kind of an agreement.

11 The only other thing that I want to add is
12 that I understand that there is going to be an offshore
13 platform that is going to be finished in just a few
14 months. Supposed to be completed in 2005. And this is
15 kind of a new technology, but it seems to make a lot
16 more sense to me. If the guys are so tired after being
17 on the boats for 8 months that we have to put them on
18 the land, I don't want those guys driving a boat in
19 front of my house.

20 Thank you.

21 MS. JENNIFER KERRIGAN: Thank you.

22 Our next speaker is Carl Griffith.

23 MR. CARL GRIFFITH: Hi. I'm Carl
24 Griffith, Jefferson County Judge. You know, I really
25 do understand the concerns of the residents on Pleasure

1 Island; and I think back about probably four or five or
2 six years ago that I personally made a couple of trips
3 to Austin, working with city officials when we worked
4 together to bring water through an EDA grant that now
5 helps cause the construction of those homes there that
6 you are hearing the people talk about. And, clearly,
7 our whole thrust with the EDA, the only reason that we
8 got that grant was to create new industrial jobs along
9 the island.

10 I completely support the ExxonMobil project
11 and know that as a former sheriff and now the head of
12 emergency management in Jefferson County as the county
13 judge that life is about managing risk. And the reality
14 is that the likelihood of every one of us in this room
15 is more likely to die driving from Sabine Pass to Port
16 Arthur than they are to be impacted by this LNG
17 project.

18 I can tell you that I'm currently building a
19 new home on my ranch, and in within 300 yards of that
20 is a 6 inch high pressure natural gas pipeline that
21 cuts my ranch in half; but it is within 300 yards from
22 my back windows of where the house. But I clearly know
23 that has been a safe industry in America and we know
24 how, as a country, to manage risk. And if we start
25 fearing for everything we do in life, then --

1 particularly, because of terrorists, we have shown that
2 the terrorists have won, that we have just got to stop
3 living and we can't have plants and we can't grow the
4 communities.

5 We have watched, as a community over the last
6 40 years, a deterioration of our heavy industry in the
7 respect of losing jobs because of high technology. It
8 has decreased the amount of people that it takes to
9 operate those. And, clearly, in the last five years,
10 the chemical industry has been devastated by the high
11 cost of natural gas. In this community, Southeast
12 Texas has been impacted tremendously in a negative
13 way. This brings stability to our industry. And
14 everyone in the community is touched by the stability
15 brought by broadbase natural gas supply, not only to
16 Southeast Texas but to the entire country. And one of
17 the largest threats to this county is that we are not
18 going to have the energy needs to meet our nation's
19 supply. It is imperative that we move this process
20 quickly. We have plants today that are shut down,
21 different units. And, actually, I had a call two weeks
22 ago from a company, three weeks ago, asking us to get
23 them in touch with potential LNG suppliers so that they
24 could see if they could secure contracts if and when
25 they build these projects because this one was thinking

1 about reopening. They have been closed, but they think
2 that potentially this would bring the prices down. So
3 suggesting that the one impact is the number of jobs on
4 the site is not correct. I know that the pipefitters
5 and electricians and ABC and all of the people that
6 work in this community are impacted not just on the
7 side of ExxonMobil's or Sempers or Sheneers but what it
8 is going to do to the economy of Southeast Texas and
9 Southwest Louisiana. And ExxonMobil has a proven track
10 record in this country to be a tremendous great
11 supplier of jobs and safety in this country. So I, as
12 a county judge, representing the Commissioner's Court
13 of Jefferson County, believe that this is a great
14 project. And please expedite it. The sooner we can
15 get this gas flowing in this community, the better off
16 we are as a community.

17 Thank you.

18 MS. JENNIFER KERRIGAN: Thank you.

19 Our next speaker is Ellen Warner.

20 MS. ELLEN WARNER: I'm Ellen Warner,
21 president of the Sabine Pilots Association. I
22 represent 29 pilots, that we drive the vessels up and
23 down the Sabine, Neches waterway. We serve the ports
24 of Port Arthur, Beaumont, Orange and Sabine Pass. And
25 I spoke to this commission, I know many times now, in

1 support of the LNG facilities within this area. We
2 work very closely with ExxonMobil Oil. We have
3 successful simulation of moving this size vessels they
4 have plans for into their facilities. We are in
5 support of this facility. The Sabine pilots are
6 concerned with safety and security. That is our main
7 concern.

8 As today, we brought 40-foot vessels in, 2
9 million barrels of crude oil and the U.S. And SCA, 950
10 foot long. We bring the size of vessels that they are
11 considering into this waterway and we don't have a
12 problem with it.

13 I would like to voice opinion on a few of the
14 matters that I have heard here this evening. From a
15 pilot's prospective and the waterway's prospective, I'm
16 going to define what I consider remote; and that is
17 below Texas Oil intersection. I speak for 29 pilots.
18 We all breathe a sigh of relief when we get out of that
19 400-foot wide channel and we are down in a 500-foot
20 wide channel. The LNG facilities are down below Texas
21 Oil intersection for many reasons. They are out of the
22 intercoastal waterway.

23 Look at the history that we have in this
24 waterway. We don't have allusions, collusions vessel
25 to intercoastal. They are out of the congested

1 intercoastal waterway. They are out of the congested
2 areas around the refineries, the congested areas in the
3 Neches river. They are in the wider channel, 500 foot
4 off of where Golden Pass is. And when you get down
5 into the jetties, you are opening up 7 to 800 foot.
6 You have minimal impact of the rest of the waterway
7 users. I don't think people have a thought about
8 trying to get an LNG tanker up to some oil refinery in
9 Nederland. Unfortunately, they can't get under the MLK
10 bridge. They are too tall.

11 But the place down below the island, a minimal
12 impact to the rest of the waterway users. Golden Pass
13 is approximately 12 miles from the area locks, less
14 than two hours. We operate right now in this waterway
15 with 8 tugs. I bring a convoy of four tankers in, all
16 8 tugs are up river. The people down at Suncore at the
17 port of Port Arthur, they are waiting 6 to 8 hours to
18 get tugs down their to move their vessels.

19 The LNG facilities will have dedicated traffic
20 tugs that will be with their facilities. They are not
21 going to have wait. They are not going to have to
22 share tugs. They are not going to take away the other
23 waterway users' tugs. And that was one of our main
24 concerns when we were working with Golden Pass and the
25 other facilities as well.

1 Yes, security is a problem in this area. Now,
2 I know more than anybody. I travel 65 miles of
3 waterway every day. I'm the one that is on the
4 floating bob. You know, it is a different world since
5 September 11th and we all know this. You know, I know
6 we had 100 percent compliance with our industry with
7 the security plan. I get on vessels every single day,
8 and they all have security requirements that we have.
9 Of course, we have the new vessel traffic service that
10 will be coming online in October of 2005. With AIS
11 coverage up to 150 miles out in the Gulf of Mexico.

12 I studied 15 years before I became a pilot,
13 and I have been here 11 years. And I can they are a
14 state of the art facility. And, I'm sorry; but you
15 don't have one currently in this waterway. I have been
16 to Saudi Arabia. Go over there and look at a state of
17 the art facility. Now, we have a chance to build a
18 state of the art facility here with the best technology
19 available, with the best tugs available. And I think
20 it is an opportunity for this area that we do not need
21 to let pass.

22 I'm not going to say that there is not a
23 problem with erosion, because we do have a considerable
24 erosion problem on the banks of the channel here. It
25 is a combination of many things. It's taken years to

1 get where it is you. Go down there right now and
2 you're going to see the Texas Department of Highways is
3 bulkheading several sections to try to prevent further
4 erosions. Whether or not Golden Pass or does not come,
5 it's not going to make your erosion problem any better
6 or any worse, because bottom line, when we are
7 approaching the southern end of Pleasure Island, we
8 have got those tugs on those ships. We are backing
9 them down and we're getting the seed off. The slower
10 you are,, the less you affect.

11 We feel the Sabine, Neches waterway can
12 adequately handle this increase in traffic and we urge
13 the Federal Energy Regulatory Commission to grant the
14 permit for Golden Pass.

15 Thank you.

16 MS. JENNIFER KERRIGAN: Thank you.

17 Our next speaker A. Morris Albright.

18 MR. A. MORRIS ALBRIGHT: Good evening.
19 My name is Morris Albright. I live at 812 South Wind
20 on Pleasure Island. It's not on the south end of
21 Pleasure Island but on Pleasure Island. I'm here in
22 support of the proposed LNG terminals, the ExxonMobil
23 terminal. This new industry in our area will keep our
24 local refineries and chemical companies economically
25 competitive and help to retain and add to our present

1 work force. The LNG facilities and ships will be safe
2 because industry standards, codes training, inspections
3 and operating procedures as well as government
4 regulations are in place for the safe design,
5 construction and operation of the LNG onshore terminals
6 as well as the ships.

7 I think it is very important that we realize
8 that we have the infrastructure for these facilities in
9 place; not only the pipelines, the end users, the
10 pilots that have experience in this waterway, but the
11 Coast Guard, as has been mentioned, is installing a
12 vehicle traffic control system that they can tell
13 exactly what is going on in this channel. We have a
14 lot of homeland security funds being placed in this
15 area because of our present shipping and refining and
16 our loading of military vessels out of the port of
17 Beaumont. This is an ideal situation with all the
18 pieces of the puzzle in place that will cost the least
19 amount to be effective.

20 Each facility is required to have dedicated
21 tugs as has been mentioned in their crews to handle
22 these tankers. The tankers will be coming in at a very
23 slow rate with the power and control of the tugs on
24 them. Right now, we have chemical carriers and oil
25 tankers coming into our channel and they are going past

1 this area of concern. They are under their own power.
2 They have a pilot on them, but they're under their own
3 power. Their cargos are much more hazardous than LNG
4 is. And I think that is something that a lot of people
5 don't realize.

6 And another important thing, there was a
7 conversation here about a marine exclusion zone. I
8 think it is important to understand what is referred to
9 in a marine exclusion zone. This is the distance
10 between ships that come in. If there is an LNG tanker
11 coming in, the pilots and the Coast Guard and the pilot
12 support, a certain distance from one ship to the next
13 ship, not from the ship to the land, but from one ship
14 to the next ship because it takes so long to stop a
15 ship in motion. So I think that's important to
16 understand, that when we're talking about marine safety
17 zones, we're talking about putting one ship behind the
18 other ship. And that's the whole point of that because
19 of ship collisions.

20 LNG tankers, as I said, will be less of a
21 hazard in our waterway than current tankers. The
22 erosion from wave wash on the south beach of the island
23 should be reduced. They LNG ships will come in with
24 assistance from their tugs at a very slow speed in
25 order to turn around in the channel and be docked.

1 While LNG tankers in berth, offloading, all passing
2 ships will be required to reduce their speed by U.S.
3 Coast Guard regulations.

4 It's my understanding that one of the
5 recommendations that ExxonMobil has agreed to is that
6 the soils of the -- the virgin soil that will be taken
7 for their slip can be used to enhance the fresh water
8 marsh of Heath Lake that is rapidly deteriorating.
9 They can build this marsh back to be a vital wetlands
10 area for our future generations of our kids. And I
11 think this is very important, we can do something like
12 that to save a marsh from the salt water intrusions.

13 You know, there is always a fear of unknown;
14 and that fear of the unknown has been expressed by some
15 of the people on the island. But as the Judge said,
16 you know, if we are concerned about terrorists doing
17 something to an LNG ship or to an LNG terminal, they've
18 already won. You know, if we stop our economy because
19 we are concerned about terrorists and what they might
20 potentially do, they don't have to do anything.
21 They've already done it. So I don't see how we can be
22 concerned about something like that.

23 And on a personal note, we have heard from
24 people on the south end of the island. My son and his
25 wife and three children have bought property and are in

1 the process of building a home in this immediate area
2 that we're talking about. And they purchased this
3 house in a process of construction after the LNG
4 proposal was put in place, with full knowledge. And if
5 I thought there was anymore danger there than any place
6 else in the City of Port Arthur, I would have certainly
7 intervened and tried to convince them not to.

8 Thank you

9 MS. JENNIFER KERRIGAN: Thank you.

10 Our next speaker is John Smith.

11 MR. JOHN SMITH: Unfortunately, I have
12 probably one of the more common names of anyone here
13 tonight. Thank you, Chet.

14 But at any rate, my name is John Smith; and I
15 am the general manager Newtron, Incorporated. We have
16 local offices here in Nederland, Texas; and we have
17 been 25-plus year service provider of ExxonMobil. We
18 are very proud of the relationship that we have with
19 ExxonMobil. It was mentioned by Chet Lloyd earlier
20 tonight that he was on an ExxonMobil project, it's a
21 cogen project of ExxonMobil that is going in currently,
22 coming close to fruition and talking about the extra
23 steps that ExxonMobil has taken to make sure that we
24 work safely.

25 I wish in five minute that I could tell you

1 their entire program. The program is so involved and
2 it has such startling low rates of accidents that they
3 have had a two-day workshop here in Beaumont this week
4 to model future project after the cogient project
5 because of the very low incident rate that has occurred
6 on this project. ExxonMobil not only talks the talk.
7 They also walk the walk when it comes to safety in
8 construction.

9 I find it almost impossible to believe or
10 fathom that ExxonMobil would be involved with anything
11 that would cause harm to the neighborhood and/or to the
12 local property owners. I know that with the ExxonMobil
13 project, the cogient project specifically, that they've
14 worked very closely with the Charlton Pollard
15 neighborhood association and have, actually, supported
16 that association with any concerns or revelations that
17 they've had during the course of the cogient
18 construction.

19 Again, we have been a service provider for
20 many years. We hope to continue that process. Our
21 local offices here in Nederland employ anywhere from
22 150 to 250 employees at the ExxonMobil refineries and
23 chemical plants. Those are all local employees here in
24 the immediate area, immediate nine county area defined
25 as local. Those monies and those employees' dollars

1 are spent right here in our area. And we are very
2 pleased and happy to service ExxonMobil, and we would
3 be very pleased and happy to be able to serve them at
4 this site and certainly hope that FERC looks favorably
5 upon their application process.

6 Thank you.

7 MS. JENNIFER KERRIGAN: Thank you.

8 The next speaker is James Duhon.

9 MR. JAMES DUHON: My name is James
10 Duhon. I'm from Lake Charles, Louisiana; and I
11 represent IBEW electrical workers. And the first thing
12 I want to say is about the ladies that spoke about
13 Truckline LNG over in Lake Charles. There is no houses
14 around there. They do have a buffer of woods around
15 it, but they have been a very good neighbor of Lake
16 Charles and it has been a very safe plant. And I'm
17 here to support ExxonMobil on their project, but I do
18 have a concern.

19 I have a concern which I have never brought
20 forth toward testifying before FERC. And I'm sure most
21 of the people here heard that they had a plant
22 explosion in Texas City today. And we've been talking
23 about, you know, terrorists controlling our lives and
24 not controlling our lives. Well, this is a big concern
25 of mine. When I look at those five LNG tanks out

1 there, I see 600 tanks. I take that back. 6,000 --
2 let's see. 3,000 tanks. I'm sorry. 3,000 tanks of
3 natural gas is what I see. And natural gas, we've been
4 around all of our lives. I was raised in a house on
5 natural gas, and it is safe. But if I would have had a
6 terrorist in my house lighting it, it wouldn't have
7 been. And this concerns me. I see 3,000 tanks of
8 natural gas out there. When I see one ship, I see 600
9 ships. And it is a concern. And it is a concern that
10 the government should address and it is a concern that
11 ExxonMobil should address. Nobody should be allowed on
12 these projects to work without a clearance, just like
13 if you were going onto a nuclear project.

14 Construction nowadays, if you got a Nomex suit
15 and a hammer, you are hired. And on these LNG plants,
16 this should not be allowed. They should go to a very,
17 very high security check. I think from here to back
18 there, I stepped it off 27 foot. Nobody saw me step it
19 off but I did it right in front of a whole bunch of
20 people. Terrorists could have people out there
21 stepping off everything on these plants. There should
22 be a very high security check on these LNG plants, not
23 just ExxonMobils. I'm talking about all of them. I'm
24 talking about Sheneer. They are taking soil samples
25 right now at Sheneer. They are on the project. Very,

1 very high security should be checked on these plants.

2 I don't know who guards these plants.

3 Trucklines, five good coonasses with five rod and reels
4 could go in that plant and take it over right now. And
5 I'm not trying to be ugly, but we have got to have
6 these plants with security. I'm a firm believer. I
7 have testified. These are safe plants, but I'm worried
8 about our security. Other than that, I'm all for it.
9 And thank you very much.

10 MS. JENNIFER KERRIGAN: Thank you.

11 Our next speaker is Dale Wortham.

12 MR. DALE WORTHAM: I'm glad I don't have
13 a rod and reel.

14 I represent electrical workers from
15 Brownsville to Mobile, Alabama; and we certainly spend
16 a lot of time supporting LNG projects. I personally
17 believe the onshore projects are safer as opposed to
18 the offshore projects. I too have some of the concerns
19 that the previous speaker just raised, and I think some
20 of those concerns are probably some of the residents on
21 Pleasure Island. The only way to guarantee a number of
22 things, and I just want to say this, the BP explosion
23 has probably been mentioned too many times today. The
24 only three scenarios I heard was it was a process
25 problem, a contractor problem and terrorism was not

1 ruled out. Two of three of those are unacceptable.
2 The process problem happens. Accident happen. That's
3 why they call them accidents and not purposes. Your
4 contractors that you hire, you need to make sure that
5 they have the qualified personnel.

6 I have been in the construction business for
7 25 years. I have worked on jobs where police officers
8 have come up on the job and taken somebody away for
9 back due child support. They've also taken some who
10 were murderers and rapists. There is an unsavory --
11 and I can say to this my other construction friends out
12 here. There is an unsavory group out there in the
13 construction industry. Not everyone is. Just look at
14 me. I'm not unsavory, but there are those that are out
15 there. I went through a four-year apprenticeship
16 program. I am licensed by the State of Texas as a
17 licensed electrician. An in order to get that license,
18 I got to go through a background check. Other crafts,
19 plumbers, there are a number of crafts that have
20 apprenticeship programs where you can't be an unsavory
21 character and you have to go through background
22 checks. I think that could possibly ease some of the
23 fear of the residents on Pleasure Island, if they knew
24 that the facility built, even though it's a state of
25 the art facility; and I have seen the drawings that it

1 is a state of the art facility. It was built with
2 state of the art craftsmen. We support the project.
3 We look forward to working with ExxonMobil in building
4 this state of the art facility. And thank you.

5 MS. JENNIFER KERRIGAN: Thank you.

6 Our next speaker is Waymon Hallmark.

7 MR. WAYMON HALLMARK: Thank you very
8 much. I'm Waymon Hallmark. I live at 6038 Moonshaw in
9 Port Arthur, Texas. Judge Griffith basically told you
10 about how the Commissioner's Court of Jefferson County
11 feels about this project. It will be built in my
12 precinct, Precinct 3. I'm looking forward to this
13 process being completed and we can get the shovel in
14 the ground and get started on it. I think it is going
15 to mean much to this area. If we're going to see these
16 plants continue to spend billions of dollars on
17 expansions and cleaning their air quality scrubbers and
18 so forth in their industries, then they've got to have
19 a good supply of low price natural gas or competitive
20 priced. This will assure that the plants can stay in
21 this area from now on. The worst thing we could do is
22 to not let them have the supply that they need and see
23 them have to shut down and maybe move. We would really
24 have clean air then.

25 Thank you.

1 MS. JENNIFER KERRIGAN: Thank you.

2 Our next speaker is Don Pumphrey.

3 MR. DON PUMPHREY: Good evening. My name
4 is Don Pumphrey and I'm the chairman of the board of
5 Greater Port Arthur Chamber of Commerce. And I rise
6 this evening to voice the Chambers wholehearted support
7 for this project. It will provide needed natural gas
8 supplies not only for this region but for the entire
9 country. Many of us fail to realize many times the
10 products that we rely on that are derivative of that
11 basic element, natural gas. It is essential to our
12 continued growth in this country and to fuel our
13 economy and we have got to find a way to get it in
14 here.

15 We feel that the company has taken the
16 necessary steps. Your own EIS statement and findings
17 support that they have taken the necessary steps to do
18 this in an effective scientifically efficient manner
19 and meet the environmental impact requirements that
20 have been set forth by government regulations. Our
21 economy needs the natural gas. We need the jobs.
22 There is double digit unemployment here in the Port
23 Arthur community. And we understand that the jobs will
24 not only go to residents in Port Arthur but throughout
25 the region, but we've got to do those things that are

1 necessary to fuel this economy and create the
2 employment opportunities that will keep our young
3 people here in the Southeast Texas area.

4 I encourage FERC to proceed with all due
5 dispatch in approving this process so that this
6 facility might begin construction and get those needed
7 supplies into the pipeline.

8 Thank you.

9 MS. JENNIFER KERRIGAN: Thank you.

10 Our next speaker is Walter Fenn.

11 MR. WALTER FENN: Good evening. I would
12 like to thank FERC for being here and allowing
13 community input on this very important issue.

14 My name is Walter Fenn. I'm the
15 superintendent of schools here in Sabine ISD, and I'm
16 also a resident of this very same community. And I'm
17 very much in support of this project.

18 I ask FERC to speedily grant the approval of
19 the permit for this project to proceed. There are two
20 very important reasons that I'm in favor of this
21 project. The first, being concerned about the
22 environment as I am, we know that natural gas is a very
23 clean burning and environmentally friendly fuel when
24 compared to the other fuel options that we have
25 available.

1 The second important reason that I'm in favor
2 of this project is for our students. And we haven't
3 heard from a group that is representing the children,
4 the youth of our community until now. All over the
5 State of Texas, there are school districts that are
6 scrambling to find the dollars to meet the educational
7 needs of the youth in our state. Right now in Austin,
8 the legislature is struggling over ways to funnel the
9 needed resources to these communities, to these school
10 districts. ExxonMobil has already proven to be and I
11 believe will continue to be a good neighbor to our
12 school district. I fully expect to have scholarships,
13 internships and grants made available to the youth in
14 our community. So for both of these reasons, the
15 environment and for our students, as superintendent of
16 Sabine Pass ISD, I'm strongly in favor of this
17 project.

18 Thank you.

19 MS. JENNIFER KERRIGAN: Thank you.

20 Our next speaker is R.L. Gabby Eldridge.

21 MR. R.L. GABBY ELDRIDGE: I'm Gabby
22 Eldridge, Sabine Pass. Been here probably 74 years.
23 At one time here, Mobil was -- had a facility here. Of
24 course, they widened and deepened the channel of
25 Beaumont and we lost all of that. And we keep losing

1 and we need more. And, of course, I always pushed for
2 growth here and tried to think of things that we could
3 do here. We couldn't put a chemical plant here or
4 refinery because of the water situation and a few other
5 things. This come along to me as one of the greatest
6 things that has ever come in front of us in all of the
7 years that I have been here. And it is something that
8 we really need. We have to support our school and this
9 is going to help us and taxes -- and economy any way.

10 As far as safety, I think it is very safe. I
11 have looked at it. I was looking at the drawing of
12 their dock facilities; and my company, that's what we
13 do, is build docks up and down the river and repair,
14 plus a few other things. And these LNG plants that are
15 coming in, their ships are going to be completely out
16 of the canal, which I think is great because you can go
17 all the way to Beaumont and they are all out in the
18 edge of the channel and we are lucky we have some good
19 pilots to handle this. And I'm sure it puts them in
20 stress to have to pass these ships and stuff like
21 that. They are putting these things out of the
22 channel. There is no way a ship can hit them, so we're
23 safe in that respect. And I think we are safe in
24 everything else. It is clean. We don't have to worry
25 about chemical spill that will wipe us out. So as far

1 as I'm concerned I think it is one of the greatest
2 things that has ever happened to us. And I sure urge
3 that you-all help us and work with us and get this
4 facility in here. We need it bad.

5 Thank you.

6 MS. JENNIFER KERRIGAN: Thank you.

7 Our next speaker is James Kirkland.

8 MR. JAMES KIRKLAND: Thank you. My name
9 is James Kirkland. I'm the business manager for the
10 boilermakers Local 587. We support this project, but
11 we do have two concerns. One of them is security, the
12 other being contractors hiring undocumented and
13 unskilled workers. That's it.

14 MS. JENNIFER KERRIGAN: Thank you.

15 Our next speaker is Clark Colvin.

16 MR. CLARK COLVIN: My name is Clark T.
17 Calvin, and I can't write either. I'm sorry.

18 I'm a Huntsman Petrochemical Company, and we
19 have, between our full-time employees and our full-time
20 nest contractors, we employ about 1,400 people here in
21 south county. All of those jobs are very dependent on
22 natural gas. One of the things that makes them
23 dependent on natural gas is the price. And as you
24 know, price is a matter of supply and demand. And what
25 has happened in our country over the last 10 or 15

1 years, is that the regulators, both state and federal,
2 present company excluded, have caused problems in the
3 energy industry because natural gas is a very clean
4 burning fuel and so everyone has wanted to use it. And
5 the government has encouraged the demand of natural gas
6 tremendously. And it has grown and as we have seen in
7 the power industry, 98 percent of the major of
8 facilities that were built over 100,000 megawatts were
9 built using natural gas. Gosh, we would sure like to
10 have some of those to make petrochemicals with.

11 And what's happened during that time, is even
12 though the federal government has really increased the
13 demand for natural gas, there has been very little to
14 happen on the supply side and we are very glad to have
15 FERC and the Coast Guard here tonight. And we are glad
16 that you are acting on this because this is a major
17 problem in this country on the supply side.

18 We could always -- you know, in the electric
19 business, I guess, would could always burn coal. But
20 the federal government and many of the regulatory
21 agencies were not interested in that. So we have a
22 price differential for our company with some of the
23 other facilities we operate in 23 countries that
24 compete with us for major facilities that we might
25 build and investment capital that our own company has.

1 Some of those facilities have natural gas prices that
2 are three times less than what we face currently in
3 this area.

4 What the future means for our 1,400 people and
5 for our facilities here is unless we do something about
6 the supply side, these facilities will -- we won't
7 invest in them. We'll be putting our investments where
8 we can make some money. And that's going to be in
9 other parts of the world. So it is very vital to our
10 people here and the 1,400 people that Huntsman
11 represents or has employed by our company and also the
12 other petrochemical companies in this area that we get
13 a competitive source of natural gas. We are very
14 encouraged by this project. It is a very good start
15 and we would encourage you to move quickly on this to
16 have this approved.

17 Thank you very much.

18 MS. JENNIFER KERRIGAN: Thank you.

19 Our next speaker is Verna Rutherford.

20 MS. VERNA RUTHERFORD: Good evening. I'm
21 Verna Rutherford president of the Greater Port Arthur
22 Chamber of Commerce. I'm representing over 900
23 business and organization members.

24 First of all, I want to thank you very much
25 for your time and attention throughout the process for

1 this and other LNGs facilities in our area. I could
2 stand here and recount numerous reasons why this and
3 other projects are good for our area, but I won't do
4 that because so many other people have done so quite
5 well. But there are many, many positive impacts that
6 this would have on our community; and I know that you
7 have heard many of them time and time again.

8 I have been privileged to be able to work with
9 ExxonMobil since they began the process of exploring
10 possibilities process of building Golden Pass LNG in
11 Port Arthur. I have always known and viewed ExxonMobil
12 from a distance. I have seen them work in a safe and
13 responsible manner, doing things the right way with
14 attention to detail, taking others into a great deal of
15 respect as they went about their business in a
16 professional way.

17 I view this as a first class facility, a state
18 of the art facility and it would be a great opportunity
19 to have this facility in Port Arthur. ExxonMobil is
20 committed to doing things the proper way and I'm keenly
21 aware of the time and attention that they have paid in
22 listening to the concerns and the input from others in
23 the community and the few concerns that have been
24 raised. I have seen them explore the questions, look
25 at all sides of the issues, be respectful to those who

1 had a position that was other than the favorable
2 position to the project, and they've taken a great deal
3 of time in trying to tend to those needs and concerns.

4 ExxonMobil has moved forward, as I mentioned,
5 showing a great deal of respect to everyone and they've
6 worked diligently to be able to line things up in
7 tandem with the process that they are undergoing with
8 your agency, so that when this project is approved,
9 they will be ready to respond and move forward
10 immediately without any delays and being able to start
11 turning ground right away so that we can get this much
12 needed facility underway and operational in our
13 community.

14 For our community, this would mean a number of
15 jobs. It would mean stability for the existing
16 petrochemical facilities. It would mean a huge
17 economic impact for our existing companies, the
18 suppliers and others here. And, most importantly, it
19 would provide for the national needs that we have for
20 natural gas. So it not only benefits us in our
21 community, but without looking at it selfishly for just
22 our community in Southeast Texas, it would be a
23 tremendous benefit for our nation.

24 In closing, I would urge you to expedite this
25 process to the extent possible so that the project can

1 move forward in a timely manner and we can have a state
2 of the art facility operating here very soon.

3 Thank you.

4 MS. JENNIFER KERRIGAN: Thank you.

5 Our next speaker and the last one I have on my
6 list is Steve Fitzgibbons.

7 MR. STEVE FITZGIBBONS: Thank you. As
8 she said, my name is Steve Fitzgibbons. I'm the city
9 manager in Port Arthur and have been the city manager
10 for a little over nine years.

11 About five years ago, give or take a few
12 years, our economic development corporation director
13 came into my office and said that he had a prospect and
14 was wondering if we could provide some economic
15 development incentive dollars to put a ship breaking
16 facility across from Pleasure Island. And, at least,
17 since the area that is in question has been in the city
18 I think for about 17 years, it's either been industrial
19 or marine industrial. And I told the director that I
20 didn't really think that that was the kind of money we
21 wanted to use government funds or the kind of project
22 we would like to use government funds to support.
23 However, the area was zoned for it; so if the ship
24 breaking company could have come up with their own
25 money, they could have put a ship breaking company

1 across from the south end of Pleasure Island and that
2 was what would have been there today because it has
3 been zoned marine industrial and these things go and go
4 by right in those areas without hearings because that's
5 what the zoning does. It gives you the right to do
6 that.

7 About the same time, the Pleasure Island
8 commission which is a commission that has the authority
9 the legislature gives to it to manage the lands of
10 Pleasure Island wanted to subdivide the south end of
11 the island and they came before the city council and
12 there was some discussion about subdivision
13 regulations. And we at the staff strongly stated to
14 the counsel that if this was not Pleasure Island and
15 this was not Pleasure Island Commission, they couldn't
16 put in a subdivision because you don't put in a
17 subdivision where there isn't water or, generally, you
18 don't because when you do it's paloneus basically.
19 Otherwise it is paloneus, that where they built houses
20 and you don't have water you have paloneus. So the
21 council did not let the Pleasure Island Commission land
22 subdivide because there was no water at the south end
23 of the island.

24 As the judge mentioned, we were able to get
25 water down there read, but we got it through an

1 economic development administration grant on the basis
2 of creating commercial and industrial jobs. That's how
3 the water got there. That's how the Pleasure Island
4 Commission was able to sell individual lots that they
5 wouldn't have before because they had water. The water
6 was there with a commitment by us to create in that
7 area or further south industrial and commercial jobs.
8 So you knew they were going to the south and you knew
9 right across the water was commercial where there have
10 been discussions of putting in a ship breaking
11 facility. So, that is the zoning and that's how the
12 water got down there.

13 Based on the 2000 census, the City of Port
14 Arthur has a population of 57,750. 68 percent of our
15 population is comprised of African Americans, Hispanics
16 of any race and Vietnamese. Based on the census medium
17 family income was 32,143 or about 76 percent of the
18 county, medium family of 42,290. A full 25 percent of
19 our population is at or below poverty levels. As was
20 mentioned earlier, we have high unemployment. It
21 generally runs at twice the state and national
22 averages.

23 The average appraised value of a house in Port
24 Arthur -- and these are numbers from October -- was
25 \$42,105. The main issues facing our community are job

1 creation, provision of basic city services, including
2 public safety infrastructure, safe housing and
3 community revitalization. I believe right now through
4 this LNG project, the City of Port Arthur has an
5 incredible opportunity to substantially improve the
6 quality of life of our citizens. This opportunity is
7 through job creation, not only by the LNG facility and
8 related construction jobs but also by an industry that
9 will support these LNG projects. It will create
10 hundreds or possibly thousands of spin-off jobs in
11 commercial retail and other sectors as a result of the
12 huge capital investments. Revenue to the city from
13 taxes would help create city improvements and basic
14 infrastructure in needed revitalization projects.

15 Safety is a critical concern, and I'm glad
16 that the FERC has looked into it. And I understand the
17 concerns of the people on the south end of Pleasure
18 Island. However, I believe it is important that you
19 know -- and you probably wouldn't get this information
20 from just listening tonight, but of the city's 57,000
21 people, less than one half of one percent live on
22 Pleasure Island. I believe it is also important for
23 you to understand that the average value of a home on
24 Pleasure Island is \$198,000 or 4.7 times the average
25 value in the city. And we have about 500 dilapidated

1 vacant structures that we have redtagged for health and
2 safety reasons. None are on Pleasure Island.

3 I think it is also important that when you
4 note the poverty levels in some of the other issues
5 that I have mentioned to you, we don't have census data
6 on poverty for Pleasure Island; but I doubt whether
7 there is any. And if there some, it is very little.
8 So it is a different situation than the 99 and a half
9 of the other percent of our population. And I think it
10 is extremely vital to this community, probably one of
11 the most important opportunities that we'll have in a
12 generation for our citizens to get this facility
13 permitted, hopefully as quickly as possible and get
14 this construction started because as so many have said
15 tonight, this could be critical to the future of
16 Southeast Texas for the next generation.

17 And I want to thank you for the opportunity of
18 letting me speak tonight.

19 MS. JENNIFER KERRIGAN: Okay. As I said
20 that was the last person on my list, but we do have
21 some time. So if you would like to come up, you are
22 welcome to come up and state your name again for the
23 court reporter.

24 MR. LOREN BOSARGE: My name is Loren
25 Bosarge. My wife and I live on Pleasure Island. We

1 are one of the 33 residences that is mentioned in the
2 EIS. And I went through this, took quite awhile; and
3 my best guess is that the word mitigation was used
4 about 350 times but not one time was the word
5 mitigation used in the same sentence with 33
6 residences. Redheaded woodpeckers got three mentions.
7 So, you know, we can't compete with that. We can't
8 argue with the need for energy in this country. We
9 can't argue about the need for jobs in this area and an
10 increased tax base. But what we can argue about is:
11 What about us?

12 You know, I hear Mr. Fitzgibbons talk about
13 198,000-dollar houses on Pleasure Island, would it make
14 any difference if the houses were \$22,000? How does
15 that change the case? All we are asking for is
16 consideration of our concerns.

17 Now, as far as I can see, FERC and ExxonMobil,
18 you know, they are not going to do anything to mitigate
19 our concerns. All you are going to do is devalue our
20 property. And I think we deserve a better shake than
21 that.

22 Thank you.

23 MS. JENNIFER KERRIGAN: Thank you.

24 Anybody else like to speak here again
25 tonight? Obviously no one else would like to speak,

1 and that will conclude the meeting. Thank you for
2 coming in.

3 (The hearing was concluded at 9:15 p.m.)

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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

IN THE MATTER OF : PERMIT APPLICATION
GOLDEN PASS LNG TERMINAL : NO. 23260
L.P., GOLDEN PASS : DOCKET NO. CPO4-386-000
PIPELINE, L.P. : DOCKET NO. CPO4-4-400-000
: DOCKET NO. CP04-401-000
: DOCKET NO. CP04-402-000

Sabine Pass School Auditorium
5041 South Gulfway Drive
Sabine Pass, Texas

REPORTER'S CERTIFICATION
FEDERAL ENERGY REGULATORY COMMISSION HEARING
MARCH 23, 2005

I, Scott Tarter, Certified Shorthand Reporter in and for the State of Texas, hereby certify that the foregoing is a true and accurate transcript of the Federal Energy Regulatory Commission Hearing held on March 23, 2005, in Sabine Pass, Texas pursuant to public notice; and that the proceedings were recorded by me and reduced to typewriting at my direction.

Certified to by me this 28th day of March, 2005.

Scott Tarter, Texas CSR 180
Expiration Date: 12-31-06
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