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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION
COMMENT MEETING

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In the Matter of: DOCKET NOS.
CALHOUN LNG & PIPELINE : CP05-91-000
PROJECT : CPO5-380-000
- - - - - x

Bauer Community Center
2300 N. Highway 35
Port Lavaca, Texas 77979

Thursday, August 17, 2006

The above-entitled matter came on for hearing,
pursuant to notice, at 7:05 p.m.

BEFORE:
MS. JOANNE WACHHOLDER
Environmental Project Manager
Federal Energy Regulatory Commission

1 APPEARANCES: (CONTINUED):

2 Ms. Kimberly McLaughlin
3 U.S. Army Corps of Engineers

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5 Mr. John Scott

6 Tetra Tech

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P R O C E E D I N G S

(7:05 p.m.)

MS. WACHHOLDER: Good evening. I would like to welcome you all here tonight. My name is Joanne Wachholder, I'm an environmental project manager with the Federal Energy Regulatory Commission or FERC. The Commission, along with our cooperating agencies, has prepared a draft Environmental Impact Statement or EIS for the Calhoun LNG and Point Comfort Pipeline Project. With me at the table tonight is Kim McLaughlin with the U.S. Army Corps of Engineers. Also in attendance we have John Scott at the back table, with the consulting firm Tetra Tech, who has assisted us in our preparation of the draft EIS for this project.

I will briefly run through tonight's agenda. First, I will give a summary of where we are in the FERC environmental review process. Next, Kim will give a brief overview of the status of the application with the U.S. Army Corps of Engineers. Then, we'll hear from anyone who has signed up to provide formal comments into the public record tonight.

On June 30th, 2006, we issued a draft EIS for the Calhoun LNG and Point Comfort Pipeline Project. There's a 45-day comment period on the draft EIS and we are soliciting comments from the public and other

1 agencies on the adequacy of our environmental analysis.
2 At the end of the 45-day comment period we'll use your
3 comments and any new information that we have been able
4 to gather to finalize the EIS. We have requested that
5 written comments be sent to FERC by August 21st, 2006.

6 The purpose of tonight's meeting is to provide
7 each of you with the opportunity to give us your
8 environmental comments on the draft EIS for the proposed
9 Project. This meeting is not in response to a separate
10 proposal by the Port to deepen and widen the Matagorda
11 Ship Channel. That proposal is not regulated by FERC.
12 We are taking comments tonight on our analysis of the
13 Calhoun/Point Comfort's proposed pipeline, LNG terminal
14 and turning basin.

15 We are here to learn from you. If you wish to
16 speak tonight, please be sure you've signed the
17 speakers' list at the sign-in table. If you have
18 comments or concerns, we ask that you be as specific as
19 possible to aid us in analyzing the issues.

20 If you do not wish to speak tonight, I urge
21 you to write in to the Commission with your comments.
22 Your comments will be used to determine the issues we
23 need to cover in our final EIS. It is very important
24 that any comments you send include our internal docket
25 numbers for the project. The docket numbers for this

1 one are CP05-91-000 and CP05-380-000. If you decide to
2 send us a comment letter, please put those numbers on
3 it. That will ensure that I receive your comment.

4 I would like to mention that the Commission
5 strongly encourages electronic filing of written
6 comments. The instructions are on the forms in the back
7 or can be located on our website, which is www.ferc.gov
8 under the e-filing link. In addition, we offer a free
9 service called "eSubscription" which allows you to keep
10 track of all formal issuances and submittals for
11 specific projects, which we organize into dockets. If
12 you register with "eSubscription", you will
13 automatically be notified by e-mail of these filings and
14 you will be provided links to access the documents. You
15 can register for this service by going to www.ferc.gov
16 under the "eSubscription" link.

17 Other federal and state agencies have
18 permitting and review responsibilities associated with
19 the Project and we are coordinating our review with
20 them. The Federal agencies include the U.S. Coast
21 Guard, the U.S. Army Corps of Engineers, the U.S. Fish &
22 Wildlife Service, National Marine Fisheries Service,
23 U.S. Environmental Protection Agency and the U.S.
24 Department of Transportation. State agencies we are
25 working with include the Texas Parks and Wildlife

1 Department and the Texas Railroad Commission.

2 As the lead federal agency, we will review the
3 project to satisfy the requirements of the National
4 Environmental Policy Act. We will assemble information
5 through a variety of sources, including the applicants,
6 you, the public, other state, local and federal
7 agencies, and our own field work. We will take the
8 input that we receive at this public comment meeting, as
9 well as issues that are raised in written comments, and
10 we'll use those to focus our analysis in the final EIS.

11 The final EIS will be mailed to people that
12 were on our environmental mailing list. Basically, if
13 you received a copy of the draft EIS you will receive a
14 copy of the final EIS. In order to be added to the
15 mailing list, you can send a written comment to the
16 Commission, or you can fill out the mailing list form at
17 the sign-in table tonight. We also have a few extra
18 copies of the draft EIS compact disk at the table in the
19 back if you did not receive one. We also have some
20 helpful information about FERC, our address and website,
21 and instructions on how to provide written comments.

22 The EIS does not make a final decision on the
23 project. It is being prepared to advise the Commission
24 and to disclose to the public the environmental impact
25 of constructing and operating the proposed project.

1 When it is finished, the Commission will consider the
2 environmental information from the EIS, along with the
3 non-environmental issues, such as engineering, markets,
4 and rates, in making its decision to approve or deny the
5 project.

6 If the Commission does vote to approve the
7 project, FERC environmental staff will monitor the
8 project through construction and restoration, performing
9 on-site inspections to ensure environmental compliance
10 with the conditions of the FERC certificate.

11 So, that briefly explains the FERC's review
12 process. Now I would like to turn the meeting over to
13 Kim McLaughlin with the U.S. Army Corps of Engineers.

14 MS. MCLAUGHLIN: Thank you. I am Kimberly
15 McLaughlin with the U.S. Army Corps of Engineers,
16 Galveston District. On behalf of Colonel Steven P.
17 Haustein, District Engineer of the Galveston District, I
18 join the Federal Energy Regulatory Commission in
19 welcoming you to this public meeting in consideration of
20 the construction of an offshore -- I'm sorry, onshore
21 port terminal and gas transmission line for the
22 importation of liquefied natural gas.

23 The Corps of Engineers has authority under
24 Section 10 of the Rivers and Harbors Act of 1899 and
25 Section 404 of the Clean Water Act of 1972 to regulate

1 the proposed port terminal and pipeline.

2 The Corps published our Public Notices on 14
3 July 2006 and on 25 July 2006. These Public Notices are
4 available online at www.swg.usace.army.mil/reg/pn.asp
5 under Application Number 23868. Comments on the
6 proposed project pertaining to the Corps of Engineer's
7 Permit Application can be submitted to the Galveston
8 District, P.O. Box 1229, Galveston, Texas 77553-1229 on
9 or before August 24th, 2006.

10 We will be evaluating the proposed work in
11 accordance with our regulatory rules. The FERC is the
12 lead federal agency in the preparation of the
13 Environmental Impact Statement required by the National
14 Environmental Policy Act of 1969. The Corps is a
15 cooperating agency in the preparation of the EIS.

16 The Corps is neither a proponent nor opponent
17 of the proposed action. A decision whether to issue a
18 permit will be based on an evaluation of the probable
19 impacts on the public interests. The EIS process will
20 be used to identify the impacts of the project, both
21 beneficial and detrimental.

22 We look forward to hearing from you. If the
23 Corps of Engineers can be of further assistance to you
24 during the permit evaluation process, please do not
25 hesitate to call on us.

1 MS. WACHHOLDER: Thanks, Kim. We will now
2 begin the important part of the meeting with your
3 comments. When your name is called, please step up to
4 the podium and state your name for the record. Your
5 comments will be transcribed by a court reporter to
6 ensure we get an accurate record of your comments.
7 Anyone wishing to purchase a copy of the transcripts in
8 less than 10 days should make those arrangements with
9 the court reporter. After that the transcripts will be
10 available on our website.

11 The first speaker is Mary Mertzzer -- Mertzen.

12 MS. MERTZEN: Hello. My name is Mary Mertzen,
13 and I am a private citizen in Calhoun County. The
14 Calhoun Liquid Natural Gas Terminal draft Environmental
15 Impact Statement on page 5.1 states, "The enhanced
16 recovery projects identifies four isolated areas in the
17 center of Lavaca Bay which have levels of mercury above
18 the remedial level." On your analysis the mercury needs
19 to be removed from Lavaca Bay instead of being covered
20 with spoil and clay berms and diluted with marsh lands,
21 which will erode over time, exposing the mercury once
22 again.

23 MS. MCLAUGHLIN: Thank you. Our next speaker
24 is J. C. Melcher.

25 MR. MELCHER: My name is J. C. Melcher and I'm

1 going to make specific references to the beneficial use
2 of the dredge ball material.

3 The first reference I'm going to make to it is
4 URS drawing, page -- Figure 7, which is the 450-acre
5 submerged waterway that are going to be covered. This
6 region needs to be looked at seriously. This is over a
7 5,000 foot area that could be reduced in size.

8 The next drawing that I'm concerned with would
9 be URS Figure No. 8, and in it there is a 7,000 foot
10 reach, of which there will be levees constructed to the
11 outside to facilitate both maintenance material and to
12 facilitate a wetland. Any of the outside levees need to
13 be armored up. If they are not armored, then the first
14 storm we get, the first high tide, the first wind out of
15 the east, first wind out of the west, first wind out of
16 the north will cause erosion. We will just be
17 redredging the material all over again.

18 I want to make specific reference now to URS
19 Figure No. 9, which covers eight-five acres. The east
20 wall, which is completely adjacent to the Alcoa Channel
21 and the new channel dock area will be proposed in the
22 draft EIS, needs to also be armored up. If it is not
23 armored we are going to be right back in the same
24 situation on the continuing site with the Corps of
25 Engineers trying to dredge this thing out.

1 The next one that needs to be reconfigured is
2 URS No. 10. The same thing. We have a stiff levee on
3 the outside, with stiff clay material, that over a short
4 period of time will again continue to erode and right
5 back out into the bay, where it came from originally.

6 The last thing we have that I would like to
7 make a specific comment about is URS No. 11. Included
8 in that one is a 7500-foot levee. Now, at that
9 particular location, which it's also called the Central
10 Cox Bay Marsh, there will be two levees constructed.
11 One is going to be a higher levee of approximately 10
12 feet. That levee needs to be protected in case we get a
13 major hurricane. Out in the bay, and approximately
14 2000 feet out, there is going to be possibly a four-foot
15 short levee constructed to facilitate the growth of
16 marsh grass. The levees just need to be armored up in
17 some way, even with the marsh, to keep this thing from
18 just spilling into the bay. We get wind out of the
19 north, we are going to have erosion. We get a wind from
20 the south, we are going to have erosion.

21 The primary issue I have with all of them is
22 if -- I am not opposed to the placement of material for
23 the beneficial use, but we need to do this one time.
24 Let's not just keep doing it over and over and over
25 again. Thank you.

1 MS. WACHHOLDER: Thank you. Our next speaker
2 is Dale Wortham.

3 MR. WORTHAM: My name is Dale Wortham. I
4 represent the IBEW. While we believe that the project
5 -- we believe in the concept, and the Environmental
6 Impact Statement looks good and the plans look good,
7 there's some concerns that have come to light today that
8 weren't here a few years ago, and that's the storage of
9 skilled manpower to build a quality project.

10 Probably within 100-mile radius of this site
11 you've got an LNG or two to be built in the Corpus area,
12 one in the Freeport area, and I understand that Formosa
13 is making a big expansion as well.

14 I have had the opportunity to speak with
15 several large worldwide and national contractors, who
16 have a growing concern over where you are going to get
17 the quality of manpower to build this project. All of
18 the pipelines have to have quality roads on them. The
19 structures have to be built correctly. The base for the
20 plant itself has to be compacted. Some of these
21 contractors have indicated that they're going to go to
22 the foreign sources, such as the Philippines, Nigeria
23 and Cameroon, which raises some security issues, but
24 hopefully that should be taken care of.

25 I am curious as to if there's any interest or

1 if there's any plan for the developers of the project to
2 invest in some training locally, to somewhat ahead of
3 time to prepare people to enter the workforce and help
4 build this project, as well as which national or
5 worldwide contractors may be considered, because
6 certainly you have to have a quality contractor in place
7 in order to make this facility run smoothly and
8 properly.

9 I don't know that any of that's ever been
10 addressed. I don't know that it's something that FERC
11 would need to be involved in, but it's certainly a
12 concern amongst the national contractors and national
13 owners. And I would just like to look at that and see
14 if there's a plan in place to address that problem.

15 Thank you.

16 MS. WACHHOLDER: Thank you. Representatives
17 from the aggregate are here. So, hopefully they can
18 answer your questions. Would you like him to answer
19 that now or talk to him later?

20 MR. WORTHAM: I will talk to him later.

21 MS. WACHHOLDER: You'll talk to him later.
22 Okay. Thank you.

23 Our next speaker is Jan Regan.

24 MS. REGAN: My name is Jan Regan. And I'm a
25 citizen of this county. And I would like to address

1 paragraph 4.7.4, Visual Resources. I'm a realtor. And
2 in that paragraph it addresses the opposite things that
3 we believe, that the storage tanks would not represent a
4 significant visual impact in each case. Figures 4.7-1
5 through 4.7-8 are taken from different locations where
6 you will be -- the storage tanks will be permanently
7 visible. I'm concerned that you're taking the position
8 that nobody is going to notice these tanks.

9 Just today I was talking to a realtor from
10 Port O'Connor, who had a buyer for a sizable property in
11 Magnolia Beach, which is one of these locations, and
12 that buyer said, I can see Formosa from here, I don't
13 like the view.

14 So, I think maybe you need to reconsider that.

15 MS. WACHHOLDER: Thank you. Our next speaker
16 is Ed Campbell.

17 MR. CAMPBELL: My name is Ed Campbell. I'm a
18 citizen of Calhoun County. And I have a few
19 observations I would like to make this evening and the
20 balance of my remarks will be submitted in writing.

21 First of all, it seems to me that the citizens
22 have been left in the dark a little bit about the true
23 nature of this plan. And while we might be here only
24 tonight to talk about the FERC issues, included in the
25 footnotes in this draft EIS are references to the

1 widening and deepening of the channel. The assumptions
2 of your analysis depend upon that other project. So
3 they are inextricably intertwined.

4 The other thing is that in several places you
5 have taken the advantages of the widening and deepening
6 of the project, but none of the costs, in terms of
7 social costs or other impacts.

8 One of the main things having to do with the
9 LNG plant and the LNG tanker operation, which most
10 people don't understand here, and which really couldn't
11 be covered very well in this EIS, because of security
12 concerns, is exactly what the social impact and the
13 socioeconomic impact would be on running these ships up
14 and down the channel.

15 Let me just read from page 3-1, "FERC will
16 review most environmental and non-environmental record
17 in deciding whether it's in the public convenience and
18 necessity to issue any authorization of this project."

19 And then you go on to talk about the Coast
20 Guard's involvement in maintaining safety of the marine
21 traffic, and we're talking basically one-way traffic.
22 We're talking a heavily guarded vessel. We're talking
23 security zones that are 500 yards in diameter that move
24 with the ship, that's 1,500 feet.

25 The other things that are not mentioned here,

1 but are common in other security zone situations such as
2 this, is that if a vessel approaches and breaks through
3 the 500-yard barrier, when they pierce the 100-yard
4 barrier the security personnel have authorization to use
5 deadly force. So, in other words, if you wanted to get
6 100 yards of the LNG tanker you are going to get shot.

7 The other thing is, which are not described in
8 detail, but the security measures may include, but are
9 not limited to, security zones around the LNG tank, a
10 vessel traffic control plan, escorts by armed law
11 enforcement vessels, a variety of waterway and shoreline
12 surveillance measures and multiple agencies
13 coordination, communication.

14 What that means is, folks, you are not going
15 to go smooching on Alamo Beach anymore in the moonlight,
16 because the cameras are going to be watching. That is a
17 social cost, which really hasn't been documented at all
18 in this document.

19 The perimeters are cared for pretty well in
20 here, as near as I can tell, but the people have not,
21 and that's one of the shortcomings that I see in this
22 draft EIS, is simply that the socioeconomic impacts have
23 not been properly addressed at all.

24 Due to the cost/benefit analysis is the
25 standard way you should make business decisions and

1 government expenditure decisions, and that's basically
2 absent totally from a socioeconomic standpoint in this
3 draft EIS. That needs to be considerably beefed up.

4 And I might also point out some gross errors.
5 In particular, on page 4-150 there's a reference at the
6 end of the paragraph entitled Future Traffic, and it
7 says, "In addition, barge traffic, with a draft of about
8 14 feet, can often navigate outside the main channel and
9 would largely be unaffected by changing ship arrivals."
10 I would like for somebody to show me where a 14-foot
11 draft barge can transit the bay outside of the channel.
12 That doesn't exist. That's an obvious error.

13 The standard -- the standard -- we could
14 probably make this document a lot thinner if you'd just
15 take one page of paper and put this sentence on it, and
16 it says, basically, therefore, we do not believe the
17 project would have any cumulative adverse impact on
18 whatever it is, and you can have whatever thing you want
19 after that, but this document could be condensed to one
20 page. That seems to be standard answer, with no
21 supporting documentation for that conclusion. That's
22 the conclusion for various objective things, like the
23 visual impacts, where you have photographs. Obviously,
24 whoever decided on that analysis did not read the -- did
25 not look at the photographs, nor have they done anything

1 in terms of really studying the impacts on the economy
2 and on the future development of the community and the
3 county.

4 In answer to one previous speaker, there is a
5 great deal of analysis in here on labor force. Their
6 analysis states that there's not going to be any adverse
7 impact on the labor force, on the housing market or
8 anything else. So, the standard answer is that there is
9 no adverse impact.

10 This book needs a lot of work. I've been an
11 economist for 35 years. I have acquired, constructed
12 and appraised pipelines, industrial plants for the
13 government, people like Shell Oil, and this is really
14 weak.

15 Thank you very much.

16 MS. WACHHOLDER: Thank you. Our next speaker
17 is Keith Schmidt.

18 MR. SCHMIDT: Hello. My name is Keith
19 Schmidt, with Alcoa. I have been working at Alcoa Point
20 Comfort Operations with remediation workgroup team on
21 the Superfund Project since 1994. Alcoa and its
22 consultants over the past 12 years have been working on
23 the Superfund Project, and have taken thousands of
24 sediment samples and spent countless hours studying the
25 mercury concentrations in locations in Lavaca Bay.

1 Alcoa has a strong understanding of the
2 characteristics of the sediments and their impacts on
3 the Lavaca Bay system.

4 Additionally, under the Superfund Program,
5 Alcoa has a continuing obligation to work with the
6 owners of construction projects, to help them understand
7 the locations and concentrations of the mercury
8 sediments. Alcoa is committed to make sure that the
9 mercury sediments do not negatively impact the
10 environment from those construction activities.

11 In regards to the CLNG, Alcoa has voluntarily
12 and at its own expense collected additional samples in
13 the area proposed for the CLNG plant. Alcoa has
14 provided the data and technical expertise to CLNG in
15 support of assessing the environmental impacts for this
16 project.

17 Alcoa is pleased that the DEIS has concluded
18 that the mercury sediment issue is minimal and can be
19 easily managed during the construction.

20 When the CLNG plant was proposed Alcoa
21 recognized that there would be concerns about the
22 mercury and the sediments in Lavaca Bay. Alcoa has been
23 working closely with CT&D and CLNG from the very
24 beginning of the permitting process. From Alcoa's
25 perspective, the mercury issues are manageable and the

1 project has a great positive component. The project
2 will generate a large volume of dredged material that
3 can be used beneficially to help accelerate the recovery
4 of Lavaca Bay. Alcoa is excited about the project and
5 will continue to strive for it, the technical and
6 environmental aspects of the project.

7 Thank you.

8 MS. WACHHOLDER: Thank you. That's the last
9 speaker on our list. If there anyone else who would
10 like to speak, please come forward and state your name
11 for the court reporter.

12 MR. GALVAN: My name is Roger Galvan. I'm the
13 County Commissioner where this whole project really
14 impacts. My concern is the -- I'm not against the
15 project, nor am I against LNG trying to come in. Right
16 now, as it is, the channel is losing several feet of
17 beach property the way it is now, but being widened even
18 more, how much more am I going to lose. The public has
19 priority on the beach to utilize for themselves, the
20 pleasure. Let's not forgot about then that need to
21 utilize the beach as a recreation. The impact right
22 now, as it is, the erosion of the beach is very harsh
23 right now.

24 I work for with a limited budget and I'm using
25 my money to try to work on this. And I'm sure that I

1 will be talking to some of the gentlemen here later on
2 in regards to the project, but I just want to put on the
3 record that I'm very concerned about the erosion the way
4 it's going now.

5 Thank you.

6 MS. WACHHOLDER: Thank you. Do we have anyone
7 else who would like to speak tonight? Yes, this
8 gentleman. Please state your name for the court
9 reporter.

10 MR. SEAMAN: I'm the State Representative,
11 Gene Seaman, S-e-a-m-a-n, and I represent this county as
12 well as counties all the way through Nueces County.
13 There's the LNG project here, and in San Patricio County
14 at this time, and the Exxon Mobil in Houston. So,
15 there's three different projects at this time clearing
16 ground and working on their projects. So I am a little
17 familiar with this.

18 I'm glad when you started this that you said
19 you are separating the deepening of the channel issue
20 from the LNG project. So, I don't want to mix those two
21 for the sake of my constituents here and my friends, and
22 that's who I represent.

23 From the LNG point of view, with a roughly
24 maybe \$500 million project, 600 jobs for three years for
25 the construction, 500 permanent, high paying, high tech

1 jobs, to me, from the economic development point of
2 view, as a State Representative, representing the State,
3 in other words, this is a very important economic
4 development. And we know that when you have any new
5 industry come in, like the fantastic Formosa Plastics,
6 it came into this community and revolutionized this
7 community some years ago, and is one of the greatest
8 public citizens with all the money they give to this
9 community. And we know that industry is what carries
10 the back of the community. Yet, at the same time I'm
11 hearing the negative comments, concerns, maybe not
12 negative, but the concerns from my constituents. So, on
13 the economic development side this is important.

14 Some of the factors that I'm concerned about
15 is, and I talked to Larry Nichols, our superintendent,
16 and that is developing the workforce, as IBEW talked
17 about, and working with the Texas Work Force Commission,
18 and the local high school and the community college in
19 Victoria, that we develop a skilled workforce throughout
20 my whole district on the coast, four counties. It is a
21 constant cry of we can't find skilled workers. And
22 whether it's the LNG there in Portland, or TX, or Gulf
23 Marine, or anywhere on the coast, refinery businesses,
24 it is always a cry for skilled workers. So, we appeal
25 in Texas that we need to develop more of the high

1 skilled workers. Now that's not what your direct issue
2 is about, but indirectly it is, because the union people
3 have talked about that. The economic development people
4 are concerned about that. Frankly, that's where I come
5 in.

6 If this community decides to do this, and if
7 you permit, and I just want them to know that I will
8 work with them, whether it's Tex DOT, and highways, and
9 water, and infrastructure, or whatever the agencies are,
10 that I will be there to help this community. I do not
11 take part in the decision, because that's their
12 decision, but I do take part in, when they make a
13 decision, I will do everything I can to augment that and
14 assist them.

15 We have some experts here, like Mr. Melcher
16 spoke, and people that are experts, Mr. Robertson is
17 here, who is a pilot and knows about the currents, and
18 so there are some great experts here who speak to this
19 topic, not me. I would want my constituents to know
20 that whatever decision they make, that I am going to be
21 there to help them, and to help you, and to help the Tex
22 DOT or the PTCQ, whoever it is that's going to be
23 involved in the processing of this.

24 Do you have any questions that you want to ask
25 of me?

1 Okay. I want to tell my constituents that I'm
2 here to help you, and you make the decision, and I will
3 do the implementing that you need, but that's my goal.
4 Right, Bob?

5 Thank you.

6 MS. WACHHOLDER: Thank you. Do we have anyone
7 else who would like to make a comment? State your name
8 for the court reporter.

9 MS. CARTER: I'm Brenda Carter. I'm a
10 resident in Port O'Connor, Texas since 1979. I have
11 raised two children here, one graduating from high
12 school this year and the other one going out of Port
13 O'Connor and going to Port Lavaca in the 6th grade.

14 I guess my concern here is that -- and I agree
15 with Ed Campbell, the connection between the dredging of
16 the Ship Channel and this operation that y'all are doing
17 are intertwined.

18 My concern is the spoil that is going to be
19 used, it's going to be put up on a berm, or whatever you
20 want to call it. I don't know if you have seen our
21 coastline lately, but it's eroding at a rapid pace all
22 the way from Port O'Connor, up to Magnolia Beach, up to
23 Port Lavaca.

24 The Eastern Navigation District has spent
25 major money to reinforce the coastline, and that has

1 come at a great expense. All of the sand that is being
2 pulled out of that Ship Channel can be used to add to
3 the shoreline all the way from Port O'Connor up into
4 Magnolia Beach. I think it's a great waste to go put it
5 up beside the Ship Channel, because we all know what is
6 going to happen. The tides are going to take it right
7 back into the Ship Channel. We are going to incur the
8 cost of redredging that Ship Channel in about two years,
9 barring a major storm, and it may be one year.

10 My other concern, I don't know if people are
11 aware of this, the second biggest industry in Calhoun
12 County right now, for better or worse, there's a lot of
13 arguing about it, is real estate. Whether you like it
14 or not, it's the second biggest industry here, as far as
15 producing income and jobs, also tourism, and that is
16 also the other strong industry here. So, as far as
17 views, changing shorelines, losing land, those are
18 things that we are going to have to deal with, not one
19 year, not two years, but ten years down the road.

20 So, ten years from now, when that Ship Channel
21 needs to be dredged three times in that time period, we
22 are going to bear the brunt of that cost. We don't want
23 to redo it 50 times. They could take all the sludge
24 that they pull out and put it along the coastline. I
25 think that would be a better use of the property.

1 But as far as the jobs that are being gained
2 from putting a huge industry here, that is going to draw
3 possibly terrorism, whatever other kind of bad things
4 that may come with it, I am not sure it's worth 500
5 jobs. I am going to let the Congressmen and other
6 people sort those issues out.

7 MS. WACHHOLDER: Thank you. Do we have anyone
8 else who would like to speak? Nobody? Do you have
9 something you would like to say? Come on up.

10 MR. DUHON: I said I wasn't going to, but I
11 feel like I need to. My name is James Duhon from Lake
12 Charles, Louisiana. I'm not here to try to settle the
13 local concern. My concern is all the LNG plants. I
14 have testified before in Cameron Parish on the safety of
15 LNG. These plants are the safest plants that we can
16 build. We have had one in Lake Charles for right at 26
17 years and it's expanding now.

18 My concern is security. Somehow or another we
19 need to get these plants to go under Homeland Security,
20 because if I was a terrorist this is the bang for my
21 bucks, and we need to get this under Homeland Security.
22 I think it's very important.

23 The liquid gas won't burn, and if you blow a
24 hole in the tank it probably won't burn, and if I'm a
25 terrorist I don't want it to burn. I want it to

1 vaporize and I want that vapor to go all over, and then
2 I'm going to stand back and shoot a flare into the
3 vapor. And this is very serious. I think all of the
4 employees that are hired in these plants need to go
5 under Homeland Security. I apologize for speaking at
6 y'all's meeting, but I think it's important.

7 MS. WACHHOLDER: Thank you. Is there anyone
8 else who would like to speak?

9 Okay. If nobody else would like to speak,
10 that would conclude our meeting.

11 We had a request that if you spoke, if you
12 could write your name on the list, so that she makes
13 sure she spells the name right. So, when we're all done
14 you can come up and sign your name.

15 Without any more speakers, the comment meeting
16 is concluded. Thank you for attending.

17 (7:44 p.m.)

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1 COUNTY OF HARRIS

2 STATE OF TEXAS

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4 REPORTER'S CERTIFICATE

5 I, SUSAN A. SWANTNER, Certified Shorthand
6 Reporter in and for the State of Texas, hereby certify
7 that this transcript is a true record of the testimony
8 given.

9 I further certify that I am neither attorney
10 nor counsel for, related to, nor employed by any of the
11 parties to the action in which this testimony was taken.
12 Further, I am not a relative or employee of any attorney
13 of record in this cause, nor do I have a financial
14 interest in the action.

15 Subscribed and sworn to on this the _____
16 day of _____, _____.

17

18

19

20 SUSAN A. SWANTNER, Texas CSR 2150

21 Expiration Date: 12-31-2006

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