BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number

MAGNOLIA LIQUEFIED NATURAL GAS PROJECT: PF13-9-000

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Historic Cash & Carry Building

801 Enterprise Boulevard

Lake Charles, Louisiana 70601

6:19 p.m.

Thursday, July 11, 2013

The above-entitled matter came on for scoping meeting, pursuant to notice, at 6:19 p.m., Robert Kopka moderator.

P R O C E E D I N G

MR. KOPKA: Good evening. On behalf of the Federal Energy Regulatory Commission, referred to as the FERC or F-E-R-C, I would like to welcome all of you tonight. Can folks here me okay? Okay.

Just to start off, I'd just like to let you know in case there is an emergency, the exits are in the back where everybody came in. There is also one here to my right. Rest rooms are here in the front to the left. And the two -- well two exit signs in the front aren't exits, so please exit to the rear of the building as we're facing.

This is an environmental scoping meeting for the Magnolia LNG Project proposed by Magnolia LNG, LLC. Let the record show that the Public Scoping Meeting in Lake Charles, LA began at 6:19 pm on July 11.

The primary purpose of this meeting is to provide you an opportunity to comment on the project or on the scope of the environmental analysis being prepared for the Magnolia LNG Project.

My name is Bob Kopka, and I am an environmental Project Manager with the Commission's Office of Energy Projects. Also with us tonight we have Lieutenant William Fediw with the U.S. Coast Guard.

At the entrance to the room, we have Elizabeth Dolezal and with me up front is Janelle Rieland. Both

Elizabeth and Janelle are with Natural Resource Group, an environmental consulting firm working as a third-party contractor in assisting us with preparing the environmental impact statement or E-I-S for the project. Also up front we have Bill Lowry with the U.S. Department of Transportation.

FERC is an independent agency that regulates the interstate transmission of electricity, hydropower, natural gas, and oil. On the gas side, FERC reviews proposals and authorizes construction of interstate natural gas pipelines, storage facilities, and liquefied natural gas (LNG) terminals.

LNG is methane that is converted from its gaseous state to a liquid state by cooling it to -260 degrees Fahrenheit, which reduces its volume and facilitates its storage and transport by ship or truck.

As a federal licensing agency, the FERC has the responsibility under the Environmental Policy Act to consider the potential environmental impact associated with a natural gas project, which is under its consideration.

With regard to Magnolia's Project, the FERC is the lead federal agency for the Environmental Policy Act review and the preparation of the EIS. The U.S. Coast Guard, is a cooperating agency at this point. Other agencies are likely to cooperate as well. Cooperating agency staff provide their particular expertise to the analyses in the EIS and/or

use the EIS to meet their own statutory NEPA requirements associated with the permits they issue for the proposed Project. Other agencies may not officially cooperate, but do have review or permitting authority as well.

As I said earlier, the primary purpose of this meeting tonight is to give you an opportunity to comment on the project or on the environmental issues that you would like to see covered in the EIS.

It will help us the most if your comments are as specific as possible regarding the potential environmental impacts and reasonable alternatives of the proposed Magnolia LNG Project.

These issues generally focus on the potential for environmental effects, but may also address construction issues, mitigation, and the environmental review process.

In addition, this meeting is designed to provide you with an opportunity to meet with Magnolia's representatives, to ask them questions, and to obtain more detailed information about their proposed facility and construction plans.

Please keep in mind that the project is still early in its development. The intent of the public scoping meeting is that Magnolia will use the comments made here tonight in designing the Project and protecting the environment.

So, tonight's agenda is a simple one. First, I'm going to describe the environmental review process and the FERC's role in this project. Next, we will take time to answer a few questions you might have about the process.

After that, we're going to let the project sponsor, Magnolia, give a more complete description of the project, and then we will hear from those of you who have signed-up to speak.

If you would like to present comments tonight, please be sure to sign the speakers' list at the sign-in table where you came in at the back. Once those speakers who signed up to speak have commented and time allows, I will ask if there are any additional comments.

Now, I want to briefly describe our environmental review process for you. To illustrate how this process works, we've prepared a flow chart that was in the NOI and is also in the back of the room as well if you'd like to take a look.

There are also paper copies of this flowchart available at the sign-in table. Currently, we are near the beginning of our environmental review process which is called pre-filing.

Magnolia requested to enter the FERC pre-filing process on March 12th of this year, which began our review of the Magnolia LNG Project facilities. The purpose of the

pre-filing is to encourage involvement by all interested stakeholders in a manner that allows for the early identification and resolution of environmental issues.

As of today, no formal application has been filed with the FERC; however, the FERC, along with other federal, state, and local agency staffs, have begun or are beginning to review the project.

On June 18th, FERC issued a Notice of Intent or NOI to prepare an EIS for this project and initiated a scoping period. This "scoping" or comment period will end on July 19th. Even though the formal scoping period will close, additional project information will continue to be filed by Magnolia and you may continue to file comments throughout the process.

Directions to file comments are in the NOI. There are a few copies of the NOI available at the sign-in table if you did not receive one in the mail and would like one.

Once scoping is finished our next step will be to begin analyzing the company's proposals and the issues that have been identified during the scoping period. This will include an examination of the proposed facility location as well as alternative sites.

We will assess the projects' effects on waterbodies and wetlands, vegetation and wildlife, endangered species, cultural resources, soils, land use, air quality, and

safety.

We will assemble and analyze information from a variety of sources, including Magnolia's filings; the public; other state, local, and federal agencies; and our own independent analysis.

When complete, our analysis of the potential impacts will be published as a draft EIS and presented to the public for a 45-day comment period. This draft EIS will be mailed to all interested parties and posted at FERC's record information system, e-library, where it can be publically accessed as well.

During the 45-day comment period on the draft EIS, we will hold another public comment meeting to gather feedback on our analysis and findings. After making any necessary changes or additions to the draft EIS, a final EIS will be produced and mailed to all interested parties as well as being posted on e-library.

Please note that because of the size of the mailing list and to reduce costs, the mailed version of the EIS is often on a CD. That means, unless you tell us otherwise, the EIS you will find in your mailbox will be on a CD.

If you prefer to have a hard copy mailed to you, you must indicate that choice on the return mailer attached to the NOI or you can also indicate that on the attendance sheet tonight at the sign-in table.

As I mentioned earlier, our issuance of the NOI opened a formal comment period that will close on July 19th. The NOI encourages you to submit your comments as soon as possible in order to give us time to analyze and research the issues.

If you received the NOI in the mail, you are on our mailing list and will remain on our mailing list to receive the EIS and any other supplemental notices we may issue about this project unless you return the mailer attached to the back of the NOI and indicate you wish to be removed from the mailing list.

Again, there are copies of the NOI available at the sign-in table, if you did not receive the one and would like one. Also, you can be added to our mailing list by signing up at the sign-in table in the back or by submitting comments on the project.

I would like to add that the FERC encourages electronic filing of comments and other documents. Instructions for filing comments electronically are given in the NOI and may be found on our website, www.ferc.gov, under the e-filing link. If you would like to comment via traditional mail, the NOI also includes those instructions.

It is very important that any comments you send, either electronically or by traditional mail, include our internal docket number for this project, which is

PF13-9-000. The docket number is on the cover of the NOI which again is available at the sign-in table.

If you decide to send us a comment letter, please put that docket number on it as well. That will ensure that members of the staff evaluating the project will get your comments as soon as possible. And just to repeat, the docket number for the Magnolia LNG Project is PF13-9-000.

Now I want to explain the roles of the FERC Commission and of the FERC environmental staff. The 5-member Commission is responsible for making a determination on whether to issue an Authorization under Section 3(a) of the Natural Gas Act for the Magnolia LNG Project.

The EIS, prepared by the FERC environmental staff (which I am part of), describes the project facilities and associated environmental impacts; alternatives to the project; mitigation to avoid or reduce impacts; and our conclusions and recommendations.

The EIS is not a decision document. It is being prepared to disclose to the public, and to the Commission, the environmental impact of constructing and operating the proposed project.

When it is completed, the Commission will consider the environmental information from the EIS along with the non-environmental issues, such as engineering, and rates, in

making its decision to approve or deny Magnolia's request for a certificate.

There is no review of FERC decisions by the President or Congress, maintaining FERCs independence as a regulatory agency, and providing for fair and unbiased decisions.

Now that I have gone through the FERC process, I would like to hand it over to Lieutenant Fediw of the United States Coast Guard so he can give a brief explanation of Coast Guard's role. Lieutenant Fediw.

LIEUTENANT FEDIW: Thank you very much. Good evening. My name is Lieutenant Will Fediw. I'm attached here at the Marine Safety Unit, Lake Charles. I want to thank FERC and Magnolia for putting on this public speaking -- public scoping meeting -- excuse me, it's a very beautiful venue. Kind of reminds me of church a little bit, so with that, let us pray for Magnolia.

(Laughter.)

LIEUTENANT FEDIW: I kid -- all right, my job is to provide a very brief and easy-speak definition of what we, as the Coast Guard, are going to be doing in relation to this Magnolia project, in partnership with FERC.

Basically, what happens is, since Magnolia is building a waterfront facility that's going to be located on the navigable waterway, we as the Coast Guard will be

preparing a letter of recommendation that goes to FERC, stating whether or not the waterway is suitable for this type of process. We are currently in the middle of what's called a waterway suitability assessment that is led by Magnolia and we attend and we review the information that's being presented.

It goes over basic characteristics of the waterway and the port such as its depth, such as the traffic that's involved, and what the impact of the project would be on the surrounding area.

Again, we do this in partnership with FERC so after the waterway suitability assessment is prepared in this initial permitting phase, we as the Coast Guard review that and if we find it satisfactory we submit then a letter of recommendation to FERC to go along with their EIS up to the Commission that decides it.

So that's our role, is we come and evaluate the waterway and the impact that it will have to the surrounding area and community.

Now fast forward a few years from now. Once the permitting phase is finished and the project is complete, the Coast Guard comes back and inspects the facility that's on the waterway as a regulatory body under what's called the Code of Federal Regulations and that's Chapter 33 of the Code of Federal Regulations, Subchapter 127, which deals

with facilities that have to do with LNG, in our case Liquid Natural Gas, or liquid hazardous gas.

So once the facility is built, they submit to us their operations plans and manuals, their security plans and manuals, and that's the role we play. If you look at it as a three-part system, we look at it from safety, security, and facilitating commerce. That's our role as the Coast Guard.

So we come in to make sure that essentially the facility is safe from any type of accidental release of LNG, that ships and vessels can come and interface with the facility safely, to take on or discharge any type of cargo, and also from a security standpoint, that the facility and the product itself is protected from any types of acts of harm or terrorism.

So in a nutshell, that is how the Coast Guard ties into this process. Step one in the permitting, evaluating the waterway and what we're doing right now in a waterway suitability assessment to issue a letter of recommendation to FERC for their ultimate decision, and then part two, in the future, we step in as the regulatory agency to inspect them under safety and security to make sure that the area and the commercial waterway is safe and secure. And that is all I have from the Coast Guard's perspective. Thank you Bob.

MR. KOPKA: Thank you Lieutenant. At this point, are there any questions about the agencies' roles or our process?

(No response.)

MR. KOPKA: Before we start taking comments from you, I have asked Magnolia to provide a brief overview of the proposed project. So Ernie Megginson with Magnolia will briefly describe the Project.

MR. MEGGINSON: Thank you. Hopefully you guys can hear me in the back. My name is Ernie Megginson, I'm the Vice President under Project Management for LNG.

A lot of people have already seen this presentation so I apologize, you'll have to live through it one more time. Magnolia LNG -- let me back up -- Bob mentioned briefly what LNG is. It's basically pipeline natural gas, frozen down to -260 degrees Fahrenheit. It becomes a liquid at that time and when it becomes a liquid, it becomes 600 times smaller in space. That makes it economic to ship longer distances -- his phone ringing -- and I apologize for that -- got it -- and that allows it to be shipped overseas, long distance or even short distances.

Why are we even in Louisiana talking about the Magnolia LNG project? My analogy is, they used to say all roads lead to Rome. Well Louisiana has been historically the center of the natural gas industry in the U.S., and so

naturally all pipelines lead to Louisiana, and that's critical to our success, having access to the natural gas from the various producing regions around the country. It's very, very important.

The second thing that's important is just the local support and capabilities of the industry and community here. There is two existing LNG terminals in this general area, one in Cameron and the Sempra project, one in -- right across the channel from us, canal from us, the BG Trunkline Facility, so the community is very aware of the industry -- LNG industry, very comfortable with it. They're aware and comfortable of ships traveling the waterways like Lieutenant Fediw talked about. So it's a -- the combination of pipeline access, community support, is something that makes us want to do business in Louisiana. It attracts business.

What I'll talk about today is a short overview of the project, talk about where we are in the schedule. I know Bob talked about the permitting process. I'll give you a timeline of what our expectations are, no guarantees, but our expectations of where we are and where we're finishing it.

A little bit about the project site and something about the unique technology, the liquefaction technology that we are employing and in showing you a little bit about the project team because I think we've assembled a project

team that's not only very, very experienced in the FERC process, but also locally in the community as well as working with the agencies in Baton Rouge that are required to permit the project.

Magnolia is being developed by Liquefied Natural Gas Limited out of Perth, Australia. So if you -- there is someone here, Lincoln Clark, wherever you are raise your hand, he'll talk funny to you and he does not like -- oh there you are -- he does not like us to talk about Fosters Beer or taking him to the Outback Steakhouse, so some day we're going to have to force him to that, both.

The capital investment for the project is, for the first phase of the project is $2.2 billion. I'll show you later on when we get to the site diagram, what I mean by phase one and phase two.

Phase one is $2.2 billion. That includes two of the four trains and trains mean the liquefaction process units, two tanks, the jetty and the site layout. The second phase will be another $1.5 billion and that's the second two trains, which will be built later as we get commercial agreements in place.

Jobs -- I know the jobs are very, very important to the community. We estimate that our operating staff will be around 45 permanent, good-paid professional 45 operator jobs and management jobs will result in approximately 175

indirect jobs. That means that delivery men, the cleaning people, the gardeners, the guards in the facility.

And at the peak of the construction, the two-year -- the three-year construction period, we estimate the construction labor will be about 1,000 people at the peak.

Location is on the industrial canal of Lake Charles. The port has -- we've signed an agreement with the port for a site option agreement, which gives us a period of time to develop and construct the project, and then we have a period of time to operate it, and that period of time is 30 years plus four 10-year extensions. So it's a 70 year life of the project and we expect to be good neighbors and good community participants during that time.

The plant capacity is eight million tons per annum and I apologize if that doesn't mean much to you. Someone told me, I think Ginger told me before I should convert that into basketballs and tell you how many billions of basketball that is per year but basically it's a lot of LNG that's being shipped out. It's about half the capacity of the Trunkline facility and half the capacity of the proposed Sempra facility, so it's a smaller model of those neighboring plants.

The LNG process we're using, like I mentioned, is patented OSMR technology. It's a optimized single-mix refrigerant technology that's been developed and patented by

the parent company, LNG Ltd., out of Perth, Australia, and I'll talk about why that's important in the future.

And the gas connection again, why this site. There is a Kinder-Morgan pipeline, 45-inch pipeline that's running through the site that makes their interconnection and permit process very, very easy. So that's a very, very attractive site.

The site's -- let me see if this works -- you can see the site is up the Calcasieu Channel, up in the industrial canal area. It's about, I think 22 miles up the coast -- up from the mouth of the channel.

The project site is 110 acres, 120 acres. We're adding a little bit of additional property to it. The Trunkline facility is over there, this is the inter-coastal waterway and the industrial canal comes up here. There is a turning basin where they turn the ships around, docks either at the Trunkline facility or the Magnolia facility.

There will be other projects in that area. There is a gas/electric project going in right here as well. So there is a lot of activity in this area.

This is an artist rendition -- if you squint your eyes and go out there on a sunny day, you'll be able to see this, but this is an artist's rendition of what we'll be building out there. You'll see the four liquefaction trains, each of capacity of two million tons per day -- per

annum, sorry, per year, and that's basically enough to, like Hawaii, is looking at initially one million ton and up to two million tons. So one train of that will be providing the generating capacity for like, the state of Hawaii, just to give you an example.

The two tanks, then we'll have a marine jetty that we have a artist rendition of an LNG carrier there. That's typical of what's been going back and forth on the Trunkline facility as well as Sempra.

Where we are on the schedule? In December we met with -- actually in November we met with the -- last year we met with both FERC and DOE to outline the project and kind of throw out our concept and see if it even had a something, you know, of an interest to the nation.

You know, like it or not, there are 20, I think 25 different projects that have been proposed, something like that, and we were number 22. So the question was, to us, you know, why even try? You'll never get it done, you're number 22 out of 25, and the answer was, well we're going to focus on activities that we think are competitive and don't directly compete with our neighbors.

Our neighbors, the Trunkline facility, the Sempra facility, you hear about the Chenier facility, the Golden Pass facility, the Freeport facility in Texas, all of these facilities are large enough, their focusing on the larger

Asian markets that are higher priced than domestic and local markets, and what we are focusing on right now for the phase one are domestic and free trade agreement markets.

Free trade agreement markets are bilateral agreements for the U.S. government with various countries around the world, and I think there are 15 of them or 13 of them, something like that. It's close to that. It's countries like Australia, Singapore, South Korea, Dominican Republic, Panama, Chile, and there are several others that I'm missing.

These are the countries that have already worked out the bilateral free trade agreements with the United States and therefore its trade that goes both ways. They've already worked out all the kinks in fair trading.

Those countries are called the free trade agreements, and we applied in December to the U.S. Department of Energy for an application to export to the free trade agreement countries, that's step number one.

And we got that approval in late February 2013, this year, and that gave -- that gives us the legal authority, based on federal government's approval, the Department of Energy's approval, to export LNG. So we have that.

There is a second phase of that approval that we'll be applying for a little bit later for phase two, which will be for the non-free trade agreement countries. That

includes the big LNG consumers like Japan, China, and Europe. So right now we're focusing on domestic markets and free trade agreement markets.

March we -- like Bob mentioned, we applied to the FERC to enter into their pre-file process and that -- so there is two main premise that we need to make this project work.

Number one is the U.S. Department of Energy, second one is FERC. FERC has jurisdiction over our environmental permits. All the state permits that we'll apply to -- for, they actually got to FERC and FERC may approve it under the state's license, but FERC is the overall authority whether it's acceptable and we get our permit to construct.

So those two permits are very, very important. So starting that process with DOE first and FERC second was, you know, we're well into the permitting game. Part of that, we hosted a community open house on May 2nd at the Pujo Caf just down the road.

I think a lot of you guys I see -- were attended. I really appreciate that, that was overwhelming. We had, I think 100 -- over 110/114 people that showed up. Unfortunately we only had a room that was designed for 50, so we kind of -- luckily everyone wore deodorant, it was quite good. But the food was good, the hosting was good, and it was a good time to, you know, talk to the community.

But that wasn't on record. This is, the scoping meeting is on record. There were two different purposes.

Like it points out, July 11, here we are at the scoping meeting. That's a part of the process for FERC to get public comments in the environmental aspects of the project. Hopefully we'll have letters of support, you know, we just need to hear from the community and make sure that we address all the concerns.

We are planning on -- if Frick Richard is here, we're planning on sign up for a part of his office downtown where -- so we will have a representative office in Lake Charles, we'll have an engineering office, main engineering office in Houston and I'll be located in Houston but traveling back and forth quite a bit.

By the end of 2014, the FERC process is divided into pre-file and file. Pre-file is where we get to work all of the -- there is 13 different resource reports, basically it takes an environmental impact statement and breaks it down into 13 sections and we have our environmental consultants, and our regulatory lawyers.

Unfortunately our technical consultant is not here tonight, but we have a very qualified team, very experienced team working on these types of projects to put together the application to FERC that will hopefully receive approval and, you know, approval from the community as well.

We anticipate finishing the pre-file process at the end of 2014, looking forward to working towards goal of finishing the filing period process by the end of 2015 -- I'm sorry -- 2013 to finishing the pre-file and 2014 to finish the file period.

We start the -- that would allow us to start construction in 2015. Target start up is late 2017, early 2018. The project is -- this is just a different view of the project. You can see I added the Kinder-Morgan pipeline, that's a very critical item because we have to permit any offsite, so if we didn't have that pipeline -- some projects have to build 20/30 miles of inter-connect pipeline to get to their project -- we don't. Its right there, we'll inter-connect right there to the gas gate station and the gas that Kinder-Morgan pipeline inter-connects with multiple interstate pipelines that support or cover all the major shale gas regions of the country.

Like I mentioned there are four trains, four two million ton trains. Phase one will be the first two trains, two tanks, and a jetty at the dock. Well we'll also being a little bit of innovative, people that we are, we are not only focusing on the international export of LNG, but we also are looking to support the local domestic and regional domestic use of LNG, both in highway transportation and in

marine bunkering.

So we'll design our jetty to support or accommodate regional barges that can come pick up LNG and ship it out to different terminals for marine bunkering. That's a growing need because there is some environmental emissions requirements for the ships and tugs working in the U.S. waters that need to be improved. So we'll help them.

The other thing we're adding is a truck loading facility to be able to bring the utilized trucks out I-10 for the filling, LNG filling stations for long haul trucks. That's a growing market as well. Both of those markets are our future, they're some areas in the country that have it and are using it but some areas, it is a growing market and we want to support it.

The technology, like I mentioned, the LNG Limited, the parent company, developed the -- what they call OSMR technology. Basically it takes the industry standard single mix refrigerant technology, basically the refrigeration part of the process, it freezes the natural gas into liquid and they said, how can we improve on it? And they did it in three ways.

One, they replaced the industrial, less efficient industrial gas turbines with more, higher efficiency air-derivative gas turbines. They're smaller, higher efficient, and they're easier to maintain. You just flip it

out, send it out and you flip a new one in. So maintenance is very, very good and easy.

The second thing they did was standard -- this is used in the power plant industry all the time. Instead of the gas -- the exhaust gas from the gas turbines is super hot and what they will be doing is adding heat recovery steam generators, basically capturing that waste heat and that improves the overall efficiency of the process.

And using that waste heat, we produce steam that then we can put into a cooling system, refrigeration system that will then cycle back to pre-cool the inlet air -- I'm getting more technical -- sorry, but it cycles back and pre-cools the inlet air to the gas turbines which makes that whole process more efficient, as well as pre-cooling the inlet to the coal box which is liquefaction.

Bottom line guys, that makes our process about 30% more efficient than the other processes, which means that we estimate about 30% less emissions and as a result, less capital cost.

So why we're doing it when we're 22 out of 25? We think that we not only have an excellent site with excellent support in the community, but we also have a technology that is cost competitive, both on the capital cost as well as on the efficiency.

So we'll be the cleanest LNG process project in the

world once this thing is built.

Project team I mentioned, you can see we have ecology environment CH-IV International architect all three of them, nationally known and very, very experienced environmental safety, technical consultants. We have -- a project like this we always have to have lawyers, so we have our share of them.

We have David Wapner and Sandy Safro from our regulatory, legal counsel from Washington, DC, here, we have Winfield Little from our local legal counsel in Lake Charles, Ann Southerland is in Houston.

We also have Ginger Adams, who is our government affairs consultant, Ginger and Judy, and Pat -- I mean Matt and Pam are here from the O'Carroll Group, helping us, keeping us all straight with the presentations and material so we don't make too many mistakes. I try to make them, but they stop me. There is a contact.

MR. KOPKA: Thank you Ernie. Before we start taking comments -- well oops, sorry -- after our meeting here is adjourned, the representatives from Magnolia will be available with project maps and here to answer your questions. Also the Coast Guard and us agency reps will also be available.

Now we'll begin the important part of the meeting where we hear your comments. We will first make -- take

comments from those who signed up on the speakers list, which was at the table in the back. If you would prefer, you may hand us written comments tonight or send them in to the Commission by following the procedures outlined in the NOI.

I'm sure you have noted that this meeting is being recorded by a transcription service. In the back we have a court reporter. This is being done so that all of your comments and questions will be transcribed and put into the public record.

To help the court reporter produce an accurate record of this meeting, I ask that you please follow some general ground rules: When your name is called, please step up to the microphone and state your name and spell it for the record. Identify any agency or group you're representing, and define any acronyms you may use.

I also ask that everybody else in the audience, respect the speaker and refrain from any audible show of agreement or disagreement.

We are now ready to call our first speaker. And that is Senator Ronnie Johns.

SENATOR JOHNS: Thank you very much and good evening. I'm State Senator Ronnie. I represent the greater part of Calcasieu Parish but I'm actually here tonight representing the entire Southwest Louisiana Legislative

Delegation.

We actually met with the Magnolia project team during our most recent legislative session in Baton Rouge. We had a very good, informative meeting, not only did we see what you have seen here tonight, but I think we even got into more an in-depth discussion of what the project is, what it's going to take to make it happen and the long-reaching impacts of this.

I'm here to tell you tonight, on behalf of our legislative delegation, we are fully supportive of this project. We understand the infrastructure needs, we understand the manpower needs that will go along with this, we are well in tuned from the State of Louisiana and our State agencies to address any of these problems that may be forthcoming in putting in a project like this together.

We feel very strongly that it will be a very safe, a very environmentally safe project, bring much need jobs to our area, but also bring a whole new infrastructure for LNG. We do have the natural resources here in our area with the Calcasieu ship channel, we are doing a lot in our community in terms of manpower, training, and needs right here. So we feel like we're very well equipped to handle a project like this right here in Southwest Louisiana.

We have filed a letter of support from our entire legislative delegation. We did file that electronically

this week. So you should have that filed already, but with that said, we look forward to working very closely with our federal regulatory agency and also the Magnolia Group and I want to publicly thank the Magnolia Group for their commitment to coming to Southwest Louisiana and we look forward to a very long term relationship with you. Thank you very much.

MR. KOPKA: Thank you Senator. Our next speaker is Bill Polk. Yes, sorry if I mispronounced it.

MR. RASE: I'm Bill Rase, I'm Executive Director at the Port of Lake Charles. And again, we have filed also a letter to FERC officially supporting the project. I'm only here tonight to double that and tell you that we are very comfortable with Magnolia LNG and, of course, we entered into an agreement with them, but I think it's going to be good for the community, be good for all the citizens.

We have no issue with the LNG situation because we handle LNG all the time here in Lake Charles and the fact is that our channel is an energy channel, which is very important to the State and very important to the country.

It's not just Louisiana that benefits from the different energies that move through the Calcasieu River Channel and the channel is very safe. We have the oversight of the Coast Guard and the skill of our local pilots. We've never had any major incidents on our channel and I'm sure

that that will continue.

So again, the Port of Lake Charles is very much in support of this project. Thank you.

MR. KOPKA: Thank you. Our next speaker is Randy Roach.

MR. ROACH: Thank you and good evening. My name is Randy Roche, spelled like a bug, Roach, I can tell you a lot of stories growing up with that name, it's a lot like a boy name Sue, but anyway. Some of you are too young to remember that song by Johnny Cash, but nonetheless, I wanted to come as Mayor of the City of Lake Charles and to also express our support as a community for this project.

Bill just commented briefly on the fact that LNG is a part of the local economy, that's something that the local community is accustomed to, has been dealing with for several years and I think it's important, perhaps to point out that several years ago there was a group, a community group that came in from Mobile, Alabama.

Apparently there was a company that was considering putting an LNG facility over there. That facility was not constructed in Mobile, I don't believe, but the community there was concerned about LNG. They heard about the fact that there was not just one LNG facility here in Southwest Louisiana, there was actually another one being discussed -- well actually two more being discussed and they were

wondering why a community would be open to additional expansion of LNG facilities.

And I had an opportunity to meet with that group of community leaders from Mobile answered their questions, I thought very thoroughly, I think they were satisfied when they left, that LNG is like any other energy product, you have to treat it properly, you have to manufacture it properly.

Any energy product is going to carry a certain amount of risk with it, but properly engineered, properly managed, it's very safe. And I think the history here in Southwest Louisiana demonstrates that it is safe, it is a product that we understand, it is a product that we know how to handle, it's a product that our pilots know how to deal with, the pilots that manage these ships as they come in and out of the channel, they know how to handle LNG, they're accustomed to that.

So from a marine safety standpoint, I think that we have a very good group of people who can deal with that both from a professional standpoint and from a practical standpoint, not just those who pilot the ships, but the captains of the tugs that have to work with those ships once they come in the channel, once they're approaching the channel.

Also from the standpoint of the community, we talked

about the economics of such a project and that's important and you would anticipate that a local community would welcome the economic investment that a companies a project like this, and of course, we do.

But it's not just the economics of this project that I think are important, I think it's important because we understand the role that Southwest Louisiana plays in meeting the energy needs of this nation.

And I go back to the comment that I made earlier about the community of Mobile and the community leaders that came and they were expressed -- and they were concerned about LNG. I think that there is sometimes in other areas of the country there is just an lack of understanding of the energy process and perhaps you at FERC, I think you know you have to deal with that in other communities in other ways and you understand the controversy that is sometimes associated with that.

Some people who come to this community and this area of the State, and we're not unlike any other area I guess in Louisiana, but who come to this area remark on that.

We made a conscious decision several years ago to embrace not only the petrochemical industry, but the LNG industry because it's been our experience that when you look at the engineering behind these facilities, these companies understand the responsibility that they have; not just to be

good citizens and not just to do things for safety record, but also because it just makes good business sense.

And the bottom line is the bottom line and the bottom line in this industry, particularly with LNG is safety and the energy process that has briefly been described by Mr. Megginson, not only is it more energy efficient from an emissions standpoint, it's also efficient from a safety standpoint.

So we feel like by properly assessing this project, looking at the engineering and satisfying yourselves as to the validity of that process that's being proposed, we feel that this project is a good project that meets all the different criteria.

One of the things that I know is sometimes looked at when you have these LNG facilities, or any other facility dealing with natural gas, is the impact that the pipeline system is going to have that needs to either feed it, take it away or feed the system. And I believe that Mr. Megginson has already pointed out that Magnolia has already identified an existing pipeline.

So I would suggest to you that that is a major factor. If you were to locate this facility in other -- in another area, you might not have that benefit, but it's an asset that we have here again because of the network of natural gas pipelines that service not only this area but

throughout Louisiana. Again, something that we're accustomed to here.

So we feel like Southwest Louisiana, it's logical for this area to be the home for LNG, where other facilities are -- already existing facilities -- located here so there is expertise here both from a marine safety standpoint, from an engineering standpoint, and certainly from the standpoint of the community that understands that process.

So I think that on those levels, which I think are appropriate inquiry in any regulatory review process, I think you'll find that the requirements have been satisfied -- you will find that they will be satisfied and hopefully this process will be completed in a reasonable time and, of course, as the City of Lake Charles, we stand ready to work with federal agencies, state agencies, in order to try to address any issues or questions that may come up and we are more than happy to assist in that process. Thank you.

MR. KOPKA: Thank you. Our next speaker is Captain Brett Palmer.

CAPTAIN PALMER: Ladies and gentlemen, my name is Captain Brett Palmer. I'm with the Lake Charles Pilots. I'm involved in the overseeing of the operational issues of the Lake Charles Pilots. We've been engaged with LNG ships for over 20 years as we've proven to FERC in a presentation that we've given to them with regards to our training

specifically in regards to handling LNG ships.

We're very familiar with them. We understand the nature of LNG ships, we understand the infrastructure involved. We work very closely with other regulatory agencies. These gentlemen right here in blue, very closely and we support this project to the fullest. And that's all I have to say. Thank you.

MR. KOPKA: Thank you Captain. That was the end of our speakers list. Is there anybody else who would like to speak?

(No response.)

MR. KOPKA: No. Without any more speakers, the formal part of this meeting will conclude. I will be available if you have any questions. On behalf of the Federal Energy Regulatory Commission, I would like to thank you all for coming tonight. So let the record show that the Magnolia LNG Project Public Scoping Meeting in Lake Charles, Louisiana concluded at 7:09 pm. Thank you.