



BILLING CODE: 4910-81-P

DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket No. MARAD-2019-0094]

Deepwater Port License Application: Bluewater Texas Terminal LLC

AGENCY: Maritime Administration, Department of Transportation.

ACTION: Notice of application.

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

DATES: The Deepwater Port Act of 1974, as amended, requires at least one public hearing on this application to be held in the designated Adjacent Coastal State(s) not later than 240 days after publication of this notice, and a decision on the application not later than 90 days after the final public hearing(s).

ADDRESSES: The public docket for the Bluewater Texas Terminal LLC (Bluewater) Deepwater Port License Application is maintained by the U.S. Department of Transportation, Docket Management Facility, West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE, Washington, DC 20590.

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

<http://www.regulations.gov> under docket number MARAD-2019-0094.

We encourage you to submit comments electronically through the Federal

eRulemaking Portal at <http://www.regulations.gov>. If you submit your comments electronically, it is not necessary to also submit a hard copy. If you cannot submit material using <http://www.regulations.gov>, please contact either Mr. Roddy Bachman, USCG or Ms. Yvette M. Fields, MARAD, as listed in the following “FOR FURTHER INFORMATION CONTACT” section of this document. This section provides alternate instructions for submitting written comments. Additionally, if you go to the online docket and sign up for email alerts, you will be notified when comments are posted. Anonymous comments will be accepted. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. The Federal Docket Management Facility’s telephone number is 202-366-9317 or 202-366-9826, the fax number is 202-493-2251.

FOR FURTHER INFORMATION CONTACT: Mr. Roddy Bachman, U.S. Coast Guard, telephone: 202-372-1451, email: *Roddy.C.Bachman@uscg.mil*, or Ms. Yvette M. Fields, Maritime Administration, telephone: 202-366-0926, email: *Yvette.Fields@dot.gov*. For questions regarding viewing the Docket, call Docket Operations, telephone: 202-366-9317 or 202-366-9826.

SUPPLEMENTARY INFORMATION:

Receipt of Application

On May 30, 2019, MARAD and USCG received an application from Bluewater Texas Terminal LLC (Bluewater) for Federal authorizations required for a license to own, construct, and operate a deepwater port for the export of oil as authorized by the Deepwater Port Act of 1974, as amended, 33 U.S.C. 1501 *et seq.* (the Act), and implemented under 33 Code of Federal Regulations (CFR) parts 148, 149, and 150.

After a coordinated completeness review by MARAD, the USCG, and other cooperating Federal agencies, the application is deemed complete and contains information sufficient to initiate processing.

Background

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

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

In accordance with 33 U.S.C. 1504(f) for all applications, MARAD and the USCG, working in cooperation with other involved Federal agencies and departments, shall comply with the requirements of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 *et seq.*). The U.S. Environmental Protection Agency (EPA), the U.S. Army Corps of Engineers (USACE), the National Oceanic and Atmospheric

Administration (NOAA), the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Pipeline and Hazardous Materials Safety Administration (PHMSA), among others, participate in the processing of deepwater port applications and assist in the NEPA process as described in 40 CFR 1501.6. Each agency may participate in scoping and/or other public meeting(s) and may adopt the MARAD/USCG prepared environmental impact review for purposes of their jurisdictional permitting processes, to the extent applicable. Comments related to this deepwater port application addressed to the EPA, USACE, or other Federal agencies should note the Federal docket number, MARAD-2019-0094. Each comment will be incorporated into the Department of Transportation (DOT) docket and considered as the environmental impact analysis is developed to ensure consistency with the NEPA process.

All connected actions, permits, approvals and authorizations will be considered during the processing of Bluewater's Deepwater Port License Application.

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

The Act directs that at least one public hearing take place in each Adjacent

Coastal State, in this case, Texas. Additional public meetings may be conducted to solicit comments for the environmental analysis to include public scoping meetings, or meetings to discuss the Draft and Final environmental impact documents prepared in accordance with NEPA.

MARAD, in coordination with the USCG, will publish additional Federal Register notices with information regarding these public meeting(s) and hearing(s) and other procedural milestones, including the NEPA environmental impact review. The Maritime Administrator's decision, and other key documents, will be filed in the public docket at docket number MARAD-2019-0094.

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

Within 45 days after the final hearing, the Governor of the Adjacent Coastal State, in this case the Governor of Texas, may notify MARAD of his approval, approval with conditions, or disapproval of the application. If such approval, approval with conditions, or disapproval is not provided to the Maritime Administrator by that time, approval shall be conclusively presumed. MARAD may not issue a license without the explicit or presumptive approval of the Governor of the Adjacent Coastal State. During this 45-day period, the Governor may also notify MARAD of inconsistencies between the application and State programs relating to environmental protection, land and water use, and coastal zone management. In this case, MARAD may condition the license to make it consistent

with such state programs (33 U.S.C. 1508(b)(1)). MARAD will not consider written approvals or disapprovals of the application from the Governor of the Adjacent Coastal State until after the final public hearing is complete and the 45-day period commences following the publication of the Final Environmental Impact Statement.

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

In accordance with 33 U.S.C. 1504(d), MARAD is required to designate an application area for a deepwater port application intended to transport oil. Section 1504(d)(2) provides MARAD the discretion to establish a reasonable application area constituting the geographic area in which only one deepwater port may be constructed and operated. MARAD has consulted with USCG in developing Bluewater's application area and designates an application area encompassing the deepwater port that is a circle having a radius of 3.46 nautical mile centered at N 27° 53.801' W 96°38.416. MARAD notes that the application area includes an established safety fairway, which will be examined from a navigation safety perspective by USCG as part of its review of the Bluewater application. Any person interested in applying for the ownership, construction, and operation of a deepwater port within this designated application area must file with MARAD (see FOR FURTHER INFORMATION CONTACT) a notice of intent to file an application for the construction and operation of a deepwater port not later than 60 days after the date of publication of this notice, and shall submit a completed application no later than 90 days after publication of this notice.

Should a favorable record of decision be rendered and license be issued, MARAD may include specific conditions related to design, construction, operations, environmental

permitting, monitoring and mitigations, and financial responsibilities. If a license is issued, USCG in coordination with other agencies as appropriate, would review and approve the deepwater port's engineering, design, and construction; operations/security procedures; waterways management and regulated navigation areas; maritime safety and security requirements; risk assessment; and compliance with domestic and international laws and regulations for vessels that may call on the port. The deepwater port would be designed, constructed and operated in accordance with applicable codes and standards.

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

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

Summary of the Application

Bluewater is proposing to construct, own, and operate a deepwater port terminal in the Gulf of Mexico (GOM) to export domestically produced crude oil. The proposed project involves the design, engineering, and construction of a deepwater port, approximately 56.48 miles of pipeline infrastructure, and a booster station. The Bluewater deepwater port would allow for up to two (2) very large crude carriers (VLCCs) or other crude oil carriers to moor at single point mooring (SPM) buoys and connect with the deepwater port via floating connecting crude oil hoses. During single vessel loading operations, the proposed project is capable of loading rates of up to approximately 80,000 barrels per hour (bph) and during simultaneous vessel loading operations, the proposed project is capable of loading rates of 40,000 bph. The facility

is expected to service 16 Very Large Crude Carriers (VLCCs) per month.

For the purposes of this application, the proposed Bluewater project is described in three distinguishable segments by locality, to include the onshore components, the inshore components and the offshore components.

Onshore components associated with the proposed Bluewater project are defined as those components on the landward side of the western Redfish Bay Mean High Tide (MHT) line, located in San Patricio and Aransas Counties, Texas. The onshore project components include:

- Approximately 22.20 miles of two (2) new parallel 30-inch-diameter crude oil pipelines extending from a planned multi-use terminal located south of the City of Taft in San Patricio County, Texas. The planned multi-use terminal will consist of multiple inbound and outbound crude oil pipelines. Two of those outbound pipelines compose the proposed pipeline infrastructure that will extend to the inshore pipeline which connects to the proposed Harbor Island Booster Station (Booster Station) described below.

Inshore components associated with the proposed Bluewater project are defined as those components located between the western Redfish Bay MHT line and the MHT line located at the interface of San Jose Island and the GOM. Inshore project components include:

- Approximately 7.15 miles of two (2) new 30-inch-diameter crude oil pipelines connecting to the onshore facility, an approximately 19-acre booster station and a connection to the offshore pipeline. The onshore

pipeline would be located within San Patricio County, Texas and Nueces County, Texas and the Booster Station would be located on Harbor Island in Nueces County, Texas.

- The Booster Station will include approximately 19 acres of land with two (2) aboveground crude oil storage tanks, each with a total storage capacity of 181,000 barrels and two (2) 181,000-barrel water storage tanks. The purpose of water tanks is to allow for the clearing of the pipeline infrastructure. During clearing operations, water from the water storage tanks would be pumped through the pipelines and back to the Booster Station. The displaced crude oil would be placed in the two crude oil storage tanks.
- Additionally, the Booster Station will contain equipment and piping to provide interconnectivity with the crude oil supply network for the Bluewater project. This would include the installation of four (4) 5,500 horsepower electrically powered motors in a series electronically locked into operation as two booster pumping systems delivering approximately 11,000 horsepower to each of the two (2) 30-inch diameter pipelines. Further, the Booster Station would house the necessary infrastructure to support the transport of crude oil through the proposed pipeline infrastructure to the deepwater port for the loading of moored vessels to include a fire water tank, firewater pumps, stormwater runoff treatment plant and pumps, emergency generator, foam and water monitors and an operations office.

Offshore components associated with the proposed Bluewater project are defined as those components located seaward of the MHT line located at the interface of

San Jose Island and the GOM. The offshore project components include:

- Approximately 27.13 miles of two (2) new 30-inch-diameter crude oil pipelines extending from the shoreline crossing at the interface of San Jose Island to the offshore Bluewater deepwater port for crude oil delivery to Single Point Mooring (SPM) buoys.
- Two (2) SPMs in Outer Continental Shelf Matagorda Island Area TX4 lease blocks 698 and 699, approximately 15 nautical miles (17.26 statute miles) off the coast of San Patricio County, Texas in a water depth of approximately 89 feet.
- A catenary anchor leg mooring (CALM) system for each SPM buoy connected to a pipeline end manifold (PLEM) system, mooring hawsers, floating hoses, and sub-marine hoses to allow for the loading of crude oil to vessels moored at the proposed deepwater port. The SPM buoy system will be permanently moored with a symmetrically arranged six-leg anchor dual chain configuration extending to twelve (12) 72-inch-diameter pile anchors installed on the seafloor.
- Each of the proposed SPM buoy systems will consist of inner and outer cylindrical shells subdivided into twelve equal-sized watertight radial compartments. A rotating table will be affixed to the SPM buoy and allow for the connection of moored vessels to the SPM buoy system via mooring hawsers. Two floating hoses equipped with marine break-away couplings will be utilized for the transfer of crude oil from the SPM buoy systems to

the moored vessel. Floating hoses will be equipped with strobe lights at 15-foot intervals for detection at night and low-light conditions.

Privacy Act

The electronic form of all comments received into the Federal Docket Management System can be searched by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). The DOT Privacy Act Statement can be viewed in the Federal Register published on April 11, 2000 (Volume 65, Number 70, pages 19477-78) or by visiting <http://www.regulations.gov>.

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

Dated: June 21, 2019

By Order of the Maritime Administrator.

T. Mitchell Hudson, Jr.
Secretary, Maritime Administration

[FR Doc. 2019-13637 Filed: 6/25/2019 8:45 am; Publication Date: 6/26/2019]