
APPENDIX B

**U.S. Coast Guard's Letter of Recommendation (LOR) for the
Jordan Cove Energy LNG Project**

U.S. Department of
Homeland Security

United States
Coast Guard



Captain of the Port
U. S. Coast Guard
Sector Columbia River

2185 SE 12th Place
Warrenton, Oregon 97146-9693
Staff Symbol: s
Phone: (503) 861-6211

16611
May 10, 2018

Director of Gas Environment and Engineering, PJ 11
Attn: Mr. Rich McGuire
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Dear Mr. McGuire:

This Letter of Recommendation (LOR) is issued pursuant to 33 Code of Federal Regulations (CFR) 127.009 in response to the Letter of Intent submitted by Jordan Cove Energy Project, L.P. (Jordan Cove) on January 9, 2017. Jordan Cove proposes to construct and operate the Jordan Cove LNG facility in Coos Bay, Oregon from which Liquefied Natural Gas (LNG) is proposed to be transferred in bulk to a vessel for export. This LOR conveys the Coast Guard's recommendation on the suitability of the Coos Bay Channel for LNG marine traffic as it relates to safety and security. In addition to meeting the requirements of 33 CFR 127.009, this LOR fulfills the Coast Guard's commitment for providing information to your agency under the Interagency Agreement signed in February 2004.

After reviewing the information in the applicant's Letter of Intent (LOI) and Waterway Suitability Assessment (WSA) with subsequent annual updates and completing an evaluation of the waterway in consultation with a variety of state and local port stakeholders, I recommend that the Coos Bay Channel be considered suitable for LNG marine traffic. My recommendation is based on review of the factors listed in 33 CFR 127.007 and 33 CFR 127.009. The reasons supporting my recommendation are outlined below.

On November 1, 2017, I completed a review of the WSA for the Jordan Cove Energy Project, submitted to the Coast Guard by KSEAS Consulting on behalf of Jordan Cove in February 2007. This review was conducted following the guidance provided in U.S. Coast Guard Navigation and Vessel Inspection Circular (NVIC) 01-2011, dated January 24, 2011. In conducting this review and analysis, I focused on the navigation safety and maritime security aspects of LNG vessel transits along the affected waterway. My analysis included an assessment of the risks posed by these transits and validation of the risk management measures proposed by the applicant in the WSA. During the review, I consulted a variety of stakeholders including the Area Maritime Security Committees, Harbor Safety Committees, State representatives, Pilot Organizations, and local emergency responders.

Based upon a comprehensive review of Jordan Cove's WSA, and after consultation with State and Local port stakeholders, I recommend that the Coos Bay Channel be considered suitable for accommodating the type and frequency of LNG marine traffic associated with this project.

The attached LOR Analysis contains a detailed summary of the WSA review process that has guided this recommendation. It documents the assumptions made during the analysis of Jordan Cove's WSA. It discusses details of potential vulnerabilities and operational safety and security measures that were analyzed during the review. The portion of the LOR Analysis which

addresses matters that affect maritime security is marked as Sensitive Security Information and is withheld from distribution.¹ The LOR Analysis sets forth the navigational safety and maritime security resource gaps that currently exist in, on, and adjacent to the waterway, including the marine transfer area of the proposed facility, and which, to the extent allowable under FERC's existing legal authority, may be addressed in its Commission Order if one is issued. To the extent implementation of specific mitigation measures fall outside the scope of FERC's legal authority, the applicant is expected to examine the feasibility of implementing such mitigation measures, in consultation with the Coast Guard and State and Local agencies as applicable.

This recommendation is provided to assist in the Commission's determination of whether the proposed facility should be authorized. This Letter of Recommendation is not an enforceable order, permit, or authorization that allows any party, including the applicant, to operate a facility or a vessel on the affected waterway. Similarly, it does not impose any legally enforceable obligations on any party to undertake any future action be it on the waterway or at the proposed facility. It does not authorize, nor in any way restrict, the possible future transit of properly certificated vessels on the Coos Bay Channel. As with all issues related to waterway safety and security, I will assess each vessel transit on a case by case basis to identify what, if any, safety and security measures are necessary to safeguard the public health and welfare, critical marine infrastructure and key resources, the port, the marine environment, and vessels. In the event the facility begins operation and LNG vessel transits commence, if matters arise concerning the safety or security of any aspect of the proposed operation, a Captain of the Port Order could be issued pursuant to my authority under the Ports and Waterways Safety Act of 1972, as amended by the Port and Tanker Safety Act of 1978, 33 U.S.C. § 1221 – 1232, among other authorities, to address those matters.

Please note that Enclosures (4) is Sensitive Security Information (SSI) and shall be disseminated, handled and safeguarded in accordance with 49 CFR Part 1520, "Protection of Sensitive Security Information."

If you have any questions on this recommendation, my point of contact is Lieutenant Commander Laura Springer. She can be reached at the address listed above, by phone at (503) 209-2468, or by email at Laura.M.Springer@uscg.mil.

Sincerely,

W. R. TIMMONS,
Captain, U. S. Coast Guard
Captain of the Port, Sector Columbia River

- Enclosure (1) LOR Analysis
 (2) LOR issued by Sector Portland on April 24, 2009
 (3) U.S.C.G.'s Waterway Suitability Report for the Jordan Cove Energy Project
 (4) LOR Analysis (SSI Portion)

¹ Documents containing SSI may be made available upon certification that the requestor has a need to know and appropriate document handling and non-disclosure protocols have been established.

Copy: Commander, Coast Guard District Thirteen (dp)
Commander, Pacific Area (PAC-54)
Commandant (CG-OES), (CG-ODO), (CG-FAC), (CG-741), (CG-CVC), (CG-ENG),
(LNGNCOE)
Marine Safety Center (CG MSC)
Jordan Cove