Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St., N.E. Room 1A
Washington, DC 20426

Docket Nos: CP05-360-000, CP05-357-000, CP05-358-000 and CP05-359-000

Dear Ms. Salas:

In accordance with the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, Environmental Protection Agency (EPA) Region 6 has reviewed the Final Environmental Impact Statement (FEIS) for the proposed construction and operation of the liquefied natural gas (LNG) import terminal and natural gas pipeline facility proposed by Creole Trail LNG, and Cheniere Creole Trail Pipeline Company. The proposed facility would transport up to 3.3 billion cubic feet per day of imported natural gas to the U.S. market.

EPA rated the DEIS as "**EC-2,**" i.e., "**Environmental Concerns and Requested Additional Information in the Final EIS** (FEIS)." Based on our review of the FEIS, EPA has remaining environmental concerns. Detailed comments are enclosed which more clearly define our concerns. EPA asks that the Record of Decision not be issued until our remaining environmental concerns are adequately addressed.

EPA appreciates the opportunity to review the FEIS. If you have any questions regarding NEPA and/or our 309 Review Process, please contact Mike Jansky of my staff at (214) 665-7451 or by e-mail at jansky.michael@epa.gov, for assistance.

Sincerely yours,

Rhonda M. Smith, Acting Chief
Office of Planning and
Coordination (6EN-XP)

6ENXP:MJANSKY:06/08/2006:CREOLE TRAIL LNG TERMINAL, LA,FEIS

DETAIL COMMENTS
ON THE
FINAL ENVIRONMENTAL IMPACT STATEMENT
FOR THE
FEDERAL ENERGY AND REGULATORY COMMISSION
CREOLE TRAIL LNG TERMINAL AND PIPILINE PROJECT

COMMENTS:

EPA reviewed the FEIS for the Creole trail LNG Terminal and Pipeline Project. Based on the data reviewed in the DEIS, EPA concluded there were uncertainties regarding the evaluation of material from one of the testing sites. EPA recommended additional sediment testing, specifically a Tier III evaluation for one station (CTL-04M), according to the procedures described in the 1998 Inland Testing Manual and explained that this would help clarify the potential for adverse impacts on the aquatic environment associated with the dredging activities.

In response to EPA's concern, Federal Energy Regulatory Commission (FERC) now recommends in the FEIS that the applicant consult further with EPA and the Corps regarding the need to conduct a Tier III evaluation for the sampling station specified. In the FEIS, FERC

has directed the applicant to file copies of all such associated communications with the Corps and EPA, as well as the results of any additional testing or evaluation if applicable, with FERC prior to dredging at the LNG terminal. We will continue to coordinate with FERC, the Corps, and the applicant on this issue. However, we believe that the proposed FERC recommendation should be expressed as a condition to the FERC license and that it should be worded such that it requires additional evaluation as specified in our comments on the DEIS.

The Guidelines for Specification of Disposal Sites for Dredged or Fill Material (40 CFR Section 230.61) describes how to assess the impacts on benthic organisms when such procedures will be of value in assessing ecological effects. This regulatory section also states "[t]he principle concerns of discharge of dredged or fill material that contain contaminates are the potential effects on the water column and on communities of aquatic organisms."

Currently, the biological effects from one of the sampled stations remain unclear. The Inland Testing Manual (Evaluation of Dredged Material Proposed for Discharge in Waters of the U.S. -- Testing Manual, Corps of Engineers and EPA, February 1998, EPA 823-B-98-004, http://www.epa.gov/waterscience/itm/ITM/), which is used to further detail the guidelines provided in 40 CFR Part 230, describes conducting further evaluations on the material when the previous tier of testing does not provide sufficient information to predict whether benthic bioaccumulation will occur. As we have stated in the Draft EIS comment letter, additional information on the dredged material is necessary to determine the potential for adverse impacts to the benthic environment at the proposed disposal location. The need for additional

information is consistent with both the regulations and guidance used to assess dredge and fill material.

In addition, please note that EPA recommended that the Corps of Engineers not issue the Clean Water Act Section 404 permit until the applicant addresses specific concerns regarding the impacts of the terminal dredging and pipeline construction to wetlands. Therefore, we request that FERC also include a condition to the proposed license that would prohibit any dredging activity until the concerns related in our April 21, 2006, response to Joint Public Notice 060202-02 are satisfactorily addressed and a Section 404 permit is used by the Corps of Engineers.