



## United States Department of the Interior

FISH AND WILDLIFE SERVICE

Mississippi Field Office

6578 Dogwood View Parkway, Suite A

Jackson, Mississippi 39213

April 28, 2006

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Mr. John Wisniewski  
Federal Energy Regulatory Commission  
Office of Energy Projects  
888 First Street, NE  
Washington, D.C. 20426

Dear Mr. Wisniewski:

The Service has reviewed the March 2006 Biological Assessment (BA) for the proposed Gulf LNG Clean Energy Project. Gulf LNG proposes to construct and operate a new LNG receiving terminal, storage, and gasification facility adjacent to Bayou Casotte in Pascagoula, Jackson County, Mississippi. The following comments are provided in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661-667e) and the Endangered Species Act (87 Stat. 884, as amended 16 U.S.C. 1531 et seq.).

The general purpose of the LNG Project is to provide LNG receiving, storage, and vaporization service to shippers desiring delivery of a new and competitively priced source of a natural gas to markets in the United States. Gulf LNG anticipates that up to 150 ships per year would unload LNG at the proposed marine facility.

The LNG terminal would be located on a 33.3 acre site within the Port of Pascagoula on the Mississippi Sound, just southeast of the mouth of the Bayou Casotte Harbor. Construction of the marine facilities associated with the LNG terminal would require dredging of approximately 63.1 acres in order to accommodate the ship berths and maneuvering areas. An additional 9.3 acres of land would be required for construction and operation of the access road to the LNG terminal.

Construction of the pipeline facilities would disturb a total of approximately 82.4 acres of land, including the pipeline construction right-of-way, temporary extra workspace, contractor yards, support areas, and aboveground facilities.

Consultations with the Service and NOAA Fisheries identified 15 federal listed endangered or threatened species that potentially occur in the vicinity of the LNG Clean Energy Project or the waters of the Gulf of Mexico. However, there are only two species of concern under Service jurisdiction that may occur within the project. As noted in our April 9, 2006, letter to your agency, the federal listed threatened bald eagle (*Haliaeetus leucocephalus*) and the endangered brown pelican (*Pelecanus occidentalis*) occur in Jackson County.

The brown pelican is common in estuarine waters around Bayou Casotte which they use for loafing and foraging. The bald eagle is predominantly a winter migrant in the southeast United States. This species prefers to nest in large trees, e.g., pines, spruces, firs, cottonwoods, oaks, and poplars, associated with areas that are close (within 2.5 miles) to coastal areas, bays, rivers, lakes, other water bodies that have a general availability of primary food sources.

Your agency concluded that, while brown pelicans may be relatively common in the estuarine waters around Bayou Casotte, there is no suitable nesting habitat at the LNG terminal site. Therefore, the proposed project is not likely to affect the brown pelican.

Field surveys were also conducted at the proposed LNG terminal site and along the pipeline corridor for evidence of bald eagle nesting. No suitable nesting habitat was found within the project area. Therefore, your agency concludes that the proposed project would not likely adversely affect the bald eagle.

Regarding the Gulf sturgeon, in order to minimize impacts on the threatened Gulf sturgeon, Gulf LNG would implement agency dredging requirements, concurrent scheduling of future maintenance dredging, and its SPCC plan. In addition, Gulf LNG has agreed to perform a three year post-construction prey and habitat assessment survey of the ship berth and maneuvering area and adjacent areas following the protocols used in the 2005 habitat characterization study. Gulf LNG has incorporated these measures in its Mitigation and Monitoring Plans, which were developed in consultation with NOAA fisheries. Since NOAA Fisheries has jurisdiction over the Gulf sturgeon in marine waters, the Service recommends that Gulf LNG continue to coordinate with NMFS during and after project construction and that they address any concerns NMFS and the MDMR may have regarding potential "affects" to the Gulf sturgeon.

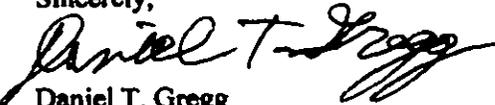
Based on the information provided and our recent inspection of the project area, the Service concurs with the BA conclusions that no suitable bald eagle or brown pelican nesting habitat exists within the proposed project area. Therefore, the proposed work is not likely to adversely affect the brown pelican or the bald eagle. The Service also concurs that the project is not likely to adversely affect any of the five species of sea turtles under Service jurisdiction.

No further consultation under Section 7 of the ESA will be necessary unless the size or scope of the project were to change or new information is provided that federal listed species would be affected from the proposed work.

The Service appreciates the opportunity to provide comments and recommendations regarding the Gulf LNG Project. We will provide further comments once the DEIS is available for review. We look forward to working with your agency as well as other state and federal resource agencies as the project moves forward.

If you have any questions, please contact this office at (601) 321-1136.

Sincerely,



Daniel T. Gregg  
Fish and Wildlife Biologist

cc:

Natural Resource Group, Minneapolis, MN  
Attn: Jennifer Lee