

**FINDING OF NO SIGNIFICANT IMPACT
DEPARTMENT OF ENERGY/OFFICE OF FOSSIL ENERGY
FOR FREEPORT LNG DEVELOPMENT, L.P. REGARDING
ORDER GRANTING APPLICATION FOR AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS**

AGENCY: U.S. Department of Energy, Office of Fossil Energy

ACTION: Finding of No Significant Impact

SUMMARY: Pursuant to section 1501.6 of the regulations of the Council on Environmental Quality (CEQ), 40 CFR 1501.6, the U.S. Department of Energy (DOE) has participated as a cooperating agency with the Federal Energy Regulatory Commission (FERC) in an environmental assessment (EA) that analyzed the potential environmental impacts associated with an application submitted by Freeport LNG Development, L.P. (Freeport LNG) for blanket authorization to export liquefied natural gas (LNG).

In its DOE application, submitted on August 1, 2008 under section 3(a) of the Natural Gas Act (NGA), 15 USC 717b, and Part 590 of DOE's regulations, 10 CFR Part 590, Freeport LNG sought authority to export LNG that previously had been imported from foreign sources on its own behalf or as agent for others on a short-term or spot market basis in an amount up to the equivalent of 24 billion cubic feet (Bcf) of natural gas cumulatively over a two year period. Under the application, the LNG would be shipped from Freeport LNG's facilities on Quintana Island, Texas to the United Kingdom, Belgium, Spain, France, Italy, Japan, South Korea, India, China, and/or Taiwan over a two-year period commencing on the date of the authorization.

On November 19, 2008, Freeport LNG filed a separate application with the FERC seeking authority to make the facilities modifications necessary to support the proposed export of LNG. FERC has authority to review applications for such facilities modifications under section 3(e) of the NGA.

The purpose and need for DOE action is to comply with section 3(a) of the NGA which requires DOE to issue an order granting an application for authority to export natural gas unless, after opportunity for hearing, it finds that the proposed export will not be consistent with the public interest.

All discussion and analysis related to the potential impacts of a grant of the export application are contained within the EA, "Freeport LNG Export Project and BOG/Truck Project (DOE/EA-1650)," issued on March 13, 2009, which is hereby incorporated by reference.¹ The EA examined potential impacts in the following areas and found that

¹ Freeport LNG Export Project and BOG/Truck Project, Environmental Assessment, FERC Docket Nos. CP03-75-003, et al., and DOE EA-1650 in DOE Docket No. FE-08-70-LNG. Also on March 13, 2009, FERC issued a "Notice of Availability of the Environmental Assessment for the Proposed Freeport LNG

with appropriate mitigating measures, none would constitute a major federal action significantly affecting the quality of the human environment: geology and soils; water resources; wetlands; vegetation and wildlife; endangered, threatened, and other species of concern; land use, recreation, and visual resources; coastal zone management area; cultural resources; air quality, including global climate change; noise; and reliability and safety.

On May 6, 2009, FERC issued an Order Amending Section 3 Authorizations, 127 FERC 61,105. The FERC Order, *inter alia*, granted Freeport LNG's application to make the facilities modifications necessary to support the proposed exports subject to a series of environmental conditions set forth as an appendix to the order.

DETERMINATION: On the basis of the EA, DOE has determined that granting the application of Freeport LNG for authority to export LNG subject to the environmental conditions set forth in FERC's May 6 order, as appended hereto, will not have a significant effect on the human environment. The preparation of an environmental impact statement, therefore, is not required and DOE is issuing this Finding of No Significant Impact.

Copies of the EA and FONSI will be available on the DOE website at www.gc.energy.gov/NEPA, under DOE NEPA Documents.

Signed in Washington, D.C., on the 27 day of May, 2009.



Victor K. Der
Acting Assistant Secretary
Office of Fossil Energy

Export Project and BOG Truck Project.” The Notice of Availability indicated that DOE participated in its preparation and the document was sent for comment to federal, state, and local agencies; public interest groups; interested individuals and affected landowners; Native American tribes; and newspapers and libraries. Earlier, on January 12, 2009, FERC issued a “Notice of Intent to Prepare an Environmental Assessment for the Proposed Freeport LNG Export Project and BOG Liquefaction and Truck Delivery Facilities Projects and Request for Comments on Environmental Issues.” The Notice of Intent also was sent to federal, state, and local agencies; public interest groups; interested individuals and affected landowners; Native American tribes; and newspapers and libraries.