

BRAZOSPORT AREA CHAMBER OF COMMERCE



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July 6, 2006

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U. S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585-0301

Dear Mr. Silawsky:

The Energy Policy Act of 2005 requires the Department of Energy (DoE) to increase the capacity of the Strategic Petroleum Reserve (SPR) to one billion barrels. The existing SPR sites don't have sufficient additional capacity to allow this increase to be met without adding a new SPR facility. DoE has identified Stratton Ridge, Texas as a potential site for this expansion. DoE is required to decide where to expand before August 9, 2006.

The Brazosport area and all of Brazoria County has a great stake in this decision. Thousands of jobs are enabled because of the salt the chemical industry mines at Stratton Ridge. Industry uses this salt to produce products that are used locally by other businesses as well as shipping these products all over Texas, the U.S. and the world.

On behalf of the Board of Directors of the Brazosport Area Chamber of Commerce, of Brazoria County, we do not support the use of Stratton Ridge for the expansion of the SPR for the following reasons:

- 5) The SPR uses underground salt formations as the basis for their oil storage operations. For their purposes they remove the salt and discharge it into the ocean. Placing the SPR at Stratton Ridge would waste salt that the chemical industry could use to make useful products in the future. The DoE time line to remove the salt from the salt dome and other operational considerations would not allow this salt to be used to make products and thus would be wasted. As we understand it the other sites under consideration do not have co-located salt based production facilities, so the salt wasted into the ocean isn't salt that can be made into useful products, as can the salt at Stratton Ridge.
- 6) There is also concern over government taking of Stratton Ridge property and perhaps even closure of Stratton Ridge Road. We have local experience on the use of eminent domain by the Government.
- 7) At a time when the chemical industry is struggling with high energy and feedstock costs and high construction costs, this waste of Stratton Ridge salt and concern of government taking of critical property could further affect the

decision of industry in this area to locate new plants here and perhaps even negatively affect business decisions for investments to support current operations.

- 8) The 40 or so jobs created for managing the SPR site could jeopardize literally thousands of direct chemical industry jobs and thousands of indirect jobs.

We also understand that Bryan Mound was removed from consideration because it did not have adequate capacity for expansion and that the plans for Stratton Ridge would include facilities to off load foreign crude in Texas City and bring the oil in through pipeline. So it seems this would not even benefit Port Freeport.

We strongly oppose the location of the SPR at Stratton Ridge.

We look forward to hearing from you concerning this matter.

Sincerely,

L. G. Murrell, Jr.
Chairman of the Board