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From: Ted M. Falgout [mailto:ted.falgout@portlafourche.com]]
Sent: Fri 6/2/2006 3:32 PM
To: Silawsky, Donald
Cc: Chett Chiasson; Charlotte Randolph
Subject: Site Selection for the Expansion of the SPR

Dear Mr. Silawsky,

I am Port Director of Port Fourchon in Lafourche Parish, Louisiana. Perhaps you have heard of our Port. We are the support base for LOOP's offshore facilities and over half of the domestic energy activity in the US Gulf of Mexico. Since I am very familiar with LOOP's Operations, I thought I would review the EIS on the subject matter. I must admit, I have not read the entire document, nor do I intend to, but have focused more on the area I am most familiar with, which is of course the Clovelly site.

It seems to me that the existing infrastructure at this site which is already in place, would present a tremendous savings to the Government and me as a tax payer. I'm sure use of the existing 30 inch brine discharge line and the brine reservoir among many other things could be negotiated with LOOP, or better, a turn key contract for storage and delivery of oil could be negotiated. Loop is currently planning the addition of a new line from the offshore terminal to the dome as I type this. Now would be the time to plan for this expansion as well, which would greatly reduce costs and environmental impacts.

Additionally, when I look at the drawing entitled Figure S.3.5.3-1: Proposed Location of Clovelly Storage Site and DOE Facility, on page S-10, I see the existing LOOP Storage Facility and Proposed SPR Storage Site and a proposed DOE Off-Dome Facility near Bayou Lafourche. I also see that you have the area due south of the dome (rectangular area) labeled as marsh.

Please be advised that this is a 1500 acre industrial park which is owned by this Commission and houses the South Lafourche Airport (which we own) and several additional facilities including the newly constructed LOOP Tank Farm, which has 6- 500,000 bbl tanks. The Industrial Park has direct connectivity to LOOP and presents huge opportunities for additional storage and any Off Dome Facilities. The adjacent airport is presently undergoing a runway extension to 6500ft. and strengthening. This area is not only not a wetland, but is enclosed within its own protection levee system as well as the South Lafourche Hurricane Protection Levee System (the only one that did not experience flooding during the hurricanes of 2005).

From a brief review of the EIS, it does not appear that the huge savings and efficiency of tying in with a proven system and existing support infrastructure has been fully evaluated.

I would be pleased to provide you with additional information and/or a site visit should you request.

Ted M. Falgout
Executive Director
Greater Lafourche Port Commission

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Phor.
Fax: