

Congress of the United States

Washington, DC 20515

August 9, 2024

The Honorable Rear Admiral Ann C. Phillips, U.S. Navy (Ret.)
Administrator
Maritime Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Administrator Phillips,

Deepwater oil export terminals and their supporting infrastructure threaten the health and safety of frontline coastal communities and marine ecosystems, exacerbate climate change, and prolong fossil fuel dependence. The Maritime Administration (MARAD) should, therefore, pause all new and pending deepwater port licensing decisions and reopen the record of decision for a recently approved oil export facility. During the pause, MARAD must update its approval criteria based on environmental justice, climate, and public health impacts to more accurately determine whether new deepwater oil projects are in the national interest.

The Deepwater Port Act of 1974 (DWPA) “establishes a licensing system for ownership, construction, operation, and decommissioning of deepwater port structures located beyond the U.S. territorial sea for the import and export of oil and natural gas.”¹ Before approving a license, the Department of Transportation (DOT) — through MARAD, to which the Secretary has delegated DWPA responsibilities — must determine whether a deepwater port satisfies certain conditions. Principal among them is the requirement that “the construction and operation of the deepwater port will be in the national interest and consistent with national security and other national policy goals and objectives, including energy sufficiency and environmental quality.”² Despite evidence that deepwater oil export terminals are not in the “national interest,” MARAD approved the Sea Port Oil Terminal (SPOT) in November 2022, and license applications are currently pending for the Blue Marlin, Bluewater, and Gulflink oil export facilities.³

MARAD’s SPOT approval demonstrates how the current licensing process considers the “national interest” far too narrowly.¹ If allowed to come online, SPOT would be the largest U.S. oil export terminal, capable of moving 2 million barrels a day—equivalent to 25 percent of all current U.S. oil exports.⁴ MARAD estimates that SPOT’s greenhouse gas emissions would total more than 232 million metric tons of carbon dioxide, amounting to \$25 billion in climate

¹ About the Deepwater Port Act, U.S. Dep’t of Transp. Maritime Admin., <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/about-deepwater-port-act> (last updated Mar. 18, 2020); 33 U.S.C. §§ 1501 et. seq. (1974).

² 33 U.S.C. § 1503(c)(3).

³ U.S. Dep’t of Transp., Maritime Admin., <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/pending-applications> (last visited June 20, 2024).

⁴ FAQs, U.S. Energy Information Admin., <https://www.eia.gov/tools/faqs/faq.php?id=727&t=6> (last visited June 20, 2024).

damages.⁵ SPOT's ozone-causing air pollution alone would have devastating impacts on communities in the Houston-Galveston-Brazoria region of Texas, which are already designated as achieving "severe nonattainment" of federal air quality standards.⁶ Oil spill models estimate SPOT would generate 568 spills over a 30-year period, including 20 large spills detrimental to human health, coastal ecosystems, and fishing and tourism industries.⁷ As for economic benefits, SPOT would create only 62 permanent jobs.⁸

While SPOT alone would cause great environmental harm, when combined with the three other pending oil export facilities, the results would be devastating. Altogether, the crude oil from SPOT, Gulfink, Bluewater, and Blue Marlin would generate 24 billion metric tons of greenhouse gases over 30 years, equivalent to the annual output of nearly 6,170 coal plants.⁹ These deepwater ports and their associated infrastructure would harm sensitive ecosystems and communities with hazardous air and water pollution. Environmental justice communities have come out in strong opposition to these offshore export terminals, which pose significant health, safety, and environmental risks to low-income communities and communities of color in the Gulf of Mexico region.¹⁰

It is therefore critical that, as part of its statutorily mandated "national interest" assessment, MARAD consider the environmental justice, climate, and public health impacts of these proposed deepwater ports. One of President Biden's first executive orders called on federal agencies to suspend, rescind, or halt actions that conflict with goals to protect public health and the environment, advance environmental justice, bolster resilience, and confront the climate crisis.¹¹ Broadening MARAD's interpretation of national interest to more fully include environmental justice, climate, and public health considerations—in addition to their existing requirement to assess the impact on energy sufficiency and environmental quality—would be consistent with President Biden's directive. Such a step would also recognize that the anticipated emissions from these oil export facilities would counteract the benefits of the historic climate investments in the Inflation Reduction Act (IRA).¹²

⁵ Appendix BB, SPOT Deepwater Greenhouse Gas Emissions, <https://www.regulations.gov/document/MARAD-2019-0011-5032> (last viewed June 20, 2024).

⁶ Houston-Galveston-Brazoria: Ozone History, Texas Commission on Environmental Quality, <https://www.tceq.texas.gov/airquality/sip/hgb/hgb-ozone-history> (last visited June 20, 2024).

⁷ Susan Lubetkin, Ph.D., *Technical Review of the Spill Risk Analyses in the Sea Port Oil Terminal Deepwater Port Project Draft Environmental Impact Statement (SPOT DEIS)* (Mar. 23, 2020), <https://www.sierraclub.org/sites/www.sierraclub.org/files/2023-01/SPOT%20Spill%20Risk%20Analysis.pdf>.

⁸ Carolyn Davis, *Enterprise's Oil Export Terminal Offshore Texas OK'd to Apply for Permit*, Natural Gas Intelligence (Nov. 29, 2022), <https://naturalgasintel.com/news/enterprises-oil-export-terminal-offshore-texas-okd-to-apply-for-permit/>.

⁹ Oliver Milman, *Biden Urged not to approve oil terminals that could create 'carbon bombs'*, The Guardian (Feb. 21, 2023), <https://www.theguardian.com/business/2023/feb/21/joe-biden-oil-terminals-texas-carbon-bombs-fossil-fuels>; Greenhouse Gas Equivalencies Calculator, Environmental Protection Agency, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>, (last visited June 20, 2024).

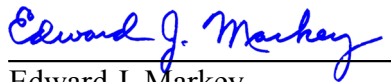
¹⁰ Tell U.S. Transportation Secretary Pete Buttigieg: Fight for Our Climate!, PleasePete.com, <https://www.pleasepete.com/> (last visited June 20, 2024).

¹¹ Executive Order 13990, 86 Fed. Reg. 7037 (Jan. 25, 2021), <https://www.federalregister.gov/documents/2021/01/25/2021-01765/protecting-public-health-and-the-environment-and-restoring-science-to-tackle-the-climate-crisis>.

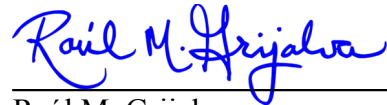
Further, MARAD incorrectly assumes that deepwater ports would simply replace crude oil exports from near-shore operations. In reality, oil executives have explicitly stated that offshore oil export facilities would *complement* near-shore export operations.¹³ This means that deepwater oil export facilities will actually induce more oil drilling and fracking at the expense of our climate, ecosystems, and frontline communities. And these facilities will not improve American energy sufficiency—with little domestic refining capacity for the type of crude oil drilled from the Permian Basin, Permian crude is destined for export.¹⁴

Expanding domestic oil production and export is inconsistent with the national interest, and these deepwater oil ports would represent a sharp expansion in exports and production. We encourage MARAD to fulfill its statutory duty by pausing all new and pending deepwater oil port licensing, reopening the record of decision for the SPOT, and ensuring that adequate criteria and sufficient data are in place to fully assess whether future fossil fuel deepwater port projects are in the national interest.

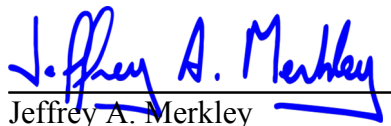
Sincerely,



Edward J. Markey
United States Senator



Raúl M. Grijalva
Member of Congress



Jeffrey A. Merkley
United States Senator



Alexandria Ocasio-Cortez
Member of Congress

¹² Shaye Wolf, PhD. et al, *Out Polluting Progress: Carbon Emissions From Biden-Approved Fossil Fuel Project Undermine CO2 Cuts From Inflation Reduction Act*, Center for Biological Diversity (Nov. 2023), https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/Out-Polluting-Progress-Report-2023.pdf.

¹³ *Enterprise Products Partners (EPD) Q2 2021 Earnings Call Transcript*, Motley Fool, <https://www.fool.com/earnings/call-transcripts/2021/07/28/enterprise-products-partners-epd-q2-2021-earnings/> (last visited June 20, 2024); Katherine Spector, *Gulf of Mexico Congestion Risk: Sizing up the Capacity to Export US Crude Via Very Large Crude Carriers (VLCCS)*, ColumbiaSIPA Center on Global Energy Policy (Oct. 2018), https://www.energypolicy.columbia.edu/sites/default/files/pictures/GulfofMexCongestionRisk_CGEP_commentary.pdf; *U.S. crude oil exports reached a record in 2023*, U.S. Energy Information Administration, <https://www.eia.gov/todayinenergy/detail.php?id=61584> (Mar. 18, 2024); *Deep Water - The Race to Build VLCC-Ready Terminals*, RNB Energy LLC, <https://rbnenergy.com/subscriber/reports/previews/deep-water-the-race-to-build-vlcc-ready-terminals> (last visited June 20, 2024).

¹⁴ Taylor Noland, *Slow Down - Combination of Factors Pull U.S. Crude Oil Exports Back From Record Highs*, RNB Energy LLC (May 6, 2024), <https://rbnenergy.com/slow-down-combination-of-factors-pull-us-crude-oil-exports-back-from-record-highs>.



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United States Senator



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Member of Congress



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United States Senator



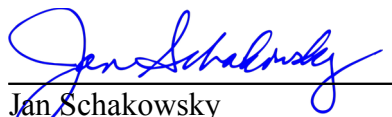
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Eleanor Holmes Norton
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Linda T. Sánchez
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Jan Schakowsky
Member of Congress



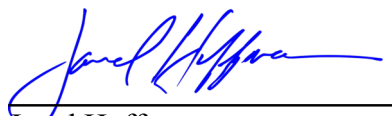
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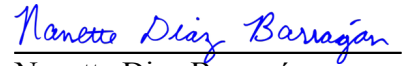
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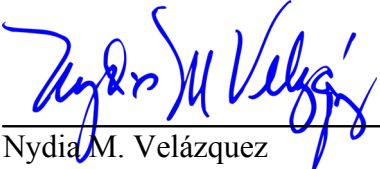
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cc: Secretary Buttigieg, U.S. Department of Transportation