



U.S. Department  
of Transportation  
**Maritime  
Administration**

1200 New Jersey Avenue, SE  
Washington, DC 20590

April 17, 2024

Mr. Dudley Poston  
Chief Executive Officer  
Delfin LNG, LLC  
25 West Cedar Street, Suite 215  
Pensacola, Florida 32502

Re: Application of Delfin LNG, LLC for Deepwater Port License

Dear Mr. Poston:

This responds to Delfin LNG, LLC's (Delfin) request that the Maritime Administration (MARAD) issue Delfin a license to own, construct, and operate a deepwater port off the coast of Louisiana under the Record of Decision (ROD) issued March 13, 2017. MARAD will not issue a license at this time as the ROD no longer supports the issuance of a license. In the seven years since the ROD was issued, widespread changes were made to the project, including to the project ownership, design, financing, and operations. These changes resulted in a revised proposal that is not the same as that approved under the ROD, and as noted below, will require a thorough, statutorily required, interagency and public review. To facilitate this review, Delfin will need to update the application to reflect the changes and submit an amended version for review as set forth below.

As noted above, the 2017 ROD approved Delfin's ownership, construction, and operation of a deepwater port that would consist of four floating liquefied natural gas vessels (FLNGVs), identical in design and function and with supporting pipelines and related infrastructure. In accordance with its original application, Delfin was to own and operate the FLNGVs under the license. Based on correspondence received from Delfin dated July 19 and September 6, 2023, and as discussed in several meetings with the Delfin project team, Delfin now proposes to have the FLNGVs, which are critical to port operations, potentially owned, financed, and operated by third parties other than Delfin. This is a significant departure from what was contemplated in, and approved under, the ROD, and will require additional evaluation and consideration.

The project's proposed financing is also different than what was proposed by Delfin and reflected in the 2017 ROD. An equity portion of the project costs was to be provided by Enbridge Holdings LNG LLC, along with participation by suitable and creditworthy Delfin

affiliates such as Enbridge Inc.<sup>1</sup> Debt financing was from established sources including the Korea Development Bank, which had made a commitment of \$1.5 billion.<sup>2</sup> Enbridge, Inc. was also to serve as guarantor of Delfin's decommissioning obligations and was committed to guarantee the project's full decommissioning costs.<sup>3</sup>

Delfin's proposed equity and debt financing that was approved in the ROD (to support project construction, operations, and decommissioning) has changed significantly. Specifically, Enbridge Holdings LNG LLC, and other then-identified Delfin affiliates, no longer appear to be actively involved with the equity financing of the project. In addition, the Korea Development Bank no longer appears to be involved in providing debt financing.

In addition to financing and ownership changes to the project, Delfin's project update proposed design changes to the mooring system, power generation systems, and cooling systems. These proposed design changes were not included in the Final Environmental Impact Statement and therefore require an updated environmental review, public engagement, and evaluation.

In light of the foregoing, Delfin must update the application to reflect the changes and submit an amended application for interagency review. The amended application should include redlines indicating changes to the original application and provide clear and comprehensive documentation regarding the current project ownership, design, financing, and proposed operations, including detailed information regarding all parties involved in the design, construction, financing, and operation of the port.

The amended application will be distributed to interested Federal agencies and the Governors of Louisiana and Texas, the adjacent coastal states. If MARAD and the USCG, in coordination with other Federal agencies, determine that the amended application is complete, a Notice of Amended Application will be published in the Federal Register. A supplemental Environmental Assessment (EA) or Supplemental EIS (SEIS) and the amended application will be made available to the public on the project docket. The public will be afforded an opportunity to comment on the supplemental EA or SEIS and the amended application. After the conclusion of the comment period for the supplemental EA or SEIS, a final public hearing will be held in each adjacent coastal state. A 45-day period will follow the public hearing during which the Governors may approve, approve with conditions, or disapprove the amended application, and the Environmental Protection Agency's Administrator will also be afforded an opportunity to inform the Maritime Administrator if the deepwater port as proposed would not conform with the applicable provisions of the Clean Air Act, the Clean Water Act, or the Marine Protection, Research and Sanctuaries Act. MARAD will issue a new Record of Decision within 90 days after the final public hearing.

We look forward to working with Delfin should it decide to submit an amended application.

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<sup>1</sup> *The Secretary's Decision on the Deepwater Port License Application of Delfin LNG, LLC*, Mar. 13, 2017, at 31-32, <https://www.regulations.gov/document/USCG-2015-0472-0120>.

<sup>2</sup> *Id.* at 31

<sup>3</sup> *Id.* at 33

Sincerely,

*William Paape*

William (Bill) Paape  
Associate Administrator, Office of Ports & Waterways  
Maritime Administration

Cc: Rear Admiral Wayne R. Arguin Jr., USCG Assistant Commandant for Prevention Policy  
Jeffery G. Lantz, Director of Commercial Regulations and Standards  
Captain Jerry D. Butwid, USCG Chief, Operating and Environmental Standards  
Chairman Willie L. Phillips, Federal Energy Regulatory Commission  
William Daughdrill, Delfin Chief Operating Officer  
Patrick Nevins, Latham Watkins, Outside Counsel  
Janice Schneider, Latham Watkins, Outside Counsel  
David Thompson, Blank Rome, Outside Counsel  
Joan Bondareff, Blank Rome, Outside Counsel