



APPLICATION FOR A COASTAL ZONE ACT STATUS DECISION

**State of Delaware
Department of Natural Resources & Environmental Control
Office of the Secretary**

July, 2009
Bouchard Affiliates

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	Exhibit to Question 5.1	Following End of Application
	Affidavit of Morton S. Bouchard, III.....	Following Above Exhibit

CZA Status Decision Application Instructions

1. Complete all parts of the application. For questions which are not applicable to your project, do not leave blank; present a statement that clearly states why the section is not applicable to your project.
2. Because all applicants' projects are different, this word document template will provide you flexibility for needed space to answer the questions. Please insert additional lines for text where needed for your application. If appropriate, attach extra pages referencing each answer by the corresponding question number.
3. Submit eight complete hard copies of the application to:

State of Delaware
Department of Natural Resources & Environmental Control
Office of the Secretary
89 Kings Highway
Dover, DE 19901

In addition to the eight hard copies, submit a complete electronic "pdf" copy of the permit application on cd-rom.

4. Comply, if required, or as requested by the DNREC Secretary, with 7 Delaware Code, Chapter 79, Section 7902. If requested, but not completed, your application will not be considered administratively complete until this form is reviewed.
5. Be sure to include your permit application fee of \$3,000; otherwise the application will not be considered administratively complete. Make checks payable to the "State of Delaware."
6. Be advised that the application for a Delaware Coastal Zone Act Status Decision is a public document, which may be displayed at DNREC offices, public libraries, and the web, among others. If this application requires you to place confidential information or data in the application to make it administratively complete, note the Delaware Freedom of Information Act (29 Delaware Code, Chapter 100) and DNREC's Freedom of Information Act Regulation, Section 6 (Requests for Confidentiality), for the proper procedure in requesting confidentiality.

Note: This application template was last revised by DNREC on August 31, 2007. Please discard any previous versions.

PART 1

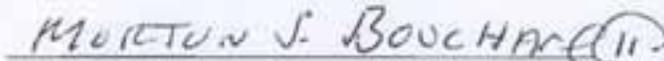
CERTIFICATION BY APPLICANT

Under the penalty of perjury pursuant to 11 Delaware Code §1221-1235, I hereby certify that all the information contained in this Delaware Coastal Zone Act Status Decision Application and in any attachments is true and complete to the best of my belief.

I hereby acknowledge that all information in this application will be public information subject to the Delaware Freedom of Information Act, except for clearly identified proprietary information agreed to by the Secretary of the Department of Natural Resources & Environmental Control.

Morton S. Bouchard, III
Bouchard Transportation Co., Inc.,
Bouchard Coastwise Management Corp., and
Bouchard Ocean Services Corp. d/b/a Bouchard Affiliates


Signature of Applicant


President and Chief Executive Office
Bouchard Affiliates

6/30/08
Date

PART 2

APPLICANT INFORMATION AND SITE IDENTIFICATION

- 2.1 Identification of the applicant:

**Bouchard Transportation Co., Inc.,
Bouchard Coastwise Management Corp., and
Bouchard Ocean Services Corp. d/b/a
Bouchard Affiliates
58 South Service Road, Suite 150
Melville, NY 11747
Telephone: 631.390.4900
Fax: 631.390.4905**

- 2.2 Primary contact: Please list the name, phone number and email of a preferred contact within your company in case the DNREC needs to contact you regarding this status decision.

**Morton S. Bouchard, III
Bouchard Affiliates
58 South Service Road, Suite 150
Melville, NY 11747
Telephone: 631.390.4900
Fax: 631.390.4905
Email: *MSBIII@bouchardtransport.com***

- 2.3 Site of proposed project (if different than above):

Project Location (anchorage): Big Stone Anchorage, Delaware Bay

- 2.4 Authorized agent (if any):

**Melvyn I. Monzack, Esq.
Michael C. Hochman, Esq.
Monzack, Mersky, McLaughlin & Browder, P.A.
1201 N. Orange Street, Suite 400
Wilmington, DE 19801
Telephone: 302.656.8162
Fax: 302.656.2769**

- 2.5 Is the applicant claiming confidentiality in any section of their application?
NO

If yes, see instructions on page 3.

PART 3

PROJECT SUMMARY

Provide a one-page summary describing the proposed project or use. Include a brief quantitative description of any anticipated environmental impacts.

Bouchard Affiliates ("Bouchard") proposes to transfer oil from large, double-hulled tankers to Bouchard's fleet of modern, flat deck double-hulled barges, which utilize vapor recovery, closed gauging, and high-level alarms. Bouchard is an oil barging company that has been family-owned for 90 years.

Bouchard intends to lighter oil in Delaware Bay, at Big Stone Anchorage, where the majority of oil lightering occurs currently. Big Stone Anchorage is a deep-water area adjacent to the main Delaware Bay/River shipping channel. Oil lightering is an activity that has been in operation in the Delaware Coastal Zone prior to June 28, 1971 and is a "nonconforming use in existence and in active use on June 28, 1971" under the Coastal Zone Act. Bouchard performed a small amount of oil lightering at the Big Stone Anchorage prior to June 28, 1971.

Upon information and belief, presently, only one company – Overseas Shipholding Group, Inc. ("OSG") is authorized to lighter oil in the Coastal Zone. OSG has no competition for service or pricing. In addition, Bouchard has received multiple inquiries from oil companies requesting Bouchard lighter oil in the Big Stone Anchorage because of its modern fleet, safety equipment, efficiency, and expertise.

Bouchard will perform this pre-existing activity in compliance with applicable federal and State of Delaware laws and regulations, including Titles 33 and 46 of the United States Code and DNREC Regulation 1124.

In addition, since 2005 Bouchard has been a member of the Delaware Bay and River Cooperative, which provides cleanup services in the unlikely event of an at-sea spill. Bouchard is also a member of the Marine Preservation Association and National Response Center.

Bouchard also intends to contract with Wilmington Tug, Inc., a Delaware-based company, to provide a tug escort through the Delaware Bay. The tug escort will enable safer passage for Bouchard's barges during transit to the refineries – a voluntary, additional safety measure undertaken solely at Bouchard's expense.

PART 4

PROJECT INFORMATION

- 4.1 Is the proposed project entirely or partly a new, or improved, or extended pier or other ship docking facility?

NO

If yes, will it be used at least in part for bulk cargo transfers by the applicant?

N/A

If no, please explain what it will handle:

- 4.2 Is this project entirely for pollution control purposes?

NO

- 4.3 Is this project a new research and development facility?

NO

- 4.4 Is this project a new or expanding (flow rate) public sewage wastewater treatment plant?

NO

- 4.5 Will the proposed project meet the following definition of "Manufacturing" as found in the Coastal Zone Act: "Manufacturing means the mechanical or chemical transformation of organic or inorganic substances into new products, characteristically using power driven machines and materials handling equipment, and including establishments engaged in assembling component parts of manufactured products, provided the new product is not a structure or other fixed improvement."

NO

If no, explain what kind of activity will be carried out at this project site:

Oil lightering

- 4.6 Will the project have the following equipment or facilities?
- | | |
|-------------------------------------|------------|
| a. Smoke stacks | NO |
| b. Tanks | YES |
| c. Distillation or reaction columns | NO |
| d. Chemical processing equipment | NO |
| e. Scrubbing towers | NO |
| f. Pickling equipment | NO |
| g. Waste treatment lagoons | NO |
| h. Smelters | NO |
| i. Incinerators | NO |

- 4.7 Will the project use 20 acres or more?
NO

How many acres will it use? N/A

- 4.8 Does this facility appear in Appendix B of the Coastal Zone Act Regulations (the list of the nonconforming uses)?
NO

If no, proceed to question 4.11

- 4.9 Will the proposed activity described in this application occur entirely within the lines delineating the area of nonconformity for this site, as seen in the Appendices of the Regulations?

N/A

- 4.10 Will the proposed activity or use straddle this line?

N/A

If yes, describe what equipment, facilities, or machinery will be within the delineated area of nonconformity AND what will be outside of this area of nonconformity:

- 4.11 Is the proposed project or use part of a manufacturing use that was in operation prior to and on June 28, 1971?

YES

- 4.12 Has this facility ever been granted a Coastal Zone Act Permit?

Upon information and belief, Overseas Shipholding Group, Inc. ("OSG") operates oil lightering within the Coastal Zone. OSG maintains its headquarters in Tampa, Florida.

If yes, please provide the following information:

Applicant Name	Permit Number	Date Issued

- 4.13 Does the new or expanded use involve any change in existing:
- a. processes? **NO**
 - b. facilities? **NO**
 - c. buildings? **NO**
 - d. emissions discharge? **NO**

If yes, please explain each in detail. Use the following tables to help describe any new or changed air or water emissions:

Petroleum vapors are displaced during lightering. Bouchard intends to utilize state-of-the-art vapor recovery systems, including vapor balancing, to minimize the displaced petroleum vapor, as well as high-level alarms and closed gauging on its modern and well-equipped barges. The high level alarms are incorporated to prevent tank top overflows. Bouchard contemplates no negative change to existing air or water emissions as its fleet of barges employs additional safety mechanisms to minimize emissions.

Bouchard is an East Coast-based company (headquartered in New York) with a fleet of vessels that transports more than 75% of clean and residual fuel products to-and-from Philadelphia and New York harbors. All of Bouchard's vessels are state-of-the-art double-hulled vessels with oil spill contingency plans registered with, and approved by, the United States Coast Guard and all coastal states within which Bouchard operates.

Bouchard also intends to contract voluntarily with Wilmington Tug, Inc., a Delaware-based company, to provide a tug escort through the Delaware Bay. The tug escort will enable safer passage for Bouchard's barges during transit to the refineries – a voluntary, additional safety measure undertaken solely at Bouchard's expense.

Air Emissions

Pollutant	Existing Emissions		Net Increase/Decrease		New Total Emissions		Percent Change (compare tons/year)
	Lbs/day	Tons/year	Lbs/day	Tons/year	Lbs/day	Tons/year	
VOCs	0	0	0	0	0	0	N/A

Water emissions

Pollutant	Current Discharge Concentration (ppm)	New or Changed Discharge Concentration (ppm)	Current Discharge		Net Increase/Decrease		New Total Emissions	
			Lbs/day	Tons/year	Lbs/day	Tons/year	Lbs/day	Tons/year
N/A								

No water emissions are expected; however, contingency plans for accidental releases will be addressed during Vessel Response Plan preparation and coordination with the Delaware Department of Natural Resources and Environmental Control (DNREC) and United States Coast Guard (USCG).

4.14 Will this project directly or indirectly increase plant production over present capacity?

Bouchard's proposed oil lightering, utilizing state-of-the-art double-hulled barges with modern vapor recovery systems, high level alarms, and closed gauging, does not include the operation of a "plant." Bouchard intends to lighter oil, based on existing demand with no anticipated increase in volume.

Bouchard anticipates that the project will allow existing refineries in and around Delaware to be more competitive with foreign-supplied products, which will assist in the preservation of refinery jobs. Bouchard's state-of-the-art fleet will allow the lightering process to occur more safely and efficiently. Further, Bouchard's proposed project will increase competition, resulting in an anticipated decrease in product production costs – and a projected, corresponding decrease in costs to consumers. The crude oil will be refined to make gasoline, heating oil, jet fuel, kerosene, and residual fuel oil.

If yes, explain in what way and by how much:

- 4.15 Will this project result in the production of any new products, either directly or indirectly, at this facility?

NO

If yes, list each new product:

- 4.16 List materials and/or ingredients to be utilized by this proposed project and how they will be transported to the site.

Crude oil transported by double-hulled tanker vessels will be transferred to Bouchard's barges, which then deliver product to existing refineries.

PART 5

PROJECT SITE AND ZONING

- 5.1 In a separate attachment, provide a map of appropriate scale to clearly show the site. Mark important natural features and project buildings and processing equipment of the proposed project such as roads, wetlands, railway sidings, drainage ways, tanks, sewer systems, water mains, wells, etc.

Please see attached map.

- 5.2 What is the current SIC code for the proposed use?

SIC code number 4499 – Water Transportation Services, Not Elsewhere Classified

- 5.3 What is the current zoning and planned land use of the proposed project site?

The project only pertains to off-shore, marine activities with no known zoning.

- 5.4 Will the proposed project require a zoning change?

NO

If yes:

A. To what classification will it be changed?

B. What zoning authority is responsible for reviewing and approving the change?

- 5.5 Will this project require new supporting facilities?

NO. Oil lightering is an existing activity within the Coastal Zone, i.e., at the Big Stone Anchorage.

If yes, describe each facility, and how it will be used:

PART 6

PROJECT DESCRIPTION AND PROJECT IMPACTS

- 6.1 On a separate attachment labeled "**Project Description**," provide a concise but complete description of the proposed project or use. Be sure to answer the following questions:
- How does the project relate to any existing manufacturing operations and facilities (if this is not for an entirely new manufacturing plant)?
 - What effects will there be, if any, on land use acreage, manufacturing production capacity, modification of current product line(s), and safety risks to the public and to company employees?
 - Is this project or use a complete, single project, or is it part of a long-term, large-scale project that has other components to it that may need approval under the Coastal Zone Act at a later date?
 - If it is part of a larger project, describe the entire project in detail and mention ALL major machinery, facilities, land, products, and processes involved.

PLEASE SEE ATTACHED RESPONSE.

- 6.2 On a separate attachment labeled "**Environmental Impacts**," provide a detailed and accurate impact analysis that describes the proposed project's impacts on:
- air quality
 - local surface and ground water quality
 - surface and groundwater withdrawals
 - habitat loss
 - solid and hazardous waste generation
 - noise
 - odors
 - local aesthetic quality
 - any other notable factors not listed above
 - Provide a detailed statement describing the proposed project's potential to pollute should equipment malfunction or human error occur, including a description of backup controls, backup power, and safety provisions.

PLEASE SEE ATTACHED RESPONSE.

- 6.3 On a separate attachment labeled "**Other Project Impacts**," provide a detailed and accurate analysis on how the proposed project will impact each of the following (include both positive and negative impacts):
- a. the economy (corporate, state, county)
 - b. county and municipal comprehensive plans/ zoning
 - c. effect upon neighboring land uses
 - d. the impacts, if any, that *supporting facilities* will have on: the environment; economics of the area; zoning; neighboring land uses; and aesthetic quality.

PLEASE SEE ATTACHED RESPONSE.

Project Description
(Please Refer to Question 6.1)

Overview

Bouchard proposes to transfer oil from large, double-hulled tankers to modern, flat deck double-hulled barges, which utilize vapor recovery, closed gauging, and high-level alarms. Bouchard is an oil barging company that has been family-owned for 90 years. Bouchard has transported refined petroleum products in-and-out of the refineries within the Delaware Bay and Philadelphia harbor on a contractual basis for more than forty (40) years.

Bouchard intends to lighter oil in the Delaware Bay, at Big Stone Anchorage, where the majority of oil lightering occurs currently. Big Stone Anchorage is a deep-water area adjacent to the main Delaware Bay/River shipping channel. Oil lightering is an activity that has been in operation in the Delaware Coastal Zone prior to June 28, 1971 and is a "nonconforming use in existence and in active use on June 28, 1971" under the Coastal Zone Act. Bouchard performed a small amount of oil lightering at the Big Stone Anchorage prior to June 28, 1971. In support of this Application, the Affidavit of Morton S. Bouchard, III is attached.

Upon information and belief, presently, only one company – Overseas Shipholding Group, Inc. ("OSG") – is authorized to lighter oil in the Coastal Zone. OSG has no competition for service or pricing. In addition, Bouchard has received multiple inquiries from oil companies requesting Bouchard lighter oil in the Big Stone Anchorage because of its modern fleet, safety equipment, efficiency, and expertise.

Bouchard will perform this pre-existing activity in compliance with applicable federal and State of Delaware laws and regulations, including Titles 33 and 46 of the United States Code and DNREC Regulation 1124.

Bouchard also intends to contract voluntarily with Wilmington Tug, Inc., a Delaware-based company, to provide a tug escort through the Delaware Bay. The tug escort will enable safer passage for Bouchard's barges during transit to the refineries.

In addition, since 2005 Bouchard has been a member of the Delaware Bay and River Cooperative, which provides cleanup services in the unlikely event of an at-sea spill. Bouchard is also a member of the Marine Preservation Association and National Response Center.

Lightering is essential to Delaware and local refinery operations because the Delaware River and Bay shipping channel is not sufficiently deep to allow oceangoing tanker vessels to reach the refineries.



Photo at LEFT Overseas Shipholding Group, Inc. (OSG) recently lightering oil at the Big Stone Anchorage.

Bouchard will perform this pre-existing activity in compliance with applicable federal and State of Delaware laws and regulations, including Titles 33 and 46 of the United States Code and DNREC Regulation 1124.

The proposed lightering is a continuation of existing oil lightering operations, which have

been in existence prior to June 28, 1971, the effective date of the Coastal Zone Act. There are no anticipated onshore impacts to land use acreages. The proposed lightering will occur at the Big Stone Anchorage.

The proposed project is potentially a long-term operation, which will allow more efficient operations at local refineries, as well as safer and more efficient transportation from water vessels to the onshore facilities. The project will preserve, and possibly expand, jobs related to the refining process.

As noted, the large tankers are unable to navigate the Delaware Bay because of their loaded draft. Bouchard's modern, safety-equipped, double-hulled barges will allow the safe transport of product to shore via the lightering process.

The process of lightering will follow the existing procedures overseen by the United States Coast Guard station in Lewes, Delaware. As part of the oil lightering process, barges from Bouchard's modern, double-hulled fleet will come alongside an anchored tanker in a safe anchorage. Once the tanker vessel anchors in Big Stone Anchorage, large cushioned "fenders" are placed to prevent lightering barges from contacting the vessel. After approaching the double-hulled tanker, the Bouchard vessel will transfer a United States Coast Guard-certified cargo hose and connect it to the tanker's manifold. A United States Coast Guard-certified facility tests the cargo hose on an annual basis. Bouchard's barges, unlike certain competitors, are fully-manned with United States Coast Guard-certified tankermen. These Bouchard crew members live on the barge, which contain complete living facilities. They are extremely knowledgeable about the Delaware waterways, and the East Coast waterways generally.

Once the cargo hose is safely secured to the double-hulled tanker's manifold, the ship's ranking officer and the Bouchard barge captain will meet for a regulated,

pre-transfer conference. At the pre-transfer conference, the tanker's ranking officer and the Bouchard barge's captain will review what product will be transferred, its loading rate, the names of all parties on deck during the transfer, what radio channel will be utilized and monitored, identification of the spill equipment on each vessel, shutdown procedures in the unlikely event of an accident, as well as any other information necessary to ensure safe operations. The tanker then transfers its cargo manifold-to-manifold via the cargo hose.

After completion of the pre-transfer conference, the physical lightering process begins. The lightering process is conducted consistent with the requirements of "Oil Transfer Procedures" identified in Title 33 of the United States Code of Federal Regulations, implementing parts of the Oil Pollution Act of 1990, which is largely enforced by the United States Coast Guard. A barge is then moved alongside the tanker with the assistance of a hired tugboat, which is then moored to the tanker. The tugboat remains in contact with the barge during this operation.



Vapor balancing hoses are used to return air containing volatile organic compounds ("VOCs") to the tanker holds/tanks. As oil enters the tank, the vapors inside the tank must be expelled. Bouchard intends to utilize vapor control systems, including vapor balancing, to contain the displaced petroleum vapor, as well as closed gauging.

Oil is pumped off the tanker by way of connections made at the cargo manifold. Loading starts slowly at a low pressure to ensure that equipment is working correctly and that connections are secure. Pressure is gradually increased until the tanks are nearly full.

Tank-gauging equipment is used to tell the person in charge how much space is left in the tank, and all tankers have at least two independent methods for tank-gauging. As the tanker becomes full, crew members open and close valves to direct the flow of product and maintain close communication with the pumping facility to decrease

and finally stop the flow of liquid. Bouchard also employs tank top high level alarms to help minimize the risk of overfilling.



In the unlikely event of a leak or spill, Bouchard will implement its vessel response plan and engage the coverage spill response.

Currently, the spill cleanup response facilities nearest to Big Stone Anchorage are located in Lewes, Delaware, and consist primarily of the ship *DELRIVER*, normally moored at the University of Delaware research

station at the north end of the Lewes-Rehoboth Bay canal north of the town of Lewes Delaware.

The Delaware Bay and River Cooperative owns and operates this vessel, and companies with commerce in the Delaware Bay pay a membership fee to maintain the operating status of these response facilities. As noted, Bouchard already is a member of the the Delaware Bay and River Cooperative. Other spill response craft are located along the northern Delaware River Coast, and in New Jersey or the Chesapeake Bay. The spill control facilities on a spill response craft typically include a substantial length of oil control boom, and a conveyor-based floating oil recovery system.

Environmental Impacts
(Please Refer to Question 6.2)

The proposed oil lightering is not anticipated to cause significant impact to local air, land, or water. The lightering process produces VOCs which, as noted above, Bouchard intends to minimize with the utilization of vapor control systems and closed gauging. The project contemplates no additional lightering of product than the current volume.

Accordingly, local surface and groundwater withdrawals will not be impacted, and water qualities will remain nearly the same. Bouchard anticipates no solid or hazardous waste materials will be generated as a result of the proposed oil lightering, which is an existing activity at the Big Stone Anchorage.

As the proposed lightering takes place offshore, negative impacts to the surrounding communities will be minimal. Potential increases in noise or odors should not be noticeable to onshore communities, and the aesthetic quality of the landscape should not be altered.

As described in detail in Section 6.1 above, in the event of an accidental discharge, Bouchard will implement its safety spill plan, pursuant to federal and State of Delaware laws and regulations.

More specifically with respect to the Delaware Coastal Management Program policy directives, the proposed oil lightering within the Delaware Bay has no projected impacts to any onshore wetlands. The applicant is not requesting to utilize any onshore wetlands, and no dredging is involved. The lightering will take place far enough offshore to permit containment in the unlikely event of a spill, so as not to allow any cargo to reach onshore wetlands. Access to public beaches will not be affected by the proposed project. The activity takes place well offshore, and no beach access is needed in order to conduct the proposed activity. Additionally, no buildings or other facilities are proposed to be constructed seaward of the building line on any beach.

The proposed project within the Delaware Bay will have a minimal impact on coastal waters management, as this activity is already occurring in the area. Water quality is expected to be only minimally impacted, and contingency plans would be in place in the unlikely event of a spill or leak. No sediment or refuse will be discharged into the water as part of the lightering process. The natural environment of the coastal strip is not anticipated to be impacted, and no recreational activities such as fishing or other tourism activities will be affected.

The proposed project will have a positive economic effect for Delaware residents as Bouchard anticipates that the project will allow existing refineries in and around Delaware to be more competitive with foreign-supplied products, which will assist in

the preservation of refinery jobs. Bouchard's state-of-the-art fleet will allow the lightering process to occur more safely and efficiently. Further, Bouchard's proposed project will increase competition, resulting in an anticipated decrease in product production costs – and a projected, corresponding decrease in cost to consumers. The crude oil will be refined to make gasoline, heating oil, jet fuel, kerosene, and residual fuel oil. In addition, Bouchard intends to contract voluntarily with Wilmington Tug, Inc., a Delaware-based company, to provide a tug escort through the Delaware Bay. The tug escort will enable safer passage for Bouchard's barges during transit to the refineries, and also preserve and possibly create jobs in the related marine industry, e.g., increased utilization of tug boats, their captains and crews and support personnel; pilot boats and their captains and crews; increased budget for the Delaware River and Bay Cooperative; etc.

No subaqueous lands are anticipated to be impacted. New development within "public lands" will not be occurring. The proposed project will have no impact on designated "natural areas," as Bouchard will be utilizing existing systems and facilities, which do not fall within State designated natural areas boundaries. The Inland Bays' Watershed will not be significantly affected by the proposed project. As noted in other sections of this application, the proposed activity already occurs within the Bay; and in the unlikely event of an accidental leak or spill, contingency plans would be in place to minimize potential harm. No work will be performed within existing floodplain areas along the Delaware Bay, and no impacts to these areas are anticipated. No forest impacts are anticipated to occur as a result of the proposed project.

Additionally, no agricultural lands will be impacted. No historic or cultural areas as currently mapped by the State of Delaware will be impacted. The proposed project will have no effect on the current shellfish industry or shellfish resources throughout the State. No rare or endangered land dwelling species are anticipated to be affected by the proposed project, as the activities take place in open, deep water. In addition, no aquatic species should be harmed. In the unlikely event of a spill or leak, Bouchard will implement a pre-determined contingency plan to preserve and to protect wildlife. No extraction or production of minerals is proposed in conjunction with this application. The proposed project will have no impact on public open spaces, and will not affect the need for larger open spaces in the future, as the proposed project will occur offshore within open, deep waters. No fishing or other recreational activities are proposed in conjunction with this application, and as such, no issues will arise that may affect the Public Trust Doctrine.

Other Project Impacts
(Please Refer to Question 6.3)

Provide a detailed and accurate analysis on how the proposed project will impact each of the following (include both positive and negative impacts):

- a. *The economy (corporate, state, county)* – Significant economic improvements will result from the projected project. The proposed project will have a positive economic effect for Delaware residents as Bouchard anticipates that the project will allow existing refineries in and around Delaware to be more competitive with foreign-supplied products, which will assist in the preservation of refinery jobs. Bouchard's state-of-the-art fleet will allow the lightering process to occur more safely and efficiently. Further, Bouchard's proposed project will increase competition, resulting in an anticipated decrease in product production costs – and a projected, corresponding decrease in the cost to consumers. The crude oil will be refined to make gasoline, heating oil, jet fuel, kerosene, and residual fuel oil. In addition, Bouchard intends to contract voluntarily with Wilmington Tug, Inc., a Delaware-based company, to provide a tug escort through the Delaware Bay. The tug escort will enable safer passage for Bouchard's barges during transit to the refineries, and also preserve and possibly create jobs in the related marine industry, e.g., increased utilization of tug boats, their captains and crews and support personnel; pilot boats and their captains and crews; increased budget for the Delaware River and Bay Cooperative; etc. There are no perceived negative impacts to the economy (corporate, state, county).
- b. *County and municipal comprehensive plans/zoning* – Oil lightering is an existing activity in the Coastal Zone. The proposed lightering will not affect county and municipal comprehensive plans/zoning as the activity takes place in deep, open water at the Big Stone Anchorage.
- c. *Effect upon neighboring land uses* – Oil lightering is an existing activity in the Coastal Zone. The proposed lightering will not affect neighboring land uses as the activity takes place in deep, open water at the Big Stone Anchorage.
- d. *The impacts, if any, that supporting facilities will have on: the environment, economics of the area, zoning, neighboring land uses, and aesthetic quality* – Oil lightering is an existing activity in the Coastal Zone. The proposed lightering is limited to the offshore transfer of cargo from double-hulled tankers to smaller vessels at sea. The facilities receiving the cargo may increase production as a result, but the oil lightering is limited in scope.

If cargo intended for the refineries is not lightered at sea – an efficient, safe and cost-effective transfer method – there will be additional strain on Delaware’s highways and roadways because of increased tanker truck traffic transporting crude oil to local refineries for processing. The corresponding increase in road traffic may have a negative impact on the condition of roads and highways, as well as the health, safety, and welfare of Delawareans traveling on the State’s highway and road system.

END OF APPLICATION

ATTACHMENTS TO FOLLOW

EXHIBIT TO QUESTION 5.1



Legend

- Emergent Wetlands - Tidal and Non-tidal
- Deciduous Forest
- Evergreen Forest
- Mixed Forest
- Forested Wetlands - Tidal and Non-tidal
- Scrub/Shrub Wetlands - Tidal and Non-tidal
- Recreational



**AFFIDAVIT OF
MORTON S. BOUCHARD, III**

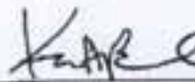
AFFIDAVIT OF MORTON S. BOUCHARD, III

I, Morton S. Bouchard, III, being duly sworn, state the following:

1. I am the President and Chief Executive Officer of Bouchard Affiliates.
2. Bouchard Affiliates is an oil barging company that has been family-owned for 90 years.
3. Bouchard Affiliates consists of Bouchard Transportation Co., Inc., Bouchard Coastwise Management Corp., and Bouchard Ocean Services Corp. d/b/a Bouchard Affiliates.
4. As part of my responsibilities, I am required to be extremely knowledgeable about Bouchard Affiliates' customers and the history of our company's transportation of their products.
5. Prior to June 28, 1971, Bouchard Affiliates lightered oil at the Big Stone Anchorage in Delaware for customers including Gulf and BP.
6. I am aware of this oil lightering from my role as President and Chief Executive Officer of Bouchard Affiliates, as well as from my father, Morton S. Bouchard, Jr., the former head of the company.


Morton S. Bouchard, III

SWORN TO AND SUBSCRIBED before me this 1st day of July, 2009.


Notary Public

My Commission Expires: 10-20-2012

KARYN A. FALTINGS
NOTARY PUBLIC, STATE of New York
No. 0198785-02
Qualified in Nassau County
Commission Expires 10-20-2012

