CLARIFICATION SHEET FOR THE

ENVIRONMENTAL ASSESSMENT FOR RENEWED FUELING OPERATIONS AT DEFENSE FUEL SUPPORT POINT, SAN PEDRO, CALIFORNIA (IN SUPPORT OF A COMMERCIAL LEASE OF THE MARINE TERMINAL ONLY, WITH NO NAVY FUELING REQUIREMENT)

Removal of Navy Fueling Requirement and Updated Project Status for Defense Fuel Support Point San Pedro Marine Terminal

The Navy is proposing a commercial outlease at the Marine Terminal only, with no requirement for Navy fueling, and issuing a Finding of No Significant Impact (FONSI) for such a Marine Terminal-only lease.

Under the original concept for the Navy's Proposed Action at Defense Fuel Support Point (DFSP) San Pedro, the Navy would lease all or some of its facilities at the DFSP San Pedro Main Terminal and Marine Terminal (along with assigning the Navy's interests in fuel pipelines in the area) to a private entity for commercial reuse and development, while requiring the private lessee to make allowance for the periodic and contingency fueling of Navy ships using these same facilities. The analysis in this Environmental Assessment (EA) is based on and analyzes the anticipated environmental impacts associated with that original concept, including impacts associated with the fueling of Navy ships along with the utilization of pipelines and other existing fuel-related infrastructure. This is the analysis that was published in the Draft EA for public review and comment.

However, the Navy's expectations for the proposed commercial outlease of DFSP San Pedro have evolved considerably since the Draft EA was published in April-June 2019. While the project initially envisioned that the proposed commercial outleases would need to allow for fueling of Navy ships, the Navy subsequently determined that fueling at the Marine Terminal is not a priority at this time. In a letter dated January 14, 2021, the Commander of the U.S. Pacific Fleet canceled the Navy fueling requirement at DFSP San Pedro. As a result of this cancelation, allowance for Navy fueling will *not* be a requirement in any outleases of DFSP San Pedro facilities at this time and into the foreseeable future, whether at the Main Terminal or Marine Terminal.

Further, as the Navy does not need to receive fuel at the Marine Terminal, and expressions of interest from potential lessees have not indicated a need for use of the pipelines as analyzed in the Draft EA, the Navy has coordinated with the Office of the State Fire Marshall in order to have four of the existing off-site fuel pipelines (Norwalk Line, G-Line, and the two Long Beach Pipelines, as referenced in the Draft EA) reclassified as abandoned in place, as of February 25, 2021. The now-abandoned Long Beach Pipelines previously carried fuel between the Main and Marine terminals. Neither of these pipelines will be included in any commercial outlease of DFSP San Pedro facilities.

The cancelation of the Navy fueling requirement at DFSP San Pedro may allow for a wider range of use scenarios for a potential lease at the Main Terminal. The Navy is actively exploring such no-Navy-fueling scenarios and will be conducting further/supplemental environmental impacts analysis as needed in advance of a decision with respect to any such potential lease, but it is not proposing a commercial outlease at the Main Terminal at this time.

However, while the Navy's cancelation of its fueling requirement at DFSP San Pedro reduces the scale of the environmental impacts associated with commercial operations at the Marine Terminal as analyzed in the EA, it does not change the nature of these impacts. Accordingly, the Navy is currently proposing a commercial outlease at the Marine Terminal only—as noted above, with no requirement for Navy fueling—and issuing a FONSI for such lease as a subset of the impacts analyzed in the EA.