

THOMPSON COBURN

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April 10, 2006

Ryan K. Manger
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BY HAND DELIVERY

Office of the Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573

Re: Lake Charles Harbor and Terminal District v. West Cameron Port, Harbor and Terminal District; FMC Docket 06-02

Dear Secretary VanBrakle:

Enclosed for filing in the referenced docket, please find an original and 15 copies of the Supplemental Brief of Lake Charles Harbor and Terminal District in Opposition to Motion to Dismiss. Please stamp and return the extra copies in the envelope attached hereto for return to us by our messenger.

Thank you for your attention to this matter. Please let me know if you have any questions.

Very truly yours,

Thompson Coburn LLP



Ryan K. Manger

Enclosures

cc: Randall K. Theunissen, Esquire (by email)
Hon. Kenneth A. Krantz (by email)

services to vessels. The Commission indisputably has jurisdiction over West Cameron in this matter. The *Plaquemines* case, 838 F.2d 536 (D.C. Cir. 1988), makes it clear that West Cameron, as a public port agency with the authority to exercise control over the Calcasieu Ship Channel, is a “marine terminal operator” as that term is defined in Section 3 of the Shipping Act of 1984. West Cameron has the ability to exclude common carrier vessels from reaching marine terminals in Lake Charles and to impose fees upon those vessels. Its threat to assess wharfage fees—regardless of the term West Cameron employs for its fee in its attempt to avoid the Commission’s jurisdiction—without providing services to those vessels is a violation of the Shipping Act. West Cameron is holding Lake Charles and its customers hostage for payment of money without a proper basis for the fee it is charging to vessels.

As a secondary basis for Commission jurisdiction, although a second basis for jurisdiction is not necessary, we are confident that discovery of the facts will demonstrate that LNG ships calling at Cheniere are common carriers under the Commission doctrine established in the lower Mississippi Exclusive Tug Franchises case – FMC Docket 01-06. This approach to jurisdiction depends on the facts yet to be established in this case and, as argued in the Reply, it is premature to dismiss this action. As the presiding Judge noted in his April 6 Order, “[i]t is too early in the proceeding for an administrative law judge to make any assessment of the merits of either side’s assertions.” Ruling on Motion for Partial Summary Judgment and Referral for Mediation, at 2. It follows, therefore, that the West Cameron Motion to Dismiss should be denied.¹

¹ As Lake Charles noted in its Motion to Compel Production of Documents and Answers to Interrogatories filed March 6, 2006, West Cameron sought to deprive Lake Charles of the undersigned counsel in this proceeding. See Motion to Compel at Ex. A. Since that filing, the Louisiana Attorney

I. Necessity for oral argument before the presiding Judge on the motion to dismiss.

Lake Charles respectfully renews its request for oral argument before the presiding Judge on the West Cameron Motion to Dismiss. Oral argument will benefit the presiding Judge by allowing counsel to explain first-hand how the actions of West Cameron violate the Shipping Act of 1984, and further why the *Plaquemines* doctrine controls in this case. Moreover, the parties will have the opportunity to address issues regarding early resolution of this matter, if the presiding Judge grants oral argument. In his April 6 Order, the presiding Judge requested the parties to seek mediation or other alternative dispute resolution. The parties have twice tried to resolve the issues between them without any success. While we do not believe ADR would be fruitful at this time, oral argument before the presiding Judge will permit the parties to explain their settlement efforts, as well as to discuss the arguments presented in the motion to dismiss and our opposition to the motion.

II. Dismissal is not warranted in view of documents produced by West Cameron in discovery.

Under order of the presiding Judge, on March 29, 2006, West Cameron produced 1,011 pages of documents and submitted answers to the Interrogatories and Requests for Production served by Lake Charles with the original complaint. While certain documents produced by West Cameron indicate that it is subject to the jurisdiction of the Commission, the record remains incomplete. The discovery process should continue.

General has rejected this West Cameron tactic. *See* Letter from Charles C. Foti, Jr., Louisiana Attorney General, to Mr. Randall K. Theunnisen, dated March 30, 2006. A copy is attached hereto as Exhibit A.

A. Assessment of wharfage fees by West Cameron.

West Cameron sought to impose wharfage charges “in association with the operation of any LNG Project located within the District” and confirmed this decision in a resolution adopted and approved on February 22, 2005 (“2005 Wharfage Resolution”). *See* W CAM PORT 0267-268, attached hereto as Exhibit B. That resolution refers to a previously passed resolution that West Cameron dubbed the “Initial Wharfage Resolution,” which was passed when West Cameron initially imposed the \$1,000 per vessel wharfage fee upon Cheniere LNG, Inc.² The desire of West Cameron to assess wharfage fees was confirmed in handwritten notes prepared contemporaneously with the 2005 Wharfage Resolution. *See* W CAM PORT 0259, 0107-109 attached hereto as Exhibit C. In fact, a note dated March 29, 2005 provides that “wharfage” is “not a violation that they cannot impose chg when do nothing” and further that “\$1000/vessel – covers everything.” *Id.* at 0259.

In the face of this litigation, however, West Cameron has employed a new tactic to attempt to evade the Commission’s authority by rewriting history and adopting a resolution to strike references to wharfage in its earlier resolutions—despite stating its intention to charge wharfage in contemporaneous documents. *See* W CAM PORT 0001005-1009, attached hereto as Exhibit D. This resolution was actually passed at the West Cameron board meeting on March 28, 2006—the event used as an excuse to delay the West Cameron obligation to produce documents and information in accord with the discovery requests of Lake Charles. This *ex post*

² West Cameron states in its Motion to Dismiss “LC Port emphasizes ‘wharfage’ by placing it in quotes as though it is a creature of West Cameron’s creation. However, the term ‘wharfage fees’ is a term of the lease between LC Port and Cameron LNG. . . . Note again that ‘wharfage fees’ is a concept initiated in LC Port’s own lease.” *See* Motion to Dismiss at 6-7. The suggestion that West Cameron is not familiar with the term wharfage is belied by the documents produced thus far by West Cameron.

facto attempt to eliminate all references to wharfage in the West Cameron records does not change the purpose behind the fees, and is merely a clumsy attempt to revise history. It does not change the fact that West Cameron seeks to impose a \$1,000 per vessel fee upon any LNG Project located within West Cameron—without providing services to those vessels being charged. While you can place long floppy ears on the head of a duck and call it a “rabbit”, the creature quacks and remains a duck. West Cameron cannot hide its unlawful assessment of wharfage fees by calling it a rental payment, economic consideration, or whatever other opaque term it may devise next. The wharfage charge violates the Shipping Act of 1984 and must be addressed on the merits in this proceeding.

B. Informal letter from the FMC Bureau of Trade Analysis.

On February 15, 2006, the Bureau of Trade Analysis sent an informal opinion letter to Lake Charles relating to the filing of the port’s agreement with Cameron LNG, LLC. A copy of the letter, which was obtained by and produced by West Cameron in discovery, is attached hereto as Exhibit E. The author – a Commission staff member – simply notes that Cameron LNG does not appear to be a marine terminal operator. The informal letter, however, is not a ruling by the Commission, nor is it binding statement on jurisdiction over Cameron LNG, and it certainly does not reverse the decision by the Commission in *Plaquemines, supra*. It is simply a staff level decision made without the benefit of a full investigation into the facts and the procedural safeguards of the hearing process. As the letter expressly states, it is merely an informal opinion and is “not legally binding on the Commission if it should have the occasion to determine otherwise in the future.” *See* Ex. E at 2.

Moreover, such informal staff opinion letters are not given deferential treatment in the federal courts. *See Christensen v. Harris County*, 529 U.S. 576 (U.S. 2000) (finding informal

opinion letter of Department of Labor that was not arrived at after a formal adjudication or notice and comment rulemaking lacked the force of law); *New York Stock Exchange, Inc. v. Bloom*, 562 F.2d 736 (D.C. Cir. 1977) (concluding informal opinion letters of Federal Aviation Administration were unripe for review). We anticipate that West Cameron will attempt to use the informal staff letter to buttress its argument that the FMC does not have jurisdiction in this case. In anticipation of that argument, we submit that the presiding Judge should reject any argument that the informal letter serves as a basis for West Cameron to evade the jurisdiction of the Commission. Further the letter involves Lake Charles, not West Cameron, whose behavior is under investigation in this case. The letter lacks any probative value, and the presiding Judge should reject it for that reason. As noted above, Lake Charles submits that discovery will uncover the facts demonstrating that LNG ships calling at Cheniere are common carriers as defined in current Commission jurisprudence

C. Need for discovery remains in order to resolve jurisdictional issues raised in the Motion to Dismiss.

As stated above, and in our Reply, it is premature for the presiding Judge to assess the merits of either side's assertions. The answers by West Cameron to the discovery requests confirm its earlier statements that it does not provide wharfage, dock or warehouse facilities. Yet, without depositions and follow-up discovery, the picture remains incomplete.

Lake Charles will seek further information relevant to the claims set forth in its Amended Complaint through depositions. West Cameron represents in its response to discovery that responsive documents have been destroyed by the hurricane that devastated much of Southwest Louisiana. As mentioned below, Lake Charles understands and appreciates the damage caused by hurricane Rita at the end of last year. With this loss of evidence, it is vital for Lake Charles to conduct depositions of the individuals who have information relevant to the claims made in the

Amended Complaint.³ This includes West Cameron board members and those individuals involved in the agreements reached with Cheniere.

Additionally, Lake Charles will seek evidence regarding the activities of West Cameron that subject it to the jurisdiction of the Commission. For instance, the Cameron Parish website, which is maintained by the Cameron Parish Administrator Tina Horn, indicates that West Cameron, one of two major ports under the jurisdiction of the Cameron Police Jury, maintains contact with the U.S. Corps of Engineers on matters of dredging and dock facilities. *See* printout of Cameron Parish website last visited on April 10, 2006, a copy of which is attached hereto as Exhibit F. Vital evidence has not yet been discovered, and thus, dismissal of this case would be premature.

III. Hurricane damage throughout Southwest Louisiana.

Finally, Lake Charles notes that West Cameron, in its discovery response, makes a point of the damage caused by hurricane Rita last fall. The devastation inflicted on Southwest Louisiana by hurricane Rita did not miss Lake Charles. Over half of the Calcasieu Parish housing stock was damaged or destroyed, including the destruction of 24% of housing units (19,338 homes), and half of all trees in the parish were destroyed. The economic impact of hurricane Rita caused an estimated \$227 million in damages to industrial and public facilities in Calcasieu. Unemployment in Calcasieu Parish more than tripled from 5.3% in 2004, to 16.2% in November, 2005.

³ Lake Charles contacted counsel for West Cameron in an effort to coordinate the scheduling of depositions. At the time of this filing, counsel for West Cameron indicated it must wait to confer with the West Cameron Board before responding.

Recognizing the wide-spread damage and the devastating personal impact on area residents, Lake Charles came to the aid of evacuees from the hurricane, including many residents of Cameron Parish, by establishing a FEMA trailer park on its grounds. In January 2006, Calcasieu Parish housed 10,000 evacuees including many from West Cameron. To illustrate the magnitude of the Lake Charles efforts to assist its neighbors, a picture of the trailer park is attached hereto as Exhibit G. Lake Charles offers this information in anticipation of claims of hardship that we expect West Cameron to advance in this proceeding. We want the presiding Judge to be aware that Rita struck indifferently at both parties to this litigation. The actions taken by West Cameron to impose unlawful wharfage fees and to initiate a state court law suit against Lake Charles are poor thanks for the aid given to West Cameron by Lake Charles.

Conclusion

For the reasons stated above, and in its Reply in Opposition to Motion to Dismiss, Lake Charles respectfully requests the presiding Judge to deny West Cameron's Motion to Dismiss.

Respectfully submitted,



Michael K. Dees
General Counsel
Lake Charles Harbor and Terminal District
P. O. Box 3753
Lake Charles, Louisiana 70602
Tel: (337) 493-3504
Fax: (337) 493-3502



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Timothy F. Noelker
THOMPSON COBURN LLP
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St. Louis, Missouri 63101
Tel: (314) 552-6000
Fax: (314) 552-7000

*Attorneys for Complainant Lake Charles Harbor
and Terminal District*

Dated: April 10, 2006



CHARLES C. FOTI, JR.
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
P.O. BOX 94005
BATON ROUGE
70804-9005

March 30, 2006

Mr. Randall K. Theunissen
Attorney at Law
The Allen & Gooch Firm
P.O. Box 3768
Lafayette, LA 70502-3768

Re: Request for Attorney General Opinion Regarding Engagement
of Special Counsel

Dear Mr. Theunissen:

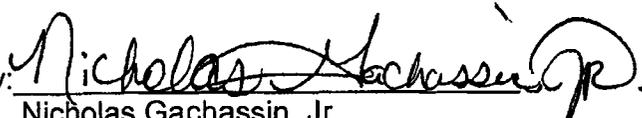
This is in response to your letter of March 16, 2006, regarding the request of your client, the West Cameron Port, Harbor & Terminal District, for an Attorney General's opinion regarding the employment of special counsel by the Lake Charles Harbor and Terminal District in a proceeding before the Federal Maritime Commission.

Since the conflicts between the two port commissions are currently in litigation, in both the federal administrative action and in state court Docket No. 10-17271 of the 38th Judicial District Court, it is the position of this office that rendition of an opinion regarding the validity of either the Lake Charles contract with Thompson Coburn LLP or the West Cameron contract with Allen & Gooch, would be inappropriate at this time.

The validity of either or both of these legal-services contracts, and the necessity of obtaining approval of the Attorney General for such contracts, can best be determined by the court in the existing suit before the 38th Judicial District Court, by the filing of supplemental pleadings by either or both parties.

Very truly yours,

CHARLES C. FOTI, JR.
ATTORNEY GENERAL

By: 
Nicholas Gachassin, Jr.
First Assistant Attorney General

cc: Michael Dees ✓



"EXHIBIT B"

RESOLUTION

STATE OF LOUISIANA
PARISH OF CAMERON

On February 22, 2005, at a properly noticed regular meeting of the West Cameron Port Commission, held at Grand Lake, Louisiana, and with a valid quorum being present, a Motion, Second, and official vote approving said resolution, the West Cameron Port Commission did act in the following respects:

Whereas, the West Cameron Port, Harbor & Terminal District (the "District") and the West Cameron Port Commission in its/their efforts to transact and conduct the business of the district hereby resolve:

Whereas, Gulf Coast Development Company, L.L.C. (the "Sublessor"), the District and Cheniere LNG, Inc. are parties to that Option to Sublease and Lease agreement dated as of November 13, 2003, wherein Sublessor and the District granted unto Cheniere LNG ("Cheniere") an option to lease certain property owned by the District (the "Option").

Whereas, Cheniere has generally agreed with the District that it shall lease the property if it is successful in locating an LNG Project on the Calcasieu River Waterway (the "Mandatory Option Exercise Agreement").

Whereas, Cheniere has generally agreed with the District that it shall exercise each renewal term under the lease identified in the Option (the "Lease") if at the time of the expiration of any term under the Lease it is operating an LNG Project at any location on the Calcasieu River Waterway (the "Mandatory Renewal Exercise Agreement").

Whereas, the parties to the Option wish to enter into an Amendment to the Option in order to evidence the terms, conditions and limitations referenced herein.

Whereas, Cheniere has requested that the District enter into a formal agreement to implement the resolution of the District adopted at a special meeting of the West Cameron Port Commission on November 12, 2003 with regard to the wharfage to be charged in association with the operation of any LNG Project located within the District (the "Initial Wharfage Resolution").

WHEREAS, after due consideration, the District wishes to adopt and implement such agreements.



NOW, THEREFORE BE IT RESOLVED, that the District does authorize any one of the following duly appointed officers:

Charles T. Hebert, Treasurer
(name) (title)

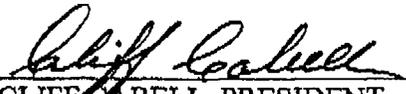
Dwight Savoie, Commissioner
(name) (title)

(the "Authorized Officers") to execute any and all necessary documents to amend the Option, including but not limited to an amendment to the Option in order to evidence the terms of the agreements of Cheniere LNG, Inc. with respect to the Mandatory Option Exercise Agreement and the Mandatory Renewal Exercise Agreement, the amendment to contain such terms, conditions and limitations as the authorized officers, with the aid and assistance of the District's General Counsel, may deem appropriate, necessary and in the best interest of the District.

BE IT FURTHER RESOLVED THAT, any one of the same Authorized Officers, be and are hereby formally authorized to execute any and all necessary documents to implement the terms of the Initial Wharfage Resolution to contain such terms, conditions and limitations as the Authorized Officers, with the aid and assistance of the District's General Counsel, may deem appropriate, necessary and in the best interest of the District.

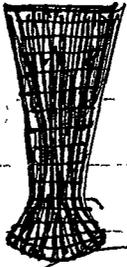
ADOPTED AND APPROVED, this 22 day of February, 2005.

APPROVED:


CLIFF CABELL, PRESIDENT
WEST CAMERON PORT, HARBOR & TERMINAL DISTRICT

ATTEST:

GREG WICKE, SECRETARY



(SEND
PSC Case.)



W.C. Cameron
PORT

03/29/05 IN Cameron

Meeting w/ Glenn Alexander
Chris Muss
David Bpuchhsus
NEIL Vincent

6 hrs

Lessee - broke -
lesson ~~to~~ other opportunity.

~~***~~ (Creole Trail LNG, Inc.)

CREOLE LNG, INC.

Will be holder of
FERC Permit

PERMIT Holder Project
(Permittee) OWNER

- even if transferred -
conveyed w/ it -

GTY in LEASE
pg(2)

SABINE

Wharfage \Rightarrow not a violation
that they cannot
impose chg when
do nothing.

~~HERE~~ Cheniere LNG

\Rightarrow \$1000/vessel \Rightarrow covers everything
 \rightarrow TAXES (?)



Theunissen, Randy

From: Theunissen, Randy
Sent: Thursday, February 24, 2005 6:22 AM
To: 'Glenn Alexander'
Cc: 'Howard Romero (envirohr@swbell.net)'; Chad E. Mudd (cmudd@camtel.net); Vincent, Neil
Subject: West Cameron Port

West
Cameron
Port

Glenn: This is in follow up to our 23Feb below email. We eagerly are **awaiting** your specific written comments to our previously sent proposed First Amendment as well as your draft of the proposed Memorandum re Wharfage.

Glenn, the new verbally agreed-to lease commitment made by Cheniere injects into the picture what is to be a substantial financial commitment by Cheniere. Such a commitment in favor of our client requires that all contingencies be considered and addressed by the parties. For all practical purposes, prior to this new commitment, the only real obligations of Cheniere were to pay the Option Price if it so desired. That will no longer be the case if Cheniere does the LNG Project on the Calcasieu River Waterway as expected by all parties. In layman's terms, our understanding of Cheniere's commitment is that if the project is done on the Calcasieu River Waterway, Cheniere will lease the south property (Port and Mudd). We believe you will find upon further consideration and review of our proposed amendment, that we have attempted to cover many of the contingencies associated with this concept.

Finally, please include with said Memorandum that part of the FERC filing which sets forth the scope of approval for vessel traffic to/from the project location. This will provide the Port with the necessary information to evaluate the projected income from wharfage fees. We look forward to your soonest response.

Thanks, **Randy and Neil.**

.-----Original Message-----

From: Theunissen, Randy
Sent: Wednesday, February 23, 2005 2:09 PM
To: 'Glenn Alexander'
Cc: Howard Romero (envirohr@swbell.net); Vincent, Neil
Subject: RE: West Cameron Port

Glenn: Thanks. When you email me, please also copy Neil Vincent of our office. We'll review the enclosed from you **and** still await your specific written comments to the First Amendment we previously sent to you **and** a draft of your proposed Memorandum re Wharfage Agreement. Thanks, **Randy**

-----Original Message-----

From: Glenn Alexander [mailto:galexander@camtel.net]
Sent: Wednesday, February 23, 2005 2:02 PM
To: Theunissen, Randy
Cc: Keith Meyer; Darron Granger
Subject: RE: West Cameron Port

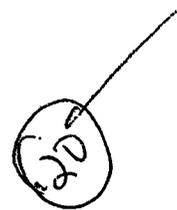
Randy,

Attached is the Addendum I prepared yesterday and which was briefly reviewed by Darron Granger at the meeting last night. I gave a copy to

Chad Mudd after the meeting, but you were in the executive session of the Board and so I was not able to give one to you before I left.

Theunissen, Randy

From: Theunissen, Randy
Sent: Wednesday, February 23, 2005 2:09 PM
To: 'Glenn Alexander'
Cc: Howard Romero (envirohr@swbell.net); Vincent, Neil
Subject: RE: West Cameron Port



Glenn: Thanks. When you email me, please also copy Neil Vincent of our office. We'll review the enclosed from you **and** still await your specific written comments to the First Amendment we previously sent to you **and** a draft of your proposed Memorandum re Wharfage Agreement. Thanks, **Randy**

-----Original Message-----

From: Glenn Alexander [mailto:galexander@camtel.net]
Sent: Wednesday, February 23, 2005 2:02 PM
To: Theunissen, Randy
Cc: Keith Meyer; Darron Granger
Subject: RE: West Cameron Port

Randy,

Attached is the Addendum I prepared yesterday and which was briefly reviewed by Darron Granger at the meeting last night. I gave a copy to

Chad Mudd after the meeting, but you were in the executive session of the Board and so I was not able to give one to you before I left.

This Addendum sets forth in simple terms Cheniere's agreement to exercise the options on the property of Gulf Coast Development and the West Cameron Port Commission if and when it exercises its options to lease from the Westlands Corporation and Pujol Heirs where the project hopefully will be permitted.

A similar document will be prepared for Mudd Land Company, LLC. in connectioun with Cheniere's option to lease its property.

- Glenn

From: Theunissen, Randy [mailto:RandyTheunissen@AllenGooch.com]
Sent: Wednesday, February 23, 2005 12:25 PM
To: galexander@camtel.net
Cc: envirohr@swbell.net; cmudd@camtel.net
Subject: West Cameron Port

Glenn,

We look forward to receipt of the proposed documentation from your office in order to evidence the agreements of Cheniere with regard to the Option Amendment and the documentation requested of the Port regarding wharfage. Tuesday, at the Port meeting, you mentioned you had prepared one concerning the Option. We have not yet received a copy.

Please be advised that the Amendment to Option which was prepared by our office on behalf of the Port last week (the "Port Amendment") and which was presented to you was in accordance with **our**

understanding of the agreements to which **we believed** Cheniere was committed to as a result of the meeting in Houston. I guess that is why we do documents, in order to flesh out the differences between each parties perception of what was verbally manifested.

Be that as it may, in order for our client to unequivocally understand the complete benefit which it is receiving at this juncture, we request that you or your client specifically identify in writing what concepts in the Port Amendment were not in fact part of the agreements indicated by Cheniere in the Houston meeting. This will provide us with guidance to advise our client and also with some idea of the scope of the comments which we are to provide you and Cheniere in response to your document.

Please respond as soon as possible in order that we may make every effort to arrive at a set of documents by week end to reflect these agreements.

Thanks, Randy

|

RESOLUTION

**STATE OF LOUISIANA
PARISH OF CAMERON**

On March 28, 2006, at a properly noticed regular meeting of the West Cameron Port Commission, held at Grand Lake, Louisiana, and with a valid quorum being present, a Motion, Second, and official vote approving said resolution, the West Cameron Port Commission did act in the following respects:

WHEREAS, by resolution dated February 22, 2005, the West Cameron Port Harbor & Terminal District and West Cameron Port Commission adopted the Resolution attached hereto as Exhibit "A".

WHEREAS, in the February 22, 2005 resolution, a resolution previously passed by the West Cameron Port Commission on November 12, 2003, attached hereto as Exhibit "B", was inaccurately defined as the "Initial Wharfage Resolution" and references in the February 22, 2005 resolution were inadvertently made which indicated that wharfage may be charged with respect to the Cheniere LNG Project to be located on the Creole Trail.

WHEREAS, no action has been taken by the West Cameron Port, Harbor and Terminal District and the West Cameron Port Commission with respect to the February 22, 2005 resolution.

WHEREAS, there was never any intent by the West Cameron Port, Harbor and Terminal District or the West Cameron Port Commission to charge "wharfage" and no "wharfage" has in fact ever been charged.

WHEREAS, in order to avoid any confusion or question with respect to interpretation of the actions of the West Cameron Port, Harbor and Terminal District and the West Cameron Port Commission with respect to the February 22, 2005 resolution, or otherwise, the following resolution was placed before the West Cameron Port Commission for consideration and adoption.

NOW, THEREFORE BE IT RESOLVED, that the West Cameron Port Harbor & Terminal District and West Cameron Port Commission never had any intent to charge "wharfage" and no "wharfage" has in fact ever been charged with respect to the Cheniere LNG facility to be located on Sabine Pass, the Cheniere LNG Facility to be located on the Creole Trail, or any other LNG facilities located within its territorial jurisdiction and any reference to such term in the February 22, 2005 resolution was inaccurate and inadvertent.



W CAM PORT
0001005

BE IT FURTHER RESOLVED, that to the extent that any references to “wharfage” were made in the February 22, 2005 resolution, such resolution is hereby redacted to remove such references.

ADOPTED AND APPROVED, this 28th day of March, 2006.

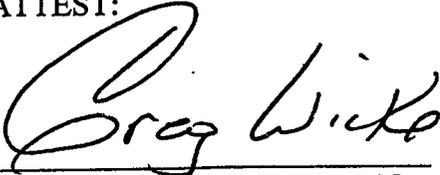
APPROVED:



CLIFF CABELL, PRESIDENT

WEST CAMERON PORT, HARBOR & TERMINAL DISTRICT

ATTEST:



GREG WICKE, SECRETARY

RESOLUTION

STATE OF LOUISIANA
PARISH OF CAMERON

On February 22, 2005, at a properly noticed regular meeting of the West Cameron Port Commission, held at Grand Lake, Louisiana, and with a valid quorum being present, a Motion, Second, and official vote approving said resolution, the West Cameron Port Commission did act in the following respects:

Whereas, the West Cameron Port, Harbor & Terminal District (the "District") and the West Cameron Port Commission in its/their efforts to transact and conduct the business of the district hereby resolve:

Whereas, Gulf Coast Development Company, L.L.C. (the "Sublessor"), the District and Cheniere LNG, Inc. are parties to that Option to Sublease and Lease agreement dated as of November 13, 2003, wherein Sublessor and the District granted unto Cheniere LNG ("Cheniere") an option to lease certain property owned by the District (the "Option").

Whereas, Cheniere has generally agreed with the District that it shall lease the property if it is successful in locating an LNG Project on the Calcasieu River Waterway (the "Mandatory Option Exercise Agreement").

Whereas, Cheniere has generally agreed with the District that it shall exercise each renewal term under the lease identified in the Option (the "Lease") if at the time of the expiration of any term under the Lease it is operating an LNG Project at any location on the Calcasieu River Waterway (the "Mandatory Renewal Exercise Agreement").

Whereas, the parties to the Option wish to enter into an Amendment to the Option in order to evidence the terms, conditions and limitations referenced herein.

Whereas, Cheniere has requested that the District enter into a formal agreement to implement the resolution of the District adopted at a special meeting of the West Cameron Port Commission on November 12, 2003 with regard to the wharfage to be charged in association with the operation of any LNG Project located within the District (the "Initial Wharfage Resolution").

WHEREAS, after due consideration, the District wishes to adopt and implement such agreements.

Exhibit
"A"

NOW, THEREFORE BE IT RESOLVED, that the District does authorize any one of the following duly appointed officers:

Charles T. Hebert, Treasurer
(name) (title)

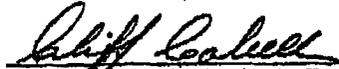
Dwight Savoie, Commissioner
(name) (title)

(the "Authorized Officers") to execute any and all necessary documents to amend the Option, including but not limited to an amendment to the Option in order to evidence the terms of the agreements of Cheniere LNG, Inc. with respect to the Mandatory Option Exercise Agreement and the Mandatory Renewal Exercise Agreement, the amendment to contain such terms, conditions and limitations as the authorized officers, with the aid and assistance of the District's General Counsel, may deem appropriate, necessary and in the best interest of the District.

BE IT FURTHER RESOLVED THAT, any one of the same Authorized Officers, be and are hereby formally authorized to execute any and all necessary documents to implement the terms of the Initial Wharfage Resolution to contain such terms, conditions and limitations as the Authorized Officers, with the aid and assistance of the District's General Counsel, may deem appropriate, necessary and in the best interest of the District.

ADOPTED AND APPROVED, this 22 day of February, 2005.

APPROVED:


CLIFF CABELL, PRESIDENT
WEST CAMERON PORT, HARBOR & TERMINAL DISTRICT

ATTEST

GREG WICKE, SECRETARY

OFFICIAL RESOLUTION OF THE
WEST CAMERON PORT COMMISSION

On November 12, 2003 at a properly noticed special meeting of the West Cameron Port Commission held at the Holly Beach Fire Station with its legal counsel, the District Attorney present, and with a valid quorum being present, a Motion, Second, and official vote approving said resolution, the West Cameron Port Commission did conclude and approve as follows:

Whereas the West Cameron Port Commission did acquire property in Cameron Parish, Louisiana in Section 32, Township 15 South, Range 10 West and the West Cameron Port Commission has leased said property to its General Tenant and Lessee Gulf Coast Development, L.L.C., said lease being dated October 5, 2001, duly filed and recorded;

Whereas Gulf Coast Development, L.L.C. has diligently and aggressively sought industry and a tenant to locate on said property since 2001 and has now located a substantial tenant, Cheniere LNG, Inc., willing and eager to sign an option and potentially a long term lease on the West Cameron Port Commission property and neighboring property owned by adjacent landowners;

Whereas the execution of an option and lease with the prospective tenant, Cheniere LNG, Inc., would provide long term revenue to the West Cameron Port Commission, and the building of an LNG facility by Cheniere would provide a huge positive economic impact, including but not limited to major and substantial improvements to the property, creation of many permanent jobs, influx of much needed tax dollars, and a huge increase to the tax base of the parish;

Whereas the Real Estate Committee of the West Cameron Port Commission has met, discussed the terms, and proposal made by Cheniere and favorably recommends that the West Cameron Port Commission enter into the agreement with Cheniere for a long term lease providing for an adjustable rental of no less than \$3000.00 per acre for 30 years with options of an additional sixty years.

Whereas Cheniere has also agreed by way of correspondence, upon successful start-up of the facility, to pay an additional amount directly to the West Cameron Port Commission equal to \$1000.00 for each LNG vessel that delivers cargo to the Project's facility

Therefore, the West Cameron Port Commission does hereby authorize its duly appointed agent and officer, Charles T. Hebert, to execute any and all necessary documents including but not limited, the Option to Sublease and Lease and the Memorandum of Option to Sublease and Lease, in order to effectuate an Option on the property with Cheniere and if exercised by Cheniere, a long term lease as is contained in said documents.

Thus done and signed this 12 day of November, 2003 in Cameron, Louisiana.

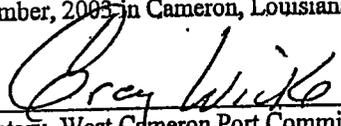

Secretary, West Cameron Port Commission

EXHIBIT
"B"



FEDERAL MARITIME COMMISSION

800 North Capitol Street, N.W.
Washington, D.C. 20573-0001

Phone: (202) 523-5796
Fax: (202) 523-4372

Bureau of Trade Analysis

February 15, 2006

Michael K. Dees, Esquire
General Counsel
Lake Charles Harbor & Terminal District
P.O. Box 3753
Lake Charles, LA 70602

Re: Surface Lease Agreement with Amendments between Lake
Charles Harbor & Terminal District and Cameron LNG, LLC
FMC Agreement No. 201168

Dear Mr. Dees:

This acknowledges receipt of the referenced agreement on
January 30, 2006. The above agreement number has been assigned
to the filing.

Generally, marine terminal facilities agreements (leases)
are exempt from filing under the Commission's rules.
Nonetheless, the rules do provide for the optional filing of such
agreements. We would point out that marine terminal leases
subject to the Shipping Act of 1984 are afforded antitrust
immunity whether they are filed or not under the exemption
provisions of the 1984 Act.

From our initial review of the referenced lease, it was not
clear whether the agreement was one that was subject to the
Commission's jurisdiction. We were not certain that Cameron
LNG, LLC qualified as a marine terminal operator, as the term is
defined in the 1984 Act; specifically, whether Cameron was
furnishing wharfage, docking, warehouse, or other terminal
facilities in connection with common carriers.

In addressing our concerns, you indicated that Cameron LNG
would be using the facilities exclusively to berth and discharge
LNG tankers and that Cameron LNG is not, itself, a common
carrier. Based on your representations, it would appear that the
referenced lease is not between two persons that fall under the
Commission's jurisdiction. Although Lake Charles Harbor &
Terminal District would qualify as a marine terminal operator
under the 1984 Act, as it does furnish terminal service and
facilities to common carriers, it appears that Cameron LNG does
not.



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The foregoing is our informal opinion and is not legally binding on the Commission if it should have the occasion to determine otherwise in the future.

We are returning a copy of the lease marked "Not Subject" for your records.

Sincerely,

Florence A. Carr
Florence A. Carr
Director

Enclosure

bc: AGR

Government

There are no incorporated communities in Cameron Parish, so the Cameron Parish Police Jury is the formal governing body for the parish. The Police Jury is composed of six jurors who are elected every four years. The jury operates under the police jury system as provided by the general laws of the State of Louisiana.

The Cameron Police Jury is both a legislative and administrative body. Its legislative functions include enacting ordinances and resolutions, establishing programs, and determining policy. As an administrative body, it prepares the budget, hires personnel, spends money, negotiates contracts, and directs the activities under its supervision.

The Police Jury's specific responsibilities include the construction and operation of roads and bridges, drainage, fire protection, waterworks, parks and recreation, airports, hospitals, ambulance services, port commissions, libraries, health units, solid waste divisions, industrial development boards, civil defense, mosquito control, courthouse and other public buildings, senior citizens services, sewerage districts, veterans aid, food stamps, agriculture districts and county agents, youth services, voter registration, licenses and permits, and coastal zone management.

The Police Jury has approximately 100 employees to support the various services provided for the parish residents. In addition, the Cameron Parish Police Jury is responsible for the following subdistricts: 11 fire stations, 6 water districts, 6 recreation facilities, 5 drainage districts, 1 mosquito abatement district, 2 hospitals, 1 health unit, 1 library, and 2 port commissions.

The two major ports that come under the jurisdiction of the Cameron Police Jury are the West Cameron Port, Harbor and Terminal District, and the East Cameron Port, Harbor and Terminal District. The West Cameron Port Board supervises all matters concerning the Cameron Port. The East Cameron Port Board is responsible for the operation of the port at the lower part of the Mermentau River at Grand Chenier. These port boards maintain contact with the U.S. Corps of Engineers on matters of dredging and dock facilities. The jury meets twice a month.

Parish Appointed Officials

Cameron Parish Police Jury

P. O. Box 1280

Cameron, LA 70631

Office - (337) 775-5718 Fax - (337) 775-5567

Parish Administrator - Earnestine "Tina" Horn

Secretary-Treasurer - Bonnie W. Conner



Road Superintendent - Ellis Nunez

Office of Emergency Preparedness Office

(337) 775-5551

Director - Freddie Richard, Jr.

P.O. Box 1280

Cameron, LA 70631

Registrar of Voters

P. O. Box 1

Cameron, LA 70631

Office - (337) 775-5493

Ruby Kelley

Cameron Parish School Board

P. O. Drawer W

Cameron, LA 70631

Office - (337) 775-5784 Fax - (337) 775-5572

Superintendent of Schools - Doug Chance

PARISH SERVICES

Trash Pick Up Schedule - Waste Management - 436-7229

Cameron Parish Residence Schedule

Monday - Downtown Cameron to Jimmy Savoie Rd.

Tuesday - Creole, Grand Chenier and Little Chenier

Wednesday - Hackberry

Thursday - Sweetlake

Friday - Grand Lake & Big Lake

No hand pickup for the Holly Beach and Johnson Bayou areas.

Chamber of Commerce

P.O. Box 1248, Cameron, LA 70631

Phone: 337-775-5222

Fax: 337-775-5754 Hours of Operation: 9:00 A.M. - 5:00 P.M. Monday - Friday
& Saturday 10:00 - 2:00

Mosquito Control

149 LeBlanc Rd., Creole, LA 70632

Phone: 337-775-5942

Fax: 337-775-5780

Hours of Operations: 7:00 A.M. - 3:30 P.M. Monday - Friday

Contact Person: Don Menard

Department of Motor Vehicles

119 Smith Circle Courthouse Square, Cameron, LA 70631
Phone: 337-775-7074
Hours of Operation: 8:00 A.M. - 4:00 P.M. Tuesday & Wednesday
Contact Person: Gayle Hunt

Tourist Commission

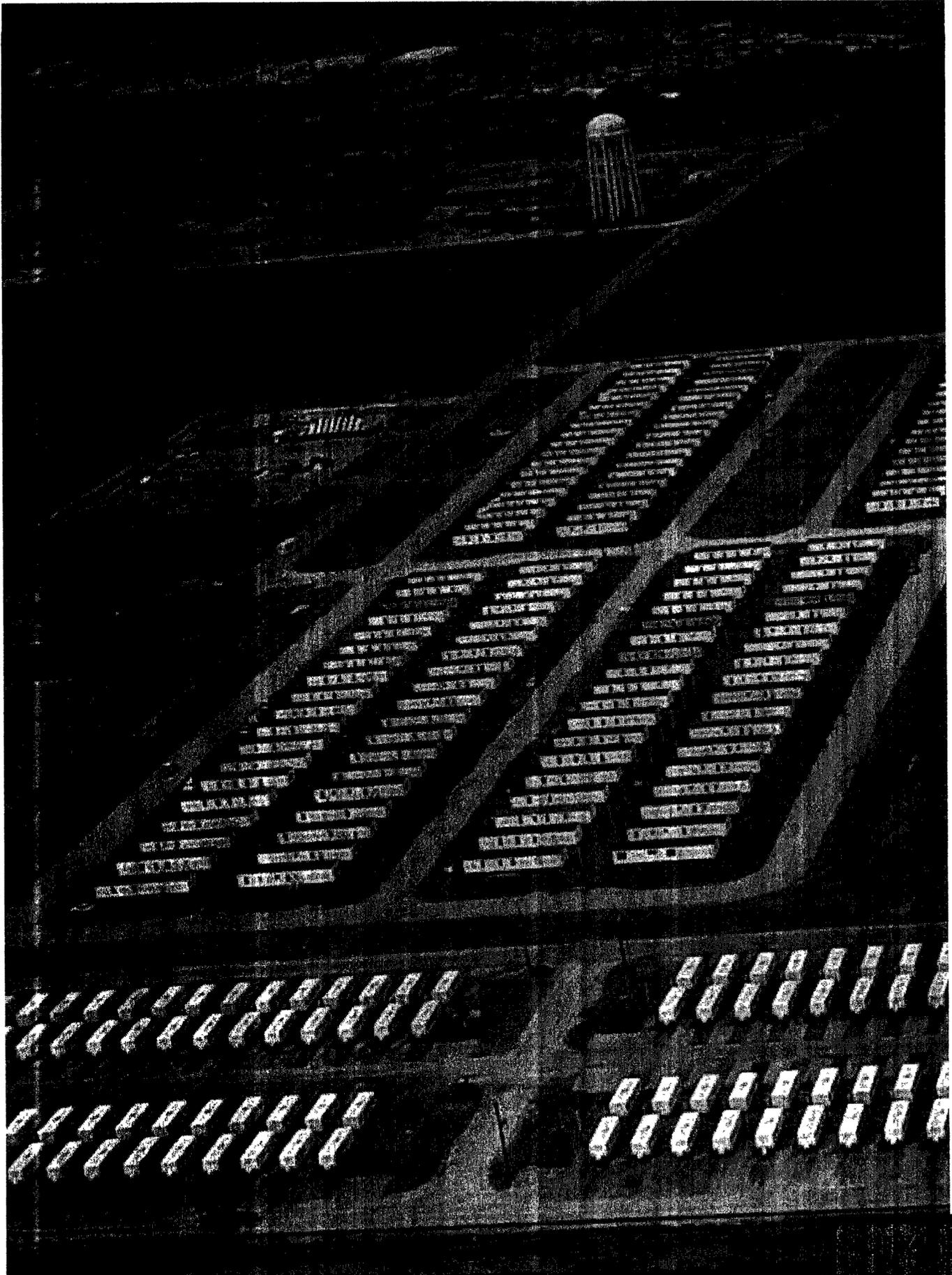
P.O. Box 388, Cameron, LA 70631
Meeting Dates: 3rd Tuesday of the month
Contact Persons: Sammy Faulk- 337-540-2050

Voter Registration

P.O. Box 1, Cameron, LA 70631
Phone: 337-775-5493
Hours of Operation: 8:30 A.M. - 4:30 P.M. Monday - Friday
Contact Person: Ruby Kelly

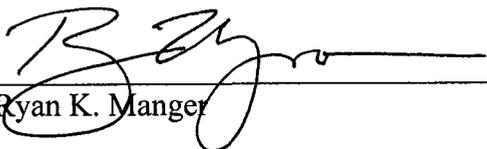
Welfare Offices

Office of Family Support
P.O. Box 810, Lake Charles, LA 70602-9961
119 Smith Circle Courthouse
Cameron, La 70631
Phone: 337-775-5575
Hours of Operation: 9:30 A.M. - 1:30 P.M. Monday, Wednesday & Friday
Contact Persons: Administrator - Rose Green - 337-491-2211 Ms. Garrett or Ms. Anderson



CERTIFICATE OF SERVICE

I hereby certify that a copy of this Supplemental Brief in Opposition to Motion to Dismiss has been served upon all parties of record by email this 10th day of April, 2006.



Ryan K. Manger