

BUCKEYE PARTNERS, L.P.

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August 7, 2013

Chair and Members of the Planning Board
City of South Portland
c/o Department of Planning & Development
496 Ocean Street
South Portland, ME 04106

RE: Citizen-Initiated Waterfront Protection Ordinance (the “WPO”)

Dear Chair and Members of the Planning Board:

South Portland Terminal LLC (“SPT”), the owner of a marine terminal (the “SPT Terminal”) collectively located at 168 Lincoln Street, 216 Lincoln Street, 1A Main Street and 7 Main Street (tax map and lot numbers 032/111, 032/000L/111 and 028/004) in South Portland, Maine (the “City”), and Buckeye Partners, L.P. (“Buckeye” and, together with SPT, “we” or “us”), the parent of the operator of SPT, together wish to express their concern regarding the potential unintended consequences that the WPO, if adopted, legal and applied to the SPT Terminal, would have upon the City’s and the entire region’s access to safe, secure and environmentally sensitive refined product supply.

The SPT Terminal has been in operation for over 100 years. With the support of its members, who are affiliates of Buckeye and Irving Oil Terminals Inc., SPT and its predecessors have consistently supplied automotive gasoline, truck diesel, heating oil, kerosene and jet fuel to the City and the surrounding communities, including Greater Portland, Augusta and Bangor. Throughout that period, Buckeye and its predecessor operators have regularly undertaken to ensure that the SPT Terminal is operated as a first-class marine terminal. These efforts have included both routine and significant capital projects proactively intended to ensure compliance with municipal, state and federal regulatory frameworks, meet industry best practices and enhance the safety, security and environment impact of our operations on the City’s working waterfront. We are committed to being a good neighbor and to continue our long history of safe, secure and environmentally sensitive operations.

We are very concerned the WPO, if enacted and legal, would put at risk the working waterfront. The WPO explicitly would prohibit the “enlargement or expansion of existing petroleum storage tank farms and accessory piers, pumping and distribution facilities, [and] facilities for the storing and handling of . . . petroleum products . . . within the Shoreland Area of

any Commercial District(C).” As the owner and operator of such a refined petroleum products terminal, we are fearful that the WPO in its current form would be interpreted to inhibit our ability to commence any capital project that would customarily be required to operate and maintain the SPT Terminal, whether because we are required by law or regulation to do so, or because we determine our track record as a safe, secure and environmentally conscientious owner and operator so demands.

Like many of our fellow terminal operators on the working waterfront, we are continuously upgrading and enhancing our facilities to meet the demands of our industry. We thought it would be helpful to share with you two examples of how the WPO could be interpreted to prevent us from undertaking capital projects advantageous to our operations and important to the community:

1. We recently completed the installation of new, high tech security cameras partially located on our dock facility and within the 250 foot Shoreland Area. The new camera equipment was not required by regulation, but improves the security of our facilities, allows us to protect the environment, and is used by us to help train our employees, truck drivers and customers in safe terminal operations. The cost of this capital improvement was approximately \$100,000. We are concerned this type of capital project would be interpreted by the City as new accessory facilities or equipment prohibited under the broad and unwieldy definition of expansions in Section 4 of the WPO, should it be enacted.
2. We recently completed the first phase of an overall \$1,000,000 capital upgrade to our petroleum product piping. The first phase of the project located on our dock facilities included replacement of existing pipe lines with higher capacity piping and adding a new pipe line for jet fuel (a product pipe line that did not previously exist at the terminal). The second phase of the project would extend the higher capacity piping and the new jet fuel line from our dock facilities across the 250’ Shoreland Area to our storage tanks. The second phase of the project is on hold directly as a result of our concern the WPO, if enacted, would retroactively prohibit the second phase because this work could be interpreted as an enlargement or expansion of our facilities. Placing the second phase on hold negatively affects us, the many contractors and their workers who would have performed the second phase later this year, and the City tax base.

For the reasons described above, we respectfully request that the Planning Board consider these unintended land use consequences the WPO not only may have but is having upon the City’s working waterfront, and the community’s access to safe, secure and environmentally sensitive refined product supply. We ask that the Planning Board

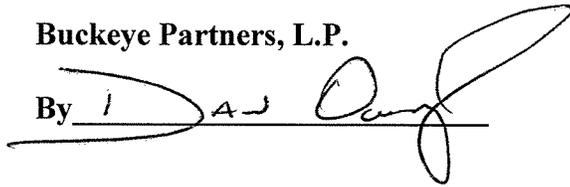
recommend to the City Council that Section 4 of WPO be eliminated and determine that the WPO is inconsistent with the City's Comprehensive Plan.

Thank you for your consideration. Should you have any questions regarding this letter, its content or otherwise, please do not hesitate to contact Dan Ownby at (832) 615-8632 or downby@buckeye.com.

Very truly yours,

South Portland Terminal LLC

Buckeye Partners, L.P.

By  _____