



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Washington, D.C. 20230

OFFICE OF THE GENERAL COUNSEL

FEB 15 2008

Mr. David Densmore, Supervisor
United States Department of the Interior Fish and Wildlife Service
Pennsylvania Field Office
315 South Allen St., Suite 322
State College, PA 16801-4850

Re: AES Sparrows Point LNG Project

Dear Mr. Densmore:

The Department of Commerce requests your comments on an administrative appeal pending before the Secretary of Commerce pursuant to the Coastal Zone Management Act (CZMA).¹

The appeal was brought by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively, AES). AES appeals the State of Maryland's objection to AES' proposed liquefied natural gas (LNG) terminal in Baltimore County, Maryland, and an associated 88-mile natural gas pipeline. In deciding this appeal, the Secretary must determine, in part, whether the national interest furthered by the proposed activity outweighs the activity's adverse coastal effects, when those effects are considered separately or cumulatively.

We note that your agency has previously been involved in the review of this proposed project. The record indicates that on May 31, 2006, your agency provided information to and requested surveys from AES concerning potential impacts of the Project on a federally-listed species in the Project area.

The Department welcomes any comments your agency may have on the project, as it relates to the issues pending before the Secretary, particularly relating to disputed issues that have been identified by the parties. Specifically, the parties disagree on the sufficiency of the existing record to identify and weigh the adverse coastal effects of the project in three areas: 1) water quality impacts from dredging associated with the project; 2) impacts of the disposal of dredged material associated with the project; and 3) impacts of the pipeline on wetlands and waterbodies and associated wildlife. Given these disputed issues, the Department is interested in the following:

¹ Section 307(c)(3)(A) of the Coastal Zone Management Act of 1972 (CZMA), as amended, 16 U.S.C. 1451 et seq. The Department of Commerce's implementing regulations for CZMA appeals are found at 15 C.F.R. Part 930, Subpart H.



- Does your agency possess any additional information beyond that contained in the enclosed information relating to the above coastal effects or coastal impacts of the project generally?
- Does your agency have any comments on the above coastal impacts or comments generally on the coastal impacts of the project?

To assist your review, we enclose a copy of the most relevant Resource Reports prepared by AES, together with correspondence related to the project.² A complete copy of the decision record can be found at <http://www.ogc.doc.gov/czma.htm>.

In order for this appeal to be decided in a timely fashion, we respectfully request that your views be submitted no later than March 15, 2008. Please forward any comments to: Odin Smith, Attorney-Advisor, c/o Office of the General Counsel for Ocean Services, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, 1305 East-West Highway, Suite 6111, Silver Spring, Maryland 20910.

Should your staff have questions concerning this letter, please contact Mr. Smith at (301) 713-7398 or by email at odin.smith@noaa.gov.

Sincerely,



Joel La Bissonniere
Assistant General Counsel
for Ocean Services

² The enclosed disk contains the following information relevant to the project impacts discussed above: Resource Report 1, General Project Description; Resource Report 2, Water Use and Quality; Resource Report 3, Vegetation and Wildlife; Resource Report 8, Land Use, Recreation, and Aesthetics (section 8.3.2); Resource Report 10, Alternatives (section 10.6.2-10.6.4); correspondence between AES and MDE on the disputed issues concerning project impacts; the July 3, 2007 data request from the U.S. Army Corps of Engineers to AES; AES' Sept 26, 2007 response and Oct 12, 2007 addendum; and the May 31, 2006 letter from the U.S. Fish and Wildlife Service to AES.



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FEB 15 2008

Mr. Vance G. Hobbs
Chief, Maryland Section Northern
Department of the Army
Baltimore District, U.S. Army Corps of Engineers
P.O. Box 1715
Baltimore, Maryland 21203-1715

Re: AES Sparrows Point LNG Project

Dear Mr. Hobbs:

The Department of Commerce requests your comments on an administrative appeal pending before the Secretary of Commerce pursuant to the Coastal Zone Management Act (CZMA).¹

The appeal was brought by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively, AES). AES appeals the State of Maryland's objection to AES' proposed liquefied natural gas (LNG) terminal in Baltimore County, Maryland, and an associated 88-mile natural gas pipeline. In deciding this appeal, the Secretary must determine, in part, whether the national interest furthered by the proposed activity outweighs the activity's adverse coastal effects, when those effects are considered separately or cumulatively.

We note that your agency has previously been involved in the review of this proposed project. The record indicates that on July 3, 2007, your office solicited information on these impacts during Maryland's consistency review for the project in the context of a Corps permit [See CENAB-OP-RMN(AES SPARROWS POINT LNG & MID-ATLANTIC EXPRESS, LLC/DREDGING & PIPELINE) 2007-1644].

The Department welcomes any comments your agency may have on the project, as it relates to the issues pending before the Secretary, particularly relating to disputed issues that have been identified by the parties. Specifically, the parties disagree on the sufficiency of the existing record to identify and weigh the adverse coastal effects of the project in three areas: 1) water quality impacts from dredging associated with the project; 2) impacts of the disposal of dredged material associated with the project; and 3) impacts

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of the pipeline on wetlands and waterbodies and associated wildlife. Given these disputed issues, the Department is interested in the following:

- Does your agency possess any additional information beyond that contained in the enclosed information relating to the above coastal effects or coastal impacts of the project generally?
- Does your agency have any comments on the above coastal impacts or comments generally on the coastal impacts of the project?

To assist your review, we enclose a copy of the most relevant Resource Reports prepared by AES, together with correspondence related to the project.² A complete copy of the decision record can be found at <http://www.ogc.doc.gov/czma.htm>.

In order for this appeal to be decided in a timely fashion, we respectfully request that your views be submitted no later than March 15, 2008. Please forward any comments to: Odin Smith, Attorney-Advisor, c/o Office of the General Counsel for Ocean Services, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, 1305 East-West Highway, Suite 6111, Silver Spring, Maryland 20910.

Should your staff have questions concerning this letter, please contact Mr. Smith at (301) 713-7398 or by email at odin.smith@noaa.gov.

Sincerely,



Joel La Bissonniere
Assistant General Counsel
for Ocean Services

cc: Robert Van Antwerp, Commander, U.S. Army Corps of Engineers

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OFFICE OF THE GENERAL COUNSEL

FEB 15 2008

Mr. William C. Muir
Environmental Protection Agency, Region 3
1650 Arch St. (3ES41)
Philadelphia, PA 19103-2029

Re: AES Sparrows Point LNG Project

Dear Mr. Muir:

The Department of Commerce requests your comments on an administrative appeal pending before the Secretary of Commerce pursuant to the Coastal Zone Management Act (CZMA).¹

The appeal was brought by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively, AES). AES appeals the State of Maryland's objection to AES' proposed liquefied natural gas (LNG) terminal in Baltimore County, Maryland, and an associated 88-mile natural gas pipeline. In deciding this appeal, the Secretary must determine, in part, whether the national interest furthered by the proposed activity outweighs the activity's adverse coastal effects, when those effects are considered separately or cumulatively.

We note that your agency has previously been involved in the review of this proposed project. The record indicates that on July 3, 2007, the U.S. Army Corps of Engineers, in coordination with your office, solicited information on these impacts during Maryland's consistency review of the Project (in the context of a Corps permit required for the Project to conduct dredging and discharge dredged or fill material).

The Department welcomes any comments your agency may have on the project, as it relates to the issues pending before the Secretary, particularly relating to disputed issues that have been identified by the parties. Specifically, the parties disagree on the sufficiency of the existing record to identify and weigh the adverse coastal effects of the project in three areas: 1) water quality impacts from dredging associated with the project; 2) impacts of the disposal of dredged material associated with the project; and 3) impacts of the pipeline on wetlands and waterbodies and associated wildlife. Given these

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disputed issues, the Department is interested in the following:

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- Does your agency have any comments on the above coastal impacts or comments generally on the coastal impacts of the project?

To assist your review, we enclose a copy of the most relevant Resource Reports prepared by AES, together with correspondence related to the project.² A complete copy of the decision record can be found at <http://www.ogc.doc.gov/czma.htm>.

In order for this appeal to be decided in a timely fashion, we respectfully request that your views be submitted no later than March 15, 2008. Please forward any comments to: Odin Smith, Attorney-Advisor, c/o Office of the General Counsel for Ocean Services, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, 1305 East-West Highway, Suite 6111, Silver Spring, Maryland 20910.

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OFFICE OF THE GENERAL COUNSEL

FEB 15 2008

Donald S. Welsh
Regional Administrator
U. S. Environmental Protection Agency Region III
Mailcode: 3CB00
1650 Arch Street
Philadelphia, PA 19103

Jeffrey Lape, Director
Chesapeake Bay Program Office
U.S. Environmental Protection Agency
410 Severn Avenue - Suite 109
Annapolis City Marina
Annapolis, MD 21403

Re: AES Sparrows Point LNG Project

Dear Messrs Welsh and Lape:

The Department of Commerce requests your comments on an administrative appeal pending before the Secretary of Commerce pursuant to the Coastal Zone Management Act (CZMA).¹

The appeal was brought by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively, AES). AES appeals the State of Maryland's objection to AES' proposed liquefied natural gas (LNG) terminal in Baltimore County, Maryland, and an associated 88-mile natural gas pipeline. In deciding this appeal, the Secretary must determine, in part, whether the national interest furthered by the proposed activity outweighs the activity's adverse coastal effects, when those effects are considered separately or cumulatively.

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2) impacts of the disposal of dredged material associated with the project; and 3) impacts of the pipeline on wetlands and waterbodies and associated wildlife. Given these disputed issues, the Department is interested in the following:

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