

Congress of the United States

Washington, DC 20515

August 28, 2003

Colonel Thomas Koning
District Engineer, New England District
U.S. Army Corps of Engineers
U.S. Department of Defense
696 Virginia Road
Concord, MA 01742-2751

Mr. Branden Blum
Senior Counselor
Office of Assistant General Counsel
for Ocean Services
National Oceanic
and Atmospheric Administration
U.S. Department of Commerce
1305 East-West Highway
Room 6111, SSMC-4
Silver Spring, MD 20910

Re: U.S. Army Corps of Engineers, New England District, Islander East Pipeline Company, L.L.C., COE File. No. 200103091

U.S. Department of Commerce under the Coastal Zone Management Act, Consistency Appeal of Islander East Pipeline Company, L.L.C.

Dear Colonel Koning and Mr. Blum:

As you know, the Islander East Pipeline is a matter before both your respective agencies.

As members of the Energy and Commerce Committee, we recognize that the Islander East project will bring economic, environmental, reliability and security benefits to New York and the Northeast region. New York State agencies have carefully examined the project and issued the appropriate environmental permits consistent with the earlier FERC approval and environmental impact statement. Islander East enjoys broad bipartisan support in New York, as confirmed by the enclosures to this letter.

Please include this letter and its enclosures in your respective dockets.

Enclosed are (1) Letter dated February 26, 2003 from Senator Clinton and Reps. Ackerman, Israel, Bishop and McCarthy to Secretary Evans, (2) Letter dated March 6, 2003 from Rep. King to Secretary Evans, (3) Letter dated June 27, 2003 from Reps. King, Bishop, Israel, McCarthy and Ackerman to Department of the Army UnderSecretary Les Brownlee with copies to Secretary Abraham, Chairman Pat Wood,

Colonel Koning and Mr. Blum

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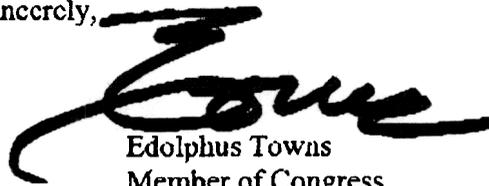
Ms. Veronica Angulo of the White House Task Force on Energy Project Streamlining, and Mr. George Dunlop, Deputy Assistant Secretary of the Army for Policy and Legislation, and (4) Press Release dated July 31, 2003 by Senator Schumer announcing his letter to the Army Corps.

Please consider this correspondence consistent with all of the relevant rules and regulations. Thank you for your assistance.



Vito J. Fossella
Member of Congress

Sincerely,



Edolphus Towns
Member of Congress

CC: Cori M. Rose
Project Manager
New England District
U.S. Army Corps of Engineers
Department of Defense
696 Virginia Road
Concord, MA 01742-2751

Congress of the United States

Washington, DC 20515

February 26, 2003

The Honorable Donald L. Evans
Secretary
United States Department of Commerce
Room 3854
14th & Constitution Ave., NW
Washington, D.C. 20230

Dear Mr. Secretary:

We are writing in support of an appeal submitted by Islander East, LLC to the Department of Commerce to overturn the October 15, 2002 decision by the Connecticut Department of Environmental Protection (DEP) regarding proposed construction of the Islander East pipeline. The natural gas that would be supplied to Long Island through this pipeline would solve pressing energy needs and greatly benefit residential, commercial and industrial consumers across the region.

It should be noted that the New York State Department of State recently issued its approval of Islander East's project, stating that it is "consistent" with the State's coastal zone management program, and that "further review...is not required."

Natural gas transport capability on to Long Island must be substantially increased. The robust economic growth in the past several years has created a demand for natural gas in this area that is well above the national average, particularly on the eastern end of Long Island due to residential and commercial growth. Increased power needs have mandated the establishment of new power plants on Long Island for which additional natural gas supplies are essential if these facilities are to be environmentally cleaner and more efficient. Supplying additional natural gas supplies will significantly reduce the region's current high-dependence on foreign oil imports for both production of electricity and space heating.

The New York Independent System Operator (NYISO) has stated that with demand for electricity and natural gas increasing on Long Island, additional gas-fired electric plants will need to be developed, along with the associated expansion of the region's natural gas transmission infrastructure. The NYISO has stated "it is critical that new plants be located "in-city" and "on-island" to maintain reliability, enhance competition and support economic growth." It is clear to us that timely, additional natural gas infrastructure is necessary to support the energy needs for the economic activity and population expansion of this area.

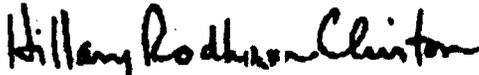
With respect to environmental concerns, Islander East will employ horizontal direct drilling (HDD) technology that minimizes the need to dig a trench in portions of the pipeline route. This HDD technology - which will be used for the maximum feasible distance of approximately 4,000 feet out from the Connecticut shoreline - allows Islander East to dig a single hole and tunnel underground horizontally, thereby minimizing environmental impacts. This technique has been praised by well-regarded environmental conservation organizations for helping to significantly reduce the pipeline's impact on core preservation areas.

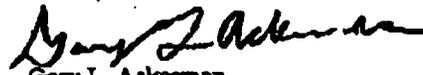
In addition, the pipeline will be placed beneath the ocean floor, causing minimum disturbance to near-shore shellfish beds and other environmentally sensitive areas. Furthermore, offshore construction activity will take place during winter months, when fish and shellfish are less active and therefore less susceptible to disturbance.

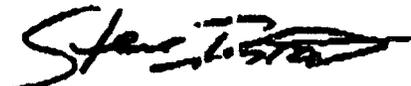
We therefore respectfully request that the United States Department of Commerce consider the approval by Islander East and make a judgment in favor of the project sponsors' position. We would be pleased to work with your office to provide any additional information you may need and to address any outstanding concerns you may have with respect to this matter.

Thank you for your consideration.

Sincerely,


Hillary Rodham Clinton
United States Senate


Gary L. Ackerman
Member of Congress


Steve Israel
Member of Congress


Tim Bishop
Member of Congress


Carolyn McCarthy
Member of Congress

PETER T. KING

Member of Congress
Third District, New York

436 Cannon House Office Building
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Massachusetts House of Representatives
18781 641-4220

petking@mail.house.gov
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Congress of the United States

House of Representatives

Washington, DC 20515-3205

March 6, 2003

FINANCIAL SERVICES COMMITTEE

CHAIRMAN
DOMESTIC MONETARY
POLICY, TECHNOLOGY,
AND ECONOMIC GROWTH
SUBCOMMITTEE

INTERNATIONAL RELATIONS
SUBCOMMITTEE

The Honorable Donald Evans
Secretary
United States Department of Commerce
14th Street and Constitution Avenue, NW
Washington, D.C. 20230

Dear Mr. Secretary:

I am writing in support of an appeal submitted by Islander East, LLC to the Department of Commerce to overturn the October 15, 2002 decision by the Connecticut Department of Environmental Protection (DEP) regarding proposed construction of the Islander East pipeline. The natural gas that would be supplied to Long Island through this pipeline would solve pressing energy needs and greatly benefit residential, commercial, and industrial customers across the region.

It should be noted that the New York State Department of State recently issued its approval of Islander East's project, stating that it is "consistent" with the State's coastal zone management program, and that "further review... is not required."

Natural gas transport capability on to Long Island must be substantially increased. The robust economic growth in the past several years has created a demand for natural gas in this area that is well above the national average, particularly on the eastern end of Long Island due to residential and commercial growth. Increased power needs have mandated the establishment of new power plants on Long Island for which additional natural gas supplies are essential if these facilities are to be environmentally cleaner and more efficient. Supplying additional natural gas supplies will significantly reduce the region's current high-dependence on foreign oil imports for both production of electricity and space heating.

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With respect to environmental concerns, Islander East will employ horizontal direct drilling (HDD) technology that minimizes the need to dig a trench in portions of the pipeline route. This HDD technology—which will be used for the maximum feasible distance of approximately 4,000 feet out from the Connecticut shoreline—allows Islander East to dig a single hole and tunnel underground

March 6, 2003

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horizontally, thereby minimizing environmental impacts. This technique has been praised by well-regarded environmental conservation organizations for helping to significantly reduce the pipeline's impact on core preservation areas.

In addition, the pipeline will be placed beneath the ocean floor, causing minimal disturbance to near shore shellfish beds and other environmentally sensitive areas. Furthermore, offshore construction activity will take place during the winter months, when fish and shellfish are less active and therefore less susceptible to disturbance.

I therefore respectfully request that the Department of Commerce consider the appeal by Islander East and make a judgement in favor of the project sponsors' position. I would be pleased to work with your office to provide any additional information you may need and to address any outstanding concerns you may have with respect to this matter.

Thank you for your consideration.

Sincerely,


PETER J. KING
Member of Congress

Congress of the United States

Washington, DC 20515

June 27, 2003

**The Honorable Les Brownlee
Under Secretary
Department of the Army
108 Army Pentagon
Washington, D.C. 20310-0108**

Dear Secretary Brownlee:

We write to you today to express our concerns regarding the consideration by the Army Corps of Engineers, New England District, of the Islander East Pipeline Company's Section 10 and Section 404 permit applications related to the construction of an interstate natural gas pipeline from Connecticut to Long Island across Long Island Sound. We respectfully request that you review the New England District's consideration of the Islander East applications both to ensure its consistency with Executive Orders and the InterAgency Agreement governing new pipeline projects and to ensure timely approval of this much-needed project.

As you know, development and enhancement of our energy infrastructure is one of our nation's top goals. Energy infrastructure is particularly important on Long Island, where growth in natural gas demand is outpacing growth in transportation capacity and supply and the electric generation is increasingly strained. Long Island needs new and repowered gas-fired power plants for both economic development and environmental reasons. New natural gas supplies from Eastern Canada provided by Islander East will augment existing supplies from the American Southwest and Western Canada and foster the financing and construction of new gas-fired plants and the conversion of older oil-fired plants to cleaner gas-fired plants. Just as important are the benefits to the reliability and security of the regional energy transportation system provided by a second separate Long Island connection with the interstate pipeline grid.

Additionally, the Northeast region as a whole will benefit from Islander East. The conversion of Long Island power plants from oil to gas will result in reduced emissions flowing into our region's air. In Connecticut, the new pipeline could help facilitate this oil-to-gas conversion consistent with Connecticut's landmark "Sooty Six" law. As noted in the recently released Comprehensive Assessment and Report by the Connecticut Task Force on Long Island Sound, "New gas pipeline capacity to Long Island could reduce the amount of fuel oil consumed, which would provide regional air quality benefits that would be enjoyed by Connecticut and could reduce the risk of oil spills into Long Island Sound as a result of fuel oil deliveries." Further, the increase in the availability of natural gas will reduce our region's dependence on foreign oil--an important national security goal.

In early 2001, Islander East began the permitting process. In September 2002, recognizing the need for a second separate Long Island Sound crossing system providing new access to Eastern Canadian gas, the Federal Energy Regulatory Commission (FERC) issued a certificate for the Islander East pipeline. This extensive process included input from the New England District and completion of an Environmental Impact Statement. In January 2003, the FERC reaffirmed this certification. New York State agencies have carefully examined the Islander East proposal and issued the appropriate environmental permits consistent with the FERC certification.

Unfortunately, in May 2003, the New England District notified Islander East that, in the course of the Corps' permitting process, it intends to reopen issues addressed and resolved during the FERC review process. In particular, the New England District stated that it will use a different definition of the project's purpose in order to reconsider alternative routes--a matter within FERC's jurisdiction and expertise that received significant review during the process.

As you know, interagency coordination for the review of new energy infrastructure projects has received much attention over the past several years, resulting in two Executive Orders and an InterAgency Agreement recognizing that "the timely authorization of new interstate natural gas pipeline projects is essential to facilitate the nation's ability to meet the goal of sufficient availability and use of natural gas."

The current status of the New England District consideration of the Islander East project is completely at odds with the policies of the interagency coordination embodied in the Executive Orders and the InterAgency Agreement. A review by the New England District of issues already addressed and resolved by the FERC is duplicative, costly and time consuming, and conflicts with the Corps' own regulations discouraging duplicative environmental review.

As members of the Long Island Sound Congressional Caucus, we note that Islander East will employ horizontal direct drilling (HDD) technology that minimizes the need to dig a trench in a portion of the pipeline route. Well-regarded environmental conservation organizations have praised this technique for helping to significantly reduce the pipeline's impact on core preservation areas. We expect that the New England District and Islander East will continue to work together to protect these vital areas.

Once again, we respectfully request that you review the New England District's consideration of the Islander East permit applications to ensure consistency with applicable Executive Orders and the InterAgency agreement and to ensure timely review and approval of the Islander East permit applications. We thank you in advance for your attention to this matter and stand ready to assist you in your efforts.

Sincerely,


PETER T. KING
Member of Congress


TIMOTHY H. BISHOP
Member of Congress

Carolyn McCarthy
CAROLYN McCARTHY
Member of Congress

Steve Israel
STEVE ISRAEL
Member of Congress

Gary L. Ackerman
GARY L. ACKERMAN
Member of Congress

The Honorable Spencer Abraham
Secretary
Department of Energy
Washington, D.C. 20585-1000

The Honorable Pat Wood III, Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Ms. Veronica Angulo
White House Task Force on Energy Project Streamlining
WH-1, Room 8E044
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Mr. George Dunlop
Deputy Assistant Secretary of the Army for Policy and Legislation
Office of Civil Works, Department of the Army
108 Army Pentagon
Washington, D.C. 20310-0108

SCIUMER: BY DELAYING NEW NATURAL GAS PIPELINE TO LI, NEW ENGLAND ARMY CORPS OF ENGINEERS IS AT ODDS WITH COMMANDER-IN-CHIEF

7/31/03

Schumer asks Pentagon to review New England Army Corps decision to delay a new natural gas pipeline to Long Island -- a move that appears to violate a May 2001 Executive Order from the President

New pipeline could bring in fuel for 600,000 LI homes and fuel a new generation power plants

US Senator Charles E. Schumer today took the New England District of the Army Corps of Engineers to task for delaying the construction of a badly-needed natural gas pipeline to Long Island. In a letter to Undersecretary of the Army Les Brownlee, Schumer said that the New England Division's efforts are completely at odds with President Bush's policy on the issue and appear to violate a May 2001 Executive Order from him.

"I don't agree with every single one of President Bush's energy policies, but I'm with him on this one," Schumer said. "The New England Army Corps seems to be a rogue unit acting against the orders of its Commander in Chief. It's run amok for too long and we need to stop it now."

For over two years, the Islander East Pipeline Company has been applying for permits to build a 49.9-mile, 24-inch natural gas pipeline from North Haven, Connecticut to Long Island. The gas line will bring fuel to approximately 600,000 homes and is also expected to be used to fuel a new generation of power plants. Construction on the pipeline has not begun.

In September 2002, the Federal Energy Regulatory Commission (FERC) approved the certification of this pipeline. This approval came after the completion of an Environmental Impact Statement and after the New England District of the Army Corps of Engineers initially studied the project. FERC reaffirmed this certification in January 2003.

But in May 2003, the New England District of the Army Corps of Engineers reversed its position and suddenly told Islander East that it intends to reopen issues resolved during the FERC review process, including basic decisions like the route the pipeline should take. Schumer noted that these issues fall under FERC's jurisdiction and received significant review during the approval process.

In the latest move to stymie the pipeline, the New England Division of the Army Corps of Engineers announced that it will begin holding public hearings about the pipeline. The first hearing will be held in Branford, Connecticut on August 5. No hearings are planned anywhere in New York.

Schumer said that in reopening issues that have already been resolved by FERC, the officials from the New England Division of the Army Corps of Engineers appear to be acting against the orders of President Bush. On May 18, 2001, President Bush signed Executive Order 3212 – Actions to Expedite Energy-Related Projects. This document ordered federal agencies to "expedite their review of permits or take other action as necessary" to accelerate the completion of energy-related projects.

As a result of the May 2001 Executive Order, an Interagency Agreement was signed in June 2002 between the Departments of the Army, Agriculture, Commerce, Interior, Transportation, and Energy, the Advisory Council on Historic Preservation, the Federal Energy Regulatory Commission, the Council on Environmental Quality, and the Environmental Protection Agency. This interagency agreement concluded that "the timely authorization of new interstate natural gas pipeline projects is essential to facilitate the nation's ability to meet the goal of sufficient availability and use of natural gas."

Schumer told Undersecretary Brownlee that the New England District's re-consideration of the Islander East project is completely at odds with Bush Administration policies detailed in both the Executive Order and the Interagency Agreement. Schumer also noted that the New England District of the Army Corps of Engineers wants to review issues that were already addressed and resolved by the FERC, which is duplicative, costly, and time consuming – and violates the agency's own regulations discouraging duplicative environmental review.

Schumer asked Undersecretary Brownlee to review the New England District of the Army Corps of Engineers and stop them from delaying the new pipeline to Long Island.

The new pipeline is crucial to future economic development on Long Island because growth in natural gas demand on the Island has been outpacing growth in supply for years. And while Long Island currently receives most of its natural gas from the American Southwest and Western Canada, the new pipeline would provide Long Island with gas from Eastern Canada for the first time.

Even Connecticut Governor Rowland's Task Force on Long Island Sound concluded that, "New gas pipeline capacity to Long Island could reduce the amount of fuel oil consumed, which would provide regional air quality benefits that would be enjoyed by Connecticut."

"Governor Rowland's task force said that Connecticut has to facilitate the movement of energy in the region, and they are right. The added bonus is that it could help clean up our air -- it's a win-win for everyone," Schumer said.

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