



U.S. Department
of Transportation

Research and
Special Programs
Administration

The Administrator

400 Seventh Street, S.W.
Washington, D.C. 20590

OCT 3 2002

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

Dear Mr. Blum:

I am responding to the letter from Scott B. Gudes, the Deputy Under Secretary for Oceans and Atmosphere, to Secretary Mineta, offering the U.S. Department of Transportation an opportunity to comment on an administrative appeal by the Millennium Pipeline Company under the Coastal Zone Management Act. The matter was referred to the Department's Research and Special Programs Administration, which administers the Federal safety regulations for oil and gas pipelines.

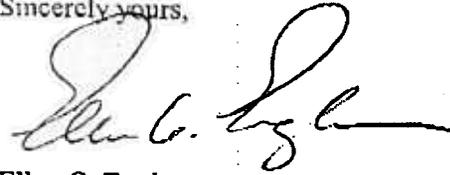
The letter indicates the appeal asks the Secretary of Commerce to override the New York Department of State's objection to Millennium's consistency certification in applications before the Corps of Engineers and the Federal Energy Regulatory Commission for permits to construct a proposed interstate gas pipeline. Although Millennium certified that the project is consistent with New York's coastal management program, unless the Secretary of Commerce overrides New York's objection, the Federal permits may not be granted.

The letter further indicates there are two key considerations in the appeal apart from the timeliness of New York's objection. The first is the balance between the national interest of the proposed pipeline and any adverse environmental effects, and the second is the impact of the proposed pipeline on national security. While these are significant considerations in deciding if the project should move forward, they are not issues we normally deal with in administering our safety regulatory program. That program, as expressed by the pipeline regulations in 49 CFR Parts 190 through 199 and associated enforcement efforts, assures the safe design, construction, operation, and maintenance of pipelines used to transport oil and gas in the United States. Although the program applies

to Millennium's proposed gas pipeline, it does not involve granting permits or taking other preliminary actions that would give us particularized knowledge about the impact of the pipeline on the environment, national security, or other national interests. Therefore, we do not have any comments on Millennium's appeal.

If we can be of further assistance, please contact me or Patricia Klinger, Director of External Communications, at (202) 366-4831.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ellen G. Engleman". The signature is fluid and cursive, with a large initial "E" and a long horizontal stroke at the end.

Ellen G. Engleman