



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, PORTLAND DISTRICT
PO BOX 2946
PORTLAND OR 97208-2946

AUG 14 2013

Operations Division
Regulatory Branch
Corps No.: NWP-2012-56

William Stelle
National Marine Fisheries Service
Northwest Regional Office
7600 Sand Point Way N.E., Bldg. 1
Seattle, Washington 98115

Dear Mr. Stelle:

This letter is in regards to the U.S. Army Corps of Engineers (Corps) permit evaluation for the proposed Coyote Island Terminal coal transfer facility. In a letter dated November 23, 2012, the Corps requested the National Marine Fisheries Service (NMFS) initiate formal consultation pursuant to the Endangered Species Act (ESA) and the Magnuson-Stevens Fishery Conservation and Management Act (MSA). NMFS requested additional information and raised other considerations in a letter dated December 27, 2012.

The Corps is responsible for ensuring that any activity it authorizes, funds, or carries out is in compliance with Section 7 of the ESA. The proposed Coyote Island Terminal is one element of a broader project (referred to by the applicant as the Morrow Pacific Project), which includes receipt of coal, barge transport, barge-ship transloading at Port Westward, and ocean transport. As currently proposed, the Coyote Island Terminal is the only portion of the broader project that requires authorization by the Corps.

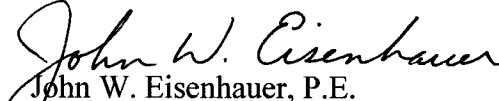
The information request from NMFS has been forwarded to the applicant. The Corps alerted the applicant of NMFS concerns and requested the applicant respond to the first six elements of the NMFS information request. Please find enclosed information prepared by the applicant in response to these six items, as well as an updated biological assessment.

Your letter requested additional information regarding the effects of rail transport, ocean transport, and end-use burning of coal. Such a scope would be much broader than the extent of the work subject to the Corps' authority under Section 10 of the Rivers and Harbors Act of 1899. Addressing effects of these activities on listed species or critical habitat is well beyond the Corps' role and responsibility and the requirements of the ESA. The Corps believes the action area extends only to a distance of 3000 feet from the project site. Therefore, the Corps will not be providing, or requiring the applicant to provide, the additional information you requested regarding the effects of rail transport, ocean transport, or end-use burning of coal for our ongoing ESA consultation.

The Portland District is currently developing an environmental assessment for the Coyote Island Terminal proposal, the results of which may be either a finding of no significant impact, or a determination that impacts are significant and warrant consideration through an Environmental Impact Statement (EIS). As part of this permit evaluation, the Corps has initiated staff-level and/or government-to-government consultation with all appropriate Federally recognized tribes. I recognize that each Federal agency has a trust responsibility, and encourage the NMFS tribal liaison and the Corps project manager to coordinate throughout our respective consultations.

We look forward to continuing Section 7 consultation with you based on the enclosed information. For further information regarding this project please contact Mr. Shawn Zinszer, Chief of the Portland District Regulatory Branch, at shawn.h.zinszer@usace.army.mil, or at (503) 808-4380. Thank you for your assistance and attention to this matter.

Sincerely,


John W. Eisenhauer, P.E.
Colonel, Corps of Engineers
District Engineer

Enclosures