UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

November 19, 2007

Ms. Nora Macariola-See
Naval Facilities Engineering Command, Pacific
258 Makalapa Drive Suite 100
Pearl Harbor, HI 96860-3134

Subject: Final Environmental Impact Statement (FEIS), Kilo Wharf Extension, Milcon P-502, Apra Harbor Naval Complex, Guam, Mariana Islands (CEQ # 20070434)

Dear Ms. Macariola-See:

The U.S. Environmental Protection Agency (EPA) has reviewed the above-referenced document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act.

EPA reviewed the Draft Environmental Impact Statement (DEIS) and provided comments to the Navy on April 19, 2007. We rated the DEIS as Environmental Concerns - Insufficient Information (EC-2) because of concerns regarding impacts to coral resources, the adequacy of mitigation for these impacts, and the need to consider a less damaging alternative that would reduce impacts to coral resources.

EPA, along with the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and the Guam resource agencies, recommended selection of a watershed reforestation project as compensatory mitigation for the permanent loss of 4.37 acres of coral reef and temporary impacts to approximately 30 additional acres of coral reef habitat. We are pleased the Navy's preferred mitigation is now the Cetti Bay Watershed Reforestation project. Because EPA expects that reforestation, implemented along with fire and ungulate controls, will result in a good level of coral reef recovery, we were willing to compromise and agree to omit performance standards related to coral health for this project and require no further mitigation actions if coral recovery does not occur (letter from EPA to Navy dated October 4, 2007). We now understand, however, that portions of this mitigation will not be funded, including the crucial fire and ungulate control. Additionally, monitoring will be substantially underfunded, which will not enable us to measure whether the mitigation is successful.

While we have significant concerns regarding these changes to the preferred mitigation, we are also concerned with the Navy's level of commitment to the preferred mitigation, on which the resources agencies have expended considerable effort for almost two years. The FEIS indicates that if a long-term agreement that meets U.S. Army Corps of Engineers, Navy and GovGuam real estate and legal requirements cannot be reached prior to the Record of Decision (ROD) signature, a contingency mitigation plan will be initiated instead. We do not support the

contingency mitigation plan, which includes the use of artificial reefs in outer Apra Harbor, and question whether it will provide sufficient replacement of lost ecosystem functions. We request that the Navy allow time for the final agreements of the preferred mitigation project to conclude, which would acknowledge and value the considerable time and effort the resource agencies have expended on it.

EPA is also concerned about the effect that the Navy's pursuit of the contingency mitigation would have on the ability of the resource agencies to effectively partner on the Joint Guam Program Office (JGPO) Environmental Impact Statement. The "Partnering Team Guiding Principles", agreed to by the Executive Workgroup at the October 3-4 2007 partnering session, include the commitment to work effectively as a team and uphold team values including mutual respect and trust. While Kilo Wharf is not part of the JGPO actions, since it involves the same agencies, any loss of goodwill now will undoubtedly have an effect on the future ability to realize the Partnering Team Guiding Principles. For this reason, we request that the Navy involve the resource agencies in the development of the Kilo Wharf ROD and ask the Navy to consider the significance that actions taken on Kilo Wharf could have on future interagency relationships.

We look forward to continued involvement in this and future projects and sincerely hope we can work together to resolve our differences and come to mutual agreement. If you have any questions or would like to discuss our concerns, please contact me at 415-972-3846 or Karen Vitulano, the lead reviewer for this project, at 415-947-4178 or vitulano.karen@epa.gov. Wendy Wiltse, the point of contact for mitigation issues, can be reached at 808-541-2752 or wiltse.wendy@epa.gov.

Sincerely,

/s/

Nova Blazej, Manager
Environmental Review Office

CC: Michael Molina, U.S. Fish and Wildlife Service
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