



SECRETARY OF THE ARMY
WASHINGTON

AUG 13 2012

The Honorable Luis Gutierrez
United States House of Representatives
Washington, DC 20515

Dear Representative Gutierrez:

Thank you for your July 11, 2012 letter regarding the permit application for the "Via Verde" natural gas pipeline project in Puerto Rico.

To date, the Jacksonville District of the U.S. Army Corps of Engineers has not received a request by the applicant, Puerto Rico Electric Power Authority (PREPA), to withdraw the application. Therefore, as required by regulation, the District must continue to process it.

The District recently reviewed the Governor's commission report on the project and requested additional information from PREPA regarding project purpose and alternatives. PREPA also continues to gather information to satisfy the public interest requirement in response to comments received during the public comment period for the draft Environmental Assessment (EA). Once received, this information will inform the District's decision about whether the draft EA is sufficient for issuing a Finding of No Significant Impact or if development of an Environmental Impact Statement is necessary. As mentioned in my January 23, 2012 letter to you, the Assistant Secretary of the Army for Civil Works, Ms. Jo-Ellen Darcy, will review the District Commander's final recommendation.

Regarding the media report you cited, Assistant Secretary Darcy assures me that she did not communicate any direction to the Governor regarding either withdrawing or pursuing the permit, nor did she take any action to influence the Section 404 permit process in any manner. Assistant Secretary Darcy takes very seriously the role delegated to the Corps District Commander to decide all matters regarding a Section 404 permit application. She will be reviewing the District Commander's recommendation in her oversight capacity, as is appropriate.

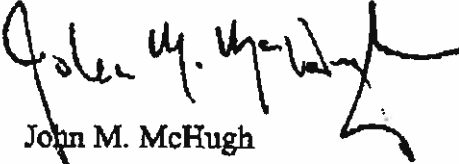
As you know, I asked the Army's General Counsel to look into the relationship of the consultant, BC Peabody, to PREPA. The General Counsel has advised that the review is ongoing and near completion. I have requested that the review be completed as quickly as possible.

Finally, regarding the information you requested under the Freedom of Information Act, I am informed that the Corps continues to compile and review documents responsive

to your request. The Corps will provide another release as soon as that process is complete.

I will follow up with you upon conclusion of these reviews. Thank you for your inquiry into this matter and for your continued support of our Army.

Sincerely,



John M. McHugh