THE SECRETARY OF THE INTERIOR

WASHINGTON

NOV 15 2001

The Honorable James L. Connaughton
Chair, Council on Environmental Quality
Executive Office of the President
Washington, D.C. 20006

Dear Mr. Chairman:

On September 21, 2001, the Army Corps of Engineers released the Final Supplement III to the Final Environmental Impact Statement (SFEIS) for its Manteo (Shallowbag) Bay, North Carolina, Project (Oregon Inlet Project). On October 15, 2001, the Department of Commerce formally referred the SFEIS to the Council on Environmental Review (CEQ) for review pursuant to 40 CFR Part 1504. After reviewing the SFEIS, the Department of the Interior (Department) has continued concerns regarding the potential impact of the Oregon Inlet Project and would request that CEQ consider these concerns in conjunction with those raised by the Department of Commerce.

This proposed project has a long history. The Oregon Inlet Project was authorized in 1970 when Congress directed the Corps of Engineers to deepen the navigation channel through Oregon Inlet on the Outer Banks of North Carolina from 14 feet to 20 feet, and to maintain that channel with a dual jetty system. The original goal of the project was to stabilize the inlet, enhancing safety for the fishing and recreational vessels that use the inlet. Construction of the jetties would directly impact the Cape Hatteras National Seashore managed by the National Park Service on the northern end on the Inlet; and the Pea Island National Wildlife Refuge, managed by the Fish and Wildlife Service, on the southern end of the Inlet. The National Park Service and the Fish and Wildlife Service have consistently raised concerns about the potential environmental impacts of the Project since 1979 when the first Environmental Impact Statement was prepared.

The Project area is a complex and dynamic inlet-barrier island system. The barrier islands serve as an important pathway for migrating birds and the inlet is a vital passageway for fish between the ocean and estuaries. Over the course of a year, approximately 500 vertebrate species may use or pass through the Project area. In recent years, the federally listed piping plover has nested on sandy flats adjacent to the Inlet and critical habitat for over-wintering piping plovers was designated at the Inlet in July 2001. Sea turtles nest on area beaches. These beaches also provide recreational opportunities for almost 3 million visitors each year. Finally, the Inlet is an important passageway for larval, juvenile, and adult fish moving between the ocean and estuarine areas in Pamlico Sound.

Since 1979, the Corps of Engineers has made a number of modifications to the proposed Project to address concerns raised. Most recently, the SFEIS included a new design for the dual jetty system, a sand management plan, project economics, and a proposal for environmental monitoring. These changes represent improvements to the Project. Notwithstanding these improvements, the Fish and Wildlife Service and National Park Service remain concerned that the construction of the Oregon Inlet Project might: (1) impair the resources and values of the Cape Hatteras National Seashore, in violation of the National Park Service Act of 1916; and (2) be incompatible with the purposes for which the Pea Island National Wildlife Refuge was established, in violation of the National Wildlife Refuge System Improvement Act of 1997.

In its review of the SFEIS, the Department would request that CEQ consider whether the SFEIS has adequately addressed the following issues:

- Any potential impact of the proposed jetties on the natural hydrology and sediment distribution within the Project area;
- Any potential impact of the sand disposal operation on the Pea Island National Wildlife Refuge and Cape Hatteras National Seashore;
- Any potential impact of reduced sediment inputs to Pamlico Sound on the creation of tidal marshes, tidal mudflats, sea grass beds, and other habitat types for fish and wildlife in the Sound;
- Any potential conflicts between maintenance of the jetties, including the sand bypassing operations, and the management of the Pea Island National Wildlife Refuge and Cape Hatteras National Seashore.

The Department strongly supports the project goal of safe and reliable navigation through Oregon Inlet. We believe that this goal can be achieved in a manner that protects the important natural resources in the area, including the Refuge and the National Seashore.

I understand Deputy Secretary of the Interior J. Steven Griles, Assistant Secretary of the Army (Civil Works) Mike Parker, and Director of the National Park Service Fran Mainella will visit the area in early December. I look forward to working with you and the other Departments to accomplish our shared objective.

Sincerely,

Gale A. Norton

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cc: Honorable Mike Parker