



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105-3901

OFFICE OF THE  
REGIONAL ADMINISTRATOR

MAY 18 2007

Sean T. Connaughton  
Maritime Administrator  
Maritime Administration  
U.S. Department of Transportation  
Second Floor, West Building  
1200 New Jersey Ave., SE  
Washington, DC 20590

Dear Administrator Connaughton:

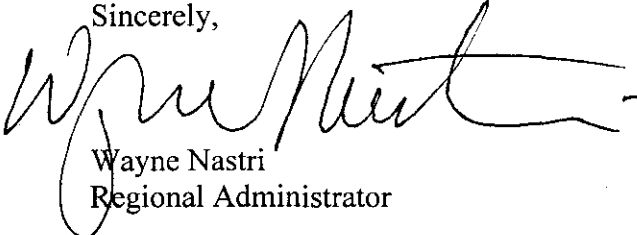
Consistent with Section 5(e) of the Deepwater Port Act (DPA), 33 U.S.C. § 1504(e)(2), I am writing on behalf of the U.S. Environmental Protection Agency (EPA) regarding the application for the DPA license submitted by BHP Billiton LNG International, Inc. (BHPB) for a proposed liquefied natural gas (LNG) import terminal called Cabrillo Port, which includes receiving, storage, and re-gasification facilities and associated pipelines, to be located in deep waters off the coast of Ventura County, California (Department of Transportation Docket Number: USCG-2004-16877).

DPA Section 9(b) provides the Governor of adjacent coastal states, in this case California, with certain authorities, including the opportunity to notify the Secretary of the Department of Transportation on whether a deepwater port license would be consistent with state programs relating to environmental protection, land and water use, and coastal zone management. Today, Governor Schwarzenegger disapproved the application of BHPB for construction and operation of Cabrillo Port.

EPA has reviewed the application based upon legal considerations within EPA's areas of responsibility under the Clean Water Act, the Clean Air Act, and the Marine Protection, Research, and Sanctuaries Act, but in light of the Governor's action, our recommendation has become moot.

If you have any questions regarding this letter, please feel free to contact me or have your staff call Enrique Manzanilla, Director of our Communities and Ecosystems Division, at 415-972-3843.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Nasti", with a long horizontal flourish extending to the right.

Wayne Nasti  
Regional Administrator