



January 28, 2013

**Via Electronic and First Class Mail**

Michelle Walker  
U.S. Army Corps of Engineers  
Regulatory/Permits  
P.O. Box 3755  
Seattle, WA 98124-3755

Loree L. Randall  
Shoreland & Environmental Assistance  
Department of Ecology  
State of Washington  
P.O. Box 47600  
Olympia, WA 98504-7600

**Re: Millennium Bulk Terminals Longview- Joint Aquatic Resource Permit Application**

Dear Muffy and Loree:

On behalf of Millennium Bulk Terminals Longview ("MBTL") I am writing to confirm the procedural status of the MBTL coal export project and our previously submitted Joint Aquatic Resources Permit Application (JARPA) for purposes of processing U.S. Army Corps of Engineers ("Corps") permits and the Department of Ecology's ("Ecology's") Clean Water Act §401 water quality certification. This letter furthers our ongoing coordination with your agencies on procedural aspects of permit review and on compliance with the National Environmental Policy Act ("NEPA") and the Washington State Environmental Policy Act ("SEPA").

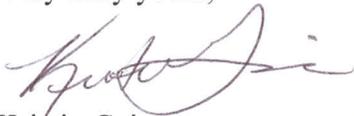
The Corps, Ecology, and Cowlitz County have executed a Memorandum of Understanding ("MOU") agreeing to act as lead agencies for preparation of a joint SEPA/NEPA Environmental Impact Statement ("EIS") for the Millennium Coal Export Project in Longview, Washington. We understand from the Corps that it has the authority to complete its obligations under this MOU with the project in a JARPA pre-application status. We also understand that Ecology and Cowlitz County agree that they have the respective authority to similarly complete the EIS under SEPA based on the Shoreline Substantial Development Permit Application submitted by MBTL in February of 2012 and do not require that a JARPA be on file with the USACE for the EIS process to be initiated and completed. We further understand that this EIS process will take longer than 12 months from the date of the initial application filed for the 401 Certification. Consequently, we hereby withdraw the request for the 401 Certification at this time. MBTL will submit a new request for a 401 Certification for the project when the EIS process is concluding.

Michelle Walker  
Loree L. Randall  
January 31, 2013  
Page 2

The USACE has advised us that for its purposes the most appropriate time for filing a final JARPA will be when the Draft EIS is released for public comment and review. Additional details about the project and project mitigation will be available through the preparation of the Draft EIS. Through the future development of more project detail through the next phases of the EIS development those public notices will be more specific and better able to serve the public comment process if the final JARPA is filed at that time. This will ensure that the public has the full opportunity to provide meaningful public comment on the proposed project.

Please confirm that we correctly understand the USACE advice with respect to this matter and the JARPA as set forth above. Upon receipt of this confirmation, MBTL will agree to a procedural withdrawal of the February, 2012 JARPA and the JARPA withdrawal/reapplication form as to the USACE permits only, with the expectation that MBTL will file an updated version of the JARPA when the Draft EIS is near completion and your agencies request further JARPA submittals from MBTL. We understand that this updated application could include any changes to the project that are derived from environmental review during preparation of the Draft EIS. MBTL is not withdrawing the JARPA as it relates to the application filed with Cowlitz County for a Shoreline Substantial Development Permit and Shoreline Conditional Use Permit.

Very truly yours,



Kristin Gaines  
V.P., Environmental Planning and Services

cc:

Mike Wojtowicz  
Cowlitz County Department of Building and Planning  
207 4th Ave N  
Kelso, WA 98626

Diane Butorac  
Department of Ecology  
State of Washington  
P.O. Box 47600  
Olympia, WA 98504-7600