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FILE

06-1142-GA-BIN

Gary W. Moody
778 Walnut St. #1
Franklin, IN 46131

January 14, 2008

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

RE: OEP/DG2E/Gas 2
Rockies Express Pipeline LLC
Docket No. CP07-208-000

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2008 JAN 15 PM 1:57

Dear Secretary Bose:

This letter is to express my serious reservations regarding input by the Interior Department's Fish and Wildlife Service (FWS) to the draft Environmental Impact Statement (EIS) on the Rockies Express (REX) East Project. I ask that you delay approval of a final EIS, pending full review of all FWS decisions based on the Endangered Species Act (ESA), for the following reasons:

Revelations of politically-motivated tampering with ESA decisions within the FWS, as demonstrated in the case of former Deputy Assistant Secretary for Fish and Wildlife and Parks Julie MacDonald, have indicated a pattern of corruption within the Interior Department.

The Union of Concerned Scientists USA stated in an Oct. 30, 2006 press release that: "These examples of the manipulation and distortion of scientific information are the tip of the iceberg. The abuse of science at Interior has been reported previously on issues as diverse as mountaintop removal mining, cattle grazing, and the protection of rare trumpeter swans. In a survey of FWS scientists published just last year, 84 scientists reported having been directed to inappropriately exclude or alter technical information from FWS scientific documents. Furthermore, 303 scientists, or two thirds of those who responded to the [UCS] survey, knew of cases where Interior Department political appointees had interfered with scientific determinations."

In their July 20, 2007 press release on the case, UCSUSA stated: "Political interference [during the Bush administration] in science has been reported on scores of issues across multiple federal agencies. Political interference in science at FWS has become pervasive. In a 2005 Union of Concerned Scientists (UCS) survey of FWS scientists, 84 scientists reported having been directed to inappropriately exclude or alter technical information from FWS scientific documents. Furthermore, 303 scientists, or two thirds of those who responded to the survey, knew of cases where Interior Department political appointees had interfered with scientific determinations."

Although the Interior Department Inspector General has conducted a review of the McDonald matter, and asked FWS regional offices to review decisions for connections to the case, these cursory reviews, including that of FWS Region 3, are not sufficient given the apparent pervasiveness, and overall lack of definition of the extent, of the problem. According to the UCS Scientific Integrity Program director Francesca Grifo, in the latter press release: "While we welcome the revisiting of decisions where political interference has been documented, the list of species under consideration is neither comprehensive nor exhaustive. If the agency truly wants to get to the bottom of this, then asking the regional directors to identify the problems is not enough... The Interior Department should engage in a systematic review of all Bush administration decisions -- not just those where interference has been exposed -- to ensure that the science behind those decisions was not altered or distorted."

The Center for Biological Diversity (CBD), in their May 2007 study entitled "Politicizing Extinction"

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Technician Date Processed 1-15-08

stated: "The Bush administration has implemented the Endangered Species Act in a manner that undermines, minimizes and eviscerates fundamental protections for the nation's most imperiled wildlife. Political appointees in the administration have consistently interfered in the scientific process with the express purpose of limiting protections for endangered species. In so doing they have bullied government scientists, violated the law, and ignored public concern for the conservation of wildlife."

On November 15, 2007, upon filing lawsuits regarding political tampering by FWS with ESA decisions, the CBD stated: "The depth of corruption within the Department of the Interior goes way beyond Julie MacDonald and eight decisions. It impacts hundreds of endangered species and millions of acres of wetlands and wildlife habitat."

The likelihood of political corruption in EAS decisions affecting the REX pipeline is particularly acute. REX is defined as "a \$4.4 billion joint venture of Kinder Morgan Energy Partners, L.P., Sempra Pipelines and Storage (a unit of Sempra Energy), and ConocoPhillips, and is one of the largest natural gas pipelines to be constructed in North America." Of these firms, Kinder Morgan and ConocoPhillips are particularly closely allied politically with the Bush administration.

ConocoPhillips is one of the world's largest energy companies. According to Sourcewatch.org, ConocoPhillips gave \$313,000 to federal candidates in the 05/06 election cycle alone through its political action committee (PAC) - 90% to Republicans. The company spent \$1,918,291 for lobbying in 2006. Its Board of Directors includes former Bush administration official Richard L. Armitage.

There is at least one direct link between ConocoPhillips and corruption in the Interior Department. Former Interior Department official Sue Ellen Wooldridge also resigned from her Bush administration post in disgrace after it was discovered that she had had purchased a \$980,000 vacation home on Kiawah Island, South Carolina, together with two other individuals: Don R. Duncan, the vice president for federal and international affairs and a lobbyist for ConocoPhillips, a Houston-based oil corporation; and her boyfriend J. Steven Griles, a former deputy interior secretary of the United States (now an oil and gas lobbyist) who pleaded guilty to obstruction of justice in a Senate committee's investigation into the Jack Abramoff affair. After entering into this relationship with Duncan, Wooldridge approved consent decrees giving ConocoPhillips three more years to pay millions of dollars in fines for a Superfund toxic waste cleanup and install pollution controls (which are estimated to cost US\$525 million) at nine of its refineries.

Richard Kinder, founding partner in Kinder Morgan, is also closely linked to the Bush administration, its allies, and the GOP. According to Newsmeat.com, between 04/23/87 and 06/28/07, Kinder has donated \$752,891 to the President and other Republicans. He has been deeply, personally, and financially aligned with Texas Republican politics, and George W. Bush, to an increasing degree, apparently since his days as one of the early officials at Enron.

Please see the attached documents and excerpts below for more details on these matters. Thank you very much for your consideration.

Respectfully,
Gary W. Moody

http://www.ucsusa.org/news/press_release/systematic-interference-with.html
October 30, 2006
Systematic Interference with Science at Interior Department Exposed
Emails and Edited Documents Show Evidence of Inappropriate Manipulation
Endangered Species Press Release

WASHINGTON, DC – High-ranking political appointees within the Department of the Interior have

rewritten numerous scientific documents to prevent the protection of several highly imperiled species under the Endangered Species Act. Deputy Assistant Secretary for Fish and Wildlife and Parks Julie MacDonald personally reversed scientific findings, changed scientific conclusions to prevent endangered species from receiving protection, removed relevant information from a scientific document, and ordered the Fish and Wildlife Service (FWS) to adopt her edits. All of these actions show a blatant disregard for the Endangered Species Act provision which requires species protection decisions to be based on the best available science.

"It's crucial that our new Interior Secretary Dirk Kempthorne create explicit policies that promote scientific openness, allow scientists to do their jobs, and punish those who inappropriately interfere with the scientific process," said Dr. Francesca Grifo, Senior Scientist and Director of the Union of Concerned Scientists' (UCS) Scientific Integrity Program. "Secretary Kempthorne should ensure that previous and future Endangered Species Act decisions are based on the best available science. And he should make adequate resources available to allow appropriate, science-based protection decisions under the Endangered Species Act."...

These examples of the manipulation and distortion of scientific information are the tip of the iceberg. The abuse of science at Interior has been reported previously on issues as diverse as mountaintop removal mining, cattle grazing, and the protection of rare trumpeter swans. In a survey of FWS scientists published just last year, 84 scientists reported having been directed to inappropriately exclude or alter technical information from FWS scientific documents. Furthermore, 303 scientists, or two thirds of those who responded to the survey, knew of cases where Interior Department political appointees had interfered with scientific determinations.

"This is not business as usual. When hundreds of scientists report political interference in government science, our nation's biological diversity is at risk," said Dr. Grifo. "Species diversity has provided humankind with food, fiber, medicines, clean water, and numerous other services that many of us take for granted. When we lose species, we lose the potential to solve critical problems."

<http://www.nytimes.com/2007/03/29/washington/29environ.html>

March 29, 2007

Report Says Interior Official Overrode Work of Scientists

By FELICITY BARRINGER

WASHINGTON, March 28 — A top-ranking official overseeing the Fish and Wildlife Service at the Interior Department rode roughshod over agency scientists, and decisions made on her watch may not survive court challenges, investigators within the Interior Department have found...

A copy of the report was sent to Representative Nick J. Rahall II, Democrat of West Virginia and chairman of the House Committee on Natural Resources; his office provided a copy to The New York Times.

In a statement, Mr. Rahall said he would hold hearings to conduct "a sweeping review on whether politics is infiltrating decisions governing" endangered species.

<http://www.washingtonpost.com/wp-dyn/content/article/2007/03/30/AR2007033001998.html>

Extinct Sense

A troubling report from the Interior Department

Saturday, March 31, 2007

IT LOOKS LIKE another story of endangered ethics on the Bush administration's environmental staff. Last week the Interior Department's inspector general submitted the results of an investigation of Julie A. MacDonald, the deputy assistant secretary for fish and wildlife and parks, to congressional overseers.

According to numerous accounts collected in the inquiry, Ms. MacDonald has terrorized low-level biologists and other employees for years, often yelling and even swearing at them. One official characterized her as an "attack dog." Much of this bullying, the report suggests, was aimed at diluting the scientific conclusions and recommendations of government biologists and at favoring industry and land interests. Ms. MacDonald's subordinates said she has trenchantly resisted both designating new species as endangered and protecting imperiled animals' habitats...

The inspector general's review of Ms. MacDonald's e-mail account also showed that she had close ties to lobbying organizations that have challenged endangered-species listings and that she had "misused her position" to give them information not available to the public on Interior Department policy.

Reports of Ms. MacDonald's alleged sins have emerged soon after revelations of other ethical lapses by Bush environmental appointees. J. Steven Griles, the former second in command at Interior, pleaded guilty to charges stemming from the Jack Abramoff scandal. And Sue Ellen Wooldridge, formerly the government's top environmental lawyer, jointly purchased a vacation home with Mr. Griles and a lobbyist for ConocoPhillips. These are troubling incidents.

Ms. MacDonald works for an agency tasked with making determinations based on scientific fact, not on her, or her lobbyist friends', inclinations. She appears to have betrayed that vital principle. The inspector general has sent his report to top officials at the Interior Department. They should investigate for themselves the document's troubling descriptions and take action to ensure that Ms. MacDonald and other managers at Interior make policy fit the science, not the other way around.

http://www.ucsusa.org/news/press_release/fws-acknowledges-047-1.html
July 20, 2007

FWS Acknowledges "Inappropriate Influence" In Decision-Making; Actions Insufficient to Restore Scientific Integrity to Policy Making
Statement By Francesca Grifo, Union Of Concerned Scientists Scientific Integrity Program Director

WASHINGTON (July 20, 2007) – Today, the U.S. Fish and Wildlife Service (FWS) announced that it would review a small number of the Endangered Species Act decisions in which disgraced former Interior Department Deputy Assistant Secretary for Wildlife and Parks Julie MacDonald had participated, acknowledging for the first time that MacDonald had "inappropriate influence" over endangered species science.

FWS will review eight cases...

Numerous investigations found that MacDonald, a political appointee with no relevant scientific background, had bullied scientists and personally rewritten scientific documents to prevent the protection of imperiled species. Today's announcement comes just a week after former Surgeon General Richard Carmona testified that he had been muzzled for political reasons. Political interference in science has been reported on scores of issues across multiple federal agencies.

Political interference in science at FWS has become pervasive. In a 2005 Union of Concerned Scientists (UCS) survey of FWS scientists, 84 scientists reported having been directed to inappropriately exclude or alter technical information from FWS scientific documents. Furthermore, 303 scientists, or two thirds of those who responded to the survey, knew of cases where Interior Department political appointees had interfered with scientific determinations.

Below is a statement by Francesca Grifo, UCS Scientific Integrity Program director:

"While we welcome the revisiting of decisions where political interference has been documented,

the list of species under consideration is neither comprehensive nor exhaustive.

If the agency truly wants to get to the bottom of this, then asking the regional directors to identify the problems is not enough. Any agency scientist should have been able to provide input.

The real culprit here is not a renegade political appointee. The real culprit is a process where decisions are made behind closed doors. Information is the currency of democracy.

Americans have the right to know the scientific basis of decisions that affect the survival of species they care about. Until the decision-making process is open to public scrutiny, science will continue to be endangered at the Interior Department.

Months have gone by since these allegations came to light without a clear signal from Secretary Kempthorne that manipulation of science will not occur under his watch. Secretary Kempthorne should send a clear message to all Interior appointees that substituting opinion for science is unacceptable.

The Interior Department should engage in a systematic review of all Bush administration decisions—not just those where interference has been exposed—to ensure that the science behind those decisions was not altered or distorted.”

<http://www.biologicaldiversity.org/swcbd/press/macdonald-simultaneous-suits-11-15-2007.html>
For Immediate Release, November 15, 2007
Contact: Michael Senatore, (202) 232-1216

Simultaneous Suits Challenge Political Corruption
Harming Species in Seven States

Following a scathing report by the Department of the Interior inspector general documenting systematic abuse and overruling of federal scientists, [Deputy Assistant Secretary of the Interior] MacDonald resigned her post in early 2007.

To quell the scandal, the Department of the Interior and the U.S. Fish and Wildlife Service pledged to review eight decisions illegally reversed by MacDonald. This cynical effort at damage control flamed the controversy, however, because MacDonald is implicated in more than 100 cases of overruling science. In response to a congressional request, the Government Accountability Office is currently investigating additional instances of science manipulation by MacDonald...

“The depth of corruption within the Department of the Interior goes way beyond Julie MacDonald and eight decisions,” said Senatore. “It impacts hundreds of endangered species and millions of acres of wetlands and wildlife habitat.”

http://en.wikipedia.org/wiki/Sue_Ellen_Wooldridge

Sue Ellen Wooldridge
From Wikipedia, the free encyclopedia

Sue Ellen Wooldridge (b. February 15, 1961), is an American attorney and a former politically appointed U.S. government employee. She was formerly the United States Assistant Attorney General in charge of environment and natural resources, a division of the United States Department of Justice. As such, she was the U.S.'s top environmental prosecutor. She resigned from this post in January 2007.

Prior to her service with the Department of Justice, Wooldridge served as Solicitor for the United States Department of the Interior, that agency's highest ranking lawyer, after being appointed by

President George W. Bush in a recess appointment. Prior to her employment in that capacity, she served as Counselor to J. Steven Griles, Deputy Secretary of the United States Department of the Interior; she also served as Deputy Chief of Staff and Counselor for Secretary of the Interior Gale Norton, serving in that position beginning on January 31, 2001.

In February 2007, it was reported that in March 2006 Wooldridge had purchased a \$980,000 vacation home on Kiawah Island, South Carolina, together with two other individuals: Don R. Duncan, the vice president for federal and international affairs and a lobbyist for ConocoPhillips, a Houston-based oil corporation; and J. Steven Griles, a former deputy interior secretary of the United States (now an oil and gas lobbyist) who pleaded guilty to obstruction of justice in a Senate committee's investigation into the Jack Abramoff affair.

Nine months after buying the home with Duncan and Griles, and just before stepping down, Wooldridge approved consent decrees giving ConocoPhillips three more years to pay millions of dollars in fines for a Superfund toxic waste cleanup and install pollution controls (which are estimated to cost US\$525 million) at nine of its refineries.

<http://www.mediatransparency.org/story.php?storyID=199>

ORIGINAL RESEARCH

Bill Berkowitz

June 19, 2007

J. Steven Griles did the crime but doesn't want to do the time

Former Interior Department Deputy Secretary who pleaded guilty earlier in connection with Jack Abramoff looking for 'sentence' of working for anti-environmental group instead of five years in the pokey

...The career lobbyist is the second-highest-level Bush administration official to be caught up in the ongoing Department of Justice investigation of former Republican Party uber-lobbyist, the currently imprisoned Jack Abramoff. Griles, the former Interior Deputy Secretary who, according to SourceWatch, "oversaw the Bush administration's push to open more public land to energy development," doesn't think he deserves jail time...

Tom Sansonetti, former assistant attorney general for the environment and natural resources division, and a rumored nominee to replace the late Wyoming Republican Senator Craig Thomas, wrote that "Steve is the consummate public servant. He took on huge, complicated, and often unpopular, tasks for Secretary Norton..."

According to [Dan] Berman, "Sansonetti's successor was Sue Ellen Wooldridge, who married Griles on March 26. Wooldridge resigned in January amid news reports she purchased a South Carolina vacation home with Griles and a ConocoPhillips lobbyist, months before DOJ and the company agreed to settle charges it violated the Clean Air Act."

<http://search.houstonpress.com/2003-03-06/news/king-kinder/full>

King Kinder

Rich Kinder has made a cool billion dollars since leaving Enron. Now he's ready to take over the world, or at least the nearest pipeline.

By Robert Bryce

Published: March 6, 2003

...The time and locale of the analyst meeting had more than passing significance. Almost exactly two years earlier, Jeff Skilling, Kinder's successor as president and chief operating officer at

Enron, had stood in that same ballroom talking in just the same way with the Wall Street money guys.

At that now infamous gathering, Skilling, with company chairman Ken Lay at his side, had exhorted analysts with his contention that they should value Enron at precisely \$126 per share -- far above the \$82 or so the stock was then fetching. The session marked the acme of Skilling's ego trip as well as the beginning of the end for Enron. Seven months later, Skilling suddenly and inexplicably quit the company. Four months after that, in December 2001, Enron filed for what was then the biggest U.S. bankruptcy ever (\$63.4 billion).

Today, Enron is a smoldering ruin. Skilling and Lay await subpoenas and possibly indictments. Meanwhile, no one has emerged from the Enron wreckage looking smarter than Rich Kinder.

Lots of oilmen in Houston have built empires in a big hurry, making tens or hundreds of millions in a decade or two. Kinder has outdone all of them. In just six years, he's built three companies with a total market capitalization -- the value of all of their stock -- of \$13.5 billion. And those companies are critically important links in the American economy. Kinder Morgan's facilities carry about 15 percent of the natural gas and gasoline used in America every day.

Since early 1997, Kinder has parlayed his \$30 million retirement package from Enron into a \$1.2 billion fortune...

Richard Dan Kinder was attending the University of Missouri when he met two other students who would play critical roles in his life: Ken Lay, his future boss at Enron, and Bill Morgan, who would become his partner at Kinder Morgan...

...in 1980, former classmate Morgan told him about a job opening for a lawyer at Florida Gas, a pipeline company based in Winter Park, Florida. So Kinder moved to Florida, where he was reunited with Morgan.

By that time, Ken Lay had already been at Florida Gas for several years. But in 1980, Lay left to work for another pipeline company, Transco. Four years later, when Lay took the top job at Houston Natural Gas, one of his first acquisitions was Florida Gas, a move that brought Kinder, Morgan and Lay back together.

After the 1985 merger between HNG and Internorth, which created Enron, Kinder began a steady rise within the new pipeline giant. He quickly became general counsel and chief of staff. In late 1988, he was named vice chairman of the board of directors. Enron's news release announcing the promotion said Kinder's duties included almost everything but making coffee and refilling the copy machine. Kinder was handling "finance and accounting, law, administration, human resources, management information systems, corporate development and corporate affairs," the release said, adding that he "will retain these responsibilities in his new post."

In 1990, Kinder ascended to president and chief operating officer. While almost universally admired at Enron as a shrewd, tough manager, he had his share of bad deals.

The executive was involved in the J-Block gas purchase, which committed Enron to buy North Sea gas for a long term at a high price. Shortly after the agreement, gas prices fell below the price Enron had committed to pay. In 1997, Enron agreed to shell out \$440 million to a group of oil companies to settle litigation over the contracts.

Kinder also had a hand in the decision to set up Enron Global Power & Pipelines (EPP), an independent company designed by Enron to move underperforming foreign assets off its books. One former executive has called EPP a "dumping ground" for Enron's bad projects. In 1997, however, Enron bought back all of the EPP shares and replaced them with about \$400 million worth of Enron common stock. Although the actual cash costs to Enron of the EPP mess are

difficult to discern, the deals caused consternation among Enron's financial personnel, who believed the company was cutting corners.

Even worse was the Dabhol project, negotiated during Kinder's tenure. Engineered by Enron's glamorous deal maker Rebecca Mark (see "Diva of the Deal," October 10), Enron sank about \$900 million into the power plant south of Bombay, but it closed in May 2001 after the Indian government quit paying for the hyperexpensive electricity it generated.

...Kinder and partner Bill Morgan['s]... first acquisition was a small natural gas liquids pipeline bought from Enron for \$40 million in 1997. (Sources at Enron say that the pipeline was not part of Kinder's retirement package.) They spent the next several years buying the big tanks, big pipes and big wharves needed to transport the most critical commodities in the U.S. economy: gasoline, natural gas and jet fuel.

Every time Kinder Morgan loads a barge in the Houston Ship Channel with petroleum products, sends gas through a pipeline or stores a few tons of coal or salt, it gets paid. Kinder Morgan operates more than 35,000 miles of pipeline that reach from Mexico to Canada and nearly coast to coast.

It relies on a business structure as uncomplicated as the company's strategies. Kinder Morgan uses master limited partnerships that are Big Oil's equivalent to a real estate investment trust, or REIT. That gives Kinder Morgan a significant tax advantage over corporations because the limited partnerships are exempt from corporate income taxes as long as almost all profits are distributed to investors. Two of Kinder Morgan's three companies pay hefty cash dividends, giving them an effective annual yield of about 7 percent...

Although Kinder abhors the kind of free spending that occurred under Ken Lay at Enron, he has emulated his college pal's approach to political donations. Few businessmen -- in Texas or elsewhere -- have better political connections than Kinder. He's personal friends with George W. Bush's political Einstein, Karl Rove. The two share an interest in history and have been pals since W.'s first race for governor in 1994.

"I was dubious as to whether he could win," Kinder says of Bush's gubernatorial bid. "But I thought, 'What the heck.' " He and other Enron executives donated \$146,500 to Bush in that race.

And ever since, Rove hasn't let Kinder sit on his wallet. Through January 2000, Kinder was the tenth-largest individual contributor to Bush's campaigns for governor and president, giving his friend a total of \$119,409, according to figures compiled by Texans for Public Justice. Over the past 30 months or so, Kinder has become one of the Republican National Committee's biggest donors, giving nearly half a million dollars to the party.

He and wife Nancy have pumped in many thousands more to GOP candidates in Texas and elsewhere. In addition, during the Florida recount, Nancy Kinder was one of 149 Texans who gave the George W. Bush campaign the maximum donation of \$5,000. Her connections with the Bushes go back further than her husband's. As Lay's primary assistant, she spearheaded two key Houston events for George H.W. Bush: the 1990 Economic Summit of Industrialized Nations and the 1992 Republican National Convention.

Enron donated \$250,000 to the convention effort, with Nancy riding herd on the festivities to make sure the corporation got its money's worth...

The Kinders continue to be key contributors for the Bushes. Early last year, they hosted a fundraiser at their house in River Oaks for Florida Governor Jeb Bush.

Submission Contents

Comment on draft EIS for REX East Project

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