

**United States Department of the Interior
U.S. Fish and Wildlife Service
2321 West Royal Palm Road, Suite 103
Phoenix, Arizona 85021
Telephone: (602) 242-0210 FAX: (602) 242-2513**

AESO/FA

February 25, 2005

Ms. Marjorie Blaine
Project Manager, Regulatory Branch
U.S. Army Corps of Engineers
5205 East Comanche Street
Davis Monthan AFB, Arizona 85707

Dear Ms. Blaine:

We are pleased to provide comments on the establishment of In-Lieu-Fee (ILF) Memorandum of Agreements (MOAs) for mitigation under section 404 of the Clean Water Act in Arizona. We have reviewed the MOAs and identified two primary concerns: 1) the manner in which biological functions would be assessed; and 2) how monitoring would empirically demonstrate replacement of biological function. We recently addressed these issues in our February 4, 2004, review of the Los Angeles District's proposed Mitigation Guidelines and Monitoring Requirements. We have enclosed a copy of those comments for your information.

We have received the November 22, 2004, comments of the Environmental Protection Agency (EPA) on ILF mitigation programs in Arizona. We concur with EPA's comment that ILF programs should be applicable on a case-by-case basis. Therefore, we are available to participate on a Mitigation Banking Review Team to ensure our concerns are addressed at the project level. If you have any questions or concerns, please contact Mike Martinez (ext 224).

Sincerely,

/s/ Thomas A. Gatz
Deputy Field Supervisor

Enclosure

cc: Regional Administrator, Environmental Protection Agency, San Francisco, CA
Chief, Habitat Branch, Arizona Game and Fish Department, Phoenix, AZ
Director, Tucson Audubon Society, Tucson, AZ