



May 6, 2024

An Open Letter Regarding Environmental Protection

To: Maryland Governor Wes Moore

Senator Karen Lewis Young
 Senator William Folden
 Delegate Kenneth Kerr
 Delegate Kris Fair
 Delegate Karen Simpson
 Delegate Barrie Ciliberti
 Delegate April Miller
 Delegate Jesse Pippy
 Maryland Attorney General Anthony Brown
 Maryland Secretary of the Environment Serena McIlwain
 Maryland Public Service Commission Chair Frederick Hoover

Frederick County Executive Jessica Fitzwater
 Frederick County Council
 Frederick County Planning Commission
 Frederick County Board of Appeals

Quantum Loophole CEO Josh Snowhorn
 Rowan Digital CEO John Lucas
 Aligned Data Centers CEO Andrew Schaap

Dear Governor Moore, elected and appointed officials, and industry leaders:

It is with deep concern that we have learned of a new round of environmental damage caused by the Quantum Loophole data centers project.¹ On April 4, 2024, an MDE inspector discovered numerous ongoing violations of environmental regulations.² In parallel, a Frederick County inspector placed a stop-work order on the horizontal drilling operation “due to environmental hazards.”³

Inspectors found that multiple frac-outs⁴ had occurred. One of these frac-outs resulted in the release of sediment, and drilling fluid, directly into a Monocacy River tributary. The drilling company did not immediately report the frac-outs as required. Nor did they cease drilling operations when they realized they were discharging pollutants into nearby waterways. Finally, the drilling company does not hold the proper permits for the work they are conducting.

These violations have been described as a simple release of “clay.” The actual pollutant is drilling fluid mixed with bore-hole tailings like stone chips and soil. A principal component of drilling fluid is bentonite, a clay-like material. While bentonite may have negligible mammalian toxicity, it is a significant threat to aquatic plants and animals.⁵ It is also important to realize that bentonite is not the only component of drilling fluid.

It has become clear that there is one element in common among these violations. There is a pattern of misbehavior across various locations, activities, and subcontractors. Quantum Loophole is the one constant. Taken in total, these violations all suggest a corporate climate of disregard for environmental protection. This culture of environmental disregard seems to have also been continued through the work of Quantum Loophole's subcontractors.

At this point the community, at large, requires something more than platitudes and vague assurances. “We promise to do better” is no longer sufficient. We *expect* rigorous enforcement of all environmental regulations. We *hope* that strict enforcement will lead to full compliance and prevent future violations.

We call on all parties involved, public and private sector, to take action to end this continuing pattern of environmental damage. Regulators should be demanding a higher standard from Quantum Loophole, and its subcontractors. State and county leaders should strictly enforce our already strong environmental laws. Finally, the General Assembly should begin work on robust new regulations to prevent this and other environmental degradation from this new industry.

¹ https://www.fredericknewspost.com/news/environment/pollution/quantum-loophole-pauses-construction-following-numerous-environmental-violations/article_c8d747db-0b52-5cf9-9999-1e8a4c311ad5.html

² https://drive.google.com/file/d/1G7ngYBIrrQ_t24n8oL5irKg1XZnLO31f/view?usp=share_link

³ https://www.fredericknewspost.com/news/continuing_coverage/quantum_loophole/county-orders-pause-to-drilling-related-to-quantum-loophole-fiber-installation-near-buckeystown/article_3a675102-1c8b-5c96-a8ee-1e897fb00b87.html

⁴ A pressurized unplanned release of drilling fluid from the borehole into the surrounding environment.

⁵ <https://pubmed.ncbi.nlm.nih.gov/27809675/> And <https://dep.nj.gov/wp-content/uploads/sab/sab-hdd.pdf>

Respectfully,

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Sugarloaf Citizens Association

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Maryland Legislative Coalition

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Potomac Riverkeeper

Kathy White
Friends of Rural Roads

Dr. Edwin Grayzeck
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Climate Change Working Group of
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Kevin Sellner and Steve Jakubczyk,
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Ask the Climate Question

Dave Feldman
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Diane Cameron
Transit Alternatives to Mid-County
Highway, Extended

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Karen Metchis
Climate Coalition Montgomery County

cc: Frederick News Post, The Baltimore Sun, The Baltimore Banner, The Washington Post,
Chesapeake Bay Journal, Maryland Matters, Data Center Dynamics, Data Center Frontier