

**APPENDIX A**  
**AGENCY CONSULTATION**

## A. AGENCY CONSULTATION

This appendix contains a selection of the Section of Environmental Analysis's (SEA's) written correspondence with Federal, state, and local agencies. The first letter, sent to the Bureau of Land Management on February 12, 2008, is representative of 22 others sent to 11 other agencies requesting input to the scoping process and comments on the draft scope. The letter sent to the Alaska Department of Natural Resources, State Historic Preservation Officer on March 23, 2009 is a sample letter that is representative of six others sent to one other agency and one tribal entity regarding the Section 106 Consultation meeting.

Table A-1 lists all of the agencies with which SEA has corresponded. Copies of correspondence between SEA and the agencies on the dates listed in Table A-1 are included.

<b>Table A-1</b>	
<b>Agencies Consulted and Dates of Correspondence</b>	
<b>Agency</b>	<b>Dates of Correspondence</b>
<b>Federal Agencies</b>	
Bureau of Land Management	2/12/08
Commander of Seventeenth Coast Guard District (oan-3)	2/12/08
National Marine Fisheries Service	3/21/08; 1/30/09; 3/4/09, 1/25/09
National Marine Fisheries Service, Protected Resources Division and Habitat Conservation Division	2/12/08
U.S. Army Corps of Engineers	2/12/08
U.S. EPA-Alaska Operations Office	2/12/08
U.S. Fish and Wildlife Service	2/12/08; 4/16/08; 2/4/09; 2/6/09; 3/9/09
<b>State Agencies</b>	
Alaska Department of Environmental Conservation	2/12/08
Alaska Department of Fish and Game	2/12/08
Alaska Department of Natural Resources, Alaska Coastal Management Program	2/12/08; 8/12/09; 2/16/10
Alaska Department of Natural Resources, Division of Mining, Land and Water	2/12/08
Alaska Department of Natural Resources, Division of Parks	2/12/08
Alaska Department of Natural Resources, Office of Habitat Management and Permitting	2/12/08
Alaska Department of Natural Resources, Office of Project Management and Permitting	2/12/08; 3/21/08; 11/9/09; 12/31/09
Alaska Department of Natural Resources, State Historic Preservation Officer	2/12/08; 6/19/08; 7/23/08; 2/5/09; 2/27/09; 3/23/09; 4/13/09; 5/15/09; 6/5/09;
Alaska Department of Transportation & Public Facilities	2/12/08
Alaska Knik Arm Bridge and Toll Authority	2/12/08
<b>Local Agencies</b>	
Matanuska-Susitna Borough, Community Development Department	2/12/08; 11/9/09; 2/1/10
Matanuska-Susitna Borough, Borough Manager	12/16/08
Matanuska-Susitna Borough, Historic Commission	3/23/09
Matanuska-Susitna Borough, Planning and Land Use Department, Planning Division	11/18/08



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

February 12, 2008

Kevin Keeler  
Bureau of Land Management  
6881 Abbott Loop Rd.  
Anchorage, AK 99013

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Mr. Keeler:

The Alaska Railroad Corporation intends to file a petition with the Surface Transportation Board (Board), pursuant to 49 U.S.C. 10502, requesting authority to construct and operate a new rail line from Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to the existing Alaska Railroad Corporation rail system. The Board is the Federal agency responsible for granting authority for the construction and operation of the proposed new rail line. The Section of Environmental Analysis (SEA) is the office within the Board responsible for preparing the appropriate National Environmental Policy Act (NEPA) documentation for railroad construction and operation cases that come before the Board.

SEA has issued a Notice of Intent to prepare an Environmental Impact Statement (EIS) for the Port Mackenzie Rail Extension, a draft scope of study, and a notice of scoping meetings (see attachment). The purpose of this letter is to request your input to the scoping process. We appreciate your comments on the draft scope by the close of the scoping comment period on **March 21, 2008**.

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation main line between Wasilla and north of Willow, Alaska (see attached map). The proposed rail line would provide freight services between the Port and Interior Alaska and would support the Port's continuing development as a intermodal and bulk material resources export and import facility. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track; a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors;

sidings; and ancillary facilities. The anticipated train traffic would be two trains daily on average, with one train per day traveling in each direction.

Mr. David Navecky is SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the NEPA review process. Mr. Alan Summerville is ICF's Project Manager for the project.

Please send your comments to:

**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

If you have any questions or would like to discuss the project please do not hesitate to contact Dave Navecky at (202) 245-0294 or Alan Summerville at (703) 934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

Attachments



**UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration**

National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668

March 21, 2008

David Navecky  
Surface Transportation Board  
395 E Street, SW  
Washington DC 20423-0001  
ATTN: STB Financial Docket No. 35095

Re: Alaska Railroad Port MacKenzie Rail Line Extension. Request for Scoping Comments.

Dear Mr. Navecky:

The National Marine Fisheries Service offers the following comments on the scoping process for potential impacts of the proposed Port MacKenzie Rail Line Extension on fish populations, habitat, and water quality in the Matanuska-Susitna Valley. Our comments below detail our assessment of (1) areas that need to be studied closely in the analysis of potential impacts and (2) current engineering practices that can be employed to avoid negative impacts on essential fish habitat (EFH).

**Project Status**

NMFS has reviewed materials distributed by the Alaska Railroad Corporation, the Matanuska-Susitna Borough, and the Surface Transportation Board's Section of Environmental Analysis (SEA). The documentation submitted by the Alaska Railroad Corporation and the Matanuska-Susitna Borough is preliminary in nature and outlines the proposed design, construction, and operation of a rail extension connecting Port MacKenzie to existing rail lines to the north. Several different combinations of routes and connectors are cited, but essentially three potential rail alignments are under review.

Recently, the SEA informed us that the Alaska Railroad Corporation intends to file a petition with the Surface Transportation Board requesting to construct and operate the new rail line in the Matanuska Susitna Borough. The SEA is responsible for preparing the appropriate National Environmental Policy Act (NEPA) documentation for railroad construction and operation. The SEA has thus filed a Notice of Intent to prepare the draft scope of studies and the subsequent Environmental Impact Statement (EIS) that will be used in NEPA proceedings and permitting review under section 404 of the Clean Water Act.

**Essential Fish Habitat**

Under Section 305(b)(2) of the Magnuson-Stevens Act, federal agencies are required to consult with the Secretary of Commerce on any action that may adversely affect EFH.



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EFH has been designated for anadromous salmon and marine species of groundfish and crab under NMFS's jurisdiction. EFH encompasses estuarine, near shore and offshore habitats and substrate to include pelagic, epipelagic, and meso-pelagic waters and the benthos. EFH for salmon fisheries consists of the aquatic habitat, fresh and marine waters, necessary to allow salmon production needed to support a long-term sustainable salmon fishery and salmon contributions to healthy ecosystems.

### **Aquatic Ecosystem Processes**

The Matanuska-Susitna Valley comprises a very diverse and complex series of interconnected aquatic and terrestrial ecosystems. The terrestrial land form and surface and ground waters maintain equilibrium in complex hydro-geomorphic processes. These processes support forest, wetland, riparian zones, and hyporeic functions and interactions that facilitate the filtration and percolation of waters released to streams and rivers. The connectivity of these aquatic and terrestrial ecosystem processes supports the chemical exchange of organic nutrients and detrital material, transport of dissolved oxygen and nitrogen, and regulation of water pH and temperature.

These interactions support microbial, micro and macro fauna and invertebrates consequently supporting larval, juvenile and adult fish populations. The foundation of these complex dynamics is dependent on the connectivity, interaction, and balance of all ecological functions.

### **Study Needs**

Historically, railroad construction and transportation infrastructure has negatively impacted fresh water aquatic ecosystem function and balance, causing habitat and wetland fragmentation and altering surface and ground water regimes. These impacts are well documented to have particularly devastating impacts on anadromous fish populations by eliminating fish passages, limiting accessibility to spawning and rearing habitat, and eventually leading to declines in formerly stable and sustainable salmon populations.

The environmental studies conducted for the EIS's assessment of the impacts of the proposed action need to be adequate in scope, analysis, and detail to support both the NEPA process and the section 404 permitting review. Each study design and execution should define a clear set of objectives that incorporate correlated statistical design, sampling methods, and efforts to achieve the objectives with a predetermined level of precision and accuracy.

Of primary concern to NMFS is the identification and characterization of anadromous fish species and associated habitat in the affected landscape. We are also concerned with the potential impact to all supporting natural ecosystem processes, such as wetland and riparian zones, hydrologic function and in-stream flows, and water quality within the affected tributary reach. Studies conducted to satisfy NEPA and the permitting process should include identification and characterization of each of these processes within the

impact area of the final rail line alignment. Studies conducted to identify and characterize fish species (anadromous and resident) should address seasonal relative abundance at all life stages. The aquatic studies should also identify freshwater invertebrates, vegetation, and associated habitat and substrate composition. Any tributary reach intersected by the rail line should be surveyed both up and down stream of the sited reach. For the purpose of this discussion, a reach is defined as 20 times a channel's average width at the specified site.

The absence of anadromous species in a surveyed stream reach may not represent the true historic range and may be the result of pre-existing fish passage barriers downstream. Therefore, fish passage barriers downstream of the rail line should be identified to ensure that future restoration efforts will not be compromised by new rail line construction.

Each of the potentially affected tributaries should be identified and characterized as primary, secondary, or tertiary tributaries, according to Rosgen stream classification techniques at level I and II. Seasonal hydrology and in-stream flow variability should also be characterized within each defined stream reach of a proposed alignment.

The final rail alignment should be sited to avoid wetlands, streams, and rivers that bear fish populations (especially anadromous fish). Where preliminary surveys have identified potential wetlands, functional assessments and wetland delineations should be conducted to one half mile of either side of the proposed final alignment. In addition, any fresh water tributaries identified as bearing anadromous fish populations should also have functional assessments and wetland delineations conducted to the same distance on either side of the tributary. These surveys should also include riparian characterization and descriptions of cover such as woodland vegetative condition and viability, where wetlands are not present.

#### **Avoidance of Negative Impacts**

As part of the EIS, all foreseeable cumulative, direct and indirect impacts need to be presented and discussed. The proposed rail line will necessitate an expansion of the Port MacKenzie facility. Industrial and residential development and expansion will likely follow, as well as connection corridors, associated roads, utilities and secondary development.

With an increased understanding of aquatic ecosystem processes and improvements in engineering technologies used in the development of transportation infrastructure, we suggest that the following design considerations be implemented to avoid disruption of the natural ecosystem functions and associated anadromous fish populations.

Current engineering practices used in the design and construction of stream and river crossings have evolved to avoid negative impacts and maintain natural aquatic biological function and ecosystem connectivity. Elevated bridges, rather than culverts, should be used to span all anadromous tributaries. Bridge design and span must consider the

biological function and hydrology of the entire transected flood plain and account for high-water levels at 50- and 100-year flood events.

Where culverts are the only available option, stream simulation models and methods used in conjunction with open bottom culverts (arched or boxed) allow natural substrate and hyporeic function, thus providing higher levels of interaction between terrestrial and aquatic ecologic process. This design approach supports passage of both juvenile and adult salmonids as well as resident populations of fish and invertebrates. It promotes natural water course, exchange and contribution from woody debris, and naturally occurring detrital and sediment transport and deposition.

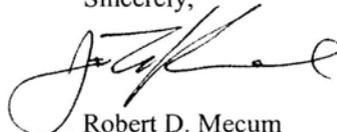
Properly implemented stream simulation methods resist habitat degradation associated with water blockage and restriction, creation of velocity barriers, and scouring during high water events. The use of traditional corrugated pipe culverts should be avoided. These methods irreversibly alter water course, eventually becoming elevated or perched and thus preventing fish passage and degrading natural ecological processes.

Best Management Practices should also be employed on any artificial structure to promote natural hydrology and instream flows. Structures built over naturally occurring waters should conform to the natural stream gradients and alignment of the stream channels, thus reducing scour and eliminating potential velocity barriers.

The Alaska Railroad Corporation has a unique opportunity to set an example by constructing a rail line that considers the sensitive nature, relationship, and connectivity of these ecosystem processes. The incorporation of an ecosystem system approach would support healthy and sustainable salmon populations in the Matanuska-Susitna Valley.

We look forward to working with you to address the issues discussed above to minimize the effects of this project on living marine resources, including EFH. If you have any questions regarding our recommendations for this project, please contact Doug Limpinsel at 907-271-6379 or [Doug.Limpinsel@noaa.gov](mailto:Doug.Limpinsel@noaa.gov).

Sincerely,



Robert D. Mecum  
FR Acting Administrator, Alaska Region

cc:  
Dave Navecky (STB) – [naveckyd@stb.dot.gov](mailto:naveckyd@stb.dot.gov)  
Mike Nagy (ENTRIX) – [mnagy@entrix.com](mailto:mnagy@entrix.com)  
Lynn Noel (ENTRIX) – [lnoel@entrix.com](mailto:lnoel@entrix.com)

Brian Lindamood (ARRC) - [lindamoodb@akrr.com](mailto:lindamoodb@akrr.com)  
Matt LaCroix (EPA) - [LaCroix.Matthew@epa.gov](mailto:LaCroix.Matthew@epa.gov)  
Skip Joy (COE) - [Irvin.T.Joy@poa02.usace.army.mil](mailto:Irvin.T.Joy@poa02.usace.army.mil)  
Serena Sweet (COE) - [serena.e.sweet@usace.army.mil](mailto:serena.e.sweet@usace.army.mil)  
Maureen deZeuw (FWS) - [Maureen\\_deZeeuw@fws.gov](mailto:Maureen_deZeeuw@fws.gov)  
Phil Brna (FWS) - [phil\\_brna@fws.gov](mailto:phil_brna@fws.gov)  
Mark Fink (DFG) - [mark.fink@alaska.gov](mailto:mark.fink@alaska.gov)  
Kim Klein (DFG) - [kim.klein@alaska.gov](mailto:kim.klein@alaska.gov)  
Don Perrin (DNR) - [donald.perrin@alaska.gov](mailto:donald.perrin@alaska.gov)  
Michael L. Bethe (DNR) - [mike.bethe@alaska.gov](mailto:mike.bethe@alaska.gov)



**SURFACE TRANSPORTATION BOARD**  
Washington, DC 20423

*Office of Economics, Environmental Analysis and Administration*

January 30, 2009

Dr. Kaja Brix  
National Marine Fisheries Service  
709 West 9<sup>th</sup> Street  
P.O. Box 21668  
Juneau, AK 99802-1668

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Dr. Brix:

We are writing you to initiate Section 7 consultations under the Endangered Species Act associated with a proposed rail line project in the Matanuska-Susitna Borough, Alaska.

**Project Description**

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation's (ARRC) existing main line between Wasilla and north of Willow, Alaska (see enclosed map). ARRC has stated that the proposed rail line would provide freight services between the Port and Interior Alaska. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track; a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors; sidings; and ancillary facilities. The anticipated train traffic would be two trains daily on average, with one train of 40 to 80 freight cars per day traveling in each direction.

Construction and operation of the proposed rail line would require authorization from the Surface Transportation Board (STB). A decision by the STB would be a "major Federal action" under the National Environmental Policy Act (NEPA) and the STB has assumed the lead agency role in the preparation of an Environmental Impact Statement (EIS) for the proposed project. The STB's Section of Environmental Analysis (SEA) is the office within the agency responsible for preparing the EIS as well as the agency's compliance with other Federal environmental statutes and regulatory programs.

## Section 7 Consultations

SEA has reviewed the project, and after discussions with Mr. Brad Smith of your office on December 18, 2008, determined that the proposed rail line project would not directly affect the endangered Cook Inlet beluga whale (*Delphinapterous leucas*) or any other marine mammal, but could indirectly affect the beluga whale via two mechanisms: (1) potential degradation of forage species habitats (anadromous fish resources), and (2) noise and disturbance from potential increases in vessel traffic, loading and anchorage near Port MacKenzie. SEA plans to evaluate these potential indirect affects with: (1) an Essential Fish Habitat (EFH) Assessment for forage species habitats at anadromous fish crossings throughout the project area, and (2) a Biological Assessment for indirect noise and disturbance effects on the beluga whale in the immediate vicinity of Port MacKenzie at the mouth of Knik Arm. The impact analyses and effects determinations in these two assessments will be used to support the Threatened and Endangered Species section of the EIS. We also plan to use the results of the Biological Assessment to assist with assessing the applicability of Marine Mammal Protection Act requirements.

No direct marine habitat effects would occur as a result of the Port MacKenzie Rail Extension. No critical habitat has yet been designated for the Cook Inlet beluga whale, however indirect effects, if any, would occur within what has been designated as Type 1 habitat (as designated under the National Marine Fisheries Service [NMFS] 2008 conservation plan); which may be designated as critical habitat for this species.

Expansion of facilities at Port MacKenzie by the Matanuska-Susitna Borough is planned independent of the proposed rail extension. Planned expansion of the facilities is considered to have independent utility and is not being evaluated as a connected action under NEPA, but will be evaluated in the cumulative effects analysis by SEA, as appropriate.

Mr. David Navecky is the SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the ESA Section 7 consultation and EIS preparation. Mr. Alan Summerville is ICF's Project Manager for the project. Ms. Lynn Noel with ENTRIX Environmental Consultants in Anchorage, Alaska is assisting Mr. Summerville.

Please confirm the species, action area, and identification of indirect project-related effects for SEA's Section 7 Consultation with NMFS and Biological Assessment and respond to:

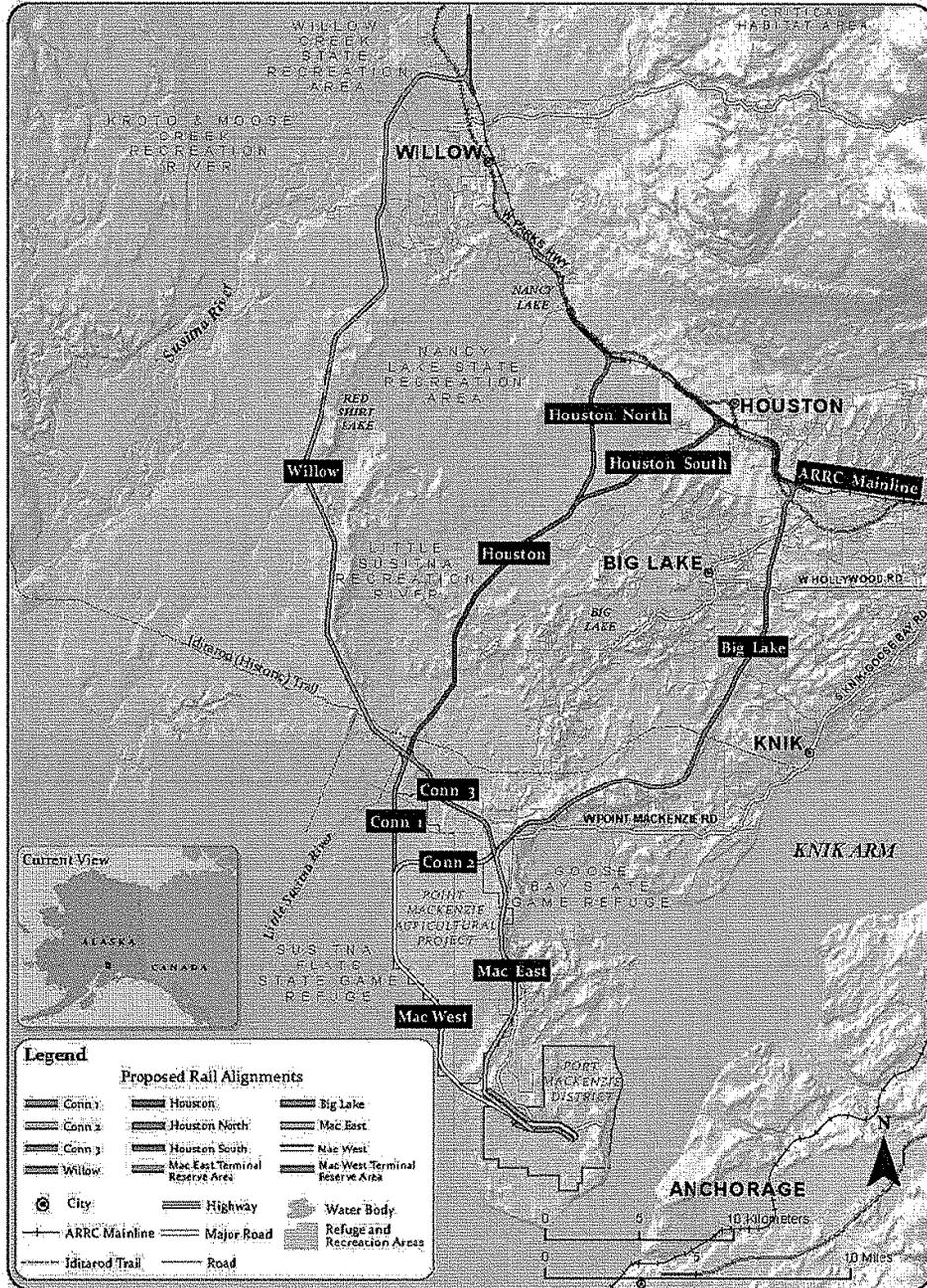
**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

If you have any questions or would like to discuss the project, please do not hesitate to contact Dave Navecky at 202-245-0294 or Alan Summerville at 703-934-3616.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is written in a cursive style with a large initial "V".

Victoria Rutson  
Chief  
Section of Environmental Analysis





**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Oceanic and Atmospheric Administration**  
National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668

March 4, 2009

David Navecky  
Surface Transportation Board  
395 E Street, SW  
Washington D.C. 20423-0001

Re: Port Mackenzie Rail Extension  
STB Finance Docket No. 35095

Dear Mr. Navecky:

The National Marine Fisheries Service (NMFS) has received your letter requesting information on threatened or endangered species and Essential Fish Habitat (EFH) associated with the proposed the Port Mackenzie Rail Extension. Although the letter also requested NMFS confirms the project-related indirect effects, as per our discussion, we cannot evaluate such information until receipt of your assessment of the effects. NMFS offers the following information under the ESA and the EFH provisions of the Magnuson-Stevens Fishery Conservation Management Act (Magnuson-Stevens Act).

**Threatened and Endangered Species**

Section 7(a)(2) of the ESA directs Federal interagency cooperation "to insure that any action authorized, funded, or carried out by such agency is not likely to jeopardize the continued existence of any endangered species or threatened species" or result in the destruction or adverse modification of critical habitat. NMFS is responsible for administration of the Endangered Species Act (ESA) for cetaceans, sea turtles, anadromous fish, marine fish, seals, sea lions, marine plants and corals. All other species (including polar bears, walrus and sea otters) are administered by the U. S. Fish and Wildlife Service. Further information on NMFS ESA species can be found at [http://www.nmfs.noaa.gov/pr/species/esa\\_species.htm](http://www.nmfs.noaa.gov/pr/species/esa_species.htm).

Cook Inlet beluga whales are listed as endangered under the ESA and are frequently observed in the waters adjacent to the project and must be considered when evaluating the effects of this project. At this time, critical habitat for Cook Inlet beluga whales has not been designated, however, as stated in your letter, the project is adjacent to Valuable Habitat Type 1, as defined by the 2008 Conservation Plan for the Cook Inlet Beluga Whale. Please be aware that harbor seals have also occasionally been documented in the area. All marine mammals are protected under the Marine Mammal Protection Act.

Several ESA-listed stocks of Pacific salmon occur within Alaskan waters. These include the following Evolutionarily Significant Units (ESU): Snake River fall Chinook, Snake River spring/summer Chinook, Puget Sound Chinook, Upper Columbia River spring Chinook, Lower Columbia River spring Chinook, Upper Columbia River steelhead, Upper Willamette River



ALASKA REGION - [www.fakr.noaa.gov](http://www.fakr.noaa.gov)

steelhead, Middle Columbia River steelhead, Lower Columbia River steelhead, and Snake River basin steelhead. These stocks are mainly found in the North Pacific, south of the Bering Sea. However, the specific occurrence of listed salmonids within the project area is highly unlikely.

**Essential Fish Habitat**

Under Section 305(b)(2) of the Magnuson-Stevens Act, Federal agencies are required to consult with the Secretary of Commerce on any action that may adversely affect Essential Fish Habitat (EFH). EFH has been designated in waters used by anadromous salmon and various life stages of marine fish under NMFS' jurisdiction. Five fishery management plans exist for fisheries in Alaska. They cover groundfish in the Gulf of Alaska, groundfish in the Bering Sea and Aleutian Islands, crab in the Bering Sea and Aleutian Islands, and salmon and scallops statewide. Please visit our web site at <http://www.fakr.noaa.gov/habitat> for additional information on habitat and EFH information.

We hope this information is useful to you in fulfilling any requirements under section 7 of the Endangered Species Act and section 305(b)(2) of the Magnuson-Stevens Act. Please direct any marine mammal questions to Mandy Migura at 907-271-1332, and questions regarding EFH to Doug Limpinsel at 907-271-6379.

Sincerely,



Robert D. Mecum  
Acting Administrator, Alaska Region

cc: Doug Limpinsel



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

November 25, 2009

Regional Administrator  
National Marine Fisheries Service (NMFS)  
709 West 9<sup>th</sup> Street  
P.O. Box 21668  
Juneau, AK 99802-1668  
Attn: Robert D. Mecum

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Mr. Mecum:

The Surface Transportation Board's Section of Environmental Analysis (SEA), as the lead Federal agency for the Port MacKenzie Rail Line Extension Environmental Impact Statement (EIS), is submitting the Port MacKenzie Rail Line Extension Biological Assessment, as required under Section 7 of the Endangered Species Act.

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation (ARRC) existing main line between Wasilla and north of Willow, Alaska (see attached map). ARRC has stated that the proposed rail line would provide freight services between the Port and Interior Alaska. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track within a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors; sidings; and associated facilities. The anticipated train traffic would be two trains daily on average, with one train of 40 to 80 freight cars per day traveling in each direction.

SEA has reviewed the project, and after discussions with Mr. Brad Smith on December 18, 2008 and correspondence with NMFS Alaska Region (letter dated March 4, 2009 from Robert Mecum), has determined that the proposed Port MacKenzie Rail Extension "**may affect**" the endangered Cook Inlet beluga whale (*Delphinapterous leucas*) indirectly via two mechanisms: (1) potential degradation of forage species habitats (anadromous fish resources), and (2) noise and disturbance from potential increases in vessel traffic, loading and anchorage near Port MacKenzie. SEA evaluated these potential indirect affects with the enclosed Biological Assessment. The impact analyses and effects determinations in the Biological

Assessment will be used to support the Threatened and Endangered Species section of the Draft EIS that is currently being prepared for this project.

No direct marine habitat effects would occur as a result of the proposed Port MacKenzie Rail Extension. No critical habitat has yet been designated for the Cook Inlet beluga whale, however indirect effects would occur within what has been designated as Type 1 habitat (as designated under the NFMS 2008 conservation plan), which may be designated as critical habitat for this species. The Biological Assessment has concluded that the Port MacKenzie Rail Extension “**may affect, but is not likely to adversely affect**” the beluga whale.

Mr. David Navecky is the SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the ESA Section 7 Consultation. Mr. Alan Summerville is ICF’s Project Manager for the project.

We look forward to receiving your concurrence or recommendations on the Biological Assessment. Please respond to:

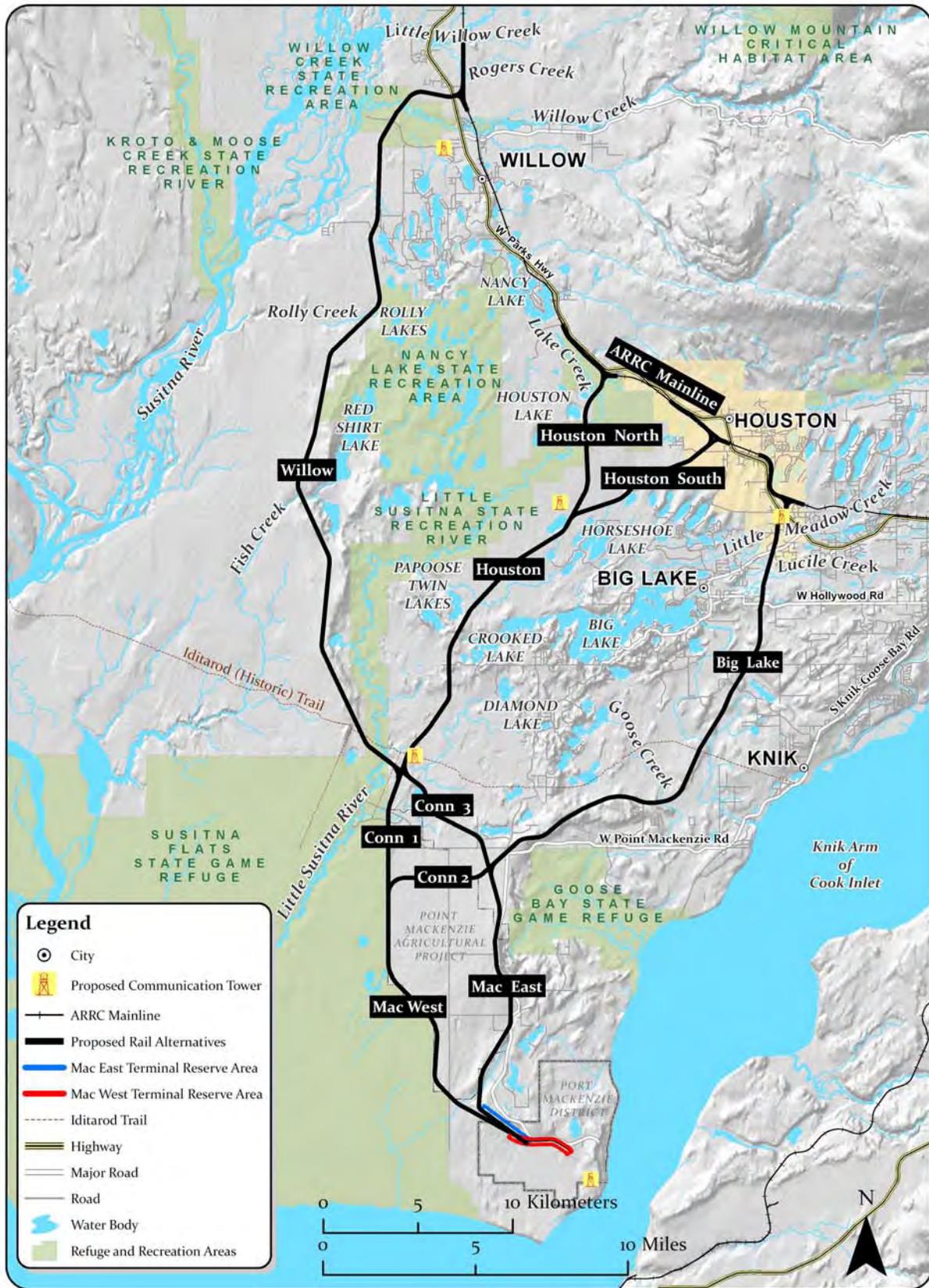
**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

If you have any questions or would like to discuss the project please do not hesitate to contact Dave Navecky at 202-245-0294 or Alan Summerville at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis



----- Forwarded by Mike Nagy/Entrix on 04/16/2008 01:45 PM -----

Maureen\_deZeeuw@fws.gov  
04/16/2008 12:14 PM  
To MNagy@entrrix.com  
Subject Port MacKenzie Rail scoping comments

Dear Michael,

We have reviewed the NOI concerning the proposed Port MacKenzie Rail Extension, and are responding to the February 12, 2008, request from the Surface Transportation Board for comments. We did submit scoping comments to the Alaska Railroad Corporation (Brian Lindamood) on October 19, 2007. The plans do not appear to have changed substantially yet, and as you and I have previously discussed on the phone, the comments of the FWS also remain little changed at this time and we ask you to refer to them.

In particular, we continue to express three main areas of concern: 1) habitat fragmentation, 2) cumulative impacts, and 3) compensatory mitigation. The first two items also in turn emphasize the need for comprehensive land use planning, including green infrastructure planning, for this large and relatively undisturbed site. We are particularly concerned that the Scope of Study does not yet address either green infrastructure planning or cumulative impacts. The far west alternative also remains in your plans, and as we have previously expressed, presents significant habitat fragmentation and cumulative impact challenges.

You have asked us for any additional information, and at this time we wish to draw your attention to the Bird Conservation Region 4 habitat map which has just been completed by the interagency/NGO organization Boreal Partners in Flight, via the Alaska Bird Observatory (ABO) in Fairbanks. The map and additional information is available from Susan Sharbaugh at ABO (907-451-7159). Also, we are aware of a habitat restoration project (Mat Su Borough sponsored?) between Anna Lake and Stephen Lake. Chuck Kausic may be your contact for more information on that project. I believe you are aware of the wetlands mapping and functional assessment project headed by the Mat Su Borough that overlaps with some of your project area. The FWS is currently involved on the wetlands mapping and functional assessment team, particularly looking at bird habitat use, but the project is in its beginning stages only. It may prove to be efficient and worthwhile to combine forces to work on bird habitat use in the overlapping area. We expect more developments regarding the bird habitat variable of the functional assessment over the coming weeks and months, and would be happy to discuss this issue further with you. Finally, there is a Breeding Bird Survey route for the Nancy Lakes/Willow area.

We look forward to keeping the lines of communication open as your project planning proceeds, and particularly hope to work together on green infrastructure planning. Also, we would also like to provide general support for the scoping comments provided by the National Marine Fisheries Service on March 21, 2008. Please contact me at the address below or this email address if you have any questions concerning these comments.

Sincerely,

Maureen de Zeeuw  
Fish and Wildlife Biologist  
U.S. Fish & Wildlife Service  
605 West 4th Avenue, Suite 60  
Anchorage, Alaska 99501  
PH: (907) 271-2777  
FAX: (907) 271-2786



**SURFACE TRANSPORTATION BOARD**  
Washington, DC 20423

*Office of Economics, Environmental Analysis and Administration*

February 4, 2009

United States Fish and Wildlife Service  
Anchorage Fish and Wildlife Field Office  
Attn: Ann Rappaport  
605 West 4th Avenue, Rm G-61  
Anchorage, AK 99501

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Rappaport:

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail from Port MacKenzie in Matanuska-Susitna Borough to the existing Alaska Railroad Corporation (ARRC) main line between Wasilla and north of Willow, Alaska (see enclosed map). ARRC has stated that the proposed rail line would provide freight services between the Port and Interior Alaska. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track; a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors; track sidings; and ancillary facilities. The anticipated train traffic would be two trains daily on average, with one train of 40 to 80 freight cars per day traveling in each direction.

The Surface Transportation Board's Section of Environmental Analysis (SEA) is requesting information regarding the presence of threatened and endangered species and designated critical habitat in the project area. A review of the ESA Consultation Guide Map for the Anchorage Fish and Wildlife Field Office indicated that no listed species or designated critical habitats are found in the project area. Please confirm our review of the consultation guide map for SEA's Section 7 consultation with USFWS and respond to:

**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

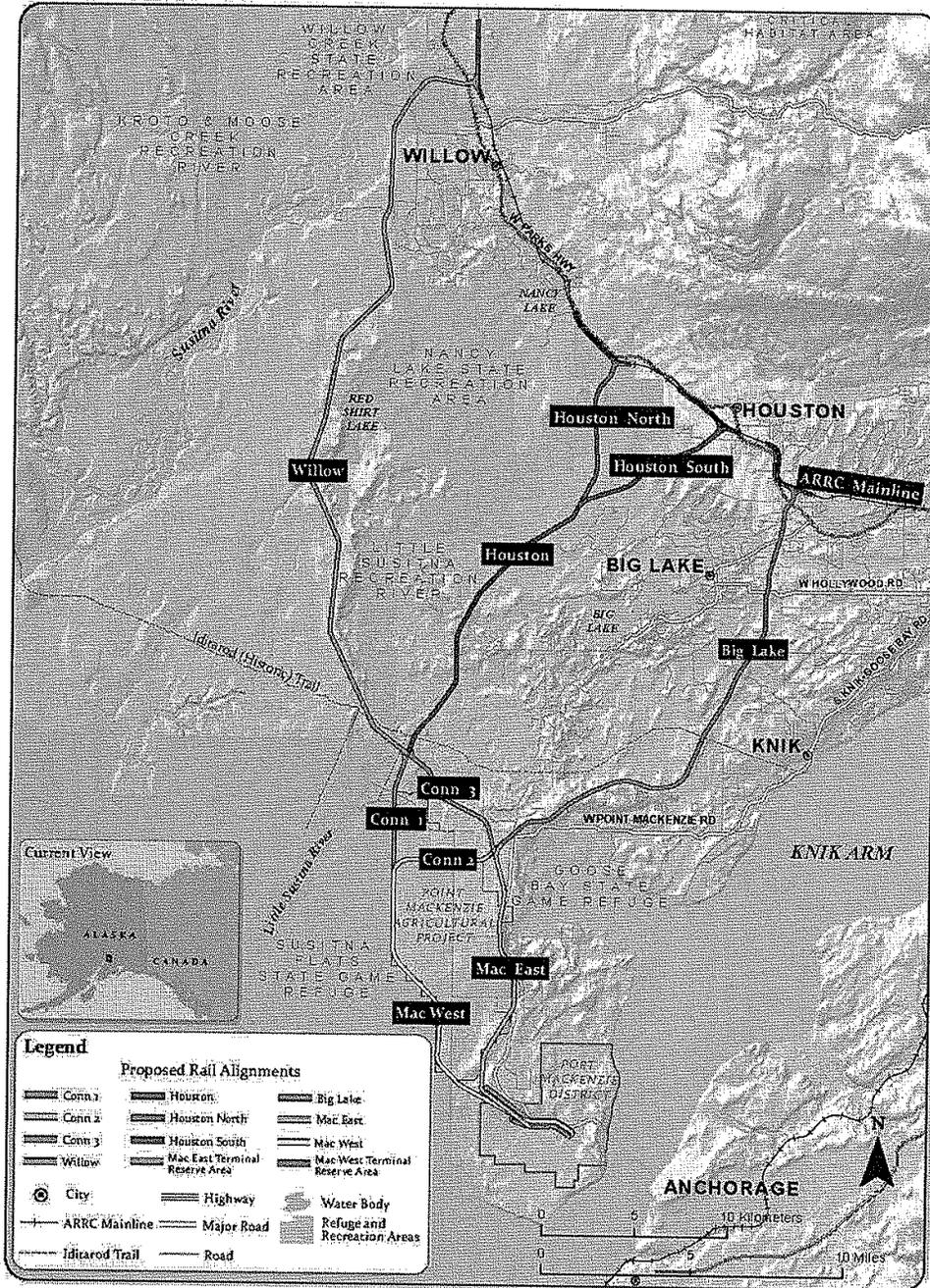
Mr. David Navecky is the SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the ESA Section 7 Consultation. Mr. Alan Summerville is ICF's Project Manager for the project.

If you have any questions or would like to discuss the project please do not hesitate to contact Dave Navecky at (202) 245-0294 or Alan Summerville at (703) 934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis





**SURFACE TRANSPORTATION BOARD**  
Washington, DC 20423

*Office of Economics, Environmental Analysis and Administration*

February 6, 2009

Ms. Ann Rappaport  
U. S. Fish and Wildlife Service  
Anchorage Fish and Wildlife Field Office  
605 West 4th Avenue, Rm G-61  
Anchorage, AK 99501

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Rappaport:

We are writing you to initiate Section 7 consultations under the Endangered Species Act associated with a proposed rail line project in the Matanuska-Susitna Borough, Alaska.

**Project Description**

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation's (ARRC) existing main line between Wasilla and north of Willow, Alaska (see enclosed map). ARRC has stated that the proposed rail line would provide freight services between the Port and Interior Alaska. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track; a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors; sidings; and ancillary facilities. The anticipated train traffic would be two trains daily on average, with one train of 40 to 80 freight cars per day traveling in each direction.

Construction and operation of the proposed rail line requires authorization from the Surface Transportation Board (STB). A decision by the STB would be a "major Federal action" under the National Environmental Policy Act (NEPA) and the STB has assumed the lead agency role in the preparation of an Environmental Impact Statement (EIS) for the proposed project. The STB's Section of Environmental Analysis (SEA) is the office within the agency responsible for preparing the EIS as well as the agency's compliance with other Federal environmental statutes and regulatory programs.

### Section 7 Consultations

SEA is requesting information regarding the presence of threatened and endangered species and designated critical habitat in the project area. A review of the Endangered Species Act (ESA) Consultation Guide Map for the Anchorage Fish and Wildlife Field Office indicated that no listed species or designated critical habitats are found in the project area. Please confirm the accuracy of our determination in writing to:

**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

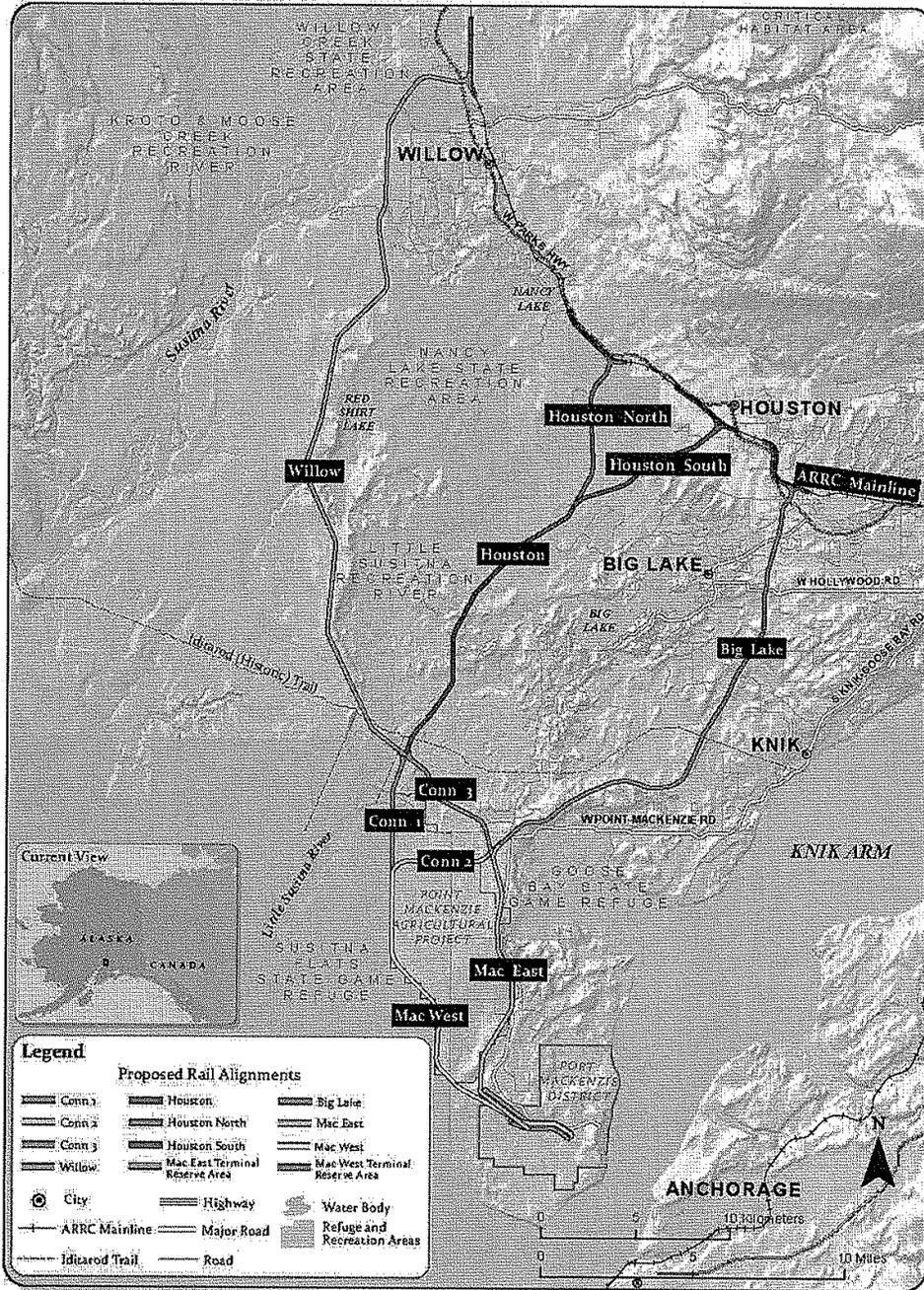
Mr. David Navecky is the SEA Project Manager for the project. ICF International is serving as SEA's independent third-party consultant, assisting with the ESA Section 7 consultation. Mr. Alan Summerville is ICF's Project Manager for the project.

If you have any questions or would like to discuss the project, please do not hesitate to contact Dave Navecky at 202-245-0294 or Alan Summerville at 703-934-3616. Thank you for your assistance.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis





## United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Anchorage Fish and Wildlife Field Office  
605 West 4<sup>th</sup> Avenue, Room G-61  
Anchorage, Alaska 99501-2249



in reply refer to AFWFO

March 9, 2009

David Navecky  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

Re: Matanuska-Susitna Borough Rail Line Project (*Consultation number 2009-0060*)

Dear Mr. Navecky,

On February 12, 2009, we received a letter from Victoria Rutson, Chief of the Section of Environmental Analysis (SEA). Ms. Rutson identified you as the SEA Project Manager for the proposed Port MacKenzie Rail Extension that would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation's existing main line between Wasilla and north of Willow, Alaska.

Our records indicate that there are no federally listed or proposed species, and/or designated or proposed critical habitat, within the action area of the proposed project. In view of this, requirements of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq., as amended; ESA) have been satisfied. However, obligations under the ESA must be reconsidered if new information reveals project impacts that may affect listed species or critical habitat in a manner not previously considered, if this action is subsequently modified in a manner which was not considered in this assessment, or if a new species is listed or critical habitat is determined that may be affected by the identified action.

This letter relates only to federally listed or proposed species, and/or designated or proposed critical habitat, under our jurisdiction; namely, the Aleutian shield fern (*Polystichum aleuticum*, listed as endangered in 1988), spectacled eider (*Somateria fischeri*, listed as threatened in 1993), North American breeding Steller's eider (*Polysticta stelleri*, listed as threatened in 1997), the southwest distinct population segment of northern sea otter (*Enhydra lutris kenyoni*, listed as threatened in 2005), short-tailed albatross (*Phoebastria albatrus*, listed as endangered in 2000), polar bear (*Ursus maritimus*, listed as threatened in 2008), and Kittlitz's murrelet (*Brachyramphus brevirostris*, listed as a candidate species in 2005). This letter does not address species under the jurisdiction of the National Marine Fisheries Service, or other legislation or responsibilities under the Fish and Wildlife Coordination Act, Clean Water Act, National Environmental Policy Act, Marine Mammal Protection Act, Migratory Bird Treaty Act, or Bald and Golden Eagle Protection Act.

Thank you for your cooperation in meeting our joint responsibilities under section 7 of the ESA. If you have any questions, please contact me at (907) 271-3063 and refer to consultation number 2009-0060.

Sincerely,

A handwritten signature in cursive script that reads "Tim Langer".

Tim Langer, Ph.D.  
Endangered Species Biologist

T:\s7\2009 sec 7\No\_Effect\20090060 s7 letter.pdf



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

August 12, 2009

Margie Goatley  
Project Review Coordinator  
Division of Coastal and Ocean Management  
Alaska Department of Natural Resources  
550 West 7<sup>th</sup> Ave., Ste. 705  
Anchorage, AK 99501

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Goatley,

The Surface Transportation Board (Board) is the lead agency in the preparation of an Environmental Impact Statement (EIS) for the Alaska Railroad Corporation's (ARRC) proposed rail line extension to Port MacKenzie, Alaska. The U.S. Army Corps of Engineers, U.S. Coast Guard and Federal Railroad Administration are cooperating agencies in the preparation of the EIS. The purpose of this letter is to initiate consultation with the Alaska Department of Natural Resources (ADNR) regarding the project's consistency with the State of Alaska's Coastal Zone Management Plan. The Board's Section of Environmental Analysis (SEA) understands that ADNR could request additional project details during permitting, which is a responsibility of the project proponent – ARRC, to complete this consultation. SEA respectfully requests ADNR provide input on the project's consistency with coastal standards as described below.

**Project Background**

ARRC proposes to construct and operate approximately 30 to 45 miles of new rail line between the Matanuska-Susitna Borough's (MSB) Port MacKenzie in south-central Alaska and a point on ARRC's main line between Wasilla and north of Willow, Alaska. ARRC has stated that the proposed rail line would provide an additional mode of transportation for the movement of bulk materials, intermodal containers, and other freight to and from Port MacKenzie; and would support ARRC's statutory goal to foster and promote long-term economic growth and development in the State of Alaska. ARRC also advances that the proposed rail line would be consistent with Port MacKenzie's economic development plans, which include the continued development of Port MacKenzie as a multi-modal and bulk materials export and import facility.

Figure 1, which is enclosed as an attachment to this letter, illustrates the project area and the build alternatives that have been identified for detailed analysis in the Draft EIS.

### **Coastal Zone Standards and Policies**

In preparing the Draft EIS, SEA has reviewed the statewide standards of the Alaska Coastal Management Program (ACMP), as amended June 2, 2005, as well as the policies of the Matanuska-Susitna Borough (MSB) Coastal Management Plan and the Point MacKenzie Areas Meriting Special Attention (AMSA) Final Plan. Through this review, SEA has identified the elements of the proposed project that are pertinent to the primary areas of concern outlined in the ACMP and MSB's enforceable policies. These elements are described below:

#### **1. Coastal Development** – *Compliance with coastal development standards*

The proposed Port MacKenzie Rail Extension would involve construction of a rail line within the Matanuska-Susitna Borough from Port MacKenzie to an area near Wasilla and Willow, and would require development of coastal areas. Construction of the proposed rail line extension would require the placement of fill material into wetlands and other waters of the U.S., and would cross fish-bearing streams. All reasonable terms and conditions of permit requirements would be incorporated into project design and construction to protect coastal resources during construction and operation of the proposed project.

#### **2. Natural Hazard Areas** - *Development in adherence to safety standards to ensure protection of public safety and the environment from potential damage caused by known natural hazards*

Potential natural hazards exist within the vicinity of the project including earthquakes along the Castle Mountain Fault, tsunami, volcanic eruptions from Mount Spurr, high winds, slope instability in the form of avalanches and land/mudslides, and wildfires. Measures to mitigate potential impacts to the public, rail line and environment from damage caused by natural hazards could include: ensuring the design would meet all relevant codes and safety standards; designing the project in accordance with the latest applicable seismic codes; and taking into account the region's potential for earthquake activity in order to mitigate potential damage to bridges and tracks.

#### **3. Coastal Access** – *Ensure projects maintain and, where appropriate, increase public access to coastal areas*

ARRC has proposed at-grade crossings or grade-separated crossings to maintain vehicular access to coastal waters along existing public and private roads. For those roads where access cannot be maintained through grade crossings, ARRC has proposed relocating roads in order to maintain access. To maintain trail access to coastal waters, ARRC has proposed grade-separating all officially recognized recreation trails crossed by the project.

**4. Energy Facilities – Compliance with siting standards**

Not applicable. No energy facilities are part of the proposed project.

**5. Utility Routes and Facilities – Compliance with siting standards**

Not applicable. The project is located inland and no utilities would be placed along shorelines or beaches.

**6. Timber Harvest and Processing – Compliance with the Forest Resources and Practices Act**

Timber resources would likely be removed during project construction. Timber surveys have not been conducted to quantify the volume of commercial timber in the area that would be cleared, and ARRC has not developed specific plans for timber salvage from land that would be cleared for the proposed rail line right-of-way (ROW). SEA understands that for ROW areas on state or MSB land, applicable land management plans, policies, and regulations require that timber with commercial or personal use values be salvaged from land that is to be cleared for other uses such as mining, transportation or utility corridors, and habitat enhancement projects, where feasible and prudent. SEA understands that similar provisions for timber salvage on other non-state land that would be cleared for the proposed rail line ROW would ensure that timber resources affected by the project were properly utilized.

**7. Sand and Gravel Extraction – Avoidance of sand and gravel extraction from coastal areas when practicable**

Fill material would be required for rail line construction. ARRC plans to obtain subballast and fill primarily from materials excavated during railbed construction, from existing commercial sources, and from borrow areas established along the rail line. As part of the final design and permitting process, ARRC would perform geotechnical testing to identify borrow locations with suitable material. Measures to mitigate potential impacts resulting from fill extraction could include locating suitable borrow areas to avoid and minimize impacts to wetlands and other waters as much as practicable, and ensuring that appropriate Federal, state and local permits are secured prior to construction.

**8. Subsistence - Avoidance and minimization of impacts to subsistence uses of coastal resources**

There are no local, state, or Federally recognized subsistence harvests within the project area; the entire project is within a state nonsubsistence area. According to state regulations (5 Alaska Administrative Code [AAC] 99.015), a nonsubsistence area is “an area or community where dependence upon subsistence is not a principal characteristic of the economy, culture, and way of life of the area of community.” No subsistence hunting or fishing regulations manage the harvest of resources in the project area. Because the

entire project would be in a state nonsubsistence area and there are no Federal public lands in the project area, no harvests of wildlife and fish resources in or directly outside the project area qualify as subsistence activities under either state or Federal regulations.

**9. Transportation Routes and Facilities – Minimization of impacts to drainage patterns, wildlife transit and existing access**

The proposed rail line would fill wetlands and cross multiple fish-bearing and non-fish bearing streams with culverts or bridges. The rail line could be designed and constructed in such a way as to maintain natural surface and sub-surface water flow and drainage patterns to the extent practicable to prevent impoundment of water or excessive drainage, bank erosion, and to maintain the connectivity of floodplains, wetlands, streams, and other waters along the rail ROW. All Federal permits for work in jurisdictional waters, such as a Section 404 Clean Water Act permit (33 United States Code [U.S.C]. 1251 *et seq.*), would have to be obtained prior to construction. The Applicant would also obtain and comply with reasonable requirements of all necessary state permits and authorizations, such as the Alaska Department of Fish and Game (ADF&G) Fish Habitat Permit for protection of fisheries.

Construction and operation of proposed rail line would remove and alter vegetation and wildlife habitat, and potentially alter wildlife movements and migration, including moose migration. These potential impacts will be analyzed in the forthcoming Draft EIS.

ARRC has proposed at-grade crossings or grade-separated crossings to maintain vehicular access to coastal waters along existing public and private roads. For those roads where access cannot be maintained through grade crossings, ARRC has proposed relocating roads in order to maintain access. To maintain trail access to coastal waters, ARRC has proposed grade-separating all officially recognized recreation trails crossed by the project.

**10. Habitats – Avoidance of adverse impacts to coastal habitats**

The proposed project would require the construction of culverts and bridges to cross wetlands, rivers, streams, floodplains, and riparian habitats along the rail line, which are considered important habitats designated under 11 AAC 114.250(h). Wetlands would also be filled during construction. Measures to mitigate potential impacts to these habitats could include: requiring that the rail line be designed and constructed in such a way as to maintain natural surface and sub-surface water flow and drainage patterns to the extent practicable; employing Best Management Practices (BMPs) during construction and operation of the rail line to minimize impacts to habitats; requiring that ARRC obtain all Federal permits for work in jurisdictional waters, such as a Section 404 Clean Water Act permit, prior to construction; and requiring that ARRC obtain and comply with reasonable requirements of all state permits necessary for the protection of water resources and fisheries, such as the ADF&G Fish Habitat Permit.

**11. Air, Land, and Water Quality** – *Compliance with the statutes and regulations of the Department of Environmental Conservation regarding the protection of air, land, and water quality*

Measures to mitigate potential impacts to air, land, and water quality could include requiring that ARRC comply with all Federal regulations concerning air, land, and water quality where impacts are unavoidable, and all reasonable requirements of applicable ADEC regulations identified in Alaska Statute (AS) 46.40.040(b) during construction and operation of the proposed rail line.

**12. Historic, Prehistoric, and Archeological Resources** – *Compliance with applicable state statutes*

Several archaeological and historic sites have been documented in the vicinity of the proposed project. There are 56 known prehistoric sites and 22 historic cultural resources located within 1 mile of the proposed ROW. In addition, dogsledding associated with the Iditarod National Historic Trail and Iditarod Race is potentially a cultural landscape eligible for inclusion on the National Register of Historic Places (16 U.S.C. 470f). As a result, SEA is currently developing a Programmatic Agreement with the Advisory Council on Historic Preservation, the Alaska State Historic Preservation Officer and the cooperating agencies to comply with Section 106 of the National Historic Preservation Act. An additional measure to mitigate potential impacts to cultural resources could include requiring that ARRC comply with the applicable requirements of AS 41.35.010 – 41.35.240 and 11 AAC 16.010 – 11 AAC 16.900.

**13. Recreation** - *Development to ensure continued access and use of recreational resources*

The proposed project could affect the following recreational resources depending on the alternative route chosen (if any): 1) Iditarod National Historic Trail, 2) Willow Creek State Recreation Area, 3) Little Susitna State Recreation Area, 4) Susitna Flats State Game Refuge, 5) Nancy Lake State Recreation Area, and 6) numerous recorded and unrecorded trails. The project area is well suited for both winter and non-winter outdoor recreation activities. For recreation areas and game refuges protected under Section 4(f) of the U.S. Department of Transportation Act (49 U.S.C. 303), impacts to recreation will be assessed through a Section 4(f) Evaluation that will be in the Draft EIS. As stated in #3 Coastal Access above, ARRC has proposed grade-separated crossings of all officially recognized trails to provide continuity of trails within the project area.

**14. Waterbody Setback Requirements** – *Compliance with 75-foot setback from ordinary high water line for development activities within the designated recreational use area*

SEA understands the entire project area is within the existing MSB coastal zone, the Designated Recreational Use Area (with the exception of the Point MacKenzie AMSA). Therefore, the proposed rail line would require development within 75-feet of the

ordinary high water line within the designated recreation use area. The proposed project would include construction of culverts and bridges to cross wetlands, rivers, streams, floodplains, and riparian habitats along the rail line, and some wetlands within the project area would be filled during construction. Measures to mitigate potential impacts could include requiring that the rail line be designed and constructed in such a way as to maintain the connectivity of floodplains, wetlands, streams, and other waters along the rail ROW and employing BMPs during construction and operations to minimize impacts to recreational areas.

Construction and operation of the proposed Port MacKenzie Rail Extension would require development in the coastal zone and impact resources within the coastal zone. Potential impacts will be evaluated in the forthcoming Draft EIS and measures to avoid, minimize and mitigate impacts will be developed. SEA respectfully requests ADNR provide input on the project's consistency with coastal standards and suggest mitigation measures, as necessary, to ensure that the project is consistent with the State of Alaska's Coastal Zone Management Plan.

Thank you for your cooperation. If you have any questions, please do not hesitate to contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville, Project Manager for ICF, SEA's third-party independent contractor, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

cc: Don Perrin, ADNR, Program Management and Permit Coordinator

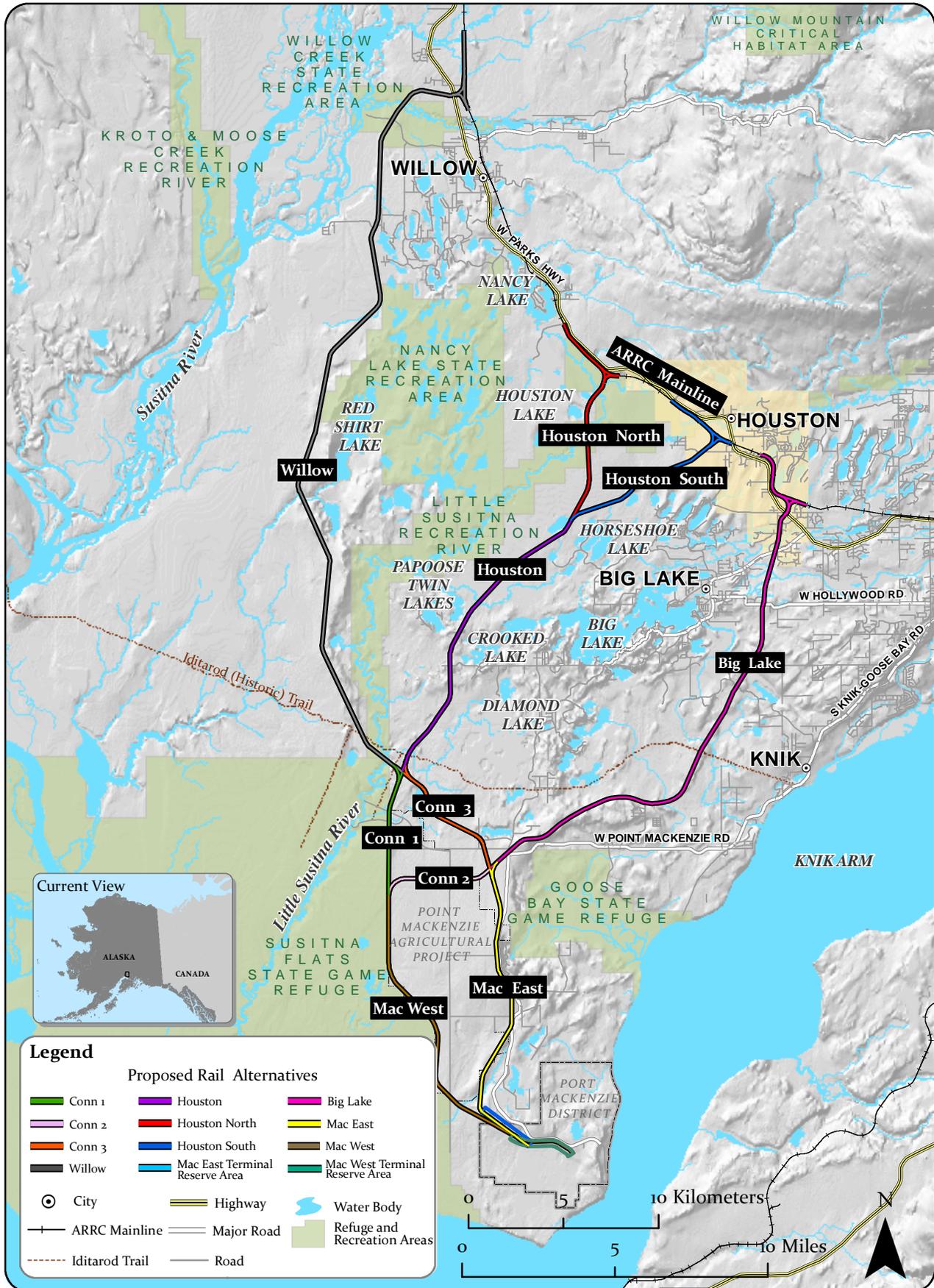


Figure 1

# STATE OF ALASKA

**DEPARTMENT OF NATURAL RESOURCES**  
*DIVISION OF COASTAL AND OCEAN MANAGEMENT*  
<http://www.alaskacoast.state.ak.us>

**SEAN PARNELL**  
**GOVERNOR**

**SOUTHCENTRAL REGIONAL OFFICE**  
550 W. 7<sup>TH</sup> AVENUE, SUITE 705  
ANCHORAGE, ALASKA 99501  
PH: (907) 269-7470 / FAX: (907) 269-3981

**CENTRAL OFFICE**  
P.O. BOX 111030  
JUNEAU, ALASKA 99811-1030  
PH: (907) 465-3562 / FAX: (907) 465-3075

**PIPELINE COORDINATOR'S OFFICE**  
411 WEST 4<sup>TH</sup> AVENUE, SUITE 2C  
ANCHORAGE, ALASKA 99501-2343  
PH: (907) 257-1351 / FAX: (907) 272-3829

2/16/2010

Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423  
Attn: Victoria Rutson

**SUBJECT:** Alaska Railroad Petition to Construct & Operate a Rail Line Extension to Port MacKenzie, Alaska, STB Finance Docket No. 35095

Dear Ms. Rutson:

The Division of Coastal and Ocean Management (DCOM) has reviewed the letter submitted by your agency on August 12, 2009. Your letter explained that the Surface Transportation Board is the lead agency in the preparation of an Environmental Impact Statement (EIS) for the Alaska Railroad Corporation's (ARRC) proposed rail line extension to Port MacKenzie. Your letter indicated that your agency wishes to initiate consultation with the DCOM regarding the consistency of the proposed project.

The purpose of this letter is to inform you that it is our determination that ACMP review is not required at this stage of the proposed project. While Federal agency activities affecting any coastal use or resource are subject to consistency review per 15 CFR 930 Subpart C, the Surface Transportation Board is not the applicant for the proposed rail extension. The act of serving as the lead agency for an Environmental Impact Statement does not constitute a "federal agency activity" as that term is applied under Subpart C.

Although the Surface Transportation Board is considering issuing a federal license to the ARRC for the proposed rail extension, that license is not on the list of federal permits in regulation subject to ACMP review under Subpart D of 15 CFR 930. This project would ultimately be reviewed for consistency with the ACMP under Subpart D with the ARRC as the applicant and with other federal permits subject to ACMP review.

For purposes of compliance with NEPA, the STB could generally describe the CZMA, ACMP, and relevant coastal district policies, and reflect that the appropriate time for the proposed railroad extension to undergo an ACMP consistency review is when a route has been selected, design is finalized and permit applications are submitted for review.

The ARRC may profit from consulting your SEA and considering the ACMP standards you addressed in your letter when they submit a Coastal Project Questionnaire to being the ACMP process after a route has been selected and design is finalized. DCOM would expect a greater level of detail in the consistency evaluation when ARRC submits an application. Additional notes we can provide on the consistency evaluation in the interests of a more complete future ARRC application appear below:

1. **Coastal Development:** This standard prioritizes developments in or adjacent to (near but not necessarily touching) coastal (salt) waters. Future submittals would contain descriptions about how the railroad extension is either water-dependent, water-related or neither water-dependent or water-related.
2. **Natural Hazard Areas:** The Matanuska Susitna Borough coastal management plan does not currently contain any designated natural hazard areas, but natural hazards can be designated during the course of an individual consistency review.
3. **Subsistence Designated Areas:** The Matanuska Susitna Borough coastal management plan does not currently contain any designated subsistence use areas, but these areas can be designated during the course of an individual consistency review.
4. **Habitats:** Future submittals would break out each individual habitat type the project occurs in and give a detailed description of how the railroad extension is designed to avoid, minimize and lastly mitigate significant adverse impacts to habitat types managed by the ACMP. The ARRC would describe all efforts/design considerations made to avoid adverse impacts, then describe efforts to minimize impacts.
5. **Matanuska Susitna Borough Coastal District Enforceable Policies:** Future submittals will need to address any Matanuska Susitna Borough district enforceable policies that apply.

DCOM applauds your decision to include the ACMP standards in your NEPA analysis and very much appreciates the spirit of coordination. Thank you for your cooperation with the ACMP. Please contact me if you have any questions at 907-269-7480 or [Melinda.ODonnell@alaska.gov](mailto:Melinda.ODonnell@alaska.gov).

Sincerely,



Melinda O'Donnell  
Project Review Supervisor

cc: ARRC



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

November 9, 2009

Donald Perrin  
Alaska Department of Natural Resources  
Office of Project Management and Permitting  
550 W. 7th Ave., Suite 705  
Anchorage, AK 99501

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate of a Rail Line Extension to Port Mackenzie, Alaska; Request for Information Regarding 4(f) Applicability, Measures to Minimize Harm, and *de minimis* Findings

Dear Mr. Perrin:

The purpose of this letter is to request input from official(s) with jurisdiction over the resources identified below regarding (1) the applicability of Section 4(f) of the U.S. Department of Transportation Act of 1966 (also referred to as “Section 4(f)”) to the recreation resources that could be affected by the above-referenced project (also referred to as the “Port MacKenzie Rail Extension”); (2) whether there are any other resources under Alaska Department of Natural Resources (ADNR) or Alaska Department of Fish and Game (ADF&G) jurisdiction that qualify as Section 4(f) resources and would be affected by any of the alternatives for the proposed rail line; and (3) where the proposed project may require the use of a Section 4(f) resource, whether proposed mitigation and measures to minimize harm would support a finding of *de minimis* use.

**Section 4(f) Background**

The Surface Transportation Board’s (the Board) Section of Environmental Analysis (SEA) is in the process of developing a Draft Environmental Impact Statement (EIS) for the proposed Port MacKenzie Rail Extension. SEA anticipates that the Draft EIS will include a determination that some of the alternatives analyzed for the proposed Port MacKenzie Rail Extension could have an effect on one or more recreational resources located within lands managed by ADNR or ADF&G that may be protected under Section 4(f).

Section 4(f) applies to the actions of agencies within the U.S. Department of Transportation (U.S. DOT). In order for the Federal Railroad Administration (FRA), a U.S. DOT agency and a cooperating agency in the development of this EIS, to grant funding for the proposed Port MacKenzie Rail Extension, FRA must determine and evaluate the project’s potential effects to resources protected under Section 4(f). The Secretary of the Department of Transportation cannot approve a transportation project requiring the use of publicly owned parks, recreation areas, or wildlife and waterfowl refuges, or significant public or private historic sites

unless there is no prudent and feasible alternative to using that land and the project includes all possible planning to minimize harm to the Section 4(f) resource.

Resources protected under Section 4(f) include “significant publicly owned public parks and recreational areas that are open to the public and significant publically owned wildlife and waterfowl refuges.” The term “significant” means that in comparing the availability and function of the park, recreational area or wildlife and waterfowl refuge, with the park, recreation or refuge objectives of the community or authority, the resource in question plays an important role in meeting those objectives. Further, one of its major purposes and functions must be for park, recreation, or as a refuge. If any of the resources identified below offer incidental, secondary, occasional or dispersed park, recreational or refuge activities, then this does not constitute a major purpose and the resource would not qualify for protection under Section 4(f).

### **Potential Section 4(f) Properties**

We have identified the following preliminary list of potential Section 4(f) properties that could be affected by one or more of the alternatives for the proposed rail line:

- *Little Susitna State Recreation River.* The recreation area, including the Nancy Lake Creek Public Use Site, offers public recreation opportunities, including boating, camping, fishing, and hiking and all-terrain vehicle use on trails along the banks of the river.
- *Nancy Lake State Recreation Area.* The recreation area provides opportunities for canoeing, picnicking, fishing, hiking, camping, dog sledding, skiing, snowshoeing, and snowmachining.
- *Willow Creek State Recreation Area.* Recreational activities available in the area include fishing, camping, floating/boating, winter trails (including the Lucky Shot Trail), wildlife viewing, and hunting.
- *Mud Lake Trail.* This is a multi-use winter trail located near the northwest corner of the Nancy Lakes State Recreation Area that provides access between Nancy Lakes State Recreation Area and the West Gateway Trail System.
- *Pipeline Trail.* This a multi-use winter trail that follows a gas pipeline corridor and provides access to the Point MacKenzie area, the Susitna River, and the Susitna Flats State Game Refuge.
- *Flathorn Lake Trail.* This is a multi-use winter trail that provides access to the Susitna Flats State Game Reserve and the Little Susitna River.
- *Aurora Dog Mushers Trail.* This system is a series of non-motorized winter trails southeast of Big Lake that provides training and racing opportunities for dog sledgers.
- *Susitna Flats State Game Refuge.* The refuge provides important public recreation opportunities, including fishing, hunting, boating, wildlife viewing, and multi-use winter trails.

SEA, on behalf of FRA, respectfully requests that ADNR and ADF&G determine whether the availability and function of these resources plays an important role in meeting agency objectives and verify that one of the major purposes and functions of these resources is for park, recreation, or as a refuge. Additionally, if there are any other potential Section 4(f) resources that would be affected by the proposed rail line that we have not identified, please provide information on these resources and their location in your reply.

### **Measures to Minimize Harm and *de minimis* Findings**

SEA is also developing measures to minimize potential impacts to Section 4(f) resources. SEA will include these mitigation measures in the Port MacKenzie Rail Extension Draft EIS. The measures will include voluntary mitigation developed by the Applicant, as well as preliminary mitigation developed by SEA. Below is a list of measures we are considering including in the Draft EIS to mitigate potential impacts of the proposed rail line on the resources managed by ADNR or ADF&G identified above.

*The Applicant shall consult with land managers to develop a plan to ensure project-related construction activities occur during the most appropriate timeframe, designate temporary recreational access points if main access routes must be obstructed during construction, and consult with the agencies with jurisdiction and user groups to limit potential impacts to recreation activities.*

*Depending on the alternative authorized, the Applicant shall coordinate with the U.S. Coast Guard to provide adequate clearances for navigation of recreational boats on navigable rivers (e.g. Willow Creek and the Little Susitna River).*

*The Applicant shall maintain public access to and from legally authorized trails and Matanuska-Susitna Borough (MSB) recognized trail easements. The Applicant shall provide grade-separated crossings where the new rail line would cross these trails, although some trails could require some realignment to consolidate crossings. The Applicant shall work with trail user groups to design and construct grade-separated trail crossings.*

*The Applicant shall consult with ADNR, ADF&G, and MSB to determine where significant public access is occurring to and along public and navigable water bodies. If existing levels of access or significance of adjacent water bodies merit access preservation, the Applicant shall design project-related waterbody crossing structures to accommodate upland access on public land along waterways.*

*If the Surface Transportation Board authorizes the Mac West segment, the Applicant shall consult with the ADF&G to develop and implement measures, including consideration of replacing refuge acreage used for project-related rail right-of-way, to minimize impacts to the Susitna Flats State Game Refuge to the extent practicable.*

*If the Surface Transportation Board authorizes the Willow segment, the Applicant shall consult with ADF&G and ADNR to develop and implement measures, including consideration of replacing acreage used for project-related rail right-of-way, to minimize potential impacts to the Willow Creek State Recreation Area, Nancy Lakes State Recreation Area and Little Susitna River State Recreation River Area. The Applicant shall identify any additional trails, campsites, or other uses within the recreation areas that could be potentially affected by the project and shall coordinate with ADNR Division of Parks and Recreation (DPOR) to craft a site-specific crossing plan to eliminate or decrease potential impacts to the extent practicable.*

*If the Surface Transportation Board authorizes the Houston North segment, the Applicant shall consult with the ADNR to develop and implement measures to minimize potential impacts to the Little Susitna State Recreation River and the Nancy Lake Creek Junction public use site including replacement of any camping or other facilities within the right-of-way.*

*If the Surface Transportation Board authorizes the Connector 1 segment, the Applicant shall consult with ADF&G and ADNR to determine if any trails in addition to official recognized trails within and surrounding the Little Susitna Public Use Facility have high enough levels of use to merit consideration for a grade-separated crossing.*

*If the Surface Transportation Board authorizes the Willow segment, the Applicant shall provide two grade-separated crossings for the Lucky Shot Trail within the Willow Creek State Recreation Area and shall construct a bridge over Willow Creek with adequate clearance to ensure public access along the waterway during winter as well as summer conditions.*

*If the Surface Transportation Board authorizes the Willow segment, the Applicant shall determine whether access would be made available to the parkland in the Nancy Lakes State Recreation Area west of the proposed right-of-way; if such accommodation is warranted but not practicable, the Applicant shall consult with ADNR DPOR to determine appropriate mitigation for the loss of public access to this area.*

*If the Surface Transportation Board authorizes the Willow or Houston North segments, the Applicant shall construct a bridge over the Little Susitna River with adequate clearance to ensure public access along the waterway during winter as well as summer conditions.*

*If the Surface Transportation Board authorizes the Mac West, Connector 1, and/or Willow segments, the Applicant shall consult with ADFG to identify trails, campsites or other uses within the Susitna Flats State Game Refuge that would be affected and develop a site-specific crossing plan to maintain public access for Susitna Flats State Game Refuge.*

Section 6009 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (49 U.S.C. 303), also known as SAFETEA-LU, amended Section 4(f) statutory requirements to include an exception for uses of protected land that would have a “*de minimis*” impact on that land. The U.S. Secretary of Transportation may make a finding of *de minimis* impact if the project “will not adversely affect the activities, features, and attributes of the park, recreation area, or wildlife or waterfowl refuge eligible for protection” under Section 4(f), and if the “Secretary has received concurrence from the officials with jurisdiction over the park, recreation area, or wildlife or waterfowl refuge.” To complete the Section 4(f) evaluation, SEA, on behalf of FRA, is requesting your input on whether a *de minimis* impact finding for any or all of the properties identified above could be reached through the implementation of the measures described above, or with the development and implementation of additional mitigation measures.

In summary, please indicate if you concur that: (1) this letter has identified all the ADNR- and ADF&G-managed Section 4(f) resources potentially affected by the proposed Port MacKenzie Rail Extension; (2) there are no other ADNR- or ADF&G-managed Section 4(f) resources potentially affected by the proposed project; and (3) the potential mitigation measures outlined in this letter would make the potential impacts *de minimis* for any of the Section 4(f) resources listed in this letter, and if so, which resources. If we have failed to identify all the ADNR- or ADF&G-managed Section 4(f) resources, please identify their location and provide a

description of the resource in your reply. If ADNR or ADF&G believes that additional mitigation measures would be required to make the potential impacts on Section 4(f) resources *de minimis*, please outline such measures in your reply. Please address your reply to Dave Navecky of my staff at the letterhead address, or as an email attachment to [David.Navecky@stb.dot.gov](mailto:David.Navecky@stb.dot.gov).

Your hard work and cooperation to date has helped make this environmental review process the “hard look” required by NEPA. I thank you in advance for the expertise and effort needed in responding to the questions posed in this letter. If you have any questions, please do not hesitate to contact Dave Navecky, SEA’s Project Manager, at 202-245-0294, or Alan Summerville of ICF International, Project Manager for SEA’s third-party contracting team, at 703-934-3616. We would appreciate your reply by December 9, 2009.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

**cc:**

Mr. John Winkle  
Federal Railroad Administration  
Office of Railroad Development  
1200 New Jersey Ave SE - Mail Stop 20  
Washington, DC 20590

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**  
**OFFICE OF PROJECT MANAGEMENT AND PERMITTING**

March 21, 2008

Surface Transportation Board  
Case Control Unit  
1925 K Street, NW  
Washington, D.C. 20423-0001  
Attention: David Navecky  
Environmental Filing

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line to Port MacKenzie, Alaska. Notice of Intent to Prepare and Environmental Impact Statement.

The State of Alaska has reviewed the February 12, 2008 Notice of Intent from the U.S. Department of Transportation Surface Transportation Board (STB) to prepare an Environmental Impact Statement (EIS) for the proposed Alaska Railroad Corporation (ARRC) Port MacKenzie Rail Extension. The ARRC seeks authority to construct and operate approximately 30 to 45 miles of new rail connecting the Matanuska-Susitna Borough's Port MacKenzie to a point on the ARRC main line between Wasilla and Willow, Alaska. The following comments represent the consolidated views of the State's resource agencies and supplement the enclosed State of Alaska agency pre-scoping comments previously submitted to ARRC.

The Notice of Intent requests comments on the included Draft Scope of Study for the EIS. In general, the State supports the scope as presented. The project would require authorizations and consultation with State of Alaska agencies, including the Alaska Departments of Natural Resources, Environmental Conservation, Fish and Game, and Transportation & Public Facilities, concerning a wide range issues with regard to fish passage, fragmentation of wildlife habitat, the presence of cultural sites, native allotments, state recreation areas and game refuges, water quality, historic land use patterns, and road/rail crossings. We note that land ownership and the successful acquisition of Rights-of-Way will also significantly affect the final route selection. General comments on the draft scope of study, including route selection and design considerations are provided with the corresponding draft Scope of Study number below:

## **1. Safety**

Please include a discussion of hazardous materials, including petroleum products and spill response.

## **2, 3, 11, & 12. Land Use, Recreation, Socioeconomics, and Transportation Systems**

The EIS should specifically evaluate impacts to regional winter trails from not solely a recreational perspective. It should also include the economics, land use, transportation and lifestyle impacts of all alternative routes on winter trail use. Trails also provide the following:

LIFESTYLE/SOCIOECONOMICS: Trails are used by professional dog mushers and snowmachiners for training and racing. This is highlighted by the fact that Willow has just

*“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”*

Page 2

become the new permanent Iditarod Trail Race Restart point due to its typically better snow conditions and trail networks that favor large spectator events. The Iditarod Race annually attracts 30,000 to 40,000 spectators who view the race from a regional perspective; many spectators utilize the entire trail network from Big Lake to beyond Willow to engage in this world-famous trail event. The Annual Iron Dog Race begins in Big Lake and also has a very strong economic and social impact to the region.

**SOCIOECONOMICS/TOURISM:** Trails as a focus for developing a strong winter-based tourism program by having a large inter-connected network of trails that supports overnight lodging, food, equipment rentals, and ancillary marketing. The web-like net of trails currently offer a large menu of north-south and east-west options for tour routes that include groomed and signed trails that cater to both novice and experienced trail users. This includes options of a 1-hour ride to multi-day trips. Once a web is bisected, it is no longer.

**TRANSPORTATION:** The east-west network is multi-faceted to allow residents, lodge owners and recreationists to traverse freely to the west side of the Susitna River drainage. Since there are no bridges or roads to this area, changing river ice openings, differences in freeze-up and varying snow conditions require that many options exist to allow free passage to this area of the state

### **2 & 3. Land Use & Recreation**

Impacts to public access to public resources, i.e., hunting and fishing opportunities, trails, access to stream easements and other easements and public lands must be addressed during route selection and rail design. Infrastructure development and Right of Way grants have potential to increase or focus use in areas that are currently not heavily used and well as having the potential to block or alter access across current trails. Customary and traditional access to fish and game resources shall be maintained.

### **4. Biological Resources**

Any of the potential routes for this project traverse a large geographic area and have the potential to negatively impact a wide range of sensitive habitat areas. All work associated with this project that could potentially impact anadromous streams (AS 41.14.870) or could potentially block the free passage of fish (AS 41.14.840) requires a Fish Habitat Permit from the OHMP prior to commencement of any construction.

A multitude of streams supporting both anadromous and resident fish species are present in the project area. Fragmentation of aquatic habitat is a concern. Many of the anadromous streams in the area have been documented in the ADF&G/OHMP Anadromous Waters Catalog (AWC). However, this catalog is a work-in-progress.

There is no such catalog for resident fish species. Comprehensive stream sampling to determine/confirm anadromy and the presence or absence of resident fish will be required. Fish usage patterns may have changed since the area was initially surveyed, and many smaller streams have yet to be sampled. All resultant data should be submitted to ADF&G for inclusion in the AWC.

All flowing waters that may be crossed by the rail extension should be sampled for fish presence to determine the impact of the particular route on fish passage. These streams should be identified by a combination of aerial and foot surveys because many minor streams are not mapped and may not be

Page 3

apparent from the air. Electroshocking in conjunction with foot surveys is the preferred sampling method. All possible fish species would be susceptible to capture and post-spawning salmon carcasses would be apparent.

The presence of many of the potential fish species (e.g. Pacific salmon) is seasonal in nature. Sampling should be conducted between early-August and mid-September to ensure all possible species are present in the stream at some stage of their life history. Sampling in even years is preferable due to the even-year dominance of pink salmon in this region. Hydrological studies will be required to map wetland areas associated with fish bearing drainage systems. This project has the potential to isolate the free flow of water through these wetland areas, thus impacting fishbearing waters. Wetland continuity should be maintained.

#### Routing and Design Considerations

The use of bridges to span floodplain areas is the preferred method of providing for the long-term free passage of fish on anadromous systems. Bridge abutments should be located outside the floodplain and above the ordinary high water mark (OHW) to minimize potential impacts to riparian vegetation and streambank integrity.

Culverts should be designed using stream simulation methodology. The culvert design width at the OHW mark should be greater than or equal to 125-percent of the width of the stream at the OHW stage. The culvert grade should approximate the surrounding slope of the stream channel ( $\pm 1\%$ ). Culverts should be buried to approximately 40-percent of their diameter with substrate material that will remain dynamically stable at all expected flood discharge rates. Other design criteria will apply as well.

It shall be the responsibility of the ARRC to ensure the free passage of fish throughout the lifetime of each stream crossing. Beavers are common along the various alternative routes. Culvert designs should account for long-term maintenance for fish passage and be of sufficient size (diameter) to discourage blockages associated with beaver dam construction.

#### Route Preferences

The State prefers a route that would minimize potential impacts to wetland areas associated with fish bearing waterways, minimizes the total number of actual stream crossings and avoids crossings of important salmon producing systems such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds whenever possible. Of the provided routes, these criteria appear to be met best with the following route:

1. Houston South
2. Houston
3. Connector 3
4. Mac East

This conclusion is based on initial examination of existing data and aerial imagery and should be viewed as preliminary. Based on this initial analysis of existing materials, the Willow route would result in more fragmentation of fish and wildlife habitat, particularly in undeveloped areas, than the other alternatives. Crossings over Willow Creek and the Little Susitna River would be necessary.

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Because of the extended length of this route, the potential impacts to wetland areas associated with these drainages could be significant.

### Wildlife

All of the proposed routes will cross areas frequently used by moose, potentially reducing travel between habitat patches, and increasing moose-railcar collisions. A baseline field study should be conducted to identify important seasonal moose concentration areas, movement corridors and habitat resources. ADF&G, Wildlife Conservation Division, generally does not permit private entities to capture and handle large mammal species. In response to increasing conflicts between development and moose in the Matanuska Susitna region, the area management biologist has previously proposed a study to GPS collar and track moose in the area to identify migration corridors, migration timing and habitat use. This information, in addition to the study results provided by the Northern Rail extension moose mitigation study, will be important considerations in planning and mitigating to rail extension and operation impacts to moose populations in the area.

Route selection, effective wildlife crossings, and conventional road crossings should be optimized to reduce habitat fragmentation and to reduce wildlife-railcar collisions. Wildlife overpasses, elevated sections of track, and extended lengths of bridges across rivers should all be considered where appropriate.

## 5. Water Resources

The EIS should include discussion on maintenance of surface water connectivity in streams and wetlands areas, including a description and estimate of the impact of the railroad embankment bisecting wetlands on local water movement to creeks.

Please include the following as a mitigation measure to avoid or minimize potential Project impacts to water quality: “In addition to developing an NPDES Construction General Permit Storm Water Pollution Plan for the Project, DEC adds the requirement that construction contractor and sub-contractor staff shall receive at least 16 hours of erosion and sediment control training.”

Of primary concern is the filling and fragmenting of "high value" wetlands in the lowlands wetland complex ecosystem throughout the project area. The ARRC will need to demonstrate how it will maintain the high degree of water quality in these wetlands, rivers and creeks during construction and maintenance of the proposed rail line.

The EIS should also include discussion of the potential impact of various alternatives on water quality within state parks or wildlife refuges. Specifically, reflecting the requirements of 18 AAC 70.015(a)(3) that states, “if a high quality water constitutes an outstanding national resource, such as a water of a national or state park or wildlife refuge or a water of exceptional recreational or ecological significance, the quality of that water must be maintained and protected;”

Finally, the EIS should include discussion of gravel sources needed for the construction of the railroad embankment and the potential impacts on the water environment resulting from new gravel sites.

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Thank you for the opportunity to comment on the draft Scope of Study for this project. We look forward to working with the STB as it develops the EIS for this project and are available to discuss and clarify the state's scoping and pre-scoping comments.

Sincerely,

/s/

Don Perrin

Project Management and Permit Coordinator

Enclosure: Pre-Scoping State agency comments to the ARRC

Cc: Wayne Biessel, ADNR/DP&OR  
Mike Bethe, ADNR/OHMP  
Ken Bouwens, ADNR/OHMP  
Nina Brudie, ANDR/DCOM  
Stefanie Ludwig, ADNR/OHA  
Sam Means, ADNR/MLW  
Clark Cox, ADNR/MLW  
Tammy Massie, ADF&G/SF  
Tony Kavalok, ADF&G/WC  
William Ashton, ADEC  
Jennifer Witt, ADOT&PF  
Brian Lindamood, ARRC

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF PARKS AND OUTDOOR RECREATION

#### OFFICE OF HISTORY AND ARCHAEOLOGY

SARAH PALIN, GOVERNOR

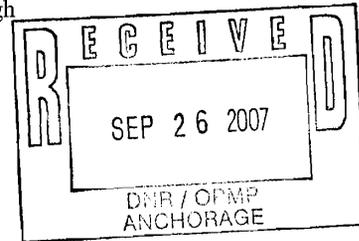
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ANCHORAGE, ALASKA 99501-3565  
PHONE: (907) 269-8721  
FAX: (907) 269-8908

September 26, 2007

File No.: 3130-2R ARRC

SUBJECT: Port Mackenzie Rail Extension, Matanuska-Susitna Borough

Brian Lindamood  
Alaska Railroad Corporation  
P. O. Box 107500  
327 Ship Creek Avenue  
Anchorage, AK 99501



Dear Mr. Lindamood,

The Alaska State Historic Preservation Office has reviewed the information on the Port Mackenzie Rail Extension Project that you presented during the agency scoping meeting on September 18, 2007. We have the following comments:

1. As mentioned in your presentation, the project area contains numerous cultural resources. Only a fraction of the project area has been archaeologically surveyed however and it is likely that there are many additional, currently unreported prehistoric and historic sites. Regardless of which alternative is selected, we will likely be recommending additional archaeological survey.
2. All of the alternatives intersect the Iditarod National Historic Trail. The trail was designated by Congress in 1978 for its significance as a historic transportation route. Effects to the trail resulting from the rail extension will need to be addressed.
3. The Matanuska Farm Station was established in 1915 in what is now the Port Mackenzie Agricultural Area. This agricultural landscape will need to be evaluated for eligibility for the National Register of Historic Places.
4. In defining the area of potential effect and identifying historic properties, be sure consider both potential direct and indirect effects to historic properties. Indirect effects may include increased development or changes in setting as a result of the project.

We look forward to continued consultation with you regarding this project. Please contact Stefanie Ludwig at 269-8720 if you have any questions or if we can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Judith E. Bittner".

Judith E. Bittner  
State Historic Preservation Officer

JEB:sl

Cc: Don Perrin, DNR/OPMP

# STATE OF ALASKA

**SARAH PALIN**  
**GOVERNOR**

**DEPARTMENT OF NATURAL RESOURCES**  
*OFFICE OF PROJECT MANAGEMENT AND PERMITTING*  
*ALASKA COASTAL MANAGEMENT PROGRAM*

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[www.alaskacoast.state.ak.us](http://www.alaskacoast.state.ak.us)

October 15, 2007

Brian Lindamood  
Alaska Railroad Corporation  
P.O. Box 107500  
Anchorage, AK 99510-7500

Subject: Port MacKenzie Rail Extension Pre-Application Comments

Dear Mr. Lindamood:

The Office of Project Management & Permitting (OPMP) has reviewed the preliminary information you provided regarding the proposed Port MacKenzie Rail Extension project, and offers the following comments related to the Alaska Coastal Management Program (ACMP).

1. **Proposed Project is Within Coastal Zone.** All of the alternatives for the proposed project are located within the Coastal Zone of Alaska and would require state and federal authorizations triggering a review of the proposed project for consistency with the ACMP.
2. **Timing of ACMP Review.** The ACMP consistency review is initiated when the OPMP receives a complete consistency certification in accordance with 11 AAC 110.410 and 15 CRF 930.58.
3. **Consistency Evaluation.** A complete consistency certification requires an evaluation that includes a set of findings relating the coastal effects of the proposed project and its associated facilities to the relevant enforceable policies of the ACMP. Applicants shall demonstrate that the activity will be consistent with the state standards at 11 AAC 112 and with applicable Mat-Su Coastal Resource District and Point Mackenzie AMSA enforceable policies. The consistency evaluation may be presented during the NEPA process, but the State would not conduct its ACMP consistency review until a route has been selected and the ARRC submits a complete consistency certification.

Port MacKenzie Rail Extension  
OPMP Pre-Application Comments

Page 2

October 15, 2007

4. **Special Areas to Consider.** The ACMP requires that projects in the Coastal Zone be sited, designed and constructed in a way that minimizes impacts to coastal uses and resources. In evaluating the project's potential impacts, special considerations should be made for public access to, from and along coastal waters, traditional access routes, competing uses such as commercial, recreational or subsistence uses, wildlife transit and special management areas such game refuges, as well as other coastal uses and resources outlined in the state standards and enforceable policies of the ACMP.

This concludes OPMP's pre-application comments on the proposed Port MacKenzie Rail Extension project. The OPMP is available to guide and assist the ARRC in submitting the ACMP consistency certification for the proposed project. Please contact me at (907)334-2563 or email [nina.brudie@alaska.gov](mailto:nina.brudie@alaska.gov) if you have any questions.

Sincerely,



Nina Brudie  
Project Review Coordinator

cc: Don Perrin, DNR/OPMP Anchorage

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

*Division of Sport Fish*

**SARAH PALIN, GOVERNOR**

333 Raspberry Road  
Anchorage, AK 99518-1599  
PHONE: (907) 267-2342  
FAX: (907) 267-2464

October 31, 2007

Brian Lindamood  
Alaska Railroad Corporation  
P.O. Box 107500  
Anchorage, AK 99510-7500

Re: Port MacKenzie Rail Extension Pre-Application Comments

The Alaska Department of Fish and Game (ADF&G) has reviewed the preliminary information regarding the proposed Port MacKenzie Rail Extension project pursuant to the Alaska Coastal Management Program (ACMP) (AS 46.40), Special Areas Permitting (5 AAC 95), and the Fish and Wildlife Coordination Act (16 U.S.C. 662).

The Alaska Railroad Corporation (ARRC) and the Matanuska-Susitna Borough (MSB) have jointly proposed to design and construct a 30- to 45-mile rail line from Port Mackenzie to the existing rail system at a point between Meadow Lakes and north of Willow. The anticipated timeline is as follows: 2007-2009, completion of the requirements of the National Environmental Protection Act (NEPA); 2008-2009, final project design; 2009-2011, construction; and 2011-2012, operation. Three major routes have been proposed, but none has thus far been selected. The proposed routes are identified in Attachment 1: Project Area Alternatives. Factors influencing the final route selection include presence of water bodies and anadromous fish streams, wildlife habitat, cultural sites, native allotments, parks and refuges, wetlands, soils, land use and ownership, and feasibility of acquisition of Rights of Way (ROW) by ARRC.

After review of the project alternatives, ADF&G has identified several important considerations. Per 11 AAC 112.300, the selected route should avoid adverse impacts to coastal resources including wetlands, rivers, streams, lakes, and State Game Refuges. Additionally, facilities and improvements associated with ARRC should avoid impacts to offshore areas, estuaries, and tideflats where such impacts could negatively affect water flow and natural drainage patterns or competing uses such as commercial, recreational, or subsistence uses. Where adverse impacts cannot be avoided, measures must be taken to minimize and mitigate all adverse impacts. The ADF&G is mandated to, "manage, protect, maintain, improve, and extend the fish, game, and aquatic plant resources of the state..." In order to avoid impacts and promote healthy fish and wildlife populations, ADF&G offers the following comments for consideration during project development:

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*"... shall manage, protect, maintain, improve, and extend the fish, game and aquatic plant resources of the state in the interest of the economy and general well-being of the state"*



- The selected route should avoid crossing into or through Susitna Flats and Goose Bay State Game Refuges.
- The selected route should minimize the number of stream and wetland crossings.
- Avoid crossing large streams such as Willow Creek, the Little Susitna River, and Fish Creek whenever possible.
- Impacts to rivers and streams should be minimized through use of railway bridges rather than culverts, particularly for streams containing anadromous fishes.
- Bridges should span 100-year floodplains in order to maintain natural water flow and drainage patterns of streams, rivers, and wetlands. All abutments and other infrastructure should be built outside of the floodplain whenever possible. Bridges spanning floodplains will help to maintain riparian vegetation, streambank integrity, and wildlife corridors.
- Public access should be maintained to, from, and along coastal waters, traditional access routes, National Historic Trails, and existing easements (including those along section lines).
- To reduce the likelihood of invasive weed expansion, all soil disturbance due to construction in areas of previously-undisturbed vegetation adjacent to or associated with the rail line should be revegetated with native species within one growing season of the disturbance activity, except where doing so would increase risk of wildfire.
- The construction of a rail line in previously undisturbed areas will result in increased habitat fragmentation. Habitat connectivity should be maintained to the greatest extent possible. The Mac West route and the Willow connection have the greatest potential for fragmenting previously undisturbed habitat. The Mac East route and Big Lake connection is the shortest route, crosses the fewest waterways, and will result in the least fragmentation of previously-undisturbed habitat.
- All three proposed routes will cross areas frequently used by moose, potentially reducing travel between habitat patches, and increasing moose-railcar collisions. A baseline field study should be conducted to identify important seasonal moose concentration areas, movement corridors and habitat resources. Once identified, the impacts of the railroad on these areas must be avoided and minimized. Effective wildlife crossings and conventional road crossings should be optimized to facilitate wildlife movement across the track and to reduce wildlife-railcar collisions. Moose overpasses, elevated sections of track, and extended lengths of bridges across rivers should all be considered and constructed where appropriate.
- Important moose habitat, movement corridors, and effective buffer zones around corridors should be integrated along with green infrastructure, rivers and floodplains, wetlands, recreation areas, and other natural resources into a region-wide land-use plan in order to identify, prioritize, and limit human activities that negatively impact the ecological functionality of the landscape. ARRC should participate in regional planning efforts in coordination with borough planners, federal and state agency representatives, special interest groups, and the public. Regional land use planning should be addressed during assessment of the railway's cumulative impacts.

An analysis of impacts to fish, wildlife, habitat, and aquatic resources must be conducted and should include a detailed assessment of cumulative effects of rail construction as well as associated developments. The associated developments should include roads, utilities, material sources, secondary development, and industry that can be expected to develop as a

Brian Lindamood

-3-

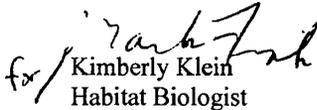
October 31, 2007

result of creation of the rail line. Where current accurate baseline data is lacking, studies to identify the existing resources and potential impacts are needed. In particular, wetlands need to be accurately mapped, hydrology, including flood data, in-stream flow data, and water quality information is needed for potentially affected streams and water bodies.

- Negative impacts to fish, wildlife, habitat, and aquatic resources should be avoided. Where impacts to public trust resources cannot be avoided, they should be minimized and mitigated. A comprehensive approach to identifying effective methods to minimize and mitigate for unavoidable impacts is needed. Mitigation plan development should be conducted in coordination with borough planners, federal and state agency representatives, special interest groups, and the public.
- Potential impacts of a spill of oil, gas, or other hazardous material should be identified along each alternate route. A plan for minimizing the possibility of spills as well as contingency plan to address spills is needed for the selected alternative.

This concludes our pre-application comments on the Port MacKenzie Rail Extension project. These comments represent our review at the pre-application stage; more specific information and recommendations will be forthcoming. We look forward to working with you and other project collaborators on this project. If you or your staff has any questions about the department's comments, or need additional information, please give me a call at 267-2812.

Thank you for the opportunity to comment on this project.

  
Kimberly Klein  
Habitat Biologist

cc via email.

Dave Rutz, ADF&G  
Tony Kavalok, ADF&G  
John Hechtel, ADF&G  
Jim Fall, ADF&G  
Tom Rothe, ADF&G  
Jeff Fox, ADF&G  
Cecil Rich, ADF&G  
Tom Brookover, ADF&G  
Tom Cappiello, ADF&G  
Jason Mouw, ADF&G  
Mike Bethe, DNR  
Phil Brna, FWS  
Doug Limpinsel, NOAA  
Matthew LaCroix, EPA

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF PARKS AND OUTDOOR RECREATION

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November 14, 2007

Brian Lindamood  
Alaska Railroad Corporation  
PO Box 10700  
Anchorage, AK 99510-7500

Re: Port MacKenzie Railroad Corridor Alternative Comments

Dear Mr. Lindamood,

I have reviewed the Port MacKenzie Railroad Corridor proposal and the various alternatives that are being considered. The Alaska Division of Parks and Outdoor Recreation is responsible for more than just managing the Alaska State Park system, as we are also charged with promoting and enhancing outdoor recreation outside state parks. One example of this is through our promotion of trails for motorized and non-motorized users with funding grants or expertise in designing or managing trails, or by establishing easements. As such, we offer the following comments regarding the proposed rail extension from both a State Park as well as a general outdoor recreation perspective.

**We recommend that the Houston South – Houston – Connector 3 – Mac East alternative be chosen as the preferred alternative.**

This route minimizes impacts to the major recreational/public use areas, eliminates additional bridges over the Little Susitna River and Willow Creek, and focuses the rail line adjacent to existing road corridors.

Although we understand that the Willow Corridor is favored as a route from a design perspective, and because it may have better soils and fewer crossings of private lands, we object to this alternative as this area provides outstanding outdoor recreational opportunities that would be significantly impacted with a railroad bisecting the area. The limited private property is what makes this area so valuable in terms of recreation -- and one of the reasons that many residents live along this corridor.

**From an outdoor recreation perspective, a rail line through the Willow Corridor is the least favorable option presented.**

The following provides additional detail to illustrate our significant concerns with the Willow Corridor:

**1 Willow Creek State Recreation Area would be significantly impacted.** (DNR: Division of Parks and Outdoor Recreation)

The park encompasses almost all of Willow Creek from the Parks Highway to its confluence with the Susitna River. The Willow Corridor would pass through the heart of the undeveloped portion of the park, requiring either a major (one mile long) cut and fill across the river valley or an extensive overhead trestle. Either method would constitute a major feature that would ultimately change and dominate the ambiance of the park. Willow Creek is used predominately by fishers, with peak use occurring during the king salmon season, although it hosts all five salmon species. Silver salmon is the second biggest fishing attraction through late summer, with rainbow trout fishing third. Use is concentrated along the lower creek section between the Parks Highway and the confluence with the Susitna River. "Fishing tubes" are very popular on the creek. The park receives less use in the winter, with almost 100% being winter trail use.

The historic Lucky Shot Trail was a major transportation corridor from the Susitna River to the Lucky Shot Mine near Hatcher Pass, and passes through the park. This trail is still heavily used during the winter months as a major groomed winter trail. A historic trappers cabin remains at one of the proposed rail alignments across Willow Creek.

There is also a high potential for impacting prehistoric cultural resources within the Willow Creek SRA. The following reported archaeological sites are located within the park south of Willow Creek. All sites contain cache and house pits (cultural depressions) likely associated with late prehistoric Dena'ina culture:

- TYO-014: between 10 and 15 cultural depressions;
- TYO-041: at least 10 cultural depressions (two of them double celled);
- TYO-060: at least 12 cultural depressions;
- TYO-061: over 100 cultural depressions.

Based on the maps provided, two of these sites (TYO-014 and TYO-060) will be directly affected by the Willow Corridor. While the other reported sites are outside of the railroad footprint, they may be indirectly affected by staging activities associated with this project or by resulting increased development or other activity within the Willow Creek SRA. In addition, there could be other archaeological sites in the area that are currently unreported.

Additional information:

- a. Method Established: Legislatively Designated
- b. Date of Establishment: 1987
- c. Acreage: 3,000 acres
- d. Visitation:

Visitation Type	FY2007	FY 2006	FY 2005	FY 2004
Day Use	22,483	18,387	20,048	10,973
Camping	10,966	15,445	11,792	10,013

Willow Ck Floats (estimated)*	8,550	9,000	9,000	8,000
TOTAL	42,000	42,832	40,840	28,986

\*Approx 20-50 rafts per day, except 200+/day during king salmon season, 2 ave/raft  
 NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.

- e. Primary Recreation Types (by order of use, highest first): fishing, camping, floating/boating, winter trails, wildlife viewing, hunting
- f. Commercial Use: Guided and unguided float trips and fishing along Willow Creek and the Susitna River
- g. Historical Significance: Historic Lucky Shot Trail, trappers cabin, numerous cultural sites

2. **Nancy Lake State Recreation Area would be affected through negative impacts on neighboring recreational lands.** (DNR: Division of Parks and Outdoor Recreation)

The park was legislatively established in 1966 as one of the first state parks in the system due to its close proximity to both Anchorage and the growing Mat-Su Valley areas. The area still possessed its natural qualities, unlike the more heavily developed Big Lake area to the south. The 1983 Nancy Lake State Recreation Area Master Plan identifies the purpose of the park to "...provide a diversity of outdoor recreation activities appropriate to the area's resource character and regional setting". The same year, the Mat-Su Borough also created a Special Land Use District along the park boundaries to further protect the area's recreational values through its zoning laws. The park contains over 130 lakes, with about 25 miles of terrestrial trails, and 15 miles of canoe trails through its maze of lakes. Although the Willow Corridor will not directly pass through any portion of the park, it does skirt along the southwest corner within one mile of Red Shirt Lake, a heavily used lake for recreational fishing, boating, and winter trail use. Direct impacts to the park will be increased noise from nearby trains, and restricted winter trail access to the west and south.

Additional information:

- a. Method Established: Legislatively Designated
- b. Date of Establishment: 1966
- c. Acreage: 22,615 acres
- d. Visitation:

Visitation Type	FY2007	FY 2006	FY 2005	FY 2004
TOTAL	39,548	43,708	43,927	43,552

NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.

- e. Primary Recreation Types (by order of use, highest first): fishing, camping, canoeing, trails (canoe, hiking, winter trails), wildlife viewing
- f. Commercial Use: Canoe rental concession
- g. Historical Significance: Fishing camp established along the outlet stream of Red Shirt Lake and historic trail to Susitna Landing
- h. Special Concerns: Over 30 private inholding parcels exist within the park, with 88 parcels bordering on Red Shirt Lake alone. Most inholders enjoy living in/by the park

for its natural, quiet qualities. Residents along Red Shirt and Nancy Lake have organized homeowners associations.

3 **Little Susitna State Recreational River would be significantly impacted.** (DNR: Division of Mining, Land and Water)

Although the Little Susitna River is not managed by the Division of Parks, it is a high-use river corridor managed for the primary purpose of recreational float trips. Fishing, hunting, camping, boating and paddling are the primary uses. The river hosts all five species of salmon, and receives the heaviest sportfish use of all the Mat-Su Valley rivers. It provides a very popular float from the Parks Highway Bridge (River Mile 69.8) since there are two takeouts: Skeetna Lake at River Mile 54.6 (ties into the Nancy Lake Canoe Trail system); and Little Susitna Public Use Facility at River Mile 28.5 on the river. Additional bridge crossings along this corridor will detract from the wild qualities of this popular multi-day float trip. We strongly discourage any routes that will cross the river to maintain the current recreational integrity of this important river corridor.

Additional information:

- a. Acreage: 18,218 acres
- b. Visitation: Estimated annual use is 2000-3000 floats per year.
- c. Primary Recreation Types (by order of use, highest first): floating, fishing, camping, wildlife viewing, hunting
- d. Commercial Use: Guided and unguided float trips and fishing along the Little Susitna River

4 **Little Susitna Public Use Facility (LSPUF) would be significantly impacted.** (ADF&G: Division of Sportfish)

Owned by ADF&G, this facility is operated by the Division of Parks and Outdoor Recreation through a cooperative agreement. For this reason we feel qualified to comment on impacts to this facility. The LSPUF lies within the Susitna Flats State Game Refuge. It provides the only developed public access to the Little Susitna River south of the Parks Highway (approximately 70 river miles). It is a very popular destination for fishers, hunters, and other recreationists. Connector 1 will flank the LSPUF's east boundary which will affect users arriving at the "front door" of the facility, and displace a north-south trail that is used by the public to access hunting areas in the refuge. The Willow Corridor would cross the river at approximately River Mile 33, only one-quarter mile from seven developed riverside campsites maintained as part of the LSPUF. This will have an impact on the recreational experience that these remote sites offer.

Additional information:

- a. Date of Establishment: 1989
- b. Acreage: 720 acres
- c. Visitation:

Visitation	FY2007	FY 2006	FY 2005	FY 2004
TOTAL	30,340	22,503	18,908	22,770

*NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.*

- d. Primary Recreation Types (by order of use, highest first): fishing, camping, boating, hunting access, winter trail use, hunting, general
- e. Commercial Use: Guided and unguided fishing along the Little Susitna River

### **Regional Trail Impacts**

Both Nancy Lake and Willow Creek State Recreation Areas are linked by a myriad of winter trails (West Gateway trail system) that are an extremely important part of the region's attractiveness as a hub for winter recreation.

Between Red Shirt Lake and the Susitna Flats State Game Refuge are critical trail corridors, including the historic Iditarod Trail. These trails are used for routine recreation, competitive training and actual races. There are many sanctioned races on these trails, including dog mushing, snowmachining, and ski-joring. Additionally, these trails are critical winter transportational corridors to cabins, camps and lodges throughout the Susitna River Valley. Many of these corridor origination points are located in state park units.

No route completely eliminates trail impacts, but our preferred option keeps these impacts to a minimum. Since the area trail clubs will be providing specific comments regarding regional trail impacts, we will not elaborate further here other than impacts to Division of Parks programs.

### **State Trail Grooming Pool Program**

Trails throughout the proposed rail corridor are also part of the Mat-Su trails SnowTRAC Grooming Pool, and receives state funding from snowmachine registration fees to maintain and groom snowmachine trails in the winter. This program has been very successful, and the Division of Parks now administers grooming grants for well over 100 miles of trails between Big Lake and Denali State Park far to the north. The program has grown every year, with an objective to develop winter trail corridors throughout Southcentral Alaska, possibly connecting to the Denali and the Fairbanks North Star Boroughs. Such a network has great potential to create new economic opportunities for small businesses during a traditionally quiet part of the year. Part of the mission for the Division of Parks is to promote recreation in Alaska, and support the tourism industry. Winter recreation tourism has become an important part of the greater Willow area economy and steps should be taken to foster this endeavor, not weaken it.

### **Historical/Cultural Impacts**

Regional comments regarding cultural impacts were covered under a separate letter by the Division of Park's Office of History and Archaeology.

### **Barrier Issue**

The Willow Rail Corridor would effectively create 15 miles of a fence-like barrier between Willow Creek and Nancy Lake that will make cross-country travel east and west far more restrictive. A few strategically placed trail crossings are not sufficient to adequately resolve the barrier issue – even if they were at-grade crossings with elevated rail. Sub-grade (culvert) crossings are problematic due to pooling water, lack of snow, and the innate reluctance of animals (dog teams, wildlife) to enter such structures. Note that there are likely many more minor, non-dedicated trails, that traverse this country than what is indicated on most maps.

**Contiguous Public Land Block**

The area comprised by the combination of Nancy Lake State Recreation Area, the Little Susitna Recreational River, and the Susitna Flats State Game Refuge comprises a total of over 342,000 acres of lands reserved for public use. The South Houston – Houston – Connector 3 – Mac East route will completely avoid significant impacts to this block.

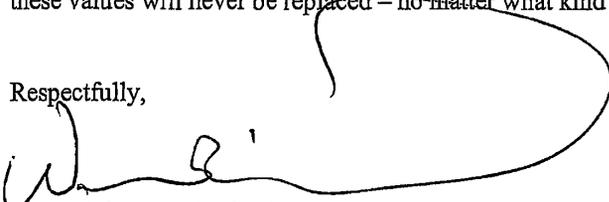
**Habitat Protection**

The Willow Corridor poses inherent risks to sensitive habitat that is very important for Alaskans in terms of recreational pursuit and for subsistence purposes (hunting, fishing, etc.). Each anadromous stream crossing is a new point source of contamination in the event of accidental discharges of hazardous materials. Eliminating the additional crossings of Willow Creek and the Little Susitna Rivers should be a high priority for this project.

**Conclusion**

Rail development through the Willow Corridor would be a major detriment to recreational values in that area, and will adversely affect the quality of life for many area residents. During the 2004 *Statewide Comprehensive Outdoor Recreation Plan* public survey, 98% of the respondents indicated that parks and outdoor recreation are important or very important to them. Once lost, these values will never be replaced – no matter what kind of mitigation ensues.

Respectfully,



Wayne Biessel, Mat-Su Area Park Superintendent

- Cc: James King, DNR/DPOR Director
- Michael Bethe, DNR - Habitat
- Sam Means, DNR - Mining, Land and Water
- Don Perrin, DNR – Permitting
- Judy Bittner, DNR/SHPO
- Dave Rutz, ADF&G
- Mary Anderson, Mat-Su Area State Parks Citizens Advisory Board
- Willow Area Community Organization
- Dave Hanson, Mat-Su Borough

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

*Office of Habitat Management and Permitting*

**SARAH PALIN, GOVERNOR**

1800 GLENN HIGHWAY, SUITE 12  
PALMER, ALASKA 99645-6736

PHONE: (907) 745-7363

FAX: (907) 745-7369

### FISH HABITAT CASE NUMBER FH-07-IV-0428

November 26, 2007

Mr. Brian Lindamood  
Alaska Railroad Corporation  
P.O. Box 107500  
Anchorage AK 99510-7500

Re: Port MacKenzie Rail Extension Pre-Application Scoping Comments

Dear Mr. Lindamood;

Pursuant to AS 41.14.870 and AS 41.14.840, the Department of Natural Resources, Office of Habitat Management and Permitting (OHMP) has reviewed the proposed routes presented by the Alaska Railroad Corporation (ARRC) and the Matanuska-Susitna Borough for the Port MacKenzie Rail Extension Project. The purpose of this project is to provide rail access from the main ARRC track to the marine port near Point MacKenzie. The ARRC has asked that OHMP review the alternative routes and submit scoping comments based on our statutory permitting authority.

The three proposed routes divert south from the existing rail line near Willow, Houston (north and south alternatives) and Big Lake (see attached map). The rail line would then intersect, via three possible connector segments with two alternative routes (Mac-East and Mac-West) continuing southward to the Port Mackenzie area.

All of the potential routes for this project traverse a large geographic area and have the potential for negatively impacting a wide range of sensitive habitat areas. All work associated with this project that could potentially impact anadromous streams (AS 41.14.870) or could potentially block the free passage of fish (AS 41.14.840) requires a Fish Habitat Permit from the OHMP prior to commencement of any construction.

All comments contained herein are submitted as scoping comments and should be viewed as preliminary in nature. The OHMP offers the following comments:

#### **Information Needs**

- Comprehensive stream sampling to determine/confirm anadromy and the presence or absence of fish will be required. Fish usage patterns may have changed since the area was initially surveyed, and many smaller streams have yet to be sampled.
- Fragmentation of aquatic habitat is a concern. Hydrologic studies will be required to map wetland areas associated with fish bearing drainage systems. This project has the potential to isolate the free flow of water through these wetland areas, thus impacting fish-bearing waters.

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### Routing and Design Considerations

- To the maximum extent practicable, the route should be sited to avoid wetlands, fish-bearing streams and anadromous water bodies. Any preferred route should minimize the number of stream crossings, particularly over systems that produce significant numbers of salmon such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds.
- The use of bridges to span floodplain areas is the preferred method of providing for the long-term free passage of fish on anadromous systems. Bridge abutments should be located outside the floodplain and above the ordinary high water mark (OHW) to minimize potential impacts to riparian vegetation and streambank integrity.
- Culverts should be designed using stream simulation methodology. The culvert design width at the OHW should be greater than or equal to 125-percent of the width of the stream at the OHW stage. The culvert grade should approximate the surrounding slope of the stream channel ( $\pm 1\%$ ). Culverts should be buried to approximately 40-percent of their diameter with substrate material that will remain dynamically stable at all expected flood discharge rates. Other design criteria will apply as well. We can meet later to flesh out the necessary design criteria for fish passage if you have any questions.
- It shall be the responsibility of the ARRC to ensure the free passage of fish throughout the lifetime of each stream crossing. Beavers are common along the various alternative routes. Culvert designs should account for long-term maintenance for fish passage and be of sufficient size (diameter) to discourage blockages associated with beaver dam construction.

### Route Preferences

OHMP prefers a route that would minimize potential impacts to wetland areas associated with fish bearing waterways, minimizes the total number of actual stream crossings and avoids crossings of important salmon producing systems such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds whenever possible. These criteria appear to be met best with the following route:

1. Houston South
2. Houston
3. Connector 3
4. Mac East

### Route Discussion

This conclusion is based on our initial examination of existing data and aerial imagery and should be viewed as preliminary. Also note that we recognize that selection of final routing should be based on other considerations as well. Influencing factors should include fragmentation of wildlife habitat, the presence of cultural sites, native allotments, parks and refuges and historic land use patterns. Land ownership and the successful acquisition of Rights-of-Way will also significantly affect the final route selection.

Based on our analysis of existing materials, we believe that the Willow route will result in more fragmentation of fish and wildlife habitat, particularly in undeveloped areas, than the other alternatives. Crossings over Willow Creek and the Little Susitna River would be necessary.

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Because of the extended length of this route, the potential impacts to wetland areas associated with these drainages could be significant. It is the view of OHMP that this route (Willow) is the least preferable of all of the alternatives.

Thank you for the opportunity to comment on your project. If you have any questions, please feel free to contact me at the above address and telephone number or by e-mail at [mike\\_bethe@dnr.state.ak.us](mailto:mike_bethe@dnr.state.ak.us).

Sincerely,



Michael L. Bethe  
Habitat Biologist  
Area Manager  
Palmer Mat-Su Area

Attachment: ARRC Alternative Routes Map

-kab/mlb

Distribution: S. Joy, COE  
D. Rutz, ADF&G  
J. Hewitt, COE  
M. Fink, ADF&G  
K. Klein, ADF&G  
D. Perrin, OPMP

Enclosure  
State of Alaska Scoping Comments

ALASKA

SARAH PALIN, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**

DIVISION OF MINING, LAND AND WATER  
SOUTHCENTRAL REGION LAND OFFICE

550 W. 7TH AVE., SUITE 900C  
ANCHORAGE, ALASKA 99501-3577

December 11, 2007

Brian Lindamood, P.E.  
P.O. Box 107500  
Alaska Railroad Corporation  
Anchorage, AK 99510

Dear Mr. Lindamood:

Subject: Port Mackenzie Rail Extension

The Southcentral Regional Office of the Division of Mining, Land and Water offers the following comments on your study of several possible routes for a railroad from Port Mackenzie to either Willow, Houston or Big Lake. These comments are of a general nature involving impacts to state land managed by this office. Should a specific alignment be chosen, we will modify our comments to address specific land management issues in more detail.

- **The land title interest needed by ARRC.** ARRC requests a fee simple interest in a 200 foot wide corridor to build and operate a railroad. SCRO authority to grant the appropriate interest in state land resides in AS 42.40.360 and .370. SCRO will also use the public process required by AS 38.05.035 and .945 to make the decision and give public notice to convey an interest in land to ARRC.
- **Roads, Trails and Utilities.** Pursuant to 11 AAC 51.015, the Southcentral Regional Office will ensure that any area of DMLW managed land approved for railroad corridor uses will be subject to existing ADL authorizations for roads, trails, utility, or other access easement purposes. The Southcentral Regional Office will also reserve additional ADL authorizations along existing roads, trails, utility, or access routes if the Southcentral Regional Office determines that these improvements represent interests of local, regional, or statewide significance. Any rail corridor area conveyance or authorization granted by the Division will stipulate the preservation of legislatively imposed public access routes described in AS 19.10.010 (section line easements), AS 19.30.400 (RS 2477 routes) and AS 38.05.127 (navigable or public waterways.) If considered necessary for project development, railroad corridor officials may petition the Division and/or the local Platting Authority for formal vacation of existing easements or rights of way on a case-by-case basis in accordance with

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Enclosure  
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established regulations and procedures. Any such petition will be subject to review and comment by the Southcentral Regional Office in addition to other agencies, interested entities, and members of the public.

- **Susitna Area Plan** This plan provides general land management guidelines that must be followed when considering major transportation projects.  
<http://www.dnr.state.ak.us/mlw/planning/areaplans/susitna/index.cfm>

- **Willow Sub-Basin Area Plan.** Susitna Area Plan Revisions Affecting Willow Sub-Basin and Susitna Plans. For the past 25 years the use of state land in the area from Wasilla to the Talkeetna Y has been guided by the Willow Sub-Basin Area Plan (WSAP) and the South Parks Highway portion of the Susitna Area Plan (SAP), which the State Department of Natural Resources (DNR) adopted in 1982 and 1985 respectively. The amount of land owned by the state has decreased markedly during that period and the state is no longer the principal land owner in this area. Instead, the Borough, Mental Health Trust, University of Alaska, and CIRI are principal owners. Very little state land remains in areas near major population areas and that which remains consists of remnant parcels of generally small size. Our area plans have a design life of about 15-20 years and the WSAP and SAP need updating so that DNR decision making is based on more current information and therefore more pertinent.

In general, this plan provides the basis for state management of surface resources and land use, with decisions by the various DNR divisions (principally Agriculture, Forestry, Mining/Land/Water) to be based on the plan designations and management intent requirements identified in the area plan.

<http://www.dnr.state.ak.us/mlw/planning/areaplans/willow/index.cfm>

- **Fish Creek Management Plan.** Same comments as above.  
[http://www.dnr.state.ak.us/mlw/planning/mgtplans/fish\\_ck/index.htm](http://www.dnr.state.ak.us/mlw/planning/mgtplans/fish_ck/index.htm)
- **Susitna Basin Recreational Rivers Management Plan** In general, this management plan provides more specific guidelines for minimizing impacts to the Little Susitna River related to major transportation projects. Options to mitigate impacts to recreational use of the Little Susitna River corridor can be developed when a specific route is known. Maintaining access along the banks of the Little Susitna River will be a major consideration.

<http://www.dnr.state.ak.us/mlw/planning/mgtplans/susitna/index.htm>

- **Material Sales.** Material resources (sand, gravel, rock, peat) located outside of an approved conveyance or easement would be sold to ARRC. Under AS 38.05.110-38.05.120 and the regulations implementing these statutes allow these materials to be made available. Public Notice will be required consistent with AS 38.05.945.

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State of Alaska Scoping Comments

- **Land Use Permits.** Man Camps, Staging Areas – Often large projects require areas adjacent to the project site to stage man, equipment and machines. Temporary locations used to facilitate the development of the ARRC project may be permitted under AS 38.05.850. Land Use Permits are the most commonly used tool for this activity. Review will be conducted for any request to use state land.
- **Alaska Coastal Management Program.** Any authorization requested to take place within the Coastal Zone may be subject to additional coordination and review by the Alaska Coastal Management Program.

Close cooperation between the ARRC and the Southcentral Regional Office is recommended as the rail route is more narrowly defined in order to facilitate the identification and protection of third party interests over the life of the project.

Sincerely,



Robert S. Means  
Natural Resource Manager

ROUTE ALTERNATIVES DEVELOPED BY ARRC



LEGEND

- Preliminary Alternatives\*
  - Mac East
  - Mac West
  - Conn 1
  - Conn 2
  - Conn 3
  - Houston
  - Houston North
  - Houston South
  - Willow
  - Big Lake
- ARRC Track
- ARRC Milepost
- Highway
- Medium Rd.
- Minor Rd.
- Iditarod Trail
- City Boundary
- Park or Refuge



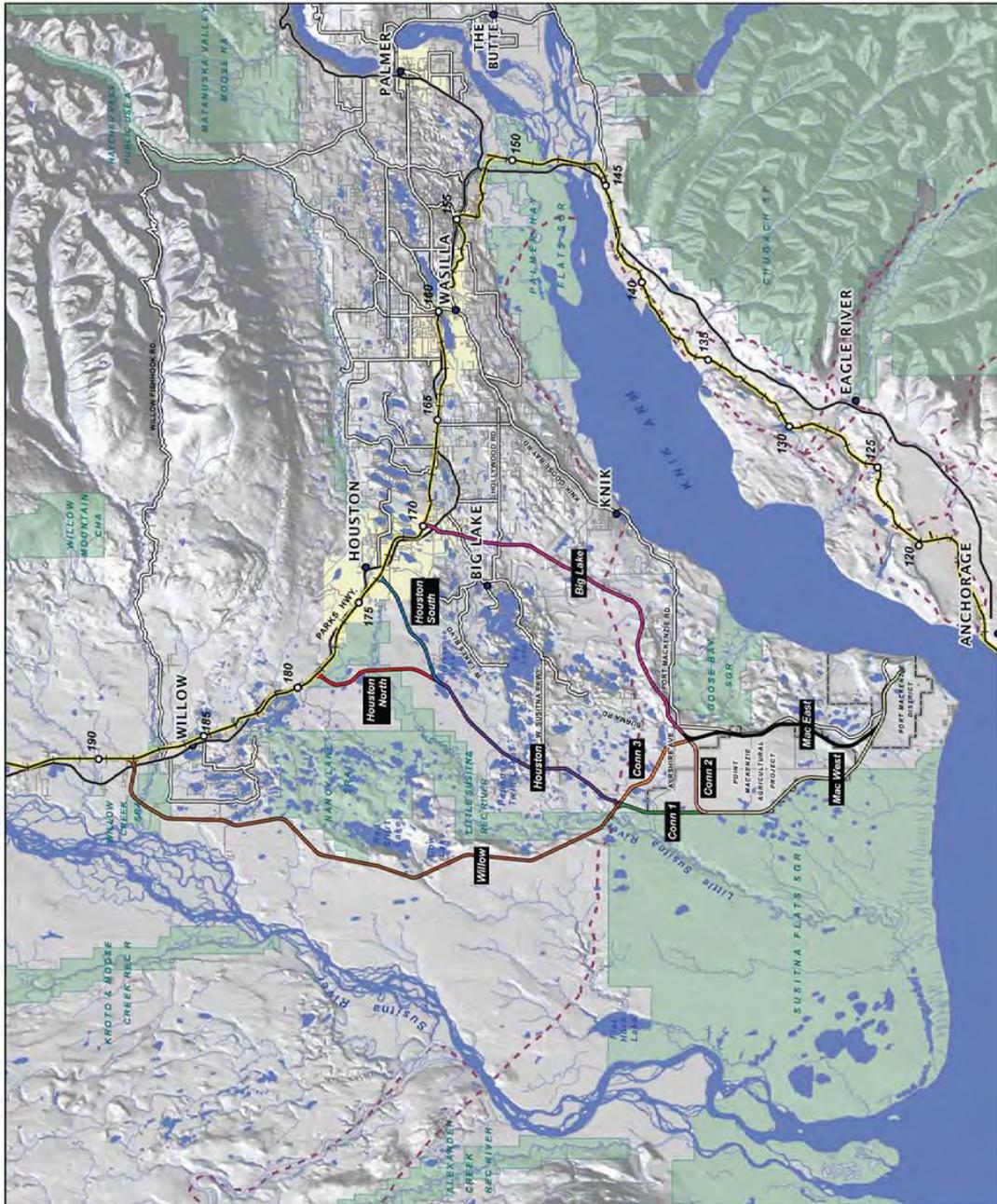
\*These lines generally represent corridors which are subject to further refinement.

This map represents a conceptual level of study, detail, and accuracy. The information shown is not intended to be used for engineering, design, or for construction purposes.



Date: November 5, 2007  
 Projection: Alaska State Plane Zone 4, NAD 83  
 Author: HDR Alaska, Inc.  
 Sources: ADNR, ARRC, HDR Alaska, Inc.,  
 BSB GIS, TNH Harrison, USGS.

Map developed by ARRC



# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF PROJECT MANAGEMENT AND PERMITTING

SEAN PARNELL, Governor

550 W. 7<sup>TH</sup> AVENUE, SUITE 1400  
ANCHORAGE, ALASKA 99501  
PH: (907) 269-8431 / FAX: (907) 334-8918

Victoria Rutson  
Chief, Section of Environmental Analysis  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

December 31, 2009

Dear Ms. Rutson:

Re: STB Finance Docket No. 35095, Alaska Railroad Corporation Northern Rail – Petition for Exemption to Construct and Operate a Rail Line Extension to Port Mackenzie Alaska; Request for Information Regarding 4(f) Applicability, Measures to Minimize Harm, and *de minimis* Findings

The State of Alaska has reviewed the November 9<sup>th</sup> letter requesting input on section 4(f) resources that could be affected by the Port Mackenzie Rail Extension project. In response to the listed items 1-3 we offer the following comments.

- (1) We concur that the properties listed on page 2 of the memo meet the 4(f) criteria as explained in the memo.
- (2) Please add the following 4(f) resources not identified your letter.

RST 149, Nancy Lake – Susitna Trail

The Nancy Lake - Susitna trailhead is located in southcentral Alaska, at mile 67 of the parks highway. From the south shore of Nancy Lake, the trail heads southwestward to Susitna Landing. The route is located in the USGS 1:63,360 Anchorage C-8 and Tyonek C-1 and C-2 quadrangles and is approximately 26 miles long.

RST 118, Knik – Susitna Trail

The Knik-Susitna section of the Iditarod Trail begins in the town of Knik, on the north side of Knik Arm north of Anchorage. The trail heads northwest, joining ADL 200644, a 200 foot right of way which runs through T16N, R3W, Seward Meridian. This easement becomes ADL 222930, a 400 foot right-of-way which heads west to the trail's terminus at the Susitna River within T17N, R7E, SM. Total trail length is approximately 30 miles. The trail is shown on USGS 1:63,360 Anchorage B-8 and Tyonek C-2. These trails are a valid state interest for their historical and recreational values.

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- (3) “Whether proposed mitigation and measures to minimize harm would support a finding of *de minimis* use”

We have reviewed and considered the proposed mitigation and measures provided in your letter. While these mitigations and measures may be appropriate for initial analysis in mitigating potential impacts to any resource of the state, not just 4(f), we do not concur that implementation of these measures would result in *de minimis* impacts to the identified 4(f) resources. Moreover, there is no reasonably conceivable assemblage of mitigation measures that we could determine would render overall impacts to refuge lands and park lands *de minimis*.

These refuge areas, parks and recreational lands, typically with legislatively designated boundaries, were specifically designated in state law for the purposes of conserving the land and the values associated with that land. The replacement of impacted refuge lands with similar lands in other locations does not mitigate or restore habitat loss or other attributes within these 4(f) areas to a *de minimis* level. The listed mitigation and measures do not address the potential for direct or indirect harm to fish and wildlife, such as moose collisions along these routes. Further, they do not address the potential for damage from activities directly associated with railroad use, such as toxic spills or noise impacts. The existence of and the routine operation of a railroad in areas so closely associated with legislatively protected lands could directly alter the movement, migration and behavior of various fish and wildlife populations that rely on these largely undeveloped habitat areas.

The intent of the formative laws for these lands and current management directives contained in governing management plans and in regulation further demonstrates the impracticality of achieving a *de minimis* finding through mitigation, compensatory or otherwise. The comments below are in response to the proposed segment specific mitigation and measures listed in your letter.

*If the Surface Transportation Board authorizes the Mac West segment, the Applicant shall consult with the ADF&G to develop and implement measures, including consideration of replacing refuge acreage used for project-related rail right-of-way, to minimize impacts to the Susitna Flats State Game Refuge to the extent practicable.*

The Susitna Flats State Game Refuge (SFSGR) was established by the Alaska State Legislature in 1976 to protect (1) fish and wildlife habitat and populations, particularly waterfowl nesting, feeding and migration areas; moose calving areas; spring and fall bear feeding areas; salmon spawning and rearing habitats; and (2) public uses of fish and wildlife particularly waterfowl, moose and bear hunting; viewing; photography; and general recreation in a high quality environment. Mitigating the impact of the Mac West route alignment with replacement land in a different location would not make the impacts *de minimis* because the SFSGR was created specifically to protect the resources located in the Susitna Flats, not wildlife or habitat resources generally, or in another area. Land purchased as mitigation could not be added to the refuge and would not be under ADF&G management authority without legislative approval.

In addition, the ability of ADF&G to manage the SFSGR consistent with the goals, objectives, and policies of the SFSGR Management Plan would be compromised if the Mac West route was selected.

The plan directs ADF&G to manage the refuge (1) for the protection, preservation, and enhancement of fish and wildlife populations; and (2) to protect maintain and enhance public use of fish and wildlife and their habitat and general recreation in a high quality environment. All activities within the refuge must be consistent with these goals and compatible with the purposes for which the refuge was established.

This alignment along the eastern boundary of the SFSGR would act as a barrier to east/west movement of moose between the SFSGR and land outside the refuge including the Goose Bay State Game Refuge, which was established to protect natural habitat and game populations. It would make habitat that was protected specifically to benefit wildlife, including moose, inaccessible to moose. (SFSGR Management Plan Objective I.2. – Maintain natural movement corridors for moose to and from the refuge.)

The Mac West alignment affects all current overland access to the SFSGR from the Mat-Su Borough road system, including the Horseshoe Lake access road at the end of Holstein Ave., the Enstar pipeline trail, Ayrshire Ave/Little-Su River Road, Middle Lake Trail, Guernsey Road, and the South Trail. The only legal constructed road access, Ayrshire Ave/Little-Su River Road, into SFSGR, is in the NE corner of the refuge providing access to the Little Susitna Public Use Facility. The access road to Horseshoe Lake and the boat launch at the lake are located in the same section line easement and parallel the route of the Mac West alignment (at approximately mile 10). Restricting public access into the refuge to only these routes will only minimally maintain public access and most certainly will not enhance public access (SFSGR Objective II.1. – Maintain and where appropriate enhance public access to the refuge.) The impacts of restricting access into the refuge will not be mitigated through acreage replacement because the access is located in those particular locations in the northeast corner and down the east boundary of SFSGR because practical legal access does not exist elsewhere.

*If the Surface Transportation Board authorizes the Willow segment, the Applicant shall consult with ADF&G and ADNR to develop and implement measures, including consideration of replacing acreage used for project-related rail right-of-way, to minimize potential impacts to the Willow Creek State Recreation Area, Nancy Lakes State Recreation Area and Little Susitna River State Recreation River Area. The Applicant shall identify any additional trails, campsites, or other uses within the recreation areas that could be potentially affected by the project and shall coordinate with ADNR Division of Parks and Recreation (DPOR) to craft a site-specific crossing plan to eliminate or decrease potential impacts to the extent practicable.*

The Willow segment crosses both the Little Susitna State Recreational River and the Willow Creek State Recreation Area, and would impact the Nancy Lake State Park.

DNR does not concur that this measure would support a finding of *de minimis* use. The Willow segment would bi-sect the Willow Creek State Recreation Area. Impacts caused by a ~1/2-mile long by 50+ feet tall structure necessary to cross the Willow Creek Valley will alter the landscape significantly, irreparably and could adversely affect the activities, features, and attributes of the park. Such impacts cannot be mitigated through traditional means (such as acreage replacement) since the primary feature of the park is the Willow Creek Valley. Additionally, soundscape impacts cannot be eliminated and will permeate throughout a much greater area than the rail belt footprint, especially when elevated above grade. State Recreation Areas are usually large enough resource parks that noise attenuation is

accomplished by virtue of their size. The same noise premise holds true for all three conservation units in the Willow Corridor.

*If the Surface Transportation Board authorizes the **Houston North** segment, the Applicant shall consult with the ADNR to develop and implement measures to minimize potential impacts to the Little Susitna State Recreation River and the Nancy Lake Creek Junction public use site including replacement of any camping or other facilities within the right-of-way.*

DNR does not concur that the mitigation proposals for this segment would support a *de minimis* finding. The Houston North segment crosses the Little Susitna State Recreational River. The rail corridor could have substantial impact to the Little Susitna State Recreational River designation within the corridor footprint and could materially affect the ability to use the recreation corridor as designated. Though construction of a bridge would continue to allow for access on both sides of the river, the proposed rail corridor would likely cut off and isolate the associated uses. The acreage is linear for the most part and therefore, susceptible to substantial alteration by linear developments (e.g., a rail line) that would materially divide a narrow resource. Additionally, trails within a recreation designation are not individually protected; they are generally protected by virtue of occurring within the designation. A rail line may render portions of the recreational area unusable for recreation by virtue of isolating them from access. By virtue of it being a corridor, the protected area is wider than just the river and free access within the corridor could be compromised by the proposed rail line.

The Recreation Rivers were established by statute primarily for recreation (AS 41.23.400) and the primary purpose for management includes continued recreational and economic use while ensuring the scenic and natural integrity of the recreation river (AS 41.23.400(c)(2)). A railroad crossing the corridor would not be consistent with this management purpose.

*If the Surface Transportation Board authorizes the **Connector 1** segment, the Applicant shall consult with ADF&G and ADNR to determine if any trails in addition to official recognized trails within and surrounding the Little Susitna Public Use Facility have high enough levels of use to merit consideration for a grade-separated crossing.*

The Connector 1 route would impact the Susitna Flats State Game Refuge. See Mac West segment comments above.

*If the Surface Transportation Board authorizes the **Willow segment**, the Applicant shall provide two grade-separated crossings for the Lucky Shot Trail within the Willow Creek State Recreation Area and shall construct a bridge over Willow Creek with adequate clearance to ensure public access along the waterway during winter as well as summer conditions.*

See above discussion regarding Willow segment.

*If the Surface Transportation Board authorizes the **Willow segment**, the Applicant shall determine whether access would be made available to the parkland in the Nancy Lakes State Recreation Area west of the proposed right-of-way; if such accommodation is warranted but not practicable, the Applicant shall consult with ADNR DPOR to determine appropriate mitigation for the loss of public access to this area.*

See above discussion regarding Willow segment.

*If the Surface Transportation Board authorizes the **Willow or Houston North segments**, the Applicant shall construct a bridge over the Little Susitna River with adequate clearance to ensure public access along the waterway during winter as well as summer conditions.*

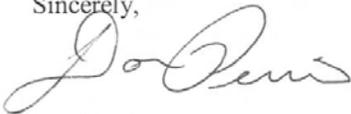
See above discussions regarding Willow and Houston North segments.

*If the Surface Transportation Board authorizes the **Mac West, Connector 1, and/or Willow segments**, the Applicant shall consult with ADFG to identify trails, campsites or other uses within the Susitna Flats State Game Refuge that would be affected and develop a site-specific crossing plan to maintain public access for Susitna Flats State Game Refuge.*

See above discussions regarding Mac West, Connector 1, and Willow segment.

Thank you for the opportunity to review the proposed 4(f) resources and mitigation measures for this project. We remain available to discuss our comments with you at your convenience. Please contact me at (907) 269-7476 or by email at [donald.perrin@alaska.gov](mailto:donald.perrin@alaska.gov) if you have questions regarding these comments or the State's management of these areas.

Sincerely,



Don Perrin  
Project Management and Permit Coordinator  
Alaska Department of Natural Resources

cc: Wayne Biessel, DNR  
Sandra Singer, DNR  
Mike Bethe, ADF&G  
Ellen Simpson, ADF&G  
Brian Lindamood, ARRC, Anchorage  
Dave Navecky, STB  
Alan Summerville, ICF Intl.



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

June 19, 2008

Judith Bittner  
State Historic Preservation Officer  
Alaska Office of History and Archaeology  
550 West 7th Ave., Suite 1310  
Anchorage, AK 99501-3565

Re: STB Finance Docket No. 35095, the Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Bittner:

With this letter the Surface Transportation Board (Board) would like to formally initiate the Section 106 consultation process with your office, as recommended at 36 CFR 800, for the proposed Port MacKenzie Rail Extension. In addition, we are requesting your review and comment on the enclosed cultural resources work plan to support preparation of the Environmental Impact Statement (EIS) for the project. The work plan establishes guidelines for identifying and evaluating the impacts to cultural resources for each of the proposed project alternatives.

In brief, the Alaska Railroad Corporation has filed a petition with the Board, pursuant to 49 U.S.C. 10502, requesting authority to construct and operate a new rail line from Matanuska-Susitna Borough's Port MacKenzie to connect with the existing Alaska Railroad Corporation rail system between Wasilla and north of Willow, Alaska. The Board is the Federal agency responsible for deciding whether to grant authority for ARRC to construct and operate the proposed new rail line. The Section of Environmental Analysis (SEA) is the office within the Board responsible for preparing the appropriate documentation for compliance with the National Environmental Policy Act (NEPA). SEA is preparing an EIS to evaluate the potential environmental impacts of the proposed Port Mackenzie Rail Extension, including consideration of potential impacts to cultural resources. ICF International is serving as the independent third-party consultant to assist SEA with the EIS. Stephen R. Braund & Associates (SRB&A) is the cultural resources subcontractor to ICF International.

In March, Dave Navecky, SEA's Project Manager for the EIS, and SRB&A staff met with staff your office to discuss a methodology for assessing potential effects to cultural resources caused by the proposed action. SRB&A subsequently developed the enclosed work plan for identifying and evaluating cultural resources along the proposed new rail line. As you will see, the work plan proposes to use a combination of desktop predictive modeling and on-the-

ground testing to evaluate cultural resources within the vicinity of the project. The work plan outlines the process by which the project will satisfy the requirements of Section 106 of the National Historic Preservation Act and also provide adequate information on cultural resources for the EIS process to develop a determination of effects for the proposed project alternatives. We would like to receive any SHPO comments on or suggested revisions to the work plan by July 18, 2008.

We look forward to your comments on the enclosed work plan. If you have any questions about the project please do not hesitate to contact Dave Navecky, SEA Project Manager, at 202-245-0294, or Alan Summerville, ICF International Project Manager, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

Enclosure

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS AND OUTDOOR RECREATION

OFFICE OF HISTORY AND ARCHAEOLOGY

SARAH PALIN, GOVERNOR

550 W. 7TH AVENUE, SUITE 1310  
ANCHORAGE, ALASKA 99501-3565  
PHONE: (907) 269-8721  
FAX: (907) 269-8908

July 23, 2008

File No.: 3130-1R Surface Transportation Board

SUBJECT: Rail Line Extension to Port MacKenzie, Alaska  
Initiation of Section 106 consultation

Victoria Rutson  
Chief, Section of Environmental Analysis  
Surface Transportation Board  
Office of Economics, Environmental Analysis and Administration  
Washington, DC 20423

Dear Ms. Rutson,

The State Historic Preservation Office received on June 23, 2008, your letter and the attached document titled *Cultural Resources Work Plan: Proposed Port MacKenzie Rail Extension Project, Port MacKenzie to Willow, Alaska STB Finance Docket No. 35095* by Stephen R. Braund & Associates (June 5, 2008). We have reviewed the referenced undertaking under Section 106 of the National Historic Preservation Act and have the following comments:

Definition of area of potential effect:

The *Cultural Resources Work Plan* defines the area of potential effect (APE) for direct effects as the 200 foot right-of-way and the construction footprint of other project components such as staging areas and material sources; the *Plan* also acknowledges that the APE for indirect effects is likely larger (page 5-6). Once we receive a more completely defined APE that includes future cumulative and other indirect effects we will be able to comment on the APE.

Study area and predictive model:

According to *Cultural Resources Work Plan*, the study area is defined as 1 mile on either side of alignment (p. 10). Cultural landscapes, historic districts and traditional cultural properties may be difficult to recognize by looking only at corridors. Instead, we encourage Surface Transportation Board to expand the study area to include the Susitna River-east/Willow/ Houston/Knik/Port MacKenzie region when identifying cultural resources and developing the predictive model. The ground truthing surveys may focus on the corridors. Remember also to involve the other consulting parties regarding the predictive model and the types of cultural resources that may be present in the project area.

The variables of the predictive model appear reasonable and we look forward to receiving the resulting GIS map showing the levels of cultural resource probability throughout the project area.

Methodology for completing Section 106 consultation:

We understand that the Section 106 process will be phased and combined with NEPA in accordance with 36 CFR 800.4 (b)(2), 800.5(a)(3) and 800.8 (c). To ensure that the requirements of the Section 106 process will be adequately covered, we developed the following outline based on our understanding of the

*Cultural Resources Work Plan* (pp. 8-12). The only changes we made were the addition of involving consulting parties at each step and developing only one legal agreement.

- Description of affected environment; *36 CFR 800.4* (Identify historic properties):
  - Literature review and back ground research of the project area
  - Describe previously reported cultural resources in project area
  - Develop a predictive model for cultural resources
  - Ground truth the model in summer of 2008
  - Involve consulting parties
- Determination of environmental consequences; *36 CFR 800.5* (Assess adverse effects):
  - Assume National Register eligibility of properties unless previously determined not eligible
  - Describe potential effects (both direct and indirect) to historic properties as a result of each alternative
  - Involve consulting parties
- After selection of final alternative; *36 CFR 800.4 and 800.5*:
  - Pedestrian survey and sub-surface testing of the area of potential effect
  - Archaeological report with evaluations of National Register eligibility and recommendations regarding assessment of effect.
  - Involve consulting parties
  - Concurrence by SHPO of Surface Transportation Board's findings
- *36 CFR 800.6* (Resolution of adverse effects)
  - Will follow a programmatic agreement between STB and SHPO included in the EIS document
  - Involve consulting parties

Legal agreements

The *Cultural Resources Work Plan* states that a memorandum of agreement for mitigating adverse effects to the Iditarod National Historic Trail will be developed in addition to a programmatic agreement (p. 12). Under Section 106, only one legal document is necessary for an undertaking. Mitigation for Iditarod National Historic Trail should be incorporated into the PA.

Please contact Stefanie Ludwig (269-8720) or Doug Gasek (269-8726) if you have any questions or if we can be of further assistance.

Sincerely,



Judith E. Bittner  
State Historic Preservation Officer

JEB:sl

Cc: Fran Seager-Boss, Matanuska-Susitna Borough



***SURFACE TRANSPORTATION BOARD***

***Washington, DC 20423***

*Office of Economics, Environmental Analysis and Administration*

February 5, 2009

Ms. Judith Bittner  
State Historic Preservation Officer  
Department of Natural Resources  
Office of History and Archaeology  
550 West 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, Alaska 99501-3565

Re: STB Finance Docket No. 35095 - Section 106 Process for the Alaska Railroad Corporation's Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Bittner:

In a letter dated June 19, 2008, the Surface Transportation Board (Board) initiated the Section 106 consultation process with your office pursuant to 36 CFR 800, for the proposed Port MacKenzie Rail Extension. The purpose of this letter is to provide additional information about the alternative routes currently under consideration, and planned next steps in the cultural resource assessment process.

**Background / Project Description**

The Section of Environmental Analysis (SEA) is the office within the Board responsible for preparing the appropriate documentation for compliance with the National Environmental Policy Act (NEPA) and Section 106 of the National Historic Preservation Act. SEA is preparing an Environmental Impact Statement (EIS) to evaluate the potential environmental impacts of the proposed Port Mackenzie Rail Extension, including consideration of potential impacts to cultural resources. ICF International is serving as the independent third-party consultant to assist SEA with the EIS. Stephen R. Braund & Associates (SRB&A) is the cultural resources subcontractor to ICF International.

The proposed Port MacKenzie Rail Extension would connect Port MacKenzie to the existing ARRC rail system at a point between Wasilla and north of Willow, Alaska. The extension would require construction of between approximately 30 and 45 miles of new railroad track within a 200-foot right-of-way (ROW). Ten segments that form eight possible alternative routes are currently being considered. The longest alternative route currently under

consideration would connect to the existing ARRC rail line north of Willow, near Mile 190 of the George Parks Highway, and the shortest would connect to the rail line near Mile 167 of the George Parks Highway. Possible stream and river crossings include the Little Susitna River, Lake Creek, and Willow Creek as well as other small streams, depending on the specific alternative route. The proposed rail extension also would cross local roads, recreational trails, pipelines, and utilities. Additional elements of the proposed project include a siding along the existing rail line, and railroad support facilities including a terminal facility in the port district, access roads and communication towers.

The enclosed project overview map and United States Geological Survey (USGS) 1:63,360 Quadrangles (based on Anchorage B-8, C-8, Tyonek B-1, C-1, and D-1) depict the general area of the project and the alternative routes currently being considered as well as assist in delineating the Area of Potential Effect (APE) of the planned project [36 CFR Part 800.11(d)(1)]. The alternative routes pass through the following township and range sections:

- Township 14 North, Range 4 West, Sections 5, 7, 8, 17, 18, 20, 21, 22, 26, and 27 (Anchorage B-8 and Tyonek B-1)
- Township 14 North, Range 5 West, Sections 1, 12, and 12 (Tyonek B-1)
- Township 15 North, Range 4 West, Sections 4, 5, 6, 7, 8, 17, 20, 29, and 32 (Anchorage B-8 and Tyonek B-1)
- Township 15 North, Range 5 West, Sections 3, 10, 11, 12, 15, 22, 26, 27, 35, and 36 (Tyonek B-1)
- Township 16 North, Range 3 West, Sections 3, 9, 10, 16, 20, 21, 29, and 30 (Anchorage B-8 and C-8)
- Township 16 North, Range 4 West, Sections 25, 26, 27, 31, 32, 33, and 34 (Anchorage B-8 and Tyonek B-1)
- Township 16 North, Range 5 West, Sections 1, 4, 5, 9, 12, 13, 14, 15, 16, 22, 23, 25, 26, 27, 34, and 36 (Tyonek B-1 and C-1)
- Township 17 North, Range 3 West, Sections 1, 2, 6, 11, 12, 14, 23, 26, and 35 (Anchorage C-8)
- Township 17 North, Range 4 West, Sections 1, 2, 10, 11, 15, 16, 20, 21, 29, 30, and 31 (Anchorage C-8 and Tyonek C-1)
- Township 17 North, Range 5 West, Sections 5, 8, 9, 16, 21, 28, 32, and 33 (Tyonek C-1)
- Township 18 North, Range 3 West, Sections 20, 21, 27, 28, 31, 32, 33, and 35 (Anchorage C-8)
- Township 18 North, Range 4 West, Sections 3, 10, 11, 14, 23, 26, and 35 (Anchorage C-8)
- Township 18 North, Range 5 West, Sections 3, 9, 10, 16, 20, 21, 29, and 32 (Tyonek C-1)
- Township 19 North, Range 5 West, Sections 2, 3, 10, 15, 22, 27, and 34 (Tyonek C-1 and D-1)
- Township 20 North, Range 4 West, Sections 19, 30, and 31 (Tyonek D-1)
- Township 20 North, Range 5 West, Sections 35 and 36 (Tyonek D-1)

## **Cultural Resources Review To Date**

Initial examination of the Alaska Heritage Resource Survey (AHRS) records revealed 43 documented cultural resource sites within one mile of the alternative ROW routes, one of which has been found eligible for listing on the National Register of Historic Places (National Register). SRB&A is completing a review of the AHRS files, a review of previous surveys in the vicinity of the APE, and a review of available literature pertaining to the project area. SEA is also initiating consultation with potential Consulting Parties on this project, including Native American tribal organizations, to identify resources in the area.

If you have any questions about the project please do not hesitate to contact Dave Navecky, SEA Project Manager, at 202-245-0294, or Alan Summerville, ICF International Project Manager, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

cc: Alan Summerville, ICF International  
Stephen R. Braund & Associates

Enclosures: Figures 1-6



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

February 27, 2009

Judith Bittner  
State Historic Preservation Officer  
Alaska Office of History and Archaeology  
550 West 7<sup>th</sup> Ave., Suite 1310  
Anchorage, AK 99501-3565

Re: STB Finance Docket No. 34658, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Between North Pole and Delta Junction, Alaska

Dear Ms. Bittner:

As you know, the Board's Section of Environmental Analysis (SEA) has preliminarily determined that the above-referenced project may have an effect on historic properties on or eligible for inclusion on the National Register for Historic Places. Accordingly, SEA initiated the consultation process, pursuant to Section 800.14(b) of the regulations (36 CFR Part 800) implementing Section 106 of the National Historic Preservation Act (16 U.S.C. 470f), with the Alaska State Historic Preservation Officer (SHPO), the Advisory Council on Historic Preservation (ACHP), as well as the Federal agencies cooperating in the preparation of the Environmental Impact Statement (EIS) for this case.

SEA has reviewed your latest letter dated November 21, 2008, and the purpose of this letter is to respond to your comments in anticipation of our scheduled meeting/conference call with you on March 6, 2009. In addition to discussing your comments and our initial responses, we would also like to discuss with you the Programmatic Agreement for this proceeding. As you recall, we submitted a working draft of the Programmatic Agreement (PA) to your office for review on October 31, 2008 and we are interested in hearing your thoughts on the working draft of the PA.

On November 12, 2008, SEA also invited the ACHP to join in the consultation, and on November 24, 2008, ACHP agreed to participate. SEA will invite the ACHP to join in our March 6, 2009 meeting/conference call to review the comments and responses and address potential revisions or execution of the working draft PA.

## **Comments and Responses**

In your letter dated November 21, 2008, you concurred with the eligibility of seven of the ten prehistoric lithic sites SEA determined eligible for the National Register of Historic Places (NRHP) under criterion D in our letter dated October 10, 2008. Further analysis and treatment of the sites would be undertaken through the stipulations of the PA, once it is fully executed. You did not concur, however, with SEA's findings on three of the sites, XBD-336, XBD-340 and XBD-342, recommending instead that they be evaluated as a historic district. SEA, however, notes that your letters dated September 24, 2007 and July 16, 2008, indicated you were in agreement that these three sites were eligible for the NRHP. After discussion with our consultant, Northern Land Use Research (NLUR), while we do not oppose a district concept, SEA would prefer to treat these sites as presumed NRHP eligible and study them further under the stipulations of the PA, and only if they would be affected by a selected alternative.

Regarding the agricultural landscape near Delta Junction and Eielson Air Force Base, we would like to discuss your comments about "indirect effect" and "close proximity" further during the meeting/conference call, so that we may understand the scope of the identification effort and complete any necessary evaluation under the provisions of the PA. As you may recall, only one of the alternatives would directly affect the agricultural landscape.

Regarding the Trans Alaska Pipeline System (TAPS), you asked that it be evaluated for NRHP eligibility prior to an assessment of effects. While SEA has no objection to whether or not TAPS is considered NRHP eligible, TAPS is several hundred miles long and the undertaking would only cross the pipeline at one of two locations – both of which TAPS is underground. Given that the undertaking would not physically disturb TAPS in any way, and at the potential crossing locations TAPS would not be visually sensitive to changes on the surface, SEA concludes that there is not enough potential for effect to justify the cost of evaluating a linear resource of that length. Perhaps that responsibility falls under the jurisdiction of a different Federal agency that regulates the operation or lease of TAPS, and the cost of any NRHP eligibility study may more appropriately be borne by the company or companies who directly profit from the operation of TAPS.

Regarding the historic cabins and other features in the Area of Potential Effect (APE) for various alternatives in the Salchaket area, in 2006 you were in basic agreement with NLUR's findings. The site is a large historic Athabaskan village, which quite likely is eligible as a historic district under several criteria, and also possibly as a Traditional Cultural Property. In subsequent meetings and correspondence, the consensus has been that more extensive research would be conducted under the provisions of the PA, and only if that specific alternative were selected.

We look forward to discussing these matters during our March 6, 2009 meeting/conference call. Thank you for your continued cooperation in this case. If you have any questions, please do not hesitate to contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville, ICF's Project Manager, at 703-934-3616.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is written in a cursive style with a large initial "V".

Victoria Rutson  
Chief  
Section of Environmental Analysis

cc: ACHP



**SURFACE TRANSPORTATION BOARD**  
Washington, DC 20423

*Office of Economics, Environmental Analysis and Administration*

March 23, 2009

SEE DISTRIBUTION LIST

Re: STB Finance Docket No. 34658, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Between North Pole and Delta Junction, Alaska

Dear SEE DISTRIBUTION LIST:

The Alaska Railroad Corporation (ARRC) proposes to build a rail connection to the Matanuska-Susitna Borough's port at Port MacKenzie – referred to as the Port MacKenzie Rail Extension. A license from the Surface Transportation Board (STB) is a prerequisite for the construction and operation of the proposed rail line by ARRC. As part of the process for considering whether to grant such a license, the STB has initiated the Section 106 consultation process for the project with the State Historic Preservation Officer (SHPO), under the National Historic Preservation Act.

The purpose of this letter is to provide you with a summary of the Section 106 Consultation meeting held February 27, 2009 between Stephen R. Braund and Associates (SRB&A), Knik Tribal Council, the Dena'ina Cultural Historian from the Alaska Native Heritage Center, and the Matanuska-Susitna Borough (MSB) Historical Commission.

During the meeting, the Knik Tribal Council indicated their desire to have the discussion of Dena'ina be broadened to a cultural landscape level and focus on not only prehistoric and ethnographic resources, but also the contemporary cultural practices of the Dena'ina and how these practices reflect their past as well as show the Dena'ina as a living part of the landscape today. SEA agrees with the Knik Tribal Council's recommendation to evaluate certain aspects of the Dena'ina landscape within the Area of Potential Effects for the Port Mackenzie Rail Extension. SEA requests concurrence from the SHPO on this approach, and would like to consult further with you on the scope of the identification effort.

If you have any questions, please do not hesitate to contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville, ICF's Project Manager, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

cc: Stephen R. Braund & Associates  
Alan Summerville, ICF International

Enclosure: Meeting Notes

**Distribution List:**

Ms. Judith Bittner  
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Dan Stone  
Matanuska Susitna Borough Historic Commission  
Matanuska Susitna Borough  
350 East Dahlia Avenue  
Palmer, Alaska 99645

**Meeting Notes  
February 27, 2009**

**Meeting Attendees:**

<b>Name</b>	<b>Organization</b>
Stephen R. Braund	Stephen R. Braund and Associates
Paul Lawrence	Stephen R. Braund and Associates
Debra Call	Knik Tribal Council, President
Delia Call	Knik Tribal Council, Secretary Treasurer
Aaron Leggett	Dena'ina Cultural Historian, Alaska Native Heritage Center
Fran Seager-Boss	Matanuska Susitna Borough Historic Commission
Dan Stone	Matanuska Susitna Borough Historic Commission

**Meeting Summary:**

The majority of the meeting focused on Knik Tribal Council's desire to have the discussion of Dena'ina be broadened to a cultural landscape level and focus on not only prehistoric and ethnographic resources, but also the contemporary cultural practices of the Dena'ina and how these practices reflect their past as well as show the Dena'ina as a living part of the landscape today.

The meeting began with overview of the project, discussion of project areas of potential effect (APE) and description of 2008 fieldwork survey efforts and results. Both the Knik Tribe and the MSB representatives had not read the consultation letters sent by the Surface Transportation Board (STB) and were unaware if their organizations had received the letters. During this portion of the meeting both entities made very few comments regarding SRB&A's methodology toward defining the project APEs and summary of 2008 fieldwork survey efforts and generally seemed to agree with SRB&A's approach.

SRB&A then proceeded to discuss the results of the dog sledding, recreation, homesteading, and agricultural cultural landscape research that was recommended by the State Historic Preservation Officer (SHPO) during a March 5, 2008 meeting. The Knik Tribal Council representatives strongly asserted that this approach was slanted toward a discussion of post-contact Euroamerican landscapes, and lacked any analysis or recognition of a Dena'ina cultural landscape in the study area. The Knik Tribal Council indicated that this approach relegated the discussion of Dena'ina to a simple documentation of individual cultural resource sites with no recognition of the broader cultural landscape of the Dena'ina in the study area as well as the ongoing cultural practices of Dena'ina descendents in the study area. They contended that the typical literature review and site documentation of Dena'ina in the study area was not adequate and that their culture was as deserving of a cultural landscape discussion as the other potential landscapes of dog sledding, recreation, homesteading, and agriculture. Several related themes that the Knik Tribe reiterated several times during this discussion included:

- Previous documentation of the Dena'ina culture has not captured the contemporary cultural ties to the study area, and a discussion of a Dena'ina cultural landscape would demonstrate such a connection. The theme of Dena'ina trails was brought up several times as an important component of the Dena'ina landscape within the study area.
- Cultural resource work should attempt to move beyond cultural preservation to cultural revitalization.
- There is a need for cultural resource analyses to bridge the prehistoric with contemporary cultural practices.
- The Tribe is tired of being characterized as “prehistoric.” They want acknowledgement of contemporary Dena'ina culture and how it ties to the past.
- Impact from rail extension was a barrier that the rail would create to access to cultural sites, trails, and areas

The MSB Historical Commission representatives agreed with the Knik Tribal Council's concerns regarding documentation of Dena'ina cultural resources and concurred that this documentation needed to expand to a broader cultural landscape discussion.

The meeting concluded with a brief discussion of the potential impacts to the Dena'ina cultural landscape created by the Port MacKenzie Rail Extension. The Knik Tribal Council discussed that besides the destruction of cultural resources within the rail line right-of-way, the main impact to their culture would be the restrictions in access to cultural sites, trails, and areas created by the rail extension. They claimed that the rail would create a legal barrier that would restrict access to culturally important areas, as well as prevent culturally important activities such as hunting, due to railroad regulations that limit such activities within certain distances of the rail line.



**SURFACE TRANSPORTATION BOARD**  
Washington, DC 20423

*Office of Economics, Environmental Analysis and Administration*

April 13, 2009

Ms. Judith Bittner  
State Historic Preservation Officer  
Alaska Department of Natural Resources  
Office of History and Archaeology  
550 West 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, Alaska 99501-3565

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line to Port MacKenzie, Alaska

Dear Ms. Bittner:

In a letter dated June 19, 2008, the Surface Transportation Board's Section of Environmental Analysis (SEA) initiated the Section 106 consultation process with your office pursuant to 36 CFR 800, for the proposed Port MacKenzie Rail Extension. The purpose of this letter is to (1) provide you with a summary and notes (see Attachment 1) of a Section 106 consultation meeting held February 27, 2009 with the Knik Tribal Council, Dena'ina Cultural Historian from the Alaska Native Heritage Center, and Matanuska-Susitna Borough Historical Commission representatives, and (2) request concurrence with SEA's proposed approach to the Dena'ina landscape.

Steve Braund of Stephen R. Braund and Associates (SRB&A) represented SEA at the February 27 meeting. SRB&A is a member of the third-party contracting team that is assisting SEA in its environmental review and 106 consultations for the proposed project. During the meeting, the Knik Tribal Council indicated its desire to have the discussion of Dena'ina be broadened to a cultural landscape level in addition to prehistoric and ethnographic resources. The Knik Tribal Council also suggested that the Dena'ina discussion address the contemporary cultural practices of the Dena'ina and how these practices reflect their past, as well as to show the Dena'ina as a living component of today's landscape. SEA agrees with the Knik Tribal Council's recommendation to evaluate certain aspects of the Dena'ina landscape within the Area of Potential Effects for the Port Mackenzie Rail Extension. SEA requests concurrence from the SHPO on this approach, and would like to consult further with you on the scope of this identification effort. We will contact you in the near future to discuss this identification effort.

If you have any questions, please contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville of ICF International, Project Manager for SEA's third-party contracting team, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

Attachment

cc: Doug Gasek  
State Historic Preservation Officer  
Alaska Department of Natural Resources  
550 W. 7th Ave., Suite 1310  
Anchorage, AK 99501-3565  
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Dan Stone  
Matanuska Susitna Borough Historic Commission  
Matanuska Susitna Borough  
350 East Dahlia Avenue  
Palmer, Alaska 99645

**ATTACHMENT 1**

**Meeting Notes  
February 27, 2009**

**Meeting Attendees:**

<b>Name</b>	<b>Organization</b>
Stephen R. Braund	Stephen R. Braund and Associates
Paul Lawrence	Stephen R. Braund and Associates
Debra Call	Knik Tribal Council, President
Delia Call	Knik Tribal Council, Secretary Treasurer
Aaron Leggett	Dena'ina Cultural Historian, Alaska Native Heritage Center
Fran Seager-Boss	Matanuska Susitna Borough Historic Commission
Dan Stone	Matanuska Susitna Borough Historic Commission

**Meeting Summary:**

The majority of the meeting focused on Knik Tribal Council's desire to have the discussion of Dena'ina be broadened to a cultural landscape level and focus on not only prehistoric and ethnographic resources, but also the contemporary cultural practices of the Dena'ina and how these practices reflect their past as well as show the Dena'ina as a living part of the landscape today.

The meeting began with overview of the project, discussion of project areas of potential effect (APE) and description of 2008 fieldwork survey efforts and results. Both the Knik Tribe and the MSB representatives had not read the consultation letters sent by the Surface Transportation Board (STB) and were unaware if their organizations had received the letters. During this portion of the meeting both entities made very few comments regarding SRB&A's methodology toward defining the project APEs and summary of 2008 fieldwork survey efforts and generally seemed to agree with SRB&A's approach.

SRB&A then proceeded to discuss the results of the dog sledding, recreation, homesteading, and agricultural cultural landscape research that was recommended by the State Historic Preservation Officer (SHPO) during a March 5, 2008 meeting. The Knik Tribal Council representatives strongly asserted that this approach was slanted toward a discussion of post-contact Euroamerican landscapes, and lacked any analysis or recognition of a Dena'ina cultural landscape in the study area. The Knik Tribal Council indicated that this approach relegated the discussion of Dena'ina to a simple documentation of individual cultural resource sites with no recognition of the broader cultural landscape of the Dena'ina in the study area as well as the ongoing cultural practices of Dena'ina descendants in the study area. They contended that the typical literature review and site documentation of Dena'ina in the study area was not adequate and that their culture was as deserving of a cultural landscape discussion as the other potential

landscapes of dog sledding, recreation, homesteading, and agriculture. Several related themes that the Knik Tribe reiterated several times during this discussion included:

- Previous documentation of the Dena'ina culture has not captured the contemporary cultural ties to the study area, and a discussion of a Dena'ina cultural landscape would demonstrate such a connection. The theme of Dena'ina trails was brought up several times as an important component of the Dena'ina landscape within the study area.
- Cultural resource work should attempt to move beyond cultural preservation to cultural revitalization.
- There is a need for cultural resource analyses to bridge the prehistoric with contemporary cultural practices.
- The Tribe is tired of being characterized as “prehistoric.” They want acknowledgement of contemporary Dena'ina culture and how it ties to the past.
- Impact from rail extension was a barrier that the rail would create to access to cultural sites, trails, and areas

The MSB Historical Commission representatives agreed with the Knik Tribal Council's concerns regarding documentation of Dena'ina cultural resources and concurred that this documentation needed to expand to a broader cultural landscape discussion.

The meeting concluded with a brief discussion of the potential impacts to the Dena'ina cultural landscape created by the Port MacKenzie Rail Extension. The Knik Tribal Council discussed that besides the destruction of cultural resources within the rail line right-of-way, the main impact to their culture would be the restrictions in access to cultural sites, trails, and areas created by the rail extension. They claimed that the rail would create a legal barrier that would restrict access to culturally important areas, as well as prevent culturally important activities such as hunting, due to railroad regulations that limit such activities within certain distances of the rail line.

**STATE OF ALASKA**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF PARKS AND OUTDOOR RECREATION**  
**OFFICE OF HISTORY AND ARCHAEOLOGY**

**SARAH PALIN, GOVERNOR**

550 W. 7TH AVENUE, SUITE 1310  
ANCHORAGE, ALASKA 99501-3565  
PHONE: (907) 269-8721  
FAX: (907) 269-8908

May 15, 2009

File No.: 3130-1R FRA/STB/Port Mackenzie Rail Extension

**SUBJECT:** Rail Line Extension to Port MacKenzie, Alaska  
Consultation with Knik Tribal Council, Dena'ina Cultural Historian and  
Matanuska-Susitna Borough Historical Commission

Victoria Rutson  
Chief, Section of Environmental Analysis  
Surface Transportation Board  
Office of Economics, Environmental Analysis and Administration  
Washington, DC 20423

Dear Ms. Rutson,

The State Historic Preservation Office has reviewed your correspondence regarding the referenced project (received on April 16, 2009) under Section 106 of the National Historic Preservation Act. Sharing the Dena'ina perspective with us is helpful. We concur that including analysis of a potential contemporary Dena'ina cultural landscape in your identification of historic properties under 36CFR800.4 will be beneficial.

Please contact Stefanie Ludwig (907-269-8720) if you have any questions or if we can be of further assistance.

Sincerely,



Judith E. Bittner  
State Historic Preservation Officer

JEB:sll



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

June 5, 2009

Ms. Judith Bittner  
State Historic Preservation Officer  
Alaska Department of Natural Resources  
Office of History and Archaeology  
550 West 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, Alaska 99501-3565

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line to Port MacKenzie, Alaska

Dear Ms. Bittner:

In a letter dated June 19, 2008, the Surface Transportation Board's Section of Environmental Analysis (SEA) initiated the Section 106 consultation process with your office pursuant to 36 CFR 800, for the proposed Port MacKenzie Rail Extension. SEA would like to thank the Alaska SHPO for your response letter of May 15, 2009, indicating your concurrence with including an analysis of a potential contemporary Dena'ina cultural landscape in the Section 106 consultation process. The purpose of this letter is to provide you with a summary and notes (see Attachment 1) of a presentation and information gathering effort that occurred at the May 2009 monthly meeting of Matanuska-Susitna Borough Historical Preservation Commission (MSB HPC) that was held at the Knik Tribal Council (KTC) office in Wasilla.

Steve Braund of Stephen R. Braund and Associates (SRB&A) represented SEA at the May 15<sup>th</sup> meeting. SRB&A is a member of the third-party contracting team that is assisting SEA in its environmental review and 106 consultations for the proposed project. SRB&A presented a summary of the cultural resources research conducted for the project to date. In addition, MSB HPC requested to review the SRB&A research on the potential Dena'ina cultural landscape that had been compiled to date, and SEA wanted input from KTC and MSB HPC on how to document the components of this landscape. SEA continues to evaluate certain aspects of the Dena'ina landscape within the Area of Potential Effects for the Port Mackenzie Rail Extension, and will consult further with you on the scope of this identification effort, as it unfolds.

If you have any questions, please contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville of ICF International, Project Manager for SEA's third-party contracting team, at 703-934-3616.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

Attachment

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## ATTACHMENT 1

### Meeting Notes May 15, 2009

#### Matanuska-Susitna Borough Historical Preservation Commission & Knik Tribal Council Stephen R. Braund & Associates Consultation Meeting Summary

On 5/15/09 Stephen Braund, Erik Hilsinger, and Paul Lawrence of Stephen R. Braund & Associates (SRB&A) attended the May 2009 monthly meeting of Matanuska-Susitna Borough Historical Preservation Commission (MSB HPC) that was held at the Knik Tribal Council (KTC) office in Wasilla. The MSB HPC had invited SRB&A to attend this meeting during the April 2009 monthly meeting and SRB&A attended as part of cultural resources consultation regarding the Port MacKenzie Rail Extension Project. The primary purpose of SRB&A's attending this meeting was to review the cultural resources research performed by SRB&A on the project in general, review the SRB&A research on the potential Dena'ina cultural landscape, and receive input from KTC and MSB HPC on how to document the components of this landscape. The following individuals were present at the meeting:

- LeRoi Heaven – Wasilla Knik Historical Society
- Bethany Buckingham – Dorothy Page Museum
- R. N. Marsh – MSB HPC
- Dan Stone – MSB
- Pat McClenahan – MSB Consultant
- Ron Bissett – MSB HPC
- John Stuart – MSB HPC
- Rob Meinhardt – MSB HPC / BIA Archaeology
- Al Plisousley – (Candle Lite Jazz) Fishhook Community Council
- Faith Plisousley – (Candle Lite Jazz) Fishhook Community Council
- Raymond Theodore - Knik Tribal Council
- Sherry Jackson – Museum of AK Transportation
- Rosie Choquette – Knik Tribal Council
- Richard Porter – Knik Tribal Council
- Jim L. Turner – F.C.C.
- Rosetta Alcantra – MSB HPC
- Fran Seager Boss – Cultural Resources MSB
- Wayne Simeon – Knik Tribal Council
- Vicki Cole – Cultural Resources MSB
- Erik Hilsinger – SRB&A
- Stephen Braund – SRB&A
- Paul Lawrence – SRB&A

Stephen Braund provided a brief overview of the Port MacKenzie Rail Extension cultural resources work completed by SRB&A to date. This included an overview of the project, discussion of project areas of potential effect (APEs) and description of 2008 fieldwork survey efforts and results. Because SRB&A had already presented on the four other cultural landscape themes of dog sledding, recreation, homesteading, and agriculture at the 4/3/09 MSB HPC consultation meeting, these topics were only briefly reviewed. Erik Hilsinger of SRB&A then provided a review of SRB&A research regarding the potential Dena'ina cultural landscape. Braund concluded the presentation with a list of questions to the MSB HPC and KTC addressing data gaps regarding Dena'ina historical and current cultural uses of the study area as well as asking for suggestions for how to proceed with additional documentation of the Dena'ina landscape.

The KTC and MSB HPC members recommended SRB&A conduct interviews with knowledgeable Dena'ina descendents who have information regarding historical and contemporary cultural uses of the study area. These knowledgeable individuals included people from both the Knik Tribe and Native Village of Eklutna. Several individuals mentioned the theme of documenting Dena'ina trails and travel routes within the study area as a possible avenue for discussing a Dena'ina cultural landscape. Rob Meinhardt of the MSB HPC also recommended using a broad period of significance when addressing a cultural landscape within the study area so that the full range of Dena'ina historical uses could be addressed, and for SRB&A to examine the landscape as a discontinuous district with multiple individual components (e.g., trails, archaeological sites, cultural viewsheds) contributing to an overall landscape. Stephen Braund agreed to contact the KTC to develop a plan for documenting the landscape and encouraged interested parties to send in their comments to the Surface Transportation Board if they had any additional concerns regarding cultural resources in the study area.



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

November 9, 2009

Linda Brenner  
Director of Community Development  
Matanuska-Susitna Borough  
350 E. Dahlia Avenue  
Palmer, AK 99645

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption for Construction and Operation of a Rail Line Extension to Port Mackenzie, Alaska; Request for Information Regarding 4(f) Applicability, Measures to Minimize Harm, and *de minimis* Findings

Dear Ms. Brenner:

The purpose of this letter is to request your input as the official with jurisdiction over the resources identified below regarding: (1) the applicability of Section 4(f) of the U.S. Department of Transportation Act of 1966 (also referred to as “Section 4(f)”) to the recreation resources that could be affected by the above-referenced project (also referred to as the “Port MacKenzie Rail Extension”); (2) whether there are any other resources under Matanuska-Susitna Borough (MSB) jurisdiction that qualify as Section 4(f) resources and would be affected by any of the alternatives for the proposed rail line; and (3) where the proposed project may require the use of a Section 4(f) resource, whether proposed mitigation and measures to minimize harm would support a finding of *de minimis* use.

### **Section 4(f) Background**

The Surface Transportation Board’s (the Board) Section of Environmental Analysis (SEA) is in the process of developing a Draft Environmental Impact Statement (EIS) for the proposed Port MacKenzie Rail Extension. SEA anticipates that the Draft EIS will include a determination that some of the alternatives analyzed for the proposed Port MacKenzie Rail Extension could have an effect on one or more recreational resources located within MSB-managed land that may be protected under Section 4(f).

Section 4(f) applies to the actions of agencies within the U.S. Department of Transportation (U.S. DOT). In order for the Federal Railroad Administration (FRA), a U.S. DOT agency and a cooperating agency in the development of this EIS, to grant funding for the proposed Port MacKenzie Rail Extension, FRA must determine and evaluate the project’s potential effects to resources protected under Section 4(f). The Secretary of the Department of Transportation cannot approve a transportation project requiring the use of publicly owned parks, recreation areas, or wildlife and waterfowl refuges, or significant public or private historic sites unless there is no prudent and feasible alternative to using that land and the project includes all possible planning to minimize harm to the Section 4(f) resource.

Resources protected under Section 4(f) include “significant publicly owned public parks and recreational areas that are open to the public and significant publically owned wildlife and waterfowl refuges.” The term “significant” means that in comparing the availability and function of the park, recreational area or wildlife and waterfowl refuge, with the park, recreation or refuge objectives of the community or authority, the resource in question plays an important role in meeting those objectives. Further, one of its major purposes and functions must be for park, recreation, or as a refuge. If any of the resources identified below offer incidental, secondary, occasional or dispersed park, recreational or refuge activities, then this does not constitute a major purpose and the resource would not qualify for protection under Section 4(f).

### **Potential Section 4(f) Properties**

We have identified the following preliminary list of potential Section 4(f) properties that could be affected by one or more of the route alternatives for the proposed rail extension:

- *Point MacKenzie Trailhead Parking Lot.* The area provides public parking and access to the Figure 8 Loop Trail and other trails in the Point MacKenzie area.
- *West Gateway Trail.* The trail provides access from the Parks Highway across Willow Lake to the larger West Gateway Trails System further west.
- *Iron Dog Trail.* This multi-use winter trail provides access between the Big Lake area and the Susitna River.
- *Crooked Lake Trail.* This multi-use winter trail provides access between the Big Lake area and the Susitna River.
- *Iditarod Link Trail.* This multi-use winter trail provides access between the Iditarod and Flathorn Lake Trails.
- *Aurora Dog Musers Trail System.* This trail system is part of a large recreational trail system that supports a variety of winter sports.
- *Figure 8 Lake Loop Trail.* This is a multi-use winter trail system that provides access to Point MacKenzie to the Susitna Flats State Game Refuge.
- *Herning Trail.* This designated RS 2477 trail would be crossed on MSB-owned land approximately two miles south of West Hollywood Road.

SEA, on behalf of FRA, respectfully requests that MSB determine whether the availability and function of these resources plays an important role in meeting the objectives of MSB and verify that one of the major purposes and functions of these resources is for park, recreation, or as a refuge. Additionally, if there any other potential Section 4(f) resources that would be affected by the proposed rail line that we have not identified, please provide information on these resources and their location in your reply.

### **Measures to Minimize Harm and *de minimis* Findings**

SEA is also developing measures to minimize potential impacts to Section 4(f) resources. SEA will include these mitigation measures in the Port MacKenzie Rail Extension Draft EIS. The measures will include voluntary mitigation developed by the Applicant, as well as

preliminary mitigation developed by SEA. Below is a list of measures we are considering including in the Draft EIS to mitigate potential impacts of the proposed rail line on the MSB-managed resources identified above.

- *The Applicant shall consult with land managers to develop a plan to ensure construction activities occur during the most appropriate timeframe, designate temporary recreational access points if main access routes must be obstructed during construction, and consult with the agencies with jurisdiction and user groups to limit potential impacts to recreation activities.*
- *The Applicant shall maintain public access to and from legally authorized trails and Matanuska-Susitna Borough recognized trail easements. The Applicant shall provide grade-separated crossing locations where the new rail line crosses these trails, although some trails may require some realignment to consolidate crossings. The Applicant shall work with trail user groups to design and construct grade-separated trail crossing.*
- *If the Surface Transportation Board authorizes the Mac West alternative segment, the Applicant shall consult with Alaska Department of Natural Resources and MSB to determine an appropriate location and relocate the Point Mackenzie Trailhead, Parking Lot, and the eastern end of the Figure 8 Loop Trail to another site.*
- *If the Surface Transportation Board authorizes the Mac West alternative segment, the Applicant shall provide grade-separated crossing(s) of the Figure 8 Loop Trail where the trail is located on public land and would be crossing by the Mac West alternative segment, or shall relocate the trail, in consultation with the Matanuska-Susitna Borough and trail user groups, such that the trail would not be crossed by the rail line.*

Section 6009 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (49 U.S.C. 303), also known as SAFETEA-LU, amended Section 4(f) statutory requirements to include an exception for uses of protected land that would have a “*de minimis*” impact on that land. The U.S. Secretary of Transportation may make a finding of *de minimis* impact if the project “will not adversely affect the activities, features, and attributes of the park, recreation area, or wildlife or waterfowl refuge eligible for protection” under Section 4(f), and if the “Secretary has received concurrence from the officials with jurisdiction over the park, recreation area, or wildlife or waterfowl refuge.” To complete the Section 4(f) evaluation, SEA, on behalf of FRA, is requesting your input on whether a *de minimis* impact finding for any or all of the properties identified above could be reached through the implementation of the measures described above, or with the development and implementation of additional mitigation measures.

In summary, please indicate if you concur that: (1) this letter has identified all the MSB-managed Section 4(f) resources potentially affected by the proposed Port MacKenzie Rail Extension; (2) there are no other MSB-managed Section 4(f) resources potentially affected by the proposed project; and (3) the potential mitigation measures outlined in this letter would make the potential impacts *de minimis* for any of the Section 4(f) resources listed in this letter, and if so, which resources. If we have failed to identify all the MSB-managed Section 4(f) resources, please identify their location and provide a description of the resource in your reply. If MSB believes that additional mitigation measures would be required to make the potential impacts on Section 4(f) resources *de minimis*, please outline such measures in your reply. Please address your reply to Dave Navecky of my staff at the letterhead address, or as an email attachment to [David.Navecky@stb.dot.gov](mailto:David.Navecky@stb.dot.gov).

I thank you in advance for the expertise and effort needed in responding to the questions posed in this letter. If you have any questions, please do not hesitate to contact Dave Navecky, SEA's Project Manager, at 202-245-0294, or Alan Summerville of ICF International, Project Manager for SEA's third-party contracting team, at 703-934-3616. We would appreciate your reply by December 9, 2009.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

**cc:**  
Mr. John Winkle  
Federal Railroad Administration  
Office of Railroad Development  
1200 New Jersey Ave SE - Mail Stop 20  
Washington, DC 20590



**MATANUSKA-SUSITNA BOROUGH**  
**Community Development Department**

350 East Dahlia Avenue • Palmer, AK 99645  
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E-mail: [lmb@matsugov.us](mailto:lmb@matsugov.us)

February 1, 2010

Victoria Rutson, Chief  
Section of Environmental Analysis  
Surface Transportation Board  
Washington, D.C. 20423

Re: STB Finance Docket No. 35095, the Alaska Railroad Corporation-Petition for Exemption for Construction and Operation of a Rail Line Extension to Port Mackenzie, Alaska; Request for Information Regarding 4(f) Applicability, Measures to Minimize Harm, and *de minimis* Findings

Dear Ms. Rutson;

This letter is in response to your request for input from the official with jurisdiction over the resources identified below regarding: (1) the applicability of Section 4(f) of the U.S. Department of Transportation Act of 1966 to the recreation resources that could be affected by the above-referenced project (Port Mackenzie Rail Extension); (2) whether there are any other resources under Matanuska-Susitna Borough (MSB) jurisdiction that qualify as Section 4(f) resources and would be affected by any of the alternatives for the proposed rail line; and (3) where the proposed project may require the use of a Section 4(f) resource, whether proposed mitigation and measures to minimize harm would support a finding of *de minimis* use.

MSB has determined that some of the alternatives analyzed for the proposed Port Mackenzie Rail Extension will definitely have an effect on one or more recreational resources located within MSB-managed lands that may be protected under Section 4(f). MSB has reserved recreational public use easements along significant trail corridors that cross MSB-owned lands. These reserved trail corridors play an important role in meeting the objectives of MSB Community Development and the local communities through which the corridors travel, by preserving important recreational opportunities on public lands and access for private landowners to reach their remote parcels.

To facilitate the Surface Transportation Board's (STB) Section of Environmental Analysis (SEA) in developing a Draft Environmental Impact Statement (DEIS), MSB provides the following summary of impacts to the identified recreational resources.

- *Point Mackenzie Trailhead Parking Lot.* The Point Mackenzie Trailhead was constructed in 2000 using Alaska State Parks Snowmobile Trail Grant funding and is the only recreational trailhead in the Point Mackenzie area. It provides trailhead access to Susitna Flats State Game Refuge, Figure 8 Lake, Lake Lorraine and the Point Mackenzie area. All alternatives of the rail extension will significantly impact the trailhead to the degree of it being unusable as a trailhead. MSB has investigated relocating the Point Mackenzie trailhead approximately one mile to the north. Developing the trailhead east of the rail extension would require a separated-grade tube crossing to allow snowmobile and other recreational access to the west. Mitigation measures outlined in the STB letter dated November 9, 2009 for relocating the Point Mackenzie Trailhead would make the potential impacts *de minimis* for this Section 4(f) resource.

- *Figure 8 Lake Loop Trail.* Figure 8 Lake Loop Trail is identified and documented in the MSB Recreational Trails Plan but does not have legal easements. The trail is planned to be surveyed. The eastern end of the Figure 8 Lake Loop Trail would be impacted in two areas by the Mac West alternative. Mitigation measures outlined in the STB letter dated November 9, 2009 for relocating the eastern end of the Figure 8 Lake Loop Trail would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Iditarod Link Trail.* Iditarod Link Trail has a legal easement and would be impacted by the Willow route alternative. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Crooked Lake Trail.* Crooked Lake Trail has a legal easement and is a heavily used trail providing access between Big Lake area and Susitna River and would be impacted by the Willow route alternative. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Iron Dog Trail.* Iron Dog Trail has a legal easement and is a heavily used trail providing access between Big Lake area and Susitna River, is used for the Iron Dog Snowmobile Race, and would be impacted by the Willow route alternative. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *West Gateway Trail.* West Gateway Trail has a legal easement and is the main recreational access corridor out of Willow to the west. Where the proposed Willow route alternative crosses the West Gateway Trail, the alignment appears to be along the boundary between State of Alaska land and Alaska Department of Transportation Right-of-Way ADL 216410. Regardless of land ownership, mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Aurora Dog Musher's Trail System.* The Aurora Dog Musher's Trail System is a well-developed multi-use trail network used for recreation, training and races. It is managed under a Cooperative Resource Management Agreement between the State of Alaska, Matanuska-Susitna Borough and the Aurora Dog Musher's Club. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Herning Trail.* Herning Trail is a heavily used historic RS2477 trail (RST-1467) providing access from Knik northward to the Alaska Railroad. This trail is multi-use and an important transportation corridor. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.

Other potential Section 4(f) resources that would be affected by the proposed rail line include the following trail crossings:

- *Iditarod National Historic Trail.* Iditarod National Historic Trail is a heavily used historic RS2477 trail, known as the Knik-Susitna Trail (RST-118) through this area. The Willow Route will impact this trail in the W1/2, W1/2, Section 15, T16N, R04W, S.M., Alaska, where the trail right-of-way traverses MSB-owned land. The Big Lake Route will impact this trail in the SW1/4, Section 16, T16N, R03W, S.M., Alaska, where the trail right-of-way traverses MSB-owned land. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.

- *16 Mile Trail.* 16 Mile Trail is a heavily used multi-purpose trail with platted right-of-way. The Big Lake Route will impact this trail in the NE1/4, Section 29, T16N, R03W, S.M., Alaska, where the trail right-of-way is adjacent to MSB-owned land. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.
- *Big Lake Trail #13(Knik Connector Trail).* Big Lake Trail #13 (Knik Connector Trail) is identified and documented in the MSB Recreational Trails Plan as a multiple-use, predominantly winter trail but does not have an easement. The Big Lake Route will impact this trail near the southern edge of the N1/2, Section 30, T16N, R03W, S.M., Alaska, where the trail enters onto MSB-owned land. Mitigation measures outlined in the STB letter dated November 9, 2009 for providing a grade-separated crossing would make the potential impacts *de minimis* for this Section 4(f) resource.

The above-referenced trails/trailhead identifies all the MSB-managed Section 4(f) resources potentially affected by the proposed Port Mackenzie Rail Extension. There are no other MSB-managed Section 4(f) resources potentially affected by the proposed project. The potential mitigation measures outlined in the STB letter dated November 9, 2009 for providing grade-separated crossings and/or relocations of trails and trailheads would make the potential impacts *de minimis* for the Section 4(f) resources referenced above in this letter.

Once the final Port Mackenzie Rail Extension route has been identified, trail crossings can be looked at on a case by case basis to determine the most effective and cost-efficient mitigation measure for the specific Section 4(f) resource being impacted.

Sincerely,

A handwritten signature in cursive script that reads "Linda Brenner". The signature is written in black ink and is positioned below the word "Sincerely,".

Linda Brenner, Community Development Director



## MATANUSKA-SUSITNA BOROUGH

### Borough Manager

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[www.matsugov.us](http://www.matsugov.us)

December 16, 2008

Victoria J. Rutson  
Chief  
Section of Environmental Analysis  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Subject: Port MacKenzie Bulk Materials Facility

Dear Ms. Rutson:

I am writing to provide you with information concerning the Matanuska-Susitna Borough's ("Borough") plans to develop a bi-modal bulk materials facility ("BMF") at Port MacKenzie, Alaska. As discussed below, the BMF is being developed by the Borough to accommodate the need for expansion of Port facilities to handle bulk material cargo to be transported to the Port by truck, independent of the planned rail line extension to Port MacKenzie ("Port MacKenzie Rail Extension Project")<sup>1</sup> The factual statements in this letter concerning the BMF are supported by the Verified Statement of Mark Mayo, Director of the Planning and Use Department for the Borough, which is enclosed.

#### A. BMF Development at Port MacKenzie

Port MacKenzie presently consists of a 500-foot bulkhead barge dock and a 1,200-foot deep-draft dock, as well as nearly 9,000 undeveloped upland acres available for commercial lease. All of this property is owned and operated by the Borough.

The Borough has recently received inquiries from potential shippers interested in shipping bulk materials in the near future through Port MacKenzie using heavy-haul trucks. Unfortunately, the current physical facilities at the Port are limited and are not able to handle these shipments under the current configuration. The only place to unload, stage and store bulk materials is occupied by a tenant holding a long-term lease. Moreover, moving bulk materials to the Port would require heavy-haul trucks that current roads at the Port likely cannot handle without some improvement or expansion.

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<sup>1</sup> As you are aware, the Port MacKenzie Rail Extension Project is currently pending before the Surface Transportation Board, Finance Docket No. 35095. In that proceeding, authority to operate and construct that rail construction project is being sought by the Alaska Railroad Corporation ("ARRC") with support by the Borough.

Victoria J. Rutson  
December 16, 2008  
Page 2 of 3

To accommodate the need for bulk materials service, the Borough has been working to develop a plan to upgrade roads, staging and storage areas at the Port. Moreover, the Borough has entered into a separate project management contract with ARRC to support the development of such facilities. ARRC has extensive experience as a rail carrier in dealing with bulk material unloading, staging and storage.

As the Borough continues to plan for the BMF and future Port development, it will consider the location of ARRC's proposed rail terminal (which is planned as part of the proposed Port MacKenzie Rail Extension Project) in its decision-making.<sup>2</sup> As a practical matter, the Borough must now be looking at ways to maximize development of the BMF in a manner that will not inhibit or interfere with possible plans for rail service and rail-related facilities or other future development on Port property. But none of the Borough's plans for the BMF are in any way dependent on the construction of the ARRC rail extension or its rail terminal.

#### **B. Port MacKenzie Rail Extension Project**

Separate and apart from the BMF plans, the Borough is supporting ARRC's plan to extend rail service to Port MacKenzie. That project is currently before the Board pursuant to ARRC's requests to build and operate the proposed rail extension. The Board's review of this Port MacKenzie Rail Extension Project under the National Environmental Policy Act ("NEPA") is ongoing.

ARRC's purpose for the Port MacKenzie Rail Extension Project is to establish a rail link between the Port and ARRC's main line, thereby providing customers and shippers cost effective rail transportation between the Port and Interior Alaska. ARRC, not the Borough, would construct and operate the rail extension.

In connection with the Port MacKenzie Rail Extension Project, ARRC also plans to build a terminal reserve that would accommodate several straight yard tracks, a smaller yard for the sorting, collection, and distribution of car-load traffic, and support facilities to include administration, crew facilities, fueling, light servicing and repair. These operations and facilities would have no connection to the planned truck service into the Port or the planned BMF facility.

#### **C. Independent Utility of the BMF and Rail Extension Projects**

As described above, the proposed BMF and the Rail Line Extension Project are separate projects serving distinct purpose and needs of the Port. They are not "connected actions", nor are the two projects dependent on one another to proceed. Under applicable NEPA regulations, two projects qualify as connected actions in just three situations: (1) when one action automatically triggers another action requiring an environmental impact statement; (2) when one action "cannot or will not proceed unless other actions are taken previously or simultaneously;" or (3) when one action is an "interdependent part[]" of a larger action and depends on that larger action for its justification. 40 C.F.R. § 1508.25(a)(1)(i)-(iii). Viewed another way, two projects are not

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<sup>2</sup> In connection with the BMF, the Borough (through ARRC its project manager) has been exploring with relevant federal, state and local agencies what permits and environmental compliance are needed to allow the project to proceed for service.

Victoria J. Rutson  
December 16, 2008  
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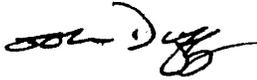
connected actions if each has “**independent utility**”—*i.e.*, “each of the two projects would have taken place with or without the other.” *Wetlands Action Network v. United States Army Corps of Engineers*, 222 F.3d 1105, 1118 (9th Cir. 2000).

Applying these principles, the Port MacKenzie Rail Extension Project and the BMF project plainly have independent utility. Each would be constructed even if the other were not. As explained above, the BMF is intended to upgrade the bulk storage and staging facilities at the Port to accommodate pending requests for truck deliveries of bulk materials. Similarly, the Port MacKenzie Rail Extension Project is valuable to the Borough (and ARRC) wholly apart from the BMF upgrades at the Port because it is being developed with the intent of providing another mode of transportation—rail service—to the Port. If for some reason the BMF project did not move forward in the near term with the BMF, the rail extension would still be pursued. And if the rail extension were not constructed, the BMF project would still move forward. Therefore, the BMF project and the Port MacKenzie Rail Extension Project are not connected actions under NEPA.

We hope this information provides useful background on the independent utility of the Port MacKenzie Rail Extension Project and the BMF project at the Port. Please let us know if you have any questions or need additional information.

Thank you for your time and consideration.

Sincerely,



John Duffy  
Borough Manager

VERIFIED STATEMENT  
OF  
MARK MAYO

1. My name is Mark Mayo. I am Director of the Planning and Land Use Department for the Matanuska-Susitna Borough (the "Borough"). My business address is 350 East Dahlia Avenue, Palmer, Alaska 99645.

2. I am responsible for planning, organizing, and directing through subordinate supervisors the activities of the Planning Department consisting of planning, platting, land use code compliance and cultural resources.

3. I previously worked for the Alaska Department of Transportation and Public Facilities as a Transportation Planning Manager for 26 years.

4. I have an undergraduate degree in Biology as well as a Masters Degree in Public Administration.

5. I am submitting this Verified Statement in connection with the Alaska Railroad Corporation ("ARRC")'s plan to construct a rail extension from its main line near Wasilla, Alaska to Port MacKenzie (the "Port MacKenzie Rail Extension Project"). Port MacKenzie is owned and operated by the Borough.

**A. Port MacKenzie's Bi-Modal Bulk Materials Facility ("BMF")**

6. Port MacKenzie is a deepwater facility situated approximately 30 miles southwest of Wasilla and 5 miles north of Anchorage, across Knik Arm. Presently, the Port is home to a 500-foot bulkhead barge dock and a 1,200-foot deep-draft dock, as well as nearly 9,000 undeveloped upland acres available for commercial lease. The dock and the upland acreage are owned and operated by the Borough. The only overland way for freight to reach the Port today is via truck.

7. Recently, the Borough has been approached by potential shippers who desire the movement of bulk materials through Port MacKenzie to markets in the Far East. These proposed shipments would require the use of heavy-haul trucks, likely tandems, for the movement of the materials from the source area to the Port. Facilitating this movement would require the Borough to overcome two obstacles created by current physical limitations at the Port. First, the only area the port currently capable of unloading, staging and storing bulk materials is unusable due to a long-term lease (and a legal dispute with that tenant). Second, the existing road to the upper end of the ship loading conveyor is not serviceable at all during the winter months, and likely could not handle heavy-haul trucks during any season.

8. In order to address the Port's current physical limitations, the Borough is developing plans to upgrade the Port facilities. This project is known as the Bi-Modal Bulk Materials Facility ("BMF") project. As currently conceived, the BMF project involves a number of improvements to the Port, including construction of new freight and bulk materials storage and staging areas, construction of a new loop road for use by trucks hauling bulk materials into the Port area, and potential expansion of the Port's docking facilities. These planning efforts are proceeding quickly, but remain subject to change or revision as the need arises.

9. The most immediate need at the Port is development of facilities to handle the bulk materials requests the Borough has already received. The Borough has little experience with the requirements of such facilities. Accordingly, it hired ARRC to perform program management work for the BMF. This management contract has no connection whatsoever to the proposed rail extension, and is being handled through an entirely separate accounting process. The Borough chose ARRC to manage the BMF project because of ARRC's prior experience

with bulk materials facilities, and because ARRC could perform the required management functions in a timely manner.

10. As planning for the BMF and future Port development proceeds, the Borough will consider the location of ARRC's proposed rail terminal in its decision-making. The Borough intends to maximize development of the BMF in a way that will not inhibit or interfere with possible plans for rail service and rail-related facilities, or any other future development on Port property. The BMF project, however, will move forward regardless of whether the proposed rail extension and terminal are built. For the reasons I have explained, the Port needs upgraded bulk materials facilities to handle truck shipments now. Those upgrades have nothing to do with ARRC's proposed Port MacKenzie Rail Extension Project.

**B. ARRC's Port MacKenzie Rail Extension**

11. As the Board is aware, ARRC is proposing to build a rail extension from its main line to Port MacKenzie. According to documents filed with the Board, the purpose of the Port MacKenzie Rail Extension project is to establish a rail link between the Port and the ARRC rail system, providing customers and shippers with rail transportation between the Port and Interior Alaska. As part of the Port MacKenzie Rail Extension Project, ARRC would also build a terminal reserve that would accommodate several straight yard tracks capable of staging and/or storing unit trains, a smaller yard for the sorting, collection and distribution of car-load traffic, and support facilities to include administration, crew facilities, fueling, light servicing and repair. The Borough understands that this terminal reserve would be situated so as not to interfere with the development of the BMF (or other future Port development), but also that the reserve will be constructed as part of the rail extension project regardless of whether the BMF proceeds as planned.

12. The Borough is cooperating with ARRC in its plans to construct the Port MacKenzie Rail Extension Project, and views the project as a potential source of new traffic into the Port. ARRC, however, will construct and exclusively operate the line.

13. All of ARRC's plans for the Port MacKenzie Rail Extension Project are independent of the Borough's plans for the BMF project. In other words, ARRC plans to build the rail extension from its main line to the Port regardless of whether the Borough makes any other improvements to the Port, including the BMF.

**VERIFICATION**

I, MARK MAYO, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on December 18, 2008.

Mark Mayo  
Mark Mayo



## MATANUSKA-SUSITNA BOROUGH

Planning and Land Use Department

Planning Division

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November 18, 2008

David Navecky  
STB Finance Docket No. 35095  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Dear Mr. Navecky,

**Re: Port MacKenzie Rail Extension Project**

In light of the fact that the Point MacKenzie Community Council is currently inactive, I would like to provide a comment on one of the conceptual rail corridors described in the Preliminary Environmental and Alternatives Report. I have been working with the Point MacKenzie community, assisting with their planning efforts.

The Point MacKenzie Community Comprehensive Plan is currently being drafted by a team of community members. While drafting the land use chapter, the team identified a site for a future town center near the intersection of Point MacKenzie Road and Burma Road. Land suitable for a town center near essential infrastructure is scarce in the community. The location identified is near the only grocery store in Point MacKenzie. The town center concept is to create a pedestrian-oriented, mixed-use town center, to include places to meet friends and neighbors, venues for events and community meetings, a farmers market, and commercial services like a bank, Post Office, grocery store, and restaurants.

The Rail Project's Big Lake Alignment (MP B0.0-B2.5) transects the area identified for a future town center. Construction of a rail line through this corridor will impact the functionality and could likely preclude the use of this location as a town center.

Please contact me if you have any questions or require additional information.

  
Emerson Krueger

Planner

907-745-9526

[ekrueger@matsugov.us](mailto:ekrueger@matsugov.us)