



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

*National Marine Fisheries Service*

*P.O. Box 21668*

*Juneau, Alaska 99802-1668*

September 16, 2002

Colonel Steven T. Perrenot  
District Engineer, Alaska District  
Army Corps of Engineers  
Regulatory Branch (1145b)  
P.O. Box 898  
Anchorage, Alaska 99506-0898

RE: Ref # S-1994-0806  
Waterway: Klawock Inlet 103

Attn: Ms. Shannon Hansen

Dear Colonel Perrenot:

Thank you for the opportunity to review the above referenced proposal by the city of Craig to place fill in .43 acre of tideland on False Island near Craig, Alaska. The purpose of the fill is to provide a level pad for the possible construction of two fish processing buildings or similar marine industrial use on the created lots. The proposed work will include the discharge of 750 cy of rip rap and 1,515 cy of shot rock fill onto .43 acre of tidelands between the high tide line and the mean high tide line on False Island.

Few details are available about the size of the proposed fish processing facilities or the extent of operation. Construction is dependent on the acquisition of grant moneys through proposals that will evolve in phases. One potential buyer exists for a portion of the lot identified as area 2B.

The National Marine Fisheries Service (NMFS) has considered the potential impacts of the project to Essential Fish Habitat (EFH) pursuant to the Magnuson-Stevens Fishery Conservation and Management Act. The permanent fill of .43 acre of marine habitat will adversely affect EFH.

The Alaska Department of Fish and Game has cataloged various anadromous fish streams located within approximately 1-3 miles of the project site that support runs of mostly rearing coho and pink salmon. (Craig Quad B-4, #103-60-10495, -10500 Crab Creek, -10492, -10502, -10505 and -10503). Crab Creek also supports chum salmon and steelhead trout.



Juvenile salmon use the inshore area of the project site at high tides during spring and summer for feeding and predator avoidance prior to migrating out to sea. Many invertebrate species that are an important food source for juvenile finfish live within the intertidal zone proposed for fill.

The project site also represents important forage and rearing habitat for a variety of other marine species including: arrowtooth flounder, dusky rockfish, flathead sole, halibut, pacific cod, pacific ocean perch, rock sole, short raker rougheye rockfish, sablefish, sculpins, skates, walleye pollock, and yelloweye rockfish. (See NOAA/NMFS AK Region EFH mapping website accessible at: <http://www.fakr.noaa.gov/maps/default.htm>)

Salmon and other marine species listed above are of high value and represent a significant contribution to the local and state economy through commercial and sport fisheries. Coastal habitats such as those found at the project site play a vital role in the success of the fishing industry.

NMFS offers the following EFH Conservation Recommendations pursuant to Section 305(b)(4)(A) of the Magnuson-Stevens Act:

1. A permit for the discharge of fill should not be issued until final plans for construction of fish processing facilities or similar marine industrial uses are completed. The amount of fill required will depend on the total footprint and may change according to the building design. We recommend that the Corps only permit the least damaging practicable alternative, consistent with the Clean Water Act Section 404(b)(1) guidelines, which may entail less fill than the current proposal. For example, an alternative design may reduce the need for intertidal fill if the structure were partially built on pilings. Fish, invertebrates, and marine algae would benefit from continued access to the intertidal area. Other options, e.g., sheet pile along the seaward edge would also reduce the overall footprint.

2. The Corps should require the applicant to provide compensatory mitigation for unavoidable adverse impacts from the project. NMFS requests an opportunity to review any proposed mitigation plan before the Corps issues a permit for this project.

3. The project, as currently described, does not allow for an accurate assessment of cumulative or long term impacts to EFH. The Corps should evaluate impacts of fish waste disposal as part of the permit review process.

Under section 305(b)(4)(B) of the Magnuson-Stevens Act the Corps is required to respond in writing within 30 days to these recommendations. If the Corps will not make a decision within 30 days, the Corps should provide NMFS with a letter within 30 days to that effect, and indicate when a full response will be provided.

Linda Shaw will be the contact person in lieu of David Martins who is leaving NMFS Alaska Region. She may be reached at 907-586-7510. We look forward to working with you and the applicant to revise this project to minimize adverse effects to EFH.

Sincerely,



James W. Balsiger  
Administrator, Alaska Region

cc: EPA Anchorage (Mark Jen)  
ADEC, AADGC, ADNR, USFWS Juneau  
ADF&G, Craig  
Jim Bolling, City Planner, Craig.