

Steve Hohensee
United States Forest Service
Juneau Ranger District
8465 Old Dairy Road
Juneau, Alaska 99801

RE: Kensington Gold Project, Draft Supplemental Environmental Impact Statement (DSEIS),
Essential Fish Habitat Assessment Comments

Dear Mr. Hohensee,

The National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NOAA Fisheries) has reviewed the Kensington Gold Project Draft Supplemental Environmental Impact Statement (DSEIS) and provides the following comments regarding issues of concern, including essential fish habitat (EFH) consultation. The DSEIS presents alternatives that have been developed to resolve issues identified during scoping, the environment impacted by the development, and the potential environmental consequences of each alternative. An EFH assessment is also included. A Biological Assessment, pursuant to the Endangered Species Act, is not included in the DSEIS. We understand that the Forest Service is providing that document separately, and NOAA Fisheries will respond once we have an opportunity to review it.

General Comments:

Every alternative presented in the DSEIS would have some environmental impact. However, upon examination of the various alternatives compared to the "no action" alternative (previous alternative D, in the 1997 Supplemental EIS), and the reduced mining rate alternative, A1, we have concluded that the marine facility modifications proposed in Alternative C would have the least damaging environmental impacts to living marine resources under our jurisdiction. This conclusion is based on the following points.

- 1) For the Slate Creek Cove marine facility, intertidal fill would be reduced in Alternative C as compared to Alternative B, by exclusion of the 30' X 210' landing craft ramp. This structure has been included in Alternative B to provide added flexibility, but apparently is an optional feature that is not crucial to the functioning of the marine terminal. This permanent fill would eliminate intertidal habitat and alter hydrology of the intertidal zone at Slate Creek Cove.
- 2) Selection of the Echo Cove marine docking facility in Alternative C, as opposed to the Cascade Point marine docking facility in Alternative B, would pose less environmental

impact. The Cascade Point proposal involves filling and placing structures in documented spawning habitat for the depressed Lynn Canal stock of Pacific herring, and also subjecting herring to increased risk of hydrocarbon contamination, which impedes spawning (Carls et al. 1997). The Echo Cove dock includes no intertidal fill, and would not directly (from fill) or indirectly (from hydrocarbon contamination associated with vessel fueling or fuel storage) impact spawning habitat for herring.

Vessel fueling and fuel storage is planned for the Cascade Point marine terminal (see enclosed Alaska Department of Natural Resources applicant environmental risk questionnaire from Goldbelt), although this is not discussed in the DSEIS. As discussed in our previous comment letters and in the DSEIS, hydrocarbons pose a significant threat to early life history stages of both salmon and herring, with toxicity effects occurring at extremely low concentrations of contamination. The exposed nature of the Cascade Point location would make it difficult, if not impossible, to contain and clean-up any fuel spillage, which would be dispersed to nearby waters that include documented herring spawning areas. As acknowledged in the DSEIS, even minuscule amounts of weathered oil may adversely affect herring eggs months after a spill. A facility located either at Cascade Point or Echo Cove would be on private land, and therefore would not be subject to the administrative, preventive and corrective best management practices under U.S. Forest Service jurisdiction. This lack of administrative control highlights the higher risk to herring spawning at the Cascade Point facility compared to the Echo Cove facility. Although Echo Cove is located near a pink salmon stream at the head, NOAA Fisheries considers protection of the depressed Lynn Canal herring stock to be of higher priority for the potential economic value of the resource and the ecosystem function of Berners Bay.

The final SEIS needs to discuss in detail plans for vessel fueling, fuel storage and associated best management practices at the Cascade Point and Echo Cove marine docks. The DSEIS only discusses fuel transport and unloading to the Slate Creek Cove dock, for the purpose of mine operations and not vessel fueling.

The document also needs to discuss plans for testing and disposing of dredged materials from all of the marine terminal facilities.

Specific Comments:

Page 2-3, Table 2-3. “Size of Selected Project Components”

Information needs to be added for Alternatives B and C for “Fuel Storage.” NOAA Fisheries has provided your consultant information on Goldbelt’s plans for fuel storage at the Cascade Point facility.

Pages 2-11 and 2-14, Figures 2-8 and 2-11. Alternative B and C, Cascade Point and Echo Cove Marine Terminals.

Fuel storage areas need to be identified.

Page 2-29, Section 2.3.13 Fuel Use and Storage

This section does not include a discussion of vessel fueling and storage at the Cascade Point and Echo Cove marine docks.

Page 2-44, Table 2-6, Summary of Mitigation and Control Measures. Aquatic resources: marine.

Include BMP's for control of hydrocarbon contamination from vessel fueling and fuel storage for Cascade Point and Echo Cove marine terminals.

Page 2-50, Table 2-7, Monitoring Requirements by Resource Area.

The table needs to incorporate the joint ADF&G and NOAA Fisheries proposed monitoring plan for the Cascade Point Facility (enclosed).

Page 2-56, Table 2-8, Summary of Potential Impacts of Each Alternative by Significant Issue

Under "Alternative C - Revised Dock Designs/Diversions, add "Fuel leaks or spills in Echo Cove would be easier to contain and clean up compared to Cascade Point."

Page 2-61, Table 2-9, Summary of Potential Impacts of Each Alternative by Resource (continued)

Under "Aquatic Resources: Marine", Fish, for Alternative B and C cells add:

"Acute and chronic exposure of sensitive life history stages to hydrocarbon toxicity from fueling and fuel storage spills."

Page 4-41, Nearshore Marine Organisms, Construction

Indicate plans for testing and disposal of dredged material from the Slate Creek Cove, Cascade Point and Echo Cove marine docks.

Page 4-42, Spills

Discussion needs to acknowledge, describe and discuss implications of vessel fueling and fuel storage at the Cascade Point and Echo Cove marine docks. Also counter balance statement that low flushing in Echo Cove would have greater impacts to nearshore marine organisms, with the greater ability in Echo Cove to detect, contain and clean up such spills, without contaminating a wider area.

Page 4-49, Spills, paragraph three AND page 4-50, Spills, last paragraph

Ferry leakage is not the only potential source of hydrocarbon contamination at the ferry terminals. Vessel fueling and fuel storage could introduce much higher levels of contamination. Cascade Point shares an equal risk of spills with Slate Creek Cove due to vessel fueling and fuel storage operations.

Page 4-49, Spills

Reference to Carls et al., 1997, is not provided in Literature Cited section, Page 6-5.

EFH Assessment Response:

The EFH assessment adequately addresses water quality and quantity impacts of the Slate Creek impoundment and Jualin Mine developments to anadromous fish streams, including Slate and Johnson Creeks, including the potential effects of acid drainage and toxicity, instream flow, construction and operational impacts to these streams. NOAA Fisheries agrees with the EFH assessment conclusion that the proposed actions are expected to result in no adverse effects on EFH for salmon species in the freshwater environment of the project area, provided that all mitigation measures identified in the EFH assessment are carried out as described.

NOAA Fisheries also agrees that both short term and long term adverse effects to EFH, including prey, would result from the proposed action. NOAA Fisheries disagrees with the EFH assessment's conclusions on page B-10 and B-11 regarding relative impacts of hazardous spills at the three marine terminal facilities. These issues are discussed in our General Comments section of this letter. As required by Section 305 (b)(4)(a) of the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA) (50 CFR 600.920, 67 FR 2380), we offer the following EFH Conservation Recommendations.

- 1) Select Alternative C option for Slate Creek Cove facility. Select Alternative C, Echo Cove terminal for originating employee transport.
- 2) If Alternative B (Cascade Point) is selected for the employee transport facility, adopt a mitigation and monitoring program. Such a program should be implemented by Goldbelt in a memorandum of agreement between Goldbelt, Coeur, USFS, ADF&G and NOAA Fisheries. A copy of the NOAA Fisheries proposal for monitoring is enclosed. Alaska Best Management Practices for Harbors has been provided to both Tetra Tech and Goldbelt.
- 3) No in-water work, including dredging, should be conducted from March 1 to June 30 at the marine terminal facilities, to protect migrating juvenile salmon, spawning herring, eulachon and marine mammals from construction-related disturbance. Auke Lake weir data shows pink salmon outmigrating as early as March 2 (Taylor and Lum, 2003). The DSEIS notes that herring spawning typically occurs in Lynn Canal during a 2 to 3 week period between

late April and early May and that eulachon spawn for similar periods of time in April and May. All marine terminals are near both salmon streams and herring or eulachon spawning locations, with the exception of Echo Cove and Comet Beach. Echo Cove and Comet Beach are both near pink salmon streams (ADF&G cataloged stream #115-20-10590 (Juneau Quad C-3), un-named and ADF&G cataloged stream #115-31-10330, Sherman Creek, respectively). Pink salmon outmigration in northern Lynn Canal may extend to the end of June (Taylor and Lum, 2003), so the no in-water work window is appropriate for all proposed marine terminals.

4) Wood structures associated with any of the marine dock facilities should not include creosote or ammoniacal copper zinc arsenate (ACZA) treated components. Creosote leaches polyaromatic hydrocarbons (PAHs), which are toxic to salmon and herring (Carls et al., 1997, Hutton and Samis, 2000). ACZA leaches metals which impair salmonid orientation and sensory organs and osmoregulation (Hobson et al., 1979, as cited within Eisler, 1997).

Upon receipt of NOAA Fisheries EFH Conservation Recommendations, Section 305(b)(4)(B) of the MSFCMA requires you to respond in writing to NOAA Fisheries within 30 days.

Thank you for your continued coordination on this project. If you have any questions please contact Linda Shaw at (907) 586-7510

Sincerely,

Susan A. Kennedy
Acting NEPA Coordinator

Enclosures:

December 31, 2003 letter from James Balsiger to Carl Schrader.

Goldbelt Applicant Environmental Risk Questionnaire from Goldbelt to Alaska Department of Natural Resources, Division of Mining, Land and Water

cc: EPA Seattle (Hahn Gold)
ADEC, AADGC, ADNR, USFWS Juneau
ADF&G, Juneau
Brandee Gerke, PR

LITERATURE CITED

- Carls, M.G., S.W. Johnson, R.E. Thomas, and S.D. Rice. 1997. Health and reproductive implications of exposure of Pacific herring (*Clupea pallasii*) adults and eggs to weathered crude oil, and reproductive condition of herring stock in Prince William Sound six years after the *Exxon Valdez* oil spill, *Exxon Valdez* Oil Spill Restoration Final Project Report (Restoration Project 95074), National Oceanic and Atmospheric Administration, National Marine Fisheries Service, Auke Bay Laboratory, Juneau, Alaska.
- Eisler, R. 1987. Polycyclic aromatic hydrocarbons hazards to fish, wildlife and invertebrates: A synoptic review. U.S. Fish and Wildlife Service, Biol. Rep. 85.
- Hutton, K.E. and S.C. Samis. 2000. Guideline to protect fish and fish habitats from treated wood used in aquatic environments in the Pacific region. Canadian technical report of Fisheries and Aquatic Sciences 2314.
- Taylor, S.G. and J.L. Lum. 2003. Auke Creek Weir 2002 Annual Report, Operations, Fish Counts, and Historical Summaries. Unpublished Report 29p. National Marine Fisheries Service, Auke Bay Laboratory, 11305 Glacier Highway, Juneau, Alaska 99801-8626.