



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

January 10, 2006

Bill Ballard
State Environmental Coordinator
Alaska Department of Transportation and Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

Dear Mr. Ballard:

The National Marine Fisheries Service (NMFS) is interested in opening discussions with the Alaska Department of Transportation and Public Facilities (ADOT&PF) regarding mitigation for estuarine and marine wetlands impacted as a result of transportation projects, particularly in Southeast Alaska. We would like to work with you to develop a consistent and systematic approach to estuarine and marine wetland mitigation that can be applied over a range of projects.

ADOT&PF has proposed to use in-lieu fee dollar estimates from 1990s Anchorage Greatland Trust mitigation bank fees to calculate compensation for a number of recent projects (e.g., Gravina Access, Ketchikan Airport RSA, Tongass Narrows Rehabilitation). NMFS has a number of concerns with the use of these fees. The dollar values are being applied without a systematic evaluation of the functions of impacted wetlands, the current fair market value of the wetlands being lost, or the real cost of replacing lost or reduced wetland functions. Although NMFS has questioned the use of these fees on prior projects, ADOT&PF seems to be viewing the past use of these fees for individual projects as an appropriate precedent for applying the same fees in future projects. We are concerned that this practice could lead to mitigation proposals that do not comply with the 1990 Memorandum of Agreement between the Environmental Protection Agency and the Department of the Army concerning the determination of mitigation under the Clean Water Act Section 404(b)(1) guidelines.

ADOT&PF appears to be using modified fees based on the Greatland Trust without implementing the corresponding assessment methodology or mitigation ratios used to determine relative economic values of impacted areas. We question the basis for applying fees developed within a specific mitigation context to distant and different mitigation applications. NMFS has commented on ADOT&PF's proposed use of these fees on individual projects, but this issue has broad application and should be discussed and decided at a policy level.

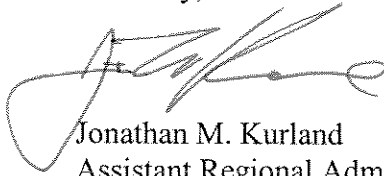
Many methods for evaluating wetland impacts could be developed or adopted for use on individual projects. One example is the methodology recently used for the Juneau Airport project involving determination of wetland functional capacity units for impacted wetlands and mitigation sites. NMFS recently recommended that this approach be applied to the Ketchikan Airport Runway Safety Area Project but was informed that the Greatland Trust values would be applied instead.



NMFS offers to work jointly with ADOT&PF to develop a systematic and defensible mitigation approach that can be applied to a variety of projects. I suggest that we meet soon to start discussions along this line, and include other federal and state agency representatives as appropriate. I look forward to working with you on this issue to the mutual benefit of both our agencies.

Please contact Katharine Miller at (907) 586-7643 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan M. Kurland', with a large, sweeping flourish at the end.

Jonathan M. Kurland
Assistant Regional Administrator
for Habitat Conservation

cc: Kevin Morgan, ACOE
Kerry Howard, ADNR
LaVerne Smith, USFWS
Gary Voerman and Marcia Combes, EPA