



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

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

October 30, 2002

Colonel Steven T. Perrenot
District Engineer, Alaska District
Corps of Engineers
P.O. Box 898
Anchorage, AK 99506-0898

RE: Skagway River 5
4-1988-0093

Attn: Mr. John Klutz

Dear Colonel Perrenot:

The National Marine Fisheries Service (NMFS) has reviewed the proposal by David Hunz to mine 50,000 cubic yards (cy) of gravel from a 4.4 acre area within the Skagway River near Skagway, Alaska.

Project Description

The proposed project would involve excavation of up to 10,000 cy of gravel per year from the Skagway River for a five-year period. The work would occur during periods of low flows (winter) and involve temporarily placing the active channel of the river through three, five-foot diameter culverts. Annual construction of dikes and access roads would also be necessary. Approximately 1,250 cy of material would be discharged to construct two haul roads and up to 100 cy of material would be discharged to construct the dike each year. The discharge of materials also involves pushing and leveling of riverbed materials below Ordinary High Water using heavy equipment.

Gravel Mining

The Skagway River has been modified by attempts to control flooding since the late 1800s when the townsite was established within the river's floodplain. In the past fifty years many construction projects have channelized the floodplain with dikes to control the river's flooding. In 1940 the Corps channelized the river and removed gravel to construct a 1.5 mile flood control dike.



In 1946, another flood control project reconstructed and extended that dike. Additional dike repairs due to flood damage were made in 1951 and 1957. Federal and state agencies and private property owners have at various times built dikes upstream of the Klondike Highway Bridge.

For many years, large quantities of gravel material have been dredged from the riverbed and gravel bars, including vegetated and unvegetated areas. Between 10,329 and 17,195 cy of gravel is recruited annually to the river (McLean 1988). The proposed project combined with existing municipal and state gravel removals is likely to result in a net loss of gravel from the lower Skagway River. Extraction of bed material in excess of natural replenishment by upstream transport causes bed degradation. Degradation can extend upstream and downstream of an individual extraction operation, often for great distances and can result from bed mining either in or above the low water channel (Collins and Dunne 1990; Kondolf 1994a,b; OWRRI 1995). Gravel removal from bars may cause downstream bar erosion if they subsequently receive less bed material from upstream than is being carried away by fluvial transport (Collins and Dunne 1990).

Alaska Coastal Management Program

The lower reach of the Skagway River, including the proposed project site, has been designated by the City of Skagway as an Area Which Merits Special Attention (AMSA) under the Alaska Coastal Management Program. The AMSA contains a detailed mining plan for guiding sand and gravel extraction with policies for such activities as siting material sources, in-stream mining, best management practices (BMPs), and mining in fish habitat. For many years large quantities of gravel have been dredged from the riverbed and gravel bars, However, since 1990, the AMSA has provided specific guidance on gravel mining that is intended to avoid or minimize the adverse effects of gravel extraction activities on the Skagway River.

The applicant's proposal does not conform to the guidance contained in the AMSA, which specifies that disruptions in the Skagway River's natural flow and habitat must be minimized. Specifically, AMSA guidance on the siting of material sources specifies that extraction be limited to materials from site 3 until that resource is exhausted. The project site is not part of materials site 3 nor is it one of the four material extraction sites listed in the AMSA.

The applicant is required under 40 CFR 230.10(a) to consider alternative site locations owned and/or not presently owned by the applicant but which could reasonably be obtained, utilized, expanded or managed.

The AMSA's instream mining guidelines state that mining of sand and gravel from the Skagway River should be located to minimize changes to channel hydraulics and the probability of channel diversion through the mining site. The project proposes to divert the active channel of the river through culverts at the mining site, directly and substantially changing channel hydraulics.

Gravel extraction BMPs in the AMSA are not addressed by the applicant, and do not appear to be incorporated into the siting, design and operation of this project.

Fishery Resources

The Skagway River provides spawning, rearing and overwintering habitat for coho salmon (*Onchorhynchus kisutch*), pink salmon (*O. gorbuscha*), chum salmon (*O. keta*), Dolly Varden char (*Salvelinus malma*), and eulachon smelt (*Thaleichthys pacificus*). The river is identified as stream #115-34-10300 in the Alaska Anadromous Waters Catalog.

Several components of fish habitat including riffle and pool complexes, tidewaters and vegetated shallows are present in the project area. Pools are major stream rearing habitat for most fish species and in particular provide critical and limited overwintering habitat for juvenile coho salmon and both juvenile and adult Dolly Varden char. Riffle and pool complexes and vegetated shallows are also considered "special aquatic sites" under the Clean Water Act Section 404(b)(1) Guidelines.

Essential Fish Habitat

The Skagway River has been identified as Essential Fish Habitat (EFH) under the Magnuson-Stevens Fishery Conservation and Management Act because it contains habitat important for spawning, breeding, feeding and growth to maturity for a

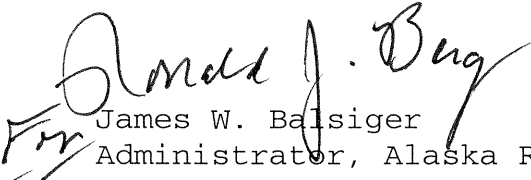
variety of anadromous species of fish. NMFS has determined that the project would adversely affect EFH by removing gravel and altering the active channel of the Skagway River during the critical overwintering period for coho salmon and Dolly Varden char, and by altering flow dynamics in the river.

Given the cumulative negative impacts to the fish habitats of the Skagway River, the lack of alternative site analysis, the failure to comply with the minerals extraction policies of the AMSA, and the probable streambed degradation caused by cumulative annual excess material extraction, NMFS recommends denial of the permit application as our EFH Conservation Recommendation pursuant to Section 305(b)(4)(A) of the Magnuson-Stevens Act. Additionally, in accordance with Part IV, paragraph 3(b) of the 1992 Memorandum of Agreement between the Department of Commerce and the Department of the Army, we conclude that this project will have a substantial and unacceptable impact on aquatic resources of national importance.

Under Section 305(b) of the Magnuson-Stevens Act the Corps is required to respond in writing within 30 days to NMFS' EFH Conservation Recommendations. If the Corps does not make a decision within 30 days, the Corps should notify us in writing and indicate when a full response will be provided. We appreciate the opportunity to comment on this project.

Please contact Sue Walker of my staff if you have further questions or concerns (907-586-7646).

Sincerely,


James W. Balsiger
Administrator, Alaska Region

cc: ADEC, AADGC, ADNR, ADF&G, USFWS Juneau

References Cited:

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McLean, R.F. (1988) Skagway Airport Improvements Project No. 69366/71835. Assessment of Habitat Impacts and Mitigation Alternatives. Prepared for the Alaska Department of Transportation and Public Facilities.

Oregon Water Resources Research Institute. (1995) Gravel disturbance impacts on salmon habitat and stream health. A report for the Oregon Division of State Lands. Vol. 1: Summary Report. 52 pp. Vol 2: Technical background report 225 pp.