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

March 6, 2003

Don Rice
Unit Coordinator
North Unit
U.S. Army Corps of Engineers
Alaska District
P.O. Box 898
Anchorage, Alaska 99506

Re: 2-2003-0053
Norton Sound 110

Attn: Victor Ross

Dear Mr. Rice:

The National Marine Fisheries Service (NMFS) has reviewed the proposal by Mr. Craig Coggins to conduct an offshore mining operation for the purpose of mining bottom gravels to recover gold. The applicant proposes to operate a suction dredge with a twenty-inch intake. A barge 40 feet by 20 feet will be floated above the dredge to house the sluice and pump suction dredge with a 20 inch intake. A crawler located on the ocean bottom will control the mining intake. The applicant proposes to mine from 2003 to 2006.

The Corps of Engineers (Corps) has determined the proposed activity may adversely affect approximately 3 acres of Essential Fish Habitat (EFH) for juvenile/adult salmon, groundfish and crab. The recommendations that follow are provided pursuant to the Fish and Wildlife Coordination Act (FWCA) and the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

Discussion

The proposed project site is located in an area with a relatively high abundance of fish and invertebrate biomass (MMS 1991). The studies done by WestGold BIMA, for the Nome Offshore Placer Mining Operation, list several impacts offshore placer mining may have to the benthic community, such

as re-suspension of fine sediments, removal of benthic organisms and increased predation of injured organisms (Jewett et al., 1992). These studies also indicate that nearshore coastal waters (depths less than about 20 feet) near Nome are high energy environments where significant storm events and longshore currents cause substantial mixing of nearshore sediments and alteration of the seafloor. This natural disturbance results in significant year to year variation in benthic community structure. The pre and post-monitoring studies also indicate apparent benthic community recolonization and recovery within 3 to 5 years for sand substrates and 5 to 10 years for cobble substrates for these shallower depths (Jewett et al., 1992).

Substrates deeper than 20 feet but less than 30 feet are subject to occasional disturbance from larger storm events. However, these larger storm disturbances occur with less frequency, allowing for the establishment of a more mature benthic community as indicated by the studies. Post-dredge monitoring indicated continued community disturbance as a result of the mining activity. The side-scan sonar and diver surveys indicate relatively slow rates of post-dredging substrate recovery, suggesting that full recovery of the benthic community may take substantially longer than for shallow waters adapted to higher rates of disturbance (Jewett et al., 1992). Therefore, disturbance due to mining in waters deeper than 20 feet has the potential to cause longterm impacts to living marine resources including EFH.

General Comment

NMFS also reviews the Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES) permits that are associated with these projects. Recently, NMFS became aware that at times, discrepancies exist between the Department of the Army permits issued by the Corps for the work in or affecting navigable waters of the United States and the associated EPA NPDES permit for the discharge resulting from that work.

NMFS suggests that to avoid confusion for the permit applicants and improve efficiency for the regulating and resource agencies, the Corps and EPA should consider options for jointly processing the permits on these activities. This type of coordinated effort would result in: (1) more efficient coordination between the agencies; (2) opportunities to

quickly and effectively resolve environmental and regulatory issues; and (3) quick identification of reasonable avoidance and minimization alternatives.

Essential Fish Habitat

EFH for this area of Norton Sound includes EFH for RKC, Alaska plaice, yellowfin sole, chum, coho, king, pink, and sockeye salmon. All of these species are found in nearshore waters of Norton Sound during certain stages of their life history. Adult yellowfin sole use shallow water substrates for spawning areas. RKC concentrate along shallow-water depth contours to form mating pairs, cluster, or release eggs. RKC laterally migrate along these shallow contours. The specific habitat associations for these species are explained in the EFH Environmental Assessment NMFS has provided your office. This information can also be found on our website: http://www.fakr.noaa.gov/habitat.

Alaska plaice, yellowfin sole, RKC, and the five salmon species are commercial species that are managed under fishery management plans that were developed by the North Pacific Management Council and approved by the Secretary of Commerce. These species are also important subsistence resources to the local residents of Nome. Recently, the public access area just offshore of Nome was closed to the commercial taking of RKC and remains open only for subsistence fishery uses to provide for the continued use of RKC by local residents. Subsistence fishing usually is done through the ice or through small ice leads. Therefore, any additional activities such as mining during the subsistence season for RKC may conflict with this use.

EFH and FWCA Conservation Recommendations

NMFS agrees with the Corps, determination that the project, as proposed, would adversely affect EFH. Therefore, we offer the following EFH Conservation Recommendations:

- Mining activities should not be conducted from March 1 through May 31.

  Rationale: RKC associate with the ice edge and its movement through break-up. RKC migrate into shallow nearshore areas for reproductive associations during

these times. These associations include mating, pairing, molting, and egg extrusion.

- The permittee should conduct monitoring in waters deeper than 20 feet prior to, during, and after the activity and include transects across the mined area using videographic and still photography to document the effort. The monitoring should record and document the date, location and depth.

  Rationale: The benthic community is more diverse at depths greater than 20 feet. This diversity provides stable habitat and food sources for groundfish and crab. Mining impacts from dredging benthic habitats in deeper waters have not been well documented. What is known is that some effect is evident several years after the disturbance. NMFS understands the permit is for only 3 years, but the impact should be recorded after the activity to facilitate studying recovery of the substrate and species. Such monitoring could benefit the permittee and future applicants should this type of mining activity prove to cause negligible effects. In addition, such information would also be valuable to the Corps to assist in assessing cumulative impacts of such activities.

- During the period of June 1 through July 15 no visible turbidity plume should occur within one mile of the mouth of any anadromous stream.

  Rationale: This condition ensures that dredge operations do not create a turbidity barrier to the out-migration of juvenile salmon.

We look forward to your response as required by Section 305 (b)(4)(B) of the Magnuson-Stevens Act and 50 CFR 600.920(k). Should you have any further questions, please contact Ms. Jeanne L. Hanson in Anchorage at (907) 271-5006.

Sincerely,

For James W. Balsiger
Administrator, Alaska Region

cc: EPA, ADGC, ADEC - Anchorage
USFWS, ADFG - Fairbanks
Applicant

Literature Cited:

Jewett, SC., L.A. Gardner, G. Malinky, G. Colonius, and C. Saldivar. 1992. Nome offshore placer project: annual report 1991. Unpublished report prepared by ENSR Consulting and Engineering For Western Gold Exploration and Mining Company, Limited Partnership. Nome, AK. As referenced by ADF&G in a February 12, 1999 memo from ADF&G, Division of Habitat and Restoration regarding, AK 9901-04AA, the Corps of Engineer's Public Notice Norton Sound 88.

MMS. 1991. Alaska OCS Mining Program Norton Sound Lease Sale. Final Environmental Impact Statement. MMS 90-0009. Minerals Management Service, Alaska OCS Region. Anchorage, AK.