



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

*National Marine Fisheries Service*

*P.O. Box 21668*

*Juneau, Alaska 99802-1668*

February 10, 2006

Guy McConnell  
U.S. Army Engineer District, Alaska  
P.O. Box 6898  
Anchorage, AK 99506-0898

ATTN: CEPOA-EN-CW-ER

Dear Mr. McConnell:

The National Marine Fisheries Service (NMFS) has reviewed the draft Environmental Impact Statement for Navigation Improvements to the Delong Mountain Terminal at Portsite, Alaska (DEIS). The comments and recommendations of our agency are presented below.

**Purpose and Need**

NMFS has not reviewed the draft interim feasibility report for this project, which contains an analysis of the project's economics and benefit/cost projections. However, we found the DEIS generally displays a very weak discussion of one of the two purposes for this work; to lower fuel costs in northern and western Alaska communities (NWAK). The DEIS states that the project would reduce fuel transportation costs by providing facilities that can receive less expensive fuel from tankers, rather than barges, and provide facilities that reduce costs of regional fuel distribution (DEIS pg. 2). The DEIS strives but fails to explain how this objective would be affected by the proposed action. Page 7 of the DEIS states that although the proposed action would allow for tankers and other deep-draft vessels, "Many of the commodities landed at Portsite would arrive by barge even if there were deeper moorage at Portsite....". This advantage seems premised on the existence of a large, centralized bulk fuel storage and distribution facility at Portsite which would then exist as the hub of a regionalized distribution system using barges. The existing 14 million gallon capacity tank farm apparently would become available for this purpose. The DEIS does not explain what current uses would need to be foregone to allow this change in use. The DEIS states that if a deep-draft fuel port were developed, fuel *could* be delivered at substantially lower costs, transportation costs for fuel and other goods *might* be lowered in NWAK, and that this cheaper fuel *could* be barged to many users on the coast and rivers of northwestern and western Alaska (emphasis added). The DEIS states that more detailed information is presented in the Economics Appendix (DEIS pg. 10), yet we could find no such appendix within the DEIS.

Additionally, no concrete information is provided as to why another 1.5 million gallons of fuel and additional fuel storage facilities will benefit NWAK communities. Rather, the discussion suggests that the increase in fuel will be for mining operations, not communities. Increased fuel storage could benefit NWAK communities if related infrastructure were in place. Without such infrastructure, fuel barges would still need to service these communities from Portsite. Therefore,



a double-handling of fuel products would occur; offload to Portsite, then onload to re-distribute. The DEIS fails to describe the necessary infrastructure, contracts, operators, nor delivery system necessary to realize any such benefits. To clarify the purpose of the project (and thus the reason behind the proposed environmental impacts), NMFS recommends the DEIS explain the need for increased fuel storage and the delivery processes.

Similarly, the DEIS fails to support the other major objective of the action; to allow ore concentrate to be “shipped out more efficiently” (DEIS pg. S-1). The costs associated with the work (\$75 million for dredging of the channel and turning basin, plus annual maintenance costs of \$1.2 million) do not seem to support the projected benefit/cost projection. The DEIS also states that “annual operation and maintenance costs of the project would be about \$6,550,000” (DEIS pg. S-11). It does not clarify who would bear such costs. The project would produce annual estimated benefits of approximately \$27 million owing principally to reduced fuel transportation costs and more efficient ore concentration loading. The estimates and projections for the costs of this project appear much better demonstrated than the benefits.

Overall, The DEIS does a good job of describing Portsite conditions and any environmental effects, should development occur. However, the DEIS does not directly explain why public funding is sought to provide for a single-source, private mining operation.

### **Marine Mammals**

The DEIS presents a comprehensive discussion which fairly describes the potential effects of the project on marine mammals. Beluga whales may be affected in such a way as to alter their behavior, principally through changes to their migratory movements offshore of Portsite. Any such effect would make them less available for subsistence harvest. Whether such displacement, were it to occur, would have any biological consequence to these whales is unclear. It appears the third barge alternative would have the least impact to beluga whales. NMFS recommends the third barge alternative be selected as the preferred alternative.

### **Essential Fish Habitat (EFH)**

Section 3.5.6.3 (p. 248) states that NMFS offered advice regarding several fishery resources which may exist at Portsite including groundfish, crab, and salmon. However, the DEIS incorrectly concludes that only the five species of Pacific salmon are within the project area after consulting the NMFS EFH web site. Importantly, the NMFS EFH mapping web site must be used with Bering Sea and Aleutian Islands EFH text descriptions found within pages 70-82 of the 1998 EFH Environmental Assessment (also available on line at [http://www.fakr.noaa.gov/habitat/efh\\_ea/](http://www.fakr.noaa.gov/habitat/efh_ea/)).

Therefore, NMFS recommends the EFH section include a more comprehensive list of EFH resources. Most, if not all, of this information is already contained in DEIS Section 3.5.2.1 and in Table 3-33. These species include yellowfin sole, northern sculpin, snake pricklyback (EFH forage fish complex), Alaska plaice, starry flounder, and red king crab. Additionally, the DEIS lists herring in the EFH section. Herring are not a species with designated EFH, so this reference should be removed.

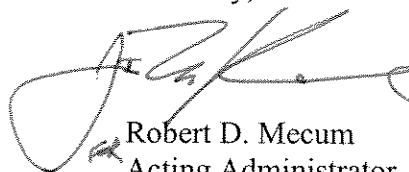
NMFS disagrees with the DEIS determination that sheet pile structure is considered to be a benefit to fish and fish habitat (Section 4.9.3; p. 341). The sheet pile extension may create a physical barrier to nearshore juvenile fish migrations. Specifically, juvenile fish occupy shallow water areas to avoid predators. When sheet pile extensions replace natural shoreline gradients, fish have less area within the water column to avoid predation. Predation of this type may already exist, since the DEIS notes the presence of adult Dolly Varden holding along existing pier structures. These adults are likely foraging on smaller fish also concentrating on the structures. In some instances, vertical structures, especially pilings, provide attachment points for invertebrates, such as anemones. Living structure provides shelter for juvenile fish and other invertebrates, such as crab. However, the DEIS does not mention the presence of any living habitat structure attached to any existing vertical surfaces. NMFS recommends using pile supported structures, instead of sheet pile structures, to the maximum extent practicable.

The DEIS includes a good discussion of the volume of material to be dredged, site selection, and marine substrate. An enormous amount of dredging activity and disposal are proposed for the Trestle-Channel Alternative, 8.1 million cubic yards and 5600 acres respectively. The final EIS should discuss suitable mitigation for any adverse effects from the proposed dredging and disposal.

Mitigation is discussed in the DEIS for each alternative. Specific to the Trestle-Channel Alternative, only timing and operational conditions are offered as mitigation. NMFS recommends that the Corps explore mitigation for the lost acreage of the dredge footprint and disposal area, should this alternative be selected. Suggestions include the establishment of marine conservation area(s) for sections of intertidal lagoons and associated beaches, for example, Imikruk Lagoon and Rabbit Slough. An area, including the substrates beneath, would be restricted from mining or development activities and reserved for subsistence uses that do not adversely effect substrate.

The DEIS determines no adverse effect to EFH for the Trestle-Channel Alternative. NMFS disagrees, and adverse effects need further consideration in the final EIS.

Sincerely,



Robert D. Mecum  
Acting Administrator, Alaska Region

cc: Dana Segars, Fish & Wildlife Service - Anchorage  
Colleen Burgh, EPA - Anchorage  
Kaja Brix - PRD  
Records  
Steve Kokkinakis, NOAA