

STATE OF ALASKA

EI - 6979

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES OFFICE OF PROJECT MANAGEMENT AND PERMITTING

March 21, 2008

Surface Transportation Board
Case Control Unit
1925 K Street, NW
Washington, D.C. 20423-0001
Attention: David Navecky
Environmental Filing

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line to Port MacKenzie, Alaska. Notice of Intent to Prepare and Environmental Impact Statement.

The State of Alaska has reviewed the February 12, 2008 Notice of Intent from the U.S. Department of Transportation Surface Transportation Board (STB) to prepare an Environmental Impact Statement (EIS) for the proposed Alaska Railroad Corporation (ARRC) Port MacKenzie Rail Extension. The ARRC seeks authority to construct and operate approximately 30 to 45 miles of new rail connecting the Matanuska-Susitna Borough's Port MacKenzie to a point on the ARRC main line between Wasilla and Willow, Alaska. The following comments represent the consolidated views of the State's resource agencies and supplement the enclosed State of Alaska agency pre-scoping comments previously submitted to ARRC.

The Notice of Intent requests comments on the included Draft Scope of Study for the EIS. In general, the State supports the scope as presented. The project would require authorizations and consultation with State of Alaska agencies, including the Alaska Departments of Natural Resources, Environmental Conservation, Fish and Game, and Transportation & Public Facilities, concerning a wide range issues with regard to fish passage, fragmentation of wildlife habitat, the presence of cultural sites, native allotments, state recreation areas and game refuges, water quality, historic land use patterns, and road/rail crossings. We note that land ownership and the successful acquisition of Rights-of-Way will also significantly affect the final route selection. General comments on the draft scope of study, including route selection and design considerations are provided with the corresponding draft Scope of Study number below:

1. Safety

Please include a discussion of hazardous materials, including petroleum products and spill response.

2, 3, 11, & 12. Land Use, Recreation, Socioeconomics, and Transportation Systems

The EIS should specifically evaluate impacts to regional winter trails from not solely a recreational perspective. It should also include the economics, land use, transportation and lifestyle impacts of all alternative routes on winter trail use. Trails also provide the following:

LIFESTYLE/SOCIOECONOMICS: Trails are used by professional dog mushers and snowmachiners for training and racing. This is highlighted by the fact that Willow has just

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”

become the new permanent Iditarod Trail Race Restart point due to its typically better snow conditions and trail networks that favor large spectator events. The Iditarod Race annually attracts 30,000 to 40,000 spectators who view the race from a regional perspective; many spectators utilize the entire trail network from Big Lake to beyond Willow to engage in this world-famous trail event. The Annual Iron Dog Race begins in Big Lake and also has a very strong economic and social impact to the region.

SOCIOECONOMICS/TOURISM: Trails as a focus for developing a strong winter-based tourism program by having a large inter-connected network of trails that supports overnight lodging, food, equipment rentals, and ancillary marketing. The web-like net of trails currently offer a large menu of north-south and east-west options for tour routes that include groomed and signed trails that cater to both novice and experienced trail users. This includes options of a 1-hour ride to multi-day trips. Once a web is bisected, it is no longer.

TRANSPORTATION: The east-west network is multi-faceted to allow residents, lodge owners and recreationists to traverse freely to the west side of the Susitna River drainage. Since there are no bridges or roads to this area, changing river ice openings, differences in freeze-up and varying snow conditions require that many options exist to allow free passage to this area of the state

2 & 3. Land Use & Recreation

Impacts to public access to public resources, i.e., hunting and fishing opportunities, trails, access to stream easements and other easements and public lands must be addressed during route selection and rail design. Infrastructure development and Right of Way grants have potential to increase or focus use in areas that are currently not heavily used and well as having the potential to block or alter access across current trails. Customary and traditional access to fish and game resources shall be maintained.

4. Biological Resources

Any of the potential routes for this project traverse a large geographic area and have the potential to negatively impact a wide range of sensitive habitat areas. All work associated with this project that could potentially impact anadromous streams (AS 41.14.870) or could potentially block the free passage of fish (AS 41.14.840) requires a Fish Habitat Permit from the OHMP prior to commencement of any construction.

A multitude of streams supporting both anadromous and resident fish species are present in the project area. Fragmentation of aquatic habitat is a concern. Many of the anadromous streams in the area have been documented in the ADF&G/OHMP Anadromous Waters Catalog (AWC). However, this catalog is a work-in-progress.

There is no such catalog for resident fish species. Comprehensive stream sampling to determine/confirm anadromy and the presence or absence of resident fish will be required. Fish usage patterns may have changed since the area was initially surveyed, and many smaller streams have yet to be sampled. All resultant data should be submitted to ADF&G for inclusion in the AWC.

All flowing waters that may be crossed by the rail extension should be sampled for fish presence to determine the impact of the particular route on fish passage. These streams should be identified by a combination of aerial and foot surveys because many minor streams are not mapped and may not be

apparent from the air. Electroshocking in conjunction with foot surveys is the preferred sampling method. All possible fish species would be susceptible to capture and post-spawning salmon carcasses would be apparent.

The presence of many of the potential fish species (e.g. Pacific salmon) is seasonal in nature. Sampling should be conducted between early-August and mid-September to ensure all possible species are present in the stream at some stage of their life history. Sampling in even years is preferable due to the even-year dominance of pink salmon in this region. Hydrological studies will be required to map wetland areas associated with fish bearing drainage systems. This project has the potential to isolate the free flow of water through these wetland areas, thus impacting fishbearing waters. Wetland continuity should be maintained.

Routing and Design Considerations

The use of bridges to span floodplain areas is the preferred method of providing for the long-term free passage of fish on anadromous systems. Bridge abutments should be located outside the floodplain and above the ordinary high water mark (OHW) to minimize potential impacts to riparian vegetation and streambank integrity.

Culverts should be designed using stream simulation methodology. The culvert design width at the OHW mark should be greater than or equal to 125-percent of the width of the stream at the OHW stage. The culvert grade should approximate the surrounding slope of the stream channel ($\pm 1\%$). Culverts should be buried to approximately 40-percent of their diameter with substrate material that will remain dynamically stable at all expected flood discharge rates. Other design criteria will apply as well.

It shall be the responsibility of the ARRC to ensure the free passage of fish throughout the lifetime of each stream crossing. Beavers are common along the various alternative routes. Culvert designs should account for long-term maintenance for fish passage and be of sufficient size (diameter) to discourage blockages associated with beaver dam construction.

Route Preferences

The State prefers a route that would minimize potential impacts to wetland areas associated with fish bearing waterways, minimizes the total number of actual stream crossings and avoids crossings of important salmon producing systems such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds whenever possible. Of the provided routes, these criteria appear to be met best with the following route:

1. Houston South
2. Houston
3. Connector 3
4. Mac East

This conclusion is based on initial examination of existing data and aerial imagery and should be viewed as preliminary. Based on this initial analysis of existing materials, the Willow route would result in more fragmentation of fish and wildlife habitat, particularly in undeveloped areas, than the other alternatives. Crossings over Willow Creek and the Little Susitna River would be necessary.

Because of the extended length of this route, the potential impacts to wetland areas associated with these drainages could be significant.

Wildlife

All of the proposed routes will cross areas frequently used by moose, potentially reducing travel between habitat patches, and increasing moose-railcar collisions. A baseline field study should be conducted to identify important seasonal moose concentration areas, movement corridors and habitat resources. ADF&G, Wildlife Conservation Division, generally does not permit private entities to capture and handle large mammal species. In response to increasing conflicts between development and moose in the Matanuska Susitna region, the area management biologist has previously proposed a study to GPS collar and track moose in the area to identify migration corridors, migration timing and habitat use. This information, in addition to the study results provided by the Northern Rail extension moose mitigation study, will be important considerations in planning and mitigating to rail extension and operation impacts to moose populations in the area.

Route selection, effective wildlife crossings, and conventional road crossings should be optimized to reduce habitat fragmentation and to reduce wildlife-railcar collisions. Wildlife overpasses, elevated sections of track, and extended lengths of bridges across rivers should all be considered where appropriate.

5. Water Resources

The EIS should include discussion on maintenance of surface water connectivity in streams and wetlands areas, including a description and estimate of the impact of the railroad embankment bisecting wetlands on local water movement to creeks.

Please include the following as a mitigation measure to avoid or minimize potential Project impacts to water quality: "In addition to developing an NPDES Construction General Permit Storm Water Pollution Plan for the Project, DEC adds the requirement that construction contractor and sub-contractor staff shall receive at least 16 hours of erosion and sediment control training."

Of primary concern is the filling and fragmenting of "high value" wetlands in the lowlands wetland complex ecosystem throughout the project area. The ARRC will need to demonstrate how it will maintain the high degree of water quality in these wetlands, rivers and creeks during construction and maintenance of the proposed rail line.

The EIS should also include discussion of the potential impact of various alternatives on water quality within state parks or wildlife refuges. Specifically, reflecting the requirements of 18 AAC 70.015(a)(3) that states, "if a high quality water constitutes an outstanding national resource, such as a water of a national or state park or wildlife refuge or a water of exceptional recreational or ecological significance, the quality of that water must be maintained and protected;"

Finally, the EIS should include discussion of gravel sources needed for the construction of the railroad embankment and the potential impacts on the water environment resulting from new gravel sites.

State of Alaska Scoping Comments

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Thank you for the opportunity to comment on the draft Scope of Study for this project. We look forward to working with the STB as it develops the EIS for this project and are available to discuss and clarify the state's scoping and pre-scoping comments.

Sincerely,

/s/

Don Perrin

Project Management and Permit Coordinator

Enclosure: Pre-Scoping State agency comments to the ARRC

Cc: Wayne Biessel, ADNR/DP&OR
Mike Bethe, ADNR/OHMP
Ken Bouwens, ADNR/OHMP
Nina Brudie, ANDR/DCOM
Stefanie Ludwig, ADNR/OHA
Sam Means, ADNR/MLW
Clark Cox, ADNR/MLW
Tammy Massie, ADF&G/SF
Tony Kavalok, ADF&G/WC
William Ashton, ADEC
Jennifer Witt, ADOT&PF
Brian Lindamood, ARRC

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS AND OUTDOOR RECREATION

OFFICE OF HISTORY AND ARCHAEOLOGY

SARAH PALIN, GOVERNOR

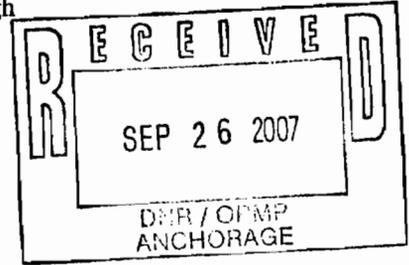
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September 26, 2007

File No.: 3130-2R ARRC

SUBJECT: Port Mackenzie Rail Extension, Matanuska-Susitna Borough

Brian Lindamood
Alaska Railroad Corporation
P. O. Box 107500
327 Ship Creek Avenue
Anchorage, AK 99501



Dear Mr. Lindamood,

The Alaska State Historic Preservation Office has reviewed the information on the Port Mackenzie Rail Extension Project that you presented during the agency scoping meeting on September 18, 2007. We have the following comments:

1. As mentioned in your presentation, the project area contains numerous cultural resources. Only a fraction of the project area has been archaeologically surveyed however and it is likely that there are many additional, currently unreported prehistoric and historic sites. Regardless of which alternative is selected, we will likely be recommending additional archaeological survey.
2. All of the alternatives intersect the Iditarod National Historic Trail. The trail was designated by Congress in 1978 for its significance as a historic transportation route. Effects to the trail resulting from the rail extension will need to be addressed.
3. The Matanuska Farm Station was established in 1915 in what is now the Port Mackenzie Agricultural Area. This agricultural landscape will need to be evaluated for eligibility for the National Register of Historic Places.
4. In defining the area of potential effect and identifying historic properties, be sure consider both potential direct and indirect effects to historic properties. Indirect effects may include increased development or changes in setting as a result of the project.

We look forward to continued consultation with you regarding this project. Please contact Stefanie Ludwig at 269-8720 if you have any questions or if we can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Judith E. Bittner".

Judith E. Bittner
State Historic Preservation Officer

JEB:sl

Cc: Don Perrin, DNR/OPMP

STATE OF ALASKA

SARAH PALIN
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DEPARTMENT OF NATURAL RESOURCES
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October 15, 2007

Brian Lindamood
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, AK 99510-7500

Subject: Port MacKenzie Rail Extension Pre-Application Comments

Dear Mr. Lindamood:

The Office of Project Management & Permitting (OPMP) has reviewed the preliminary information you provided regarding the proposed Port MacKenzie Rail Extension project, and offers the following comments related to the Alaska Coastal Management Program (ACMP).

1. **Proposed Project is Within Coastal Zone.** All of the alternatives for the proposed project are located within the Coastal Zone of Alaska and would require state and federal authorizations triggering a review of the proposed project for consistency with the ACMP.
2. **Timing of ACMP Review.** The ACMP consistency review is initiated when the OPMP receives a complete consistency certification in accordance with 11 AAC 110.410 and 15 CRF 930.58.
3. **Consistency Evaluation.** A complete consistency certification requires an evaluation that includes a set of findings relating the coastal effects of the proposed project and its associated facilities to the relevant enforceable policies of the ACMP. Applicants shall demonstrate that the activity will be consistent with the state standards at 11 AAC 112 and with applicable Mat-Su Coastal Resource District and Point Mackenzie AMSA enforceable policies. The consistency evaluation may be presented during the NEPA process, but the State would not conduct its ACMP consistency review until a route has been selected and the ARRC submits a complete consistency certification.

Port MacKenzie Rail Extension
OPMP Pre-Application Comments

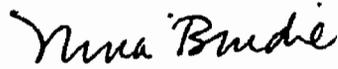
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4. **Special Areas to Consider.** The ACMP requires that projects in the Coastal Zone be sited, designed and constructed in a way that minimizes impacts to coastal uses and resources. In evaluating the project's potential impacts, special considerations should be made for public access to, from and along coastal waters, traditional access routes, competing uses such as commercial, recreational or subsistence uses, wildlife transit and special management areas such game refuges, as well as other coastal uses and resources outlined in the state standards and enforceable policies of the ACMP.

This concludes OPMP's pre-application comments on the proposed Port MacKenzie Rail Extension project. The OPMP is available to guide and assist the ARRC in submitting the ACMP consistency certification for the proposed project. Please contact me at (907)334-2563 or email nina.brudie@alaska.gov if you have any questions.

Sincerely,



Nina Brudie
Project Review Coordinator

cc: Don Perrin, DNR/OPMP Anchorage

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

Division of Sport Fish

SARAH PALIN, GOVERNOR

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October 31, 2007

Brian Lindamood
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, AK 99510-7500

Re: Port MacKenzie Rail Extension Pre-Application Comments

The Alaska Department of Fish and Game (ADF&G) has reviewed the preliminary information regarding the proposed Port MacKenzie Rail Extension project pursuant to the Alaska Coastal Management Program (ACMP) (AS 46.40), Special Areas Permitting (5 AAC 95), and the Fish and Wildlife Coordination Act (16 U.S.C. 662).

The Alaska Railroad Corporation (ARRC) and the Matanuska-Susitna Borough (MSB) have jointly proposed to design and construct a 30- to 45-mile rail line from Port Mackenzie to the existing rail system at a point between Meadow Lakes and north of Willow. The anticipated timeline is as follows: 2007-2009, completion of the requirements of the National Environmental Protection Act (NEPA); 2008-2009, final project design; 2009-2011, construction; and 2011-2012, operation. Three major routes have been proposed, but none has thus far been selected. The proposed routes are identified in Attachment 1: Project Area Alternatives. Factors influencing the final route selection include presence of water bodies and anadromous fish streams, wildlife habitat, cultural sites, native allotments, parks and refuges, wetlands, soils, land use and ownership, and feasibility of acquisition of Rights of Way (ROW) by ARRC.

After review of the project alternatives, ADF&G has identified several important considerations. Per 11 AAC 112.300, the selected route should avoid adverse impacts to coastal resources including wetlands, rivers, streams, lakes, and State Game Refuges. Additionally, facilities and improvements associated with ARRC should avoid impacts to offshore areas, estuaries, and tideflats where such impacts could negatively affect water flow and natural drainage patterns or competing uses such as commercial, recreational, or subsistence uses. Where adverse impacts cannot be avoided, measures must be taken to minimize and mitigate all adverse impacts. The ADF&G is mandated to, "manage, protect, maintain, improve, and extend the fish, game, and aquatic plant resources of the state..." In order to avoid impacts and promote healthy fish and wildlife populations, ADF&G offers the following comments for consideration during project development:

"... shall manage, protect, maintain, improve, and extend the fish, game and aquatic plant resources of the state in the interest of the economy and general well-being of the state"



- The selected route should avoid crossing into or through Susitna Flats and Goose Bay State Game Refuges.
- The selected route should minimize the number of stream and wetland crossings.
- Avoid crossing large streams such as Willow Creek, the Little Susitna River, and Fish Creek whenever possible.
- Impacts to rivers and streams should be minimized through use of railway bridges rather than culverts, particularly for streams containing anadromous fishes.
- Bridges should span 100-year floodplains in order to maintain natural water flow and drainage patterns of streams, rivers, and wetlands. All abutments and other infrastructure should be built outside of the floodplain whenever possible. Bridges spanning floodplains will help to maintain riparian vegetation, streambank integrity, and wildlife corridors.
- Public access should be maintained to, from, and along coastal waters, traditional access routes, National Historic Trails, and existing easements (including those along section lines).
- To reduce the likelihood of invasive weed expansion, all soil disturbance due to construction in areas of previously-undisturbed vegetation adjacent to or associated with the rail line should be revegetated with native species within one growing season of the disturbance activity, except where doing so would increase risk of wildfire.
- The construction of a rail line in previously undisturbed areas will result in increased habitat fragmentation. Habitat connectivity should be maintained to the greatest extent possible. The Mac West route and the Willow connection have the greatest potential for fragmenting previously undisturbed habitat. The Mac East route and Big Lake connection is the shortest route, crosses the fewest waterways, and will result in the least fragmentation of previously-undisturbed habitat.
- All three proposed routes will cross areas frequently used by moose, potentially reducing travel between habitat patches, and increasing moose-railcar collisions. A baseline field study should be conducted to identify important seasonal moose concentration areas, movement corridors and habitat resources. Once identified, the impacts of the railroad on these areas must be avoided and minimized. Effective wildlife crossings and conventional road crossings should be optimized to facilitate wildlife movement across the track and to reduce wildlife-railcar collisions. Moose overpasses, elevated sections of track, and extended lengths of bridges across rivers should all be considered and constructed where appropriate.
- Important moose habitat, movement corridors, and effective buffer zones around corridors should be integrated along with green infrastructure, rivers and floodplains, wetlands, recreation areas, and other natural resources into a region-wide land-use plan in order to identify, prioritize, and limit human activities that negatively impact the ecological functionality of the landscape. ARRC should participate in regional planning efforts in coordination with borough planners, federal and state agency representatives, special interest groups, and the public. Regional land use planning should be addressed during assessment of the railway's cumulative impacts.

An analysis of impacts to fish, wildlife, habitat, and aquatic resources must be conducted and should include a detailed assessment of cumulative effects of rail construction as well as associated developments. The associated developments should include roads, utilities, material sources, secondary development, and industry that can be expected to develop as a

result of creation of the rail line. Where current accurate baseline data is lacking, studies to identify the existing resources and potential impacts are needed. In particular, wetlands need to be accurately mapped, hydrology, including flood data, in-stream flow data, and water quality information is needed for potentially affected streams and water bodies.

- Negative impacts to fish, wildlife, habitat, and aquatic resources should be avoided. Where impacts to public trust resources cannot be avoided, they should be minimized and mitigated. A comprehensive approach to identifying effective methods to minimize and mitigate for unavoidable impacts is needed. Mitigation plan development should be conducted in coordination with borough planners, federal and state agency representatives, special interest groups, and the public.
- Potential impacts of a spill of oil, gas, or other hazardous material should be identified along each alternate route. A plan for minimizing the possibility of spills as well as contingency plan to address spills is needed for the selected alternative.

This concludes our pre-application comments on the Port MacKenzie Rail Extension project. These comments represent our review at the pre-application stage; more specific information and recommendations will be forthcoming. We look forward to working with you and other project collaborators on this project. If you or your staff has any questions about the department's comments, or need additional information, please give me a call at 267-2812.

Thank you for the opportunity to comment on this project.


for Kimberly Klein
Habitat Biologist

cc via email.

Dave Rutz, ADF&G
Tony Kavalok, ADF&G
John Hechtel, ADF&G
Jim Fall, ADF&G
Tom Rothe, ADF&G
Jeff Fox, ADF&G
Cecil Rich, ADF&G
Tom Brookover, ADF&G
Tom Cappiello, ADF&G
Jason Mouw, ADF&G
Mike Bethe, DNR
Phil Brna, FWS
Doug Limpinsel, NOAA
Matthew LaCroix, EPA

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION

SARAH PALIN, GOVERNOR

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November 14, 2007

Brian Lindamood
Alaska Railroad Corporation
PO Box 10700
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Re: Port MacKenzie Railroad Corridor Alternative Comments

Dear Mr. Lindamood,

I have reviewed the Port MacKenzie Railroad Corridor proposal and the various alternatives that are being considered. The Alaska Division of Parks and Outdoor Recreation is responsible for more than just managing the Alaska State Park system, as we are also charged with promoting and enhancing outdoor recreation outside state parks. One example of this is through our promotion of trails for motorized and non-motorized users with funding grants or expertise in designing or managing trails, or by establishing easements. As such, we offer the following comments regarding the proposed rail extension from both a State Park as well as a general outdoor recreation perspective.

We recommend that the Houston South - Houston - Connector 3 - Mac East alternative be chosen as the preferred alternative.

This route minimizes impacts to the major recreational/public use areas, eliminates additional bridges over the Little Susitna River and Willow Creek, and focuses the rail line adjacent to existing road corridors.

Although we understand that the Willow Corridor is favored as a route from a design perspective, and because it may have better soils and fewer crossings of private lands, we object to this alternative as this area provides outstanding outdoor recreational opportunities that would be significantly impacted with a railroad bisecting the area. The limited private property is what makes this area so valuable in terms of recreation -- and one of the reasons that many residents live along this corridor.

From an outdoor recreation perspective, a rail line through the Willow Corridor is the least favorable option presented.

The following provides additional detail to illustrate our significant concerns with the Willow Corridor:

1 **Willow Creek State Recreation Area would be significantly impacted.** (DNR: Division of Parks and Outdoor Recreation)

The park encompasses almost all of Willow Creek from the Parks Highway to its confluence with the Susitna River. The Willow Corridor would pass through the heart of the undeveloped portion of the park, requiring either a major (one mile long) cut and fill across the river valley or an extensive overhead trestle. Either method would constitute a major feature that would ultimately change and dominate the ambiance of the park. Willow Creek is used predominately by fishers, with peak use occurring during the king salmon season, although it hosts all five salmon species. Silver salmon is the second biggest fishing attraction through late summer, with rainbow trout fishing third. Use is concentrated along the lower creek section between the Parks Highway and the confluence with the Susitna River. "Fishing tubes" are very popular on the creek. The park receives less use in the winter, with almost 100% being winter trail use.

The historic Lucky Shot Trail was a major transportation corridor from the Susitna River to the Lucky Shot Mine near Hatcher Pass, and passes through the park. This trail is still heavily used during the winter months as a major groomed winter trail. A historic trappers cabin remains at one of the proposed rail alignments across Willow Creek.

There is also a high potential for impacting prehistoric cultural resources within the Willow Creek SRA. The following reported archaeological sites are located within the park south of Willow Creek. All sites contain cache and house pits (cultural depressions) likely associated with late prehistoric Dena'ina culture:

- TYO-014: between 10 and 15 cultural depressions;
- TYO-041: at least 10 cultural depressions (two of them double celled);
- TYO-060: at least 12 cultural depressions;
- TYO-061: over 100 cultural depressions.

Based on the maps provided, two of these sites (TYO-014 and TYO-060) will be directly affected by the Willow Corridor. While the other reported sites are outside of the railroad footprint, they may be indirectly affected by staging activities associated with this project or by resulting increased development or other activity within the Willow Creek SRA. In addition, there could be other archaeological sites in the area that are currently unreported.

Additional information:

- a. Method Established: Legislatively Designated
- b. Date of Establishment: 1987
- c. Acreage: 3,000 acres
- d. Visitation:

Visitation Type	FY2007	FY 2006	FY 2005	FY 2004
Day Use	22,483	18,387	20,048	10,973
Camping	10,966	15,445	11,792	10,013

Willow Ck Floats (estimated)*	8,550	9,000	9,000	8,000
TOTAL	42,000	42,832	40,840	28,986

*Approx 20-50 rafts per day, except 200+/day during king salmon season, 2 ave/raft

NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.

- e. Primary Recreation Types (by order of use, highest first): fishing, camping, floating/boating, winter trails, wildlife viewing, hunting
- f. Commercial Use: Guided and unguided float trips and fishing along Willow Creek and the Susitna River
- g. Historical Significance: Historic Lucky Shot Trail, trappers cabin, numerous cultural sites

2 **Nancy Lake State Recreation Area would be affected through negative impacts on neighboring recreational lands.** (DNR: Division of Parks and Outdoor Recreation)

The park was legislatively established in 1966 as one of the first state parks in the system due to its close proximity to both Anchorage and the growing Mat-Su Valley areas. The area still possessed its natural qualities, unlike the more heavily developed Big Lake area to the south. The 1983 Nancy Lake State Recreation Area Master Plan identifies the purpose of the park to "...provide a diversity of outdoor recreation activities appropriate to the area's resource character and regional setting". The same year, the Mat-Su Borough also created a Special Land Use District along the park boundaries to further protect the area's recreational values through its zoning laws. The park contains over 130 lakes, with about 25 miles of terrestrial trails, and 15 miles of canoe trails through its maze of lakes. Although the Willow Corridor will not directly pass through any portion of the park, it does skirt along the southwest corner within one mile of Red Shirt Lake, a heavily used lake for recreational fishing, boating, and winter trail use. Direct impacts to the park will be increased noise from nearby trains, and restricted winter trail access to the west and south.

Additional information:

- a. Method Established: Legislatively Designated
- b. Date of Establishment: 1966
- c. Acreage: 22,615 acres
- d. Visitation:

Visitation Type	FY2007	FY 2006	FY 2005	FY 2004
TOTAL	39,548	43,708	43,927	43,552

NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.

- e. Primary Recreation Types (by order of use, highest first): fishing, camping, canoeing, trails (canoe, hiking, winter trails), wildlife viewing
- f. Commercial Use: Canoe rental concession
- g. Historical Significance: Fishing camp established along the outlet stream of Red Shirt Lake and historic trail to Susitna Landing
- h. Special Concerns: Over 30 private inholding parcels exist within the park, with 88 parcels bordering on Red Shirt Lake alone. Most inholders enjoy living in/by the park

for its natural, quiet qualities. Residents along Red Shirt and Nancy Lake have organized homeowners associations.

3 **Little Susitna State Recreational River would be significantly impacted.** (DNR: Division of Mining, Land and Water)

Although the Little Susitna River is not managed by the Division of Parks, it is a high-use river corridor managed for the primary purpose of recreational float trips. Fishing, hunting, camping, boating and paddling are the primary uses. The river hosts all five species of salmon, and receives the heaviest sportfish use of all the Mat-Su Valley rivers. It provides a very popular float from the Parks Highway Bridge (River Mile 69.8) since there are two takeouts: Skeetna Lake at River Mile 54.6 (ties into the Nancy Lake Canoe Trail system); and Little Susitna Public Use Facility at River Mile 28.5 on the river. Additional bridge crossings along this corridor will detract from the wild qualities of this popular multi-day float trip. We strongly discourage any routes that will cross the river to maintain the current recreational integrity of this important river corridor.

Additional information:

- a. Acreage: 18,218 acres
- b. Visitation: Estimated annual use is 2000-3000 floats per year.
- c. Primary Recreation Types (by order of use, highest first): floating, fishing, camping, wildlife viewing, hunting
- d. Commercial Use: Guided and unguided float trips and fishing along the Little Susitna River

4 **Little Susitna Public Use Facility (LSPUF) would be significantly impacted.** (ADF&G: Division of Sportfish)

Owned by ADF&G, this facility is operated by the Division of Parks and Outdoor Recreation through a cooperative agreement. For this reason we feel qualified to comment on impacts to this facility. The LSPUF lies within the Susitna Flats State Game Refuge. It provides the only developed public access to the Little Susitna River south of the Parks Highway (approximately 70 river miles). It is a very popular destination for fishers, hunters, and other recreationists. Connector 1 will flank the LSPUF's east boundary which will affect users arriving at the "front door" of the facility, and displace a north-south trail that is used by the public to access hunting areas in the refuge. The Willow Corridor would cross the river at approximately River Mile 33, only one-quarter mile from seven developed riverside campsites maintained as part of the LSPUF. This will have an impact on the recreational experience that these remote sites offer.

Additional information:

- a. Date of Establishment: 1989
- b. Acreage: 720 acres
- c. Visitation:

Visitation	FY2007	FY 2006	FY 2005	FY 2004
TOTAL	30,340	22,503	18,908	22,770

NOTE: This visitor data is not statistically valid, numbers are approximate and should only be used to identify trends over time, and not taken literally.

- d. Primary Recreation Types (by order of use, highest first): fishing, camping, boating, hunting access, winter trail use, hunting, general
- e. Commercial Use: Guided and unguided fishing along the Little Susitna River

Regional Trail Impacts

Both Nancy Lake and Willow Creek State Recreation Areas are linked by a myriad of winter trails (West Gateway trail system) that are an extremely important part of the region's attractiveness as a hub for winter recreation.

Between Red Shirt Lake and the Susitna Flats State Game Refuge are critical trail corridors, including the historic Iditarod Trail. These trails are used for routine recreation, competitive training and actual races. There are many sanctioned races on these trails, including dog mushing, snowmachining, and ski-joring. Additionally, these trails are critical winter transportational corridors to cabins, camps and lodges throughout the Susitna River Valley. Many of these corridor origination points are located in state park units.

No route completely eliminates trail impacts, but our preferred option keeps these impacts to a minimum. Since the area trail clubs will be providing specific comments regarding regional trail impacts, we will not elaborate further here other than impacts to Division of Parks programs.

State Trail Grooming Pool Program

Trails throughout the proposed rail corridor are also part of the Mat-Su trails SnowTRAC Grooming Pool, and receives state funding from snowmachine registration fees to maintain and groom snowmachine trails in the winter. This program has been very successful, and the Division of Parks now administers grooming grants for well over 100 miles of trails between Big Lake and Denali State Park far to the north. The program has grown every year, with an objective to develop winter trail corridors throughout Southcentral Alaska, possibly connecting to the Denali and the Fairbanks North Star Boroughs. Such a network has great potential to create new economic opportunities for small businesses during a traditionally quiet part of the year. Part of the mission for the Division of Parks is to promote recreation in Alaska, and support the tourism industry. Winter recreation tourism has become an important part of the greater Willow area economy and steps should be taken to foster this endeavor, not weaken it.

Historical/Cultural Impacts

Regional comments regarding cultural impacts were covered under a separate letter by the Division of Park's Office of History and Archaeology.

Barrier Issue

The Willow Rail Corridor would effectively create 15 miles of a fence-like barrier between Willow Creek and Nancy Lake that will make cross-country travel east and west far more restrictive. A few strategically placed trail crossings are not sufficient to adequately resolve the barrier issue – even if they were at-grade crossings with elevated rail. Sub-grade (culvert) crossings are problematic due to pooling water, lack of snow, and the innate reluctance of animals (dog teams, wildlife) to enter such structures. Note that there are likely many more minor, non-dedicated trails, that traverse this country than what is indicated on most maps.

Contiguous Public Land Block

The area comprised by the combination of Nancy Lake State Recreation Area, the Little Susitna Recreational River, and the Susitna Flats State Game Refuge comprises a total of over 342,000 acres of lands reserved for public use. The South Houston – Houston – Connector 3 – Mac East route will completely avoid significant impacts to this block.

Habitat Protection

The Willow Corridor poses inherent risks to sensitive habitat that is very important for Alaskans in terms of recreational pursuit and for subsistence purposes (hunting, fishing, etc.). Each anadromous stream crossing is a new point source of contamination in the event of accidental discharges of hazardous materials. Eliminating the additional crossings of Willow Creek and the Little Susitna Rivers should be a high priority for this project.

Conclusion

Rail development through the Willow Corridor would be a major detriment to recreational values in that area, and will adversely affect the quality of life for many area residents. During the 2004 *Statewide Comprehensive Outdoor Recreation Plan* public survey, 98% of the respondents indicated that parks and outdoor recreation are important or very important to them. Once lost, these values will never be replaced – no matter what kind of mitigation ensues.

Respectfully,



Wayne Biessel, Mat-Su Area Park Superintendent

Cc: James King, DNR/DPOR Director
Michael Bethe, DNR - Habitat
Sam Means, DNR - Mining, Land and Water
Don Perrin, DNR – Permitting
Judy Bittner, DNR/SHPO
Dave Rutz, ADF&G
Mary Anderson, Mat-Su Area State Parks Citizens Advisory Board
Willow Area Community Organization
Dave Hanson, Mat-Su Borough

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

Office of Habitat Management and Permitting

SARAH PALIN, GOVERNOR

1800 GLENN HIGHWAY, SUITE 12
PALMER, ALASKA 99645-6736

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FISH HABITAT CASE NUMBER FH-07-IV-0428

November 26, 2007

Mr. Brian Lindamood
Alaska Railroad Corporation
P.O. Box 107500
Anchorage AK 99510-7500

Re: Port MacKenzie Rail Extension Pre-Application Scoping Comments

Dear Mr. Lindamood;

Pursuant to AS 41.14.870 and AS 41.14.840, the Department of Natural Resources, Office of Habitat Management and Permitting (OHMP) has reviewed the proposed routes presented by the Alaska Railroad Corporation (ARRC) and the Matanuska-Susitna Borough for the Port MacKenzie Rail Extension Project. The purpose of this project is to provide rail access from the main ARRC track to the marine port near Point MacKenzie. The ARRC has asked that OHMP review the alternative routes and submit scoping comments based on our statutory permitting authority.

The three proposed routes divert south from the existing rail line near Willow, Houston (north and south alternatives) and Big Lake (see attached map). The rail line would then intersect, via three possible connector segments with two alternative routes (Mac-East and Mac-West) continuing southward to the Port Mackenzie area.

All of the potential routes for this project traverse a large geographic area and have the potential for negatively impacting a wide range of sensitive habitat areas. All work associated with this project that could potentially impact anadromous streams (AS 41.14.870) or could potentially block the free passage of fish (AS 41.14.840) requires a Fish Habitat Permit from the OHMP prior to commencement of any construction.

All comments contained herein are submitted as scoping comments and should be viewed as preliminary in nature. The OHMP offers the following comments:

Information Needs

- Comprehensive stream sampling to determine/confirm anadromy and the presence or absence of fish will be required. Fish usage patterns may have changed since the area was initially surveyed, and many smaller streams have yet to be sampled.
- Fragmentation of aquatic habitat is a concern. Hydrologic studies will be required to map wetland areas associated with fish bearing drainage systems. This project has the potential to isolate the free flow of water through these wetland areas, thus impacting fish-bearing waters.

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Routing and Design Considerations

- To the maximum extent practicable, the route should be sited to avoid wetlands, fish-bearing streams and anadromous water bodies. Any preferred route should minimize the number of stream crossings, particularly over systems that produce significant numbers of salmon such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds.
- The use of bridges to span floodplain areas is the preferred method of providing for the long-term free passage of fish on anadromous systems. Bridge abutments should be located outside the floodplain and above the ordinary high water mark (OHW) to minimize potential impacts to riparian vegetation and streambank integrity.
- Culverts should be designed using stream simulation methodology. The culvert design width at the OHW should be greater than or equal to 125-percent of the width of the stream at the OHW stage. The culvert grade should approximate the surrounding slope of the stream channel ($\pm 1\%$). Culverts should be buried to approximately 40-percent of their diameter with substrate material that will remain dynamically stable at all expected flood discharge rates. Other design criteria will apply as well. We can meet later to flesh out the necessary design criteria for fish passage if you have any questions.
- It shall be the responsibility of the ARRC to ensure the free passage of fish throughout the lifetime of each stream crossing. Beavers are common along the various alternative routes. Culvert designs should account for long-term maintenance for fish passage and be of sufficient size (diameter) to discourage blockages associated with beaver dam construction.

Route Preferences

OHMP prefers a route that would minimize potential impacts to wetland areas associated with fish bearing waterways, minimizes the total number of actual stream crossings and avoids crossings of important salmon producing systems such as the Little Susitna River, Willow Creek, and streams in the Nancy Lake and Big Lake watersheds whenever possible. These criteria appear to be met best with the following route:

1. Houston South
2. Houston
3. Connector 3
4. Mac East

Route Discussion

This conclusion is based on our initial examination of existing data and aerial imagery and should be viewed as preliminary. Also note that we recognize that selection of final routing should be based on other considerations as well. Influencing factors should include fragmentation of wildlife habitat, the presence of cultural sites, native allotments, parks and refuges and historic land use patterns. Land ownership and the successful acquisition of Rights-of-Way will also significantly affect the final route selection.

Based on our analysis of existing materials, we believe that the Willow route will result in more fragmentation of fish and wildlife habitat, particularly in undeveloped areas, than the other alternatives. Crossings over Willow Creek and the Little Susitna River would be necessary.

FH 07-IV-0428

November 26, 2007

Because of the extended length of this route, the potential impacts to wetland areas associated with these drainages could be significant. It is the view of OHMP that this route (Willow) is the least preferable of all of the alternatives.

Thank you for the opportunity to comment on your project. If you have any questions, please feel free to contact me at the above address and telephone number or by e-mail at mike_bethe@dnr.state.ak.us.

Sincerely,



Michael L. Bethe
Habitat Biologist
Area Manager
Palmer Mat-Su Area

Attachment: ARRC Alternative Routes Map

-kab/mlb

Distribution: S. Joy, COE
D. Rutz, ADF&G
J. Hewitt, COE
M. Fink, ADF&G
K. Klein, ADF&G
D. Perrin, OPMP



SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

*DIVISION OF MINING, LAND AND WATER
SOUTHCENTRAL REGION LAND OFFICE*

550 W. 7TH AVE., SUITE 900C
ANCHORAGE, ALASKA 99501-3577

December 11, 2007

Brian Lindamood, P.E.
P.O. Box 107500
Alaska Railroad Corporation
Anchorage, AK 99510

Dear Mr. Lindamood:

Subject: Port Mackenzie Rail Extension

The Southcentral Regional Office of the Division of Mining, Land and Water offers the following comments on your study of several possible routes for a railroad from Port Mackenzie to either Willow, Houston or Big Lake. These comments are of a general nature involving impacts to state land managed by this office. Should a specific alignment be chosen, we will modify our comments to address specific land management issues in more detail.

- **The land title interest needed by ARRC.** ARRC requests a fee simple interest in a 200 foot wide corridor to build and operate a railroad. SCRO authority to grant the appropriate interest in state land resides in AS 42.40.360 and .370. SCRO will also use the public process required by AS 38.05.035 and .945 to make the decision and give public notice to convey an interest in land to ARRC.
- **Roads, Trails and Utilities.** Pursuant to 11 AAC 51.015, the Southcentral Regional Office will ensure that any area of DMLW managed land approved for railroad corridor uses will be subject to existing ADL authorizations for roads, trails, utility, or other access easement purposes. The Southcentral Regional Office will also reserve additional ADL authorizations along existing roads, trails, utility, or access routes if the Southcentral Regional Office determines that these improvements represent interests of local, regional, or statewide significance. Any rail corridor area conveyance or authorization granted by the Division will stipulate the preservation of legislatively imposed public access routes described in AS 19.10.010 (section line easements), AS 19.30.400 (RS 2477 routes) and AS 38.05.127 (navigable or public waterways.) If considered necessary for project development, railroad corridor officials may petition the Division and/or the local Platting Authority for formal vacation of existing easements or rights of way on a case-by-case basis in accordance with

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established regulations and procedures. Any such petition will be subject to review and comment by the Southcentral Regional Office in addition to other agencies, interested entities, and members of the public.

- **Susitna Area Plan** This plan provides general land management guidelines that must be followed when considering major transportation projects.

<http://www.dnr.state.ak.us/mlw/planning/arcaplans/susitna/index.cfm>

- **Willow Sub-Basin Area Plan.** Susitna Area Plan Revisions Affecting Willow Sub-Basin and Susitna Plans. For the past 25 years the use of state land in the area from Wasilla to the Talkeetna Y has been guided by the Willow Sub-Basin Area Plan (WSAP) and the South Parks Highway portion of the Susitna Area Plan (SAP), which the State Department of Natural Resources (DNR) adopted in 1982 and 1985 respectively. The amount of land owned by the state has decreased markedly during that period and the state is no longer the principal land owner in this area. Instead, the Borough, Mental Health Trust, University of Alaska, and CIRI are principal owners. Very little state land remains in areas near major population areas and that which remains consists of remnant parcels of generally small size. Our area plans have a design life of about 15-20 years and the WSAP and SAP need updating so that DNR decision making is based on more current information and therefore more pertinent.

In general, this plan provides the basis for state management of surface resources and land use, with decisions by the various DNR divisions (principally Agriculture, Forestry, Mining/Land/Water) to be based on the plan designations and management intent requirements identified in the area plan.

<http://www.dnr.state.ak.us/mlw/planning/areaplans/willow/index.cfm>

- **Fish Creek Management Plan.** Same comments as above.

http://www.dnr.state.ak.us/mlw/planning/mgtplans/fish_ck/index.htm

- **Susitna Basin Recreational Rivers Management Plan** In general, this management plan provides more specific guidelines for minimizing impacts to the Little Susitna River related to major transportation projects. Options to mitigate impacts to recreational use of the Little Susitna River corridor can be developed when a specific route is known. Maintaining access along the banks of the Little Susitna River will be a major consideration.

<http://www.dnr.state.ak.us/mlw/planning/mgtplans/susitna/index.htm>

- **Material Sales.** Material resources (sand, gravel, rock, peat) located outside of an approved conveyance or easement would be sold to ARRC. Under AS 38.05.110-38.05.120 and the regulations implementing these statutes allow these materials to be made available. Public Notice will be required consistent with AS 38.05.945.

- **Land Use Permits.** Man Camps, Staging Areas – Often large projects require areas adjacent to the project site to stage man, equipment and machines. Temporary locations used to facilitate the development of the ARRC project may be permitted under AS 38.05.850. Land Use Permits are the most commonly used tool for this activity. Review will be conducted for any request to use state land.
- **Alaska Coastal Management Program.** Any authorization requested to take place within the Coastal Zone may be subject to additional coordination and review by the Alaska Coastal Management Program.

Close cooperation between the ARRC and the Southcentral Regional Office is recommended as the rail route is more narrowly defined in order to facilitate the identification and protection of third party interests over the life of the project.

Sincerely,

A handwritten signature in cursive script that reads "Robert S. Means".

Robert S. Means
Natural Resource Manager