



SURFACE TRANSPORTATION BOARD

Washington, DC 20423

Office Environmental Analysis

December 10, 2014

Kathryn Kusske Floyd, Esq.
Venable LLP
575 7th Street, NW
Washington, D.C. 20004

Re: Docket No. FD 35095, Alaska Railroad Corporation - Construction and Operation
Exemption - A Rail Line Extension to Port MacKenzie, Alaska: Comments on
Quarterly Report for the Third Quarter of 2014

Dear Ms. Floyd:

In its November 17, 2011 decision granting the Alaska Railroad Corporation (ARRC) the authority to construct and operate the Port MacKenzie rail line extension, the Board imposed 100 mitigation measures on the project. Mitigation Measure #98 requires ARRC to submit quarterly reports to the Board's Office of Environmental Analysis (OEA) on the progress of, implementation of, and compliance with the Board-imposed mitigation measures. On October 31, 2014, ARRC submitted its report for the quarter ending September 30, 2014.

OEA has reviewed the quarterly report for July 1, 2014 through September 30, 2014 and our comments are attached. OEA requests that these comments be addressed in the next quarterly report.

If you have any questions, please contact Dave Navecky, OEA's Project Manager, at 202-245-0294.

Sincerely,

Victoria Rutson
Director
Office of Environmental Analysis

cc: Jay Johnson, Venable LLP

ATTACHMENT
Docket No. FD 35095
Port MacKenzie Rail Line Extension

I. OEA Comments on Prior Quarterly Report - Not Addressed

The following comments on the previous quarterly report (for the second quarter of 2014) do not appear to have been addressed.

PROJECT PROGRESS, *Permitting* (Bullet #5 on Page 3) – States that the Segment 4 active bald eagle nest identified during the 2014 survey was later observed to be abandoned during follow-up monitoring (in early June). However, mitigation measure #36 status comment states that both active eagle nests identified during the 2014 survey (Segment 4 and Segment 6 nests) were later observed to be abandoned. Were both nests abandoned after the 2014 survey or just the Segment 4 nest? Please clarify.

PROJECT PROGRESS, *Permitting* (Bullet #6 on Page 3) – States that ARRC intends to apply for eagle nest take permits from U.S. Fish and Wildlife Service (USFWS) next quarter to remove the Segment 4 and Segment 6 eagle nests. However, the first quarterly report for 2014 states that a bald eagle nest take permit for removal of the nest along Segment 6 was submitted (July 2013) and under USFWS review pending approval (as of January 2014). This permit submittal and review is no longer mentioned in the second quarterly report for 2014 and has been removed from the Active Permits Review table at the end of the report. Did the Alaska Railroad Corporation (ARRC) discontinue this eagle take permit effort for the Segment 6 nest? Please clarify.

Mitigation Measure #47 (Page 15) – Status comment states that ARRC was attempting to reschedule follow-up meetings with various agencies on the Moose Mitigation Strategy Plan “during Spring 2014 to solicit comments and finalize the plan.” Did ARRC schedule and conduct these follow-up meetings in Spring of 2014 and has the plan been finalized? Please clarify.

II. OEA Comments on Quarterly Report for July 1, 2014 through September 30, 2014

Mitigation Measures #2, #24, #53, #70 (Pages 5, 10, 16, 18) – Revise the “Status Comments” column to indicate that Alaska Pollutant Discharge Elimination System (APDES) permits were also obtained by ARRC for trail clearing work associated with Segments 3, 4, 5, and 6 (as shown in the Permit Status Table). Indicate whether ARRC has also obtained APDES permits (in addition to the construction contractors) for construction of project segments.

Mitigation Measure #3 (Page 5) – Please add the 401 Water Quality Certification to the Permit Status List at the end of the report.

Mitigation Measure #28 (Page 11) – Construction of some segments is reported as substantially complete and bridges and culverts have presumably been in place for some period of time. Has ARRC inspected any of these conveyance structures for blockages? In future quarterly reports please indicate if inspections were conducted and describe actions taken to remove any blockages observed.