



SURFACE TRANSPORTATION BOARD

Washington, DC 20423

Office Environmental Analysis

December 18, 2013

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 No. 7

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 November 1, 2013, ARRC submitted Quarterly Report No. 7 for the quarter ending September 30, 2013.

OEA has reviewed Quarterly Report No. 7 and our comments are attached. OEA requests that these comments be addressed in Quarterly Report No. 8, which will cover October 1, 2013 through December 31, 2013.

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 Quarterly Report No. 7
(Quarter Ending September 30, 2013)**

Project Progress, *Permitting* (Bullet #1, Page 2): States that the U.S. Army Corps of Engineers (USACE) authorized a Section 404 permit modification, and that a copy of the USACE notice of noncompliance is attached to quarterly report. This appears to be incorrect; there is a USACE notice of permit modification attached to the report. Please clarify.

Project Progress, *Permitting* (Bullet #2, Page 2): States that ARRC self-reported a 404 permit violation to the USACE and that a copy of the USACE notice of noncompliance is attached to the quarterly report. The notice of noncompliance is not attached to the report. Please clarify.

Project Progress, *Permitting* (Bullet #3, sub-bullet #1, Page 2): Refers to the USACE notice of noncompliance. Should the reference instead be to USACE permit modification? Please clarify.

Project Progress, *Permitting* (sub-bullet #1, top of Page 3): In comments on Quarterly Report No. 6, OEA requested a brief description of the fish passage enhancement project at Teddy Creek and how it is associated with the Port MacKenzie Rail Extension. Based on the amendment to Fish Habitat Permit No. 11-IV-0293 described in Quarterly Report No. 7, it now appears that a culvert extension rather than a fish passage enhancement project will occur at Teddy Creek. However, subsequent discussion of the schedule for Segment 6 on page 4 references a fish passage enhancement project. Please clarify.