



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

January 30, 2009

Dr. Kaja Brix  
National Marine Fisheries Service  
709 West 9<sup>th</sup> Street  
P.O. Box 21668  
Juneau, AK 99802-1668

Re: STB Finance Docket No. 35095, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Extension to Port MacKenzie, Alaska

Dear Dr. Brix:

We are writing you to initiate Section 7 consultations under the Endangered Species Act associated with a proposed rail line project in the Matanuska-Susitna Borough, Alaska.

**Project Description**

The proposed Port MacKenzie Rail Extension would involve the construction and operation of a new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie in south-central Alaska to a point on the Alaska Railroad Corporation's (ARRC) existing main line between Wasilla and north of Willow, Alaska (see enclosed map). ARRC has stated that the proposed rail line would provide freight services between the Port and Interior Alaska. Major elements of the proposed rail extension would include between 30 and 45 miles of new railroad track; a 200-foot-wide right-of-way; crossings of local roads, streams, trails, and utility corridors; sidings; and ancillary facilities. The anticipated train traffic would be two trains daily on average, with one train of 40 to 80 freight cars per day traveling in each direction.

Construction and operation of the proposed rail line would require authorization from the Surface Transportation Board (STB). A decision by the STB would be a "major Federal action" under the National Environmental Policy Act (NEPA) and the STB has assumed the lead agency role in the preparation of an Environmental Impact Statement (EIS) for the proposed project. The STB's Section of Environmental Analysis (SEA) is the office within the agency responsible for preparing the EIS as well as the agency's compliance with other Federal environmental statutes and regulatory programs.

## Section 7 Consultations

SEA has reviewed the project, and after discussions with Mr. Brad Smith of your office on December 18, 2008, determined that the proposed rail line project would not directly affect the endangered Cook Inlet beluga whale (*Delphinapterous leucas*) or any other marine mammal, but could indirectly affect the beluga whale via two mechanisms: (1) potential degradation of forage species habitats (anadromous fish resources), and (2) noise and disturbance from potential increases in vessel traffic, loading and anchorage near Port MacKenzie. SEA plans to evaluate these potential indirect affects with: (1) an Essential Fish Habitat (EFH) Assessment for forage species habitats at anadromous fish crossings throughout the project area, and (2) a Biological Assessment for indirect noise and disturbance effects on the beluga whale in the immediate vicinity of Port MacKenzie at the mouth of Knik Arm. The impact analyses and effects determinations in these two assessments will be used to support the Threatened and Endangered Species section of the EIS. We also plan to use the results of the Biological Assessment to assist with assessing the applicability of Marine Mammal Protection Act requirements.

No direct marine habitat effects would occur as a result of the Port MacKenzie Rail Extension. No critical habitat has yet been designated for the Cook Inlet beluga whale, however indirect effects, if any, would occur within what has been designated as Type 1 habitat (as designated under the National Marine Fisheries Service [NMFS] 2008 conservation plan); which may be designated as critical habitat for this species.

Expansion of facilities at Port MacKenzie by the Matanuska-Susitna Borough is planned independent of the proposed rail extension. Planned expansion of the facilities is considered to have independent utility and is not being evaluated as a connected action under NEPA, but will be evaluated in the cumulative effects analysis by SEA, as appropriate.

Mr. David Navecky is the SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the ESA Section 7 consultation and EIS preparation. Mr. Alan Summerville is ICF's Project Manager for the project. Ms. Lynn Noel with ENTRIX Environmental Consultants in Anchorage, Alaska is assisting Mr. Summerville.

Please confirm the species, action area, and identification of indirect project-related effects for SEA's Section 7 Consultation with NMFS and Biological Assessment and respond to:

**David Navecky**  
**Surface Transportation Board**  
**395 E Street, SW**  
**Washington, DC 20423-0001**  
**Attention: STB Finance Docket No. 35095**

If you have any questions or would like to discuss the project, please do not hesitate to contact Dave Navecky at 202-245-0294 or Alan Summerville at 703-934-3616.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is fluid and cursive, with a large initial "V" and a stylized "R".

Victoria Rutson  
Chief  
Section of Environmental Analysis

