

March 7, 2013

Victoria Rutson
Director
Office of Environmental Analysis
Surface Transportation Board
Washington, DC 20423

Jay C. Johnson

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jcjohnson@venable.com

Re: Docket No. FD 35095, Alaska Railroad Corporation – Construction and Operation
Exemption – Rail Line Extension to Port MacKenzie, Alaska: Response to Comments on
Quarterly Report 4

Dear Director Rutson:

I am writing in response to your February 25, 2013 letter regarding the contents of the quarterly reports being prepared by our client, Alaska Railroad Corporation (ARRC), in connection with the Board's construction and operation exemption for the Port MacKenzie Rail Extension (PMRE). In an attachment to that letter, you raised several questions about the contents of ARRC Quarterly Reports No. 3 and No. 4. For your convenience, this letter employs the same labels used in that attachment.

Mitigation Measure (MM) #3: You are correct that the Section 404 permit for the PMRE contains conditions in addition to those imposed by the Board's decision. Those conditions are incorporated by reference into the construction contracts that ARRC awards for the PMRE. ARRC will append the Section 404 permit conditions to future quarterly reports.

MM #6: ARRC will make this change.

MM #38: ARRC will make this change.

MM #38, 39, 42, 48, 50, 68, 83: ARRC is coordinating bi-weekly meetings with the U.S. Fish & Wildlife Service and the Alaska Department of Fish and Game through the Alaska Department of Natural Resources Office of Project Management & Permitting. ARRC will provide updated status information regarding these meetings in the next quarterly report.

MM #76: ARRC will make this change.

MM #85: ARRC is attaching a copy of email correspondence with Ken Bullman, Alaska Department of Natural Resources, Division of Forestry. As you will see, it confirms that ARRC is not required to submit a "Detailed Plan of Operations" for PMRE Segment 1, and explains the rationale for that determination. As it happens, Mr. Bullman retired last month. ARRC is planning to meet with his successor on March 8, 2013, to further discuss which PMRE segments,

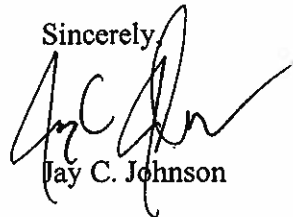
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if any, will require ARRC to submit a Detailed Plan of Operations. ARRC will update the Board on the status of those discussions in its next quarterly report.

MM #10, 12, 33 and 34: You rightly observe that not all of the fish habitat permits anticipated in the EIS have been acquired. For your convenience, ARRC has prepared a chart (attached) comparing the permits anticipated in the EIS to those that ARRC is actually acquiring. As shown in the chart, ARRC is not acquiring three of the permits identified in the EIS (H-1.2, H-2.8 and H-9.6), either because of a change in the alignment or because ARRC has confirmed with Alaska Department of Fish & Game that no stream exists. ARRC has also added a permit for site K22.2, which was discovered during 2011 surveys. We are happy to answer any additional questions you may have about these permits when you have had a chance to review the chart. ARRC will also append the chart to its next quarterly report.

If you would like to discuss further any of the responses in this letter, please do not hesitate to contact us.

Sincerely,



Jay C. Johnson

Encl.

cc: David Navecky, Office of Environmental Analysis

Johnson, Jay C.

From: Brian Lindamood <LindamoodB@akrr.com>
Sent: Tuesday, March 05, 2013 2:08 PM
To: Johnson, Jay C.
Subject: FW: Port MacKenzie Segment 1 FRPA Non-applicability

From: Bullman, Kenneth R (DNR) [<mailto:kenneth.bullman@alaska.gov>]
Sent: Wednesday, January 25, 2012 7:45 AM
To: Jewell, Charles
Subject: RE: Port MacKenzie Segment 1 FRPA Non-applicability

Great email Doug, Thanks!

Ken

From: Jewell, Charles [<mailto:Charles.Jewell@hdrinc.com>]
Sent: Tuesday, January 24, 2012 11:24 AM
To: Bullman, Kenneth R (DNR)
Cc: Schively, Jeff; Bruno, Jeff J (DNR); mark.whisenhunt@matsugov.us
Subject: Port MacKenzie Segment 1 FRPA Non-applicability

Hi Ken,

In reference to our discussion regarding the applicability of the Alaska Forest Resources & Practices Act, I am confirming that the clearing of Segment 1 for the Port MacKenzie Rail Extension Project does not necessitate submission of a Detailed Plan of Operations for the following reasons:

1. The total acreage of forested land to be cleared is less than 40 acres (approximately 35 non-contiguous acres will be cleared).
2. No anadromous streams are present within or will be impacted by the clearing of Segment 1.
3. The clearing activity is for a noncommercial operation.

As discussed in our phone conversation, this does not exempt the future clearing of other segments of the PMRE Project from the requirements of the FRPA, and those segments will be addressed separately as they become pertinent.

Please feel free to contact me with any questions or concerns.

Thank you,
Doug

DOUG JEWELL

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Port Mackenz e Rail Extension
Comparison of Final EIS Anticipated Fish Habitat Permits and Current Project Crossings

Rail Segment	EIS #	Project MP	Description	Approx. Stream Width (ft)	EIS Proposed Structure	Permitted Structure	Salmon Habitat	ADF&G Permit #
1	ME(MC)-4.5	K5.5	Unnamed stream, Baker Farm Rd.	10.3	28 feet	3-span bridge (84 feet)	No	FH-11-IV-0286
3	H-0.8	K16.8	Unnamed stream, outlet Diamond Lake	40.3	Drainage Structure	5-span bridge (181 feet)	Yes	FH-11-IV-0287
-	H-1.2	n/a	Not crossed, alignment moved to east to minimize impacts to wetlands	-	24" CMP	-	-	-
-	H-2.8	n/a	No stream, 2010 and 2011 fish surveys (coordinated with ADF&G) confirmed that no surface water or fish habitat exists at this location	-	48" CMP	-	-	-
4	H-4.3	K20.7	Unnamed stream, tributary to the Little Susitna	4.9	72" CMP	5-span bridge (140 feet)	Yes	FH-11-IV-288
4	-	K22.2	Not included in EIS evaluation, site discovered during 2011 fish survey with ADF&G; Unnamed stream, tributary to the Papoose Twins Lake	2	not evaluated	9.5 foot diameter pipe	Yes	FH-12-IV-0080
4	H-6.3	K22.8	Unnamed stream, tributary to the Little Susitna	10.2	Drainage Structure	5-span bridge (140 feet)	Yes	FH-11-IV-289
-	H-9.6	n/a	Not crossed, outflow of Muleshoe Lake, alignment moved to west of Horseshoe Lake to avoid FAA VORTAC site	-	48" CMP	-	-	(Cancelled)FH-11-IV-290
4	HS-1.0	K27.8	Unnamed stream, tributary Little Horseshoe Lake	6.9	36" CMP	4-span bridge (112 feet)	Yes	FH-11-IV-291
6	MP-174.3	174.3	The Little Susitna River	92.4	Bridge - 80 feet	Clear span bridge (120 feet)	Yes	FH-11-IV-292
6	MP 175.0	175	Teddy Creek	17.2	48" CMP	6 foot diameter pipe	Yes	FH-11-IV-0293