



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

EO-813

Office of Economics, Environmental Analysis and Administration

February 12, 2008

Jack Alcorn
Executive Director
Knik Tribal Council
PO Box 871565
Wasilla, Alaska 99687-1565

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 Mr. Alcorn:

I am writing you on behalf of the Surface Transportation Board, a Federal agency based in Washington, DC. The Board is responsible for the economic regulation of freight railroads, and considers requests by freight railroads to construct and operate new rail lines. The Board is interested in your views regarding a new rail line construction proposal (described below). We are particularly interested in the proposed rail line construction's potential effects to tribal lands, rights, resources, religious and cultural sites and subsistence activities. At your request, we can meet with you to hear your views and provide additional information regarding the Board and its environmental review process. In addition, you are cordially invited to attend the scheduled public scoping meetings. If you plan to submit written comments, we appreciate receiving them by the close of the scoping comment period on **March 21, 2008**.

Description of the Proposal

The Alaska Railroad Corporation intends to file a petition with the Surface Transportation Board (Board), pursuant to 49 U.S.C. 10502, requesting authority to construct and operate a new rail line from Matanuska-Susitna Borough's Port MacKenzie to the existing Alaska Railroad Corporation rail system. The Board would be the Federal agency responsible for granting authority for the construction and operation of the proposed new rail line and for conducting government-to-government consultations with Federally-recognized tribes under Executive Order 13175 (65 FR 218), Consultation and Coordination with Indian Tribal Governments. The Section of Environmental Analysis (SEA) is the office within the Board responsible for preparing the appropriate National Environmental Policy Act (NEPA) documentation for railroad construction and operation cases that come before the Board.

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 main line between Wasilla and north of Willow, Alaska (see attached map). The proposed rail line would provide freight services between the Port and Interior Alaska and would support the Port's continuing development as an intermodal and bulk material resources export and import facility. 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 per day traveling in each direction.

The Board's Environmental Review Process

SEA initiated the scoping process for the preparation of an Environmental Impact Statement (EIS) for the Port Mackenzie Rail Extension Project with the publication of the Notice of Intent (NOI) to prepare an EIS in the *Federal Register* on February 12, 2008 and will be traveling to Alaska March 3rd through March 12th for public scoping meetings and meetings with Federal, state and local agencies and interested Federally-recognized tribes.

As I explained above, the Board is interested in your views regarding the project's potential effects to tribal lands, rights, resources, religious and cultural sites and subsistence activities. At your request, we can meet with you to hear your views and provide additional information regarding the EIS process. In addition, you are invited to attend the scheduled public scoping meetings. If you plan to submit written comments, we appreciate receiving them by the close of the scoping comment period on **March 21, 2008**.

The purpose of the NOI (copy attached) is to notify individuals and organizations interested in or affected by the proposed project of the decision to prepare an EIS and provide the draft Scope of Study for review and comment.

The public scoping meetings will be conducted using a workshop format during which interested persons may ask questions about the proposal and the Board's environmental review process, and advise SEA staff about potential environmental effects of the project. In keeping with the workshop format of the scoping meetings, there will be no formal presentations made by agency representatives. Rather, SEA staff will be available to answer questions and receive comments individually. Scoping meeting dates and locations are provided below.

DATES AND LOCATIONS: Public scoping meetings will held from 5 PM to 8 PM as follows:

DAY	DATE	LOCATION	ADDRESS
Monday	March 3, 2008	Knik Elementary School	6350 West Hollywood Wasilla, AK 99654
Tuesday	March 4, 2008	Big Lake Elementary School	3808 South Big Lake Road Big Lake, AK 99652
Wednesday	March 5, 2008	Willow Area Community Center	Mile 70 Parks Highway Willow, AK 99688
Thursday	March 6, 2008	Houston Middle School	12801 W. Hawk Lane Houston, AK 99694
Monday	March 10, 2008	Wasilla Multi-Use Sports Complex	1001 S. Mack Drive Wasilla, AK 99654
Tuesday	March 11, 2008	Anchorage Senior Center	1300 East 19 th Avenue Anchorage, AK 99501

Further information on the process for conducting government-to-government consultations for this project with Federally-recognized tribes under NEPA and other Federal laws will be provided in the near future.

David Navecky is SEA Project Manager for the project. ICF International is serving as the independent third-party consultant to SEA to assist with the NEPA review process. Alan Summerville is ICF's Project Manager for the project. If you have any questions or would like to arrange a meeting to discuss the project please do not hesitate to contact David Navecky at (202) 245-0294 or Alan Summerville at (703) 934-3616.

Sincerely,



Victoria Rutson
Chief
Section of Environmental Analysis

Attachments

Tribal Government and Corporation Contacts for SEA Mailing
Port MacKenzie Rail EIS, Scoping Letter and NOI/DSOS
Feb 12, 2008

TRIBAL GOVERNMENTS/IRAS

Don Karabelnikoff, Tribal Administrator
Native Village of Eklutna
26339 Eklutna Village Road
Chugiak, Alaska 99567

Jack Alcorn, Executive Director
Knik Tribal Council
PO Box 871565
Wasilla, Alaska 99687-1565

Angela Sandstol, President
Native Village of Tyonek
PO Box 82009
Tyonek, Alaska 99682-0009

Gary Harrison, Chief
Chickaloon Village Traditional Council
P.O. Box 1105
Chickaloon, AK 99674-1105

VILLAGE CORPORATIONS

Curtis McQueen, CEO
Eklutna, Incorporated
16515 Centerfield Dr., Suite 201
Eagle River, AK 99577

Raymond Theodore, President
Knikatnu, Incorporated
P.O. Box 872130
Wasilla, Alaska 99687-2130

Michaelene Stephan, President
Tyonek Native Corporation
1689 C St., Suite 219
Anchorage, AK 99501-5131

Edith Baller, President
Chickaloon-Moose Creek Native Association, Inc.
P.O. Box 875046
Wasilla, AK 99687

REGIONAL CORPORATION

Margaret L. Brown
President and Chief Executive Officer
Cook Inlet Region, Inc.
2525 C Street, Suite 500
P.O. Box 93330
Anchorage, Alaska 99509-3330

SERVICE DATE – FEBRUARY 12, 2008

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35095

The Alaska Railroad Corporation – Petition for Exemption to Construct
and Operate a Rail Line Extension to Port MacKenzie, Alaska

Decided: February 7, 2008

ACTION: Notice of Intent to Prepare an Environmental Impact Statement; Notice of Availability of the Draft Scope of Study for the Environmental Impact Statement; Notice of Scoping Meetings; and Request for Comments on Draft Scope.

SUMMARY: The Alaska Railroad Corporation (ARRC) plans to file a petition with the Surface Transportation Board (Board) pursuant to 49 U.S.C. 10502 for authority to construct and operate approximately 30 to 45 miles of new rail line connecting the Matanuska-Susitna Borough's Port MacKenzie (or Port) in south-central Alaska to a point on the ARRC main line between Wasilla and north of Willow, Alaska. The proposed Port MacKenzie Rail Extension (or Project) would provide freight services between the Port and Interior Alaska and would support the Port's continuing development as an intermodal and bulk material resources export and import facility. The Port is owned by the Matanuska-Susitna Borough (MSB) and MSB is a co-sponsor of the Project. Because the construction and operation of this Project has the potential to result in significant environmental impacts, the Board's Section of Environmental Analysis (SEA) has determined that the preparation of an Environmental Impact Statement (EIS) is appropriate pursuant to the National Environmental Policy Act of 1969 (NEPA), as amended (42 U.S.C. 4321 *et seq.*). The purpose of this Notice of Intent is to notify individuals and agencies interested in or affected by the proposed Project of the decision to prepare an EIS. SEA will hold public scoping meetings as part of the NEPA process associated with the development of the EIS. Additionally, as part of the scoping process, SEA has developed a draft Scope of Study for the EIS for review and comment. Public meeting dates and locations, along with the draft Scope of Study, are provided herein.

DATES AND LOCATIONS: The public scoping meetings will be held at the following locations:

- March 3, 2008, 5-8 pm at Knik Elementary School, 6350 West Hollywood, Wasilla, AK
- March 4, 2008, 5-8 pm at Big Lake Elementary School, 3808 South Big Lake Road, Big Lake, AK
- March 5, 2008, 5-8 pm at Willow Area Community Center, Mile 70 Parks Highway, Willow, AK
- March 6, 2008, 5-8 pm at Houston Middle School, 12801 W. Hawk Lane, Houston, AK

- March 10, 2008, 5-8 pm, at Wasilla Multi-Use Sports Complex, 1001 S. Mack Drive, Wasilla, AK
- March 11, 2008, 5-8 pm at Anchorage Senior Center, 1300 East 19th Avenue, Anchorage, AK.

The scoping meetings will be held in an informal workshop format during which interested persons may ask questions about the proposed Project and the Board's environmental review process, and advise SEA staff about potential environmental effects of the Project. No formal presentations will be made by agency representatives. SEA staff will be available to answer questions and receive comments individually.

The meeting locations comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*). Persons that need special accommodations should telephone SEA's toll-free number for the Project at 1-888-257-7560.

Interested parties are invited to submit written comments on the draft Scope of Study, alternative routes for the proposed rail line, and other environmental issues and concerns by March 21, 2008, to assure full consideration during the scoping process. SEA will issue a final Scope of Study after the close of the scoping comment period.

SUMMARY OF THE BOARD'S ENVIRONMENTAL REVIEW PROCESS: The NEPA process is intended to assist the Board and the public in identifying and assessing the potential environmental consequences of a proposed action before a decision on the proposed action is made. SEA is responsible for ensuring that the Board complies with NEPA and related environmental statutes. The first stage of the EIS process is scoping. Scoping is an open process for determining the scope of environmental issues to be addressed in the EIS. As part of the scoping process, SEA has developed, and has made available in this notice, a draft Scope of Study for the EIS. Concurrently, scoping meetings will be held to provide further opportunities for public involvement and input during the scoping process. In addition to the Scope of Study, interested parties are also encouraged to comment on potential routes for the proposed Project. SEA is currently considering eight alternative routes that have been identified by MSB and ARRC. At the conclusion of the scoping and comment period, SEA will issue a final Scope of Study for the EIS.

After issuing the final Scope of Study, SEA will prepare a Draft EIS for the Project. The Draft EIS will address the environmental issues and concerns identified during the scoping process. It will also contain SEA's preliminary recommendations for environmental mitigation measures. The Draft EIS will be made available upon its completion for review and comment by the public, government agencies, and other interested parties. SEA will prepare a Final EIS that considers comments on the Draft EIS. In reaching its decision in this case, the Board will take into account the Draft EIS, the Final EIS, and all environmental comments that are received.

SEA has recently invited several agencies to participate in this EIS process as cooperating agencies on the basis of their special expertise or jurisdiction by law. These agencies include: U.S. Army Corps of Engineers – Alaska District; Alaska Department of Natural Resources; and U.S. Department of Transportation, Federal Railroad Administration.

FILING ENVIRONMENTAL COMMENTS: Comments submitted by mail should be addressed to:

David Navecky
STB Finance Docket No. 35095
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

Comments may also be filed electronically on the Board's web site, www.stb.dot.gov, by clicking on the "E-FILING" link.

Please refer to **STB Finance Docket No. 35095** in all correspondence, including e-filings, addressed to the Board.

Comments are due by **March 21, 2008**.

FOR FURTHER INFORMATION CONTACT: David Navecky, Section of Environmental Analysis, Surface Transportation Board, 395 E Street, SW, Washington, DC 20423, or call SEA's toll-free number for the Project at 1-888-257-7560. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339. The website for the Board is www.stb.dot.gov. Project specific information on the Board's website may be found by placing your cursor on the "Environmental Matters" button, then clicking on the "Key Cases" button in the drop down menu.

DRAFT SCOPE OF STUDY FOR THE EIS

Purpose and Need

The purpose of the Project is to establish a rail link between the Port and the ARRC rail system, providing Port customers and shippers with rail transportation between the Port and Interior Alaska. The Port is a deepwater facility on the north side of Knik Arm in upper Cook Inlet, located in south-central Alaska. Presently, the only surface mode of freight transport available to the Port is trucking. The construction of a rail line would satisfy the need for an additional mode of transportation for the movement of bulk materials, intermodal containers and other freight to and from the Port.

Proposed Action and Alternatives

The proposed rail line would extend approximately 30 to 45 miles, depending on the route selected, from the Port to ARRC's existing main line between Wasilla and north of Willow. Other major elements of the proposed Project would include 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 per day traveling in each direction. The EIS will analyze the potential impacts of alternative routes and a no-action alternative.

The reasonable and feasible alternatives that will be evaluated in the EIS are (1) construction and operation of the proposed rail line along several alternative alignments, (2) other route alternatives that might be identified during the scoping process, and (3) the no-action alternative.

Environmental Impact Analysis

Proposed New Construction

Analysis in the EIS will address the proposed activities associated with the construction and operation of new rail facilities and their potential environmental impacts, as appropriate.

Impact Categories

The EIS will analyze potential direct and indirect impacts for each alternative of the proposed construction and operation of new rail facilities on the human and natural environment, or in the case of the no-action, of the lack of these activities. Impact areas addressed will include the categories of land use, recreation, biological resources, water resources including wetlands and other waters of the U.S., navigation, geology and soils, air quality, noise, energy resources, socioeconomics as they relate to physical changes in the environment, safety, grade crossing delay, cultural and historic resources, and environmental justice. Other categories of impacts may also be included as a result of comments received during the scoping process or the draft EIS. The EIS will include a discussion of each of these categories as they currently exist in the Project area and will address the potential direct and indirect impacts of each alternative on each category as described below:

1. Safety

The EIS will:

- a. Describe existing road/rail grade crossing safety and analyze the potential for an increase in accidents related to the new rail operations, as appropriate.
- b. Describe existing rail operations and analyze the potential for increased probability of train accidents, as appropriate.
- c. Evaluate the potential for disruption and delays to the movement of emergency vehicles.
- d. Propose mitigative measures to minimize or eliminate potential Project impacts to safety, as appropriate.

2. Land Use

The EIS will:

- a. Evaluate potential impacts of each alternative on existing land use patterns within the Project area and identify those land uses that would be potentially impacted by new rail line construction.
- b. Analyze the potential impacts associated with each alternative to land uses identified within the Project area. Such potential impacts may include incompatibility with existing land use and conversion of land to railroad use.

- c. Determine if the proposed rail line is consistent with Alaska's coastal management program.
- d. Propose mitigative measures to minimize or eliminate potential impacts to land use, as appropriate.

3. Recreation

The EIS will:

- a. Evaluate existing conditions and the potential impacts of the alternatives, including the various new rail line construction alignments and their operation, on recreational trails and other opportunities provided in the Project area.
- b. Propose mitigative measures to minimize or eliminate potential Project impacts on recreational opportunities, as appropriate.

4. Biological Resources

The EIS will:

- a. Evaluate the existing biological resources within the Project area, including vegetative communities, wildlife, anadromous and other fisheries, wetlands, and Federal and state threatened or endangered species and the potential impacts to these resources resulting from each alternative.
- b. Describe any wildlife sanctuaries, refuges, national or state parks, forests, or grasslands and evaluate the potential impacts to these resources resulting from each alternative.
- c. Propose mitigative measures to avoid, minimize, or compensate for potential impacts to biological resources, as appropriate.

5. Water Resources

The EIS will:

- a. Describe the existing surface water and groundwater resources within the Project area, including lakes, rivers, streams, stock ponds, wetlands, and floodplains and analyze the potential impacts on these resources resulting from each alternative.
- b. Describe the permitting requirements for the various alternatives with regard to wetlands, stream and river crossings, water quality, floodplains, and erosion control.
- c. Propose mitigative measures to avoid, minimize or compensate for potential Project impacts to water resources, as appropriate.

6. Navigation

The EIS will:

- a. Identify existing navigable waterways within the Project area and analyze the potential impacts on navigability resulting from each alternative.
- b. Describe the permitting requirements for the various alternatives with regards to navigation.
- c. Propose mitigative measures to minimize or eliminate potential impacts to navigation, as appropriate.

7. Geology and Soils

The EIS will:

- a. Describe the geology, soils and seismic conditions found within the Project area, including unique or problematic geologic formations or soils, prime farmland, and hydric soils, and analyze the potential impacts on these resources resulting from the various alternatives for construction and operation of a new rail line.
- b. Evaluate potential measures employed to avoid or construct through unique or problematic geologic formations or soils.
- c. Propose mitigative measures to minimize or eliminate potential Project impacts to geology and soils, as appropriate.

8. Air Quality

The EIS will:

- a. Evaluate rail operation air emissions, if the alternative would affect a Class I or non-attainment or maintenance area as designated under the Clean Air Act.
- b. Describe the potential air quality impact resulting from new rail line construction activities.
- c. Propose mitigative measures to minimize or eliminate potential Project impacts to air quality, as appropriate.

9. Noise

The EIS will:

- a. Describe the potential noise impacts during new rail line construction.
- b. Describe the potential noise impacts of new rail line operation.
- c. Propose mitigative measures to minimize or eliminate potential Project impacts to sensitive noise receptors, as appropriate.

10. Energy Resources

The EIS will:

- a. Describe and evaluate the potential impact of the new rail line on the distribution of energy resources in the Project area for each alternative, including petroleum and gas pipelines and overhead electric transmission lines.
- b. Propose mitigative measures to minimize or eliminate potential Project impacts to energy resources, as appropriate.

11. Socioeconomics

The EIS will:

- a. Analyze the effects of a potential influx of construction workers and the potential increase in demand for local services interrelated with natural or physical environmental effects.
- b. Propose mitigative measures to minimize or eliminate potential Project adverse impacts to social and economic resources, as appropriate.

12. Transportation Systems

The EIS will:

- a. Evaluate the potential impacts of each alternative, including new rail line construction and operation, on the existing transportation network in the Project area, including vehicular delays at grade crossings.
- b. Propose mitigative measures to minimize or eliminate potential Project impacts to transportation systems, as appropriate.

13. Cultural and Historic Resources

The EIS will:

- a. Analyze the potential impacts to historic structures or districts previously recorded and determined potentially eligible, eligible, or listed on the National Register of Historic Places within or immediately adjacent to the right-of-way for the proposed rail alignments.
- b. Evaluate the potential impacts of each alternative to archaeological sites previously recorded and either listed as unevaluated or determined potentially eligible, eligible, or listed on the National Register of Historic Places within the right-of-way for the alternative rail alignments and the no-action alternative.
- c. Propose mitigative measures to minimize or eliminate potential Project impacts to cultural and historic resources, as appropriate.

14. Environmental Justice

The EIS will:

- a. Evaluate the potential impacts of each alternative, including construction and operation of the rail lines, on local and regional minority populations and low-income populations.
- b. Propose mitigative measures to minimize or eliminate potential Project impacts on environmental justice issues, as appropriate.

15. Cumulative Impacts

The EIS will address the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-federal) or person undertakes such actions.

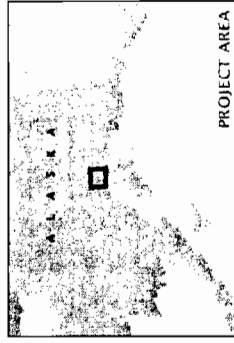
By the Board, Victoria Rutson, Chief, Section of Environmental Analysis.

Anne K. Quinlan
Acting Secretary



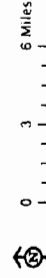
LEGEND

- | | | | |
|--|---------------------------|--|----------------|
| | Preliminary Alternatives* | | ARRC Track |
| | Mac East | | ARRC Milepost |
| | Mac West | | Highway |
| | Conn 1 | | Medium Rd. |
| | Conn 2 | | Minor Rd. |
| | Conn 3 | | Iditarod Trail |
| | Houston | | City Boundary |
| | Houston North | | Park or Refuge |
| | Houston South | | |
| | Willow | | |
| | Big Lake | | |



*These lines generally represent corridors which are subject to further refinement.

This map is intended as a conceptual tool. It is not intended to be used for legal purposes. The map is not intended to be used for legal purposes. The map is not intended to be used for legal purposes.



Date: November 5, 2007
 Projection: Alaska State Plane Zone 4, NAD 83
 Author: HDR Alaska, Inc.
 Sources: ADNR, ARRC, HDR Alaska, Inc.,
 MSH GIS, TNN-Hanson, USGS.