



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

November 10, 2017

Colonel Michael S. Brooks
U.S. Army Corps of Engineers
P.O. Box 6898
JBER, Alaska, 99506-0898

Re: Nanushuk Project, Colville River POA-2015-25

Dear Colonel Brooks:

The National Marine Fisheries Service (NMFS) has reviewed Armstrong Energy, LLC's Draft Environmental Impact Statement (DEIS) for the Nanushuk Project, made available for review and comment on September 1, 2017. The U.S. Army Corps of Engineers (USACE), Alaska District is the lead federal agency with several other cooperating agencies. The stated purpose is to produce commercial quantities of liquid hydrocarbons in the applicant's State of Alaska oil and gas leasehold by operating from a site east of the Colville River Delta; to process hydrocarbons on or near the drill sites; and to transport sales-quality oil through a new export pipeline to the Trans-Alaska Pipeline System.

The applicant proposes to place 2.76 million cubic yards of clean fill into 271.60 acres of waters of the U.S. including wetlands, and temporary discharge of sediment to 5.80 acres of jurisdictional waters of the U.S. (Harrison Bay of the Beaufort Sea) for a single screeding event at Oliktok Dock. The USACE is soliciting comments from the public and other interested parties in order to consider and evaluate impacts of the proposed activity.

For the Nanushuk Pad processing facilities, the applicant proposes to barge and offload sealift modules at the existing Oliktok Point dock during the open water season. This includes preparation (screeding) of the barge landing area seaward of the current dock face just prior to the arrival of the first barge. The screeding process includes scraping sediments within the proposed area to a desired depth of 8.0 to 8.5 feet Mean Low Low Water. Sediments are not planned to be removed from the water or leave the general dock area; approximately 2,000 to 3,000 cubic yards of sediments may be re-distributed across the project area.

In accordance with Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), the USACE is required to consult with NMFS on activities that may adversely affect Essential Fish Habitat (EFH). We offer the following comments and recommendations on this project pursuant to the MSA.

EFH Requirements

Any action that *may adversely affect* EFH requires a clearly referenced EFH Assessment in either a separate document or a support document (50 CFR Part 600.920(e)). An adverse effect is any impact that reduces quality and/or quantity of EFH and may include direct or indirect



physical, chemical, or biological alterations of the waters or substrate and loss of, or injury to benthic organisms, prey species and their habitat, and other ecosystem components.

The mandatory contents of an EFH Assessment should be labelled accordingly and include: (i) a description of the action, (ii) an analysis of the potential adverse effects of the action on EFH and the managed species, (iii) the Federal agency's conclusions regarding the effects of the action on EFH, and (iv) proposed mitigation, if applicable.

Please note an EFH Assessment is to be completed by the action agency, if needed. Once an EFH Assessment is received by NMFS, the Habitat Conservation Division will then review and offer EFH Conservation Recommendations, if applicable. NMFS has an EFH consultation and informational section on our [internet site](#). We recommend referencing the recent publication, [*Impacts to EFH from Non-fishing Activities in Alaska*](#), when developing an EFH Assessment.

General Comments

EFH for federally managed Arctic species has been described in the project area for juvenile and adult stages of Arctic cod (*Boreogadus saida*), and juvenile and adult stages of saffron cod (*Eleginus gracilis*). EFH is also designated for all five species of Pacific salmon (*Oncorhynchus* spp.).

Although the DEIS does not explicitly state whether the proposed action may adversely affect [marine] EFH, the USACE's September 1, 2017 Public Notice of Application for Permit indicates the USACE determined the proposed project *may affect* marine EFH, and is initiating consultation with NMFS under the MSA.

Section 3.12.6 of the DEIS states that the project would not affect freshwater EFH. Effects to marine EFH from screeding would be "*probable, short term (temporary), and minor,*" and limited to the screeding area. Impacts to EFH from the single screeding event would potentially include increased water column turbidity, displacement of fish, direct removal or burial of infaunal and bottom-dwelling organisms, noise disturbance, entrainment, and temporary habitat loss or physical alteration.

Considering the EFH information provided in the DEIS and supporting documents, the applicant's proposed mitigation statements, and that screeding in marine waters will be limited to a single event, NMFS does not require a separate EFH Assessment for the project, as currently proposed. The mandatory contents of an EFH Assessment are likely already included in existing Nanushuk Project documents, throughout sections of the DEIS and the Potential Effects to Essential Fish Habitat Memorandum (Armstrong & HDR, August 2017).

NMFS has determined that the proposed action may adversely affect EFH. However, we offer no EFH Conservation Recommendations at this time because the applicant proposes to use the following measures to reduce or eliminate adverse effects to marine resources:

- Using existing barge infrastructure at Oliktok Point to avoid the need to construct new marine facilities to support sealift module delivery.
- Maintaining membership with Alaska Clean Seas and the Mutual Aid Agreement to provide spill response resources.

- Limiting screeding to a short-term activity within a 5.7 acre area, during the open water season just prior to the first barge landing.

NMFS hopes this information is useful in fulfilling EFH requirements under the MSA. Should the project or proposed alternatives change significantly, please inform NMFS of any such changes. If you have any questions regarding this project, please contact Samantha Simpson at samantha.simpson@noaa.gov or (907) 271-1301.

Sincerely,


for

James W. Balsiger, Ph.D.
Administrator, Alaska Region

cc: Ellen Lyons, USACE, Ellen.H.Lyons@usace.army.mil
NOAA NEPA, noaa.nepa@noaa.gov