



United States Department of the Interior
FISH AND WILDLIFE SERVICE
Fairbanks Fish and Wildlife Field Office
101 12th Avenue, Room 110
Fairbanks, Alaska 99701
October 30, 2017



U.S. Army Corps of Engineers
Attention: Colonel Michael Brooks
District Engineer, Alaska District
P.O. Box 6898
Joint Base Elmendorf-Richardson, AK 99506-0898

Re: POA-2015-25
Colville River

Dear Colonel Brooks:

The U.S. Fish and Wildlife Service (Service) has reviewed the Public Notice of Application for a Permit dated September 1, 2017, from Armstrong Energy, LLC (Applicant). The Applicant proposes to place approximately 3.22 million cubic yards (mcy) of fill onto approximately 331 acres of Waters of the United States (WOUS), including wetlands, to construct the Nanushuk Project. Additional temporary discharges to 5.8 acres of WOUS will occur at Oliktok dock for screeding activities and for trenching of power and fiber-optic cables at pipeline-road crossings.

Under the Nanushuk Project, the Applicant proposes to drill wells, construct, and operate infrastructure and facilities on the North Slope of Alaska to produce and then transport oil to the Trans-Alaska Pipeline System. The project area is on the Arctic Coastal Plain of Alaska in the Pikka Unit, between the Kuparuk River and the Colville River units, approximately 7 miles northeast of the Native Village of Nuiqsut (NVN). The proposed Nanushuk Project is immediately adjacent to the Colville River Delta, an area recognized internationally for its biological diversity and richness (Craig 1989a, 1989b), and regionally for its importance to fish, wildlife, and subsistence resources (Andres 1994; Moulton 1989).

Our comments are submitted in accordance with provisions of the National Environmental Policy Act (NEPA) of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), the Endangered Species Act (ESA) of 1973 (87 Stat. 884, as amended; 16 U.S.C. 1531 et seq.), the Migratory Bird Treaty Act (40 Stat. 755, as amended; 16 U.S.C. 703 et seq.), the Bald and Golden Eagle Protection Act (54 Stat. 250, as amended, 16 U.S.C. 668a-d), the Marine Mammal Protection Act (16 U.S.C. 1361-1407), and the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.).

Background: Repsol E&P USA, Inc. (Repsol) obtained leases in the project area in 2011 and began exploratory drilling activities in 2012. In 2015 Repsol submitted a Department of Army (DA) U.S. Army Corps of Engineers (USACE) 404 permit application for development of the area. In late 2015, Armstrong Energy, LLC (Armstrong) was designated the operator of the

project. In April 2016, both companies submitted a joint revised 404 permit application to the USACE designating Armstrong as both the Applicant and operator for the Nanushuk Project.

The USACE determined the proposed Nanushuk Project could significantly affect the quality of the human and/or natural environment and the DA permit decision would constitute a major federal action. Consequently, on February 4, 2016, the USACE published a Notice of Intent in the Federal Register to prepare an Environmental Impact Statement (EIS) under the NEPA. The USACE is the lead federal agency for the NEPA review of the proposed Nanushuk Project. The Service, the Environmental Protection Agency (EPA), the State of Alaska, and the NVN are cooperating agencies in the EIS process due to their respective permitting and regulatory responsibilities and as subsistence users of the area's resources.

Potentially Affected Fish and Wildlife Trust Resources: Trust resources are natural resources the Service has been entrusted to protect for the benefit of the American people and include federally listed threatened and endangered species, migratory birds, certain marine mammals, and inter-jurisdictional fish. The following species and their habitats occur within the project area:

Threatened and Endangered Species: The proposed project is within the range of three species listed as threatened under the ESA: spectacled eiders (*Somateria fischeri*), Alaska-breeding Steller's eiders (*Polysticta stelleri*), and polar bears (*Ursus maritimus*). Additionally, the project area occurs within Unit 2 (terrestrial denning habitat) of designated polar bear critical habitat (75 FR 76085). We understand the USACE as the lead Federal agency is preparing a Biological Assessment for the project. The Service's Fairbanks Planning and Consultation Branch will conduct the ESA section 7 consultation for the proposed project with the USACE.

Migratory Birds and their Habitats: Approximately 80 species of migratory birds are known to move through or nest within the vicinity of the Nanushuk Project (Johnson et al. 2000). Of these, nine species (red-throated loon, yellow-billed loon, peregrine falcon, whimbrel, bar-tailed godwit, red knot, dunlin, buff-breasted sandpiper, and arctic tern) are considered Birds of Conservation Concern by the Service due to their small population size, population decline, and/or sensitivity to disturbance. Three species of birds, golden eagle, short-eared owl, and red knot are listed as sensitive species by the Bureau of Land Management and may occur in the project area.

Arctic coastal wetlands in the project area, including the adjacent Colville River Delta, provide important habitats used by large numbers of shorebirds and waterfowl for spring staging, summer nesting and brood rearing, and fall staging. The juxtaposition of a diverse variety of habitats such as coastal mudflats, nearshore salt marshes, riverine, and sand dunes provide an abundant food supply, spring and fall staging habitat, and diverse nesting habitats for many species of migratory birds (Andres 1994, Connors et al. 1984, Johnson and Richardson 1981, Johnson et al. 2000, Fischer and Larned 2004).

Fish: Twenty-eight fish species, ten which are important subsistence species for Nuiqsut, are known to occur within the freshwater, brackish, and nearshore marine waters adjacent to and

within the Nanushuk Project area. Essential Fish Habitat has been established for inter-jurisdictional pink and chum salmon in the lower Colville River as well as all Pacific salmon species in the nearshore marine waters from the outer Colville Delta to Oliktok point.

Recommendations: In addition to previous comments provided to the USACE regarding the Preliminary Draft EIS (DEIS) on May 8, 2017, we offer the following comments and recommendations to help minimize adverse impacts associated with the proposed project on fish, wildlife, and their habitats in the following key areas:

Least Damaging Practicable Alternative: The Service believes Alternative 5 (Reconfigured Infield Roads) minimizes many impacts to our trust resources, through the use of existing infrastructure and placement of new infrastructure outside the floodplain of the Colville River.

As outlined in the Nanushuk DEIS (Table 2.4-2), Alternative 5 compared to the preferred alternative (Alternative 2) entails:

- 4.5 fewer miles of roads;
- 46 fewer acres of gravel fill (roads and pads) using 200,000 fewer cubic yards of gravel which reduces the loss of migratory birds habitat;
- Approximately 5,500 fewer round trips of hauling gravel and the reduction of associated potential direct and indirect impacts to wildlife from those trips;
- 354 fewer acres impacted by fugitive dust from road traffic settling on adjacent wetlands thereby reducing thermokarst and impacts to hydrology that could degrade the quality of these important habitats for migratory birds;
- Three fewer miles of pipeline;
- Reduced potential for bird collisions and oil spills into the Colville River by moving the central processing facility inland and out of the highly used Colville River flood plain;
- Reduced impacts to riverine and lake fish habitat;
- Fewer acres of potential polar bear denning habitat within one mile of infrastructure; and
- 4.7 fewer miles of parallel road alongside the existing Mustang Development road, thereby reducing possible impediments to wildlife movements through the area.

Lighting to Minimize Bird Collisions: Lighted facilities (drill rigs and buildings) near the coast or major waterways, such as the main channel of the Colville River, can cause episodic bird collisions with infrastructure, especially during migration and poor visibility during inclement weather. On the North Slope birds are especially vulnerable to collisions during fall migration when ambient light is low and there are frequent periods of stormy weather and fog. Birds are attracted to the lights and become disoriented potentially colliding with buildings and drill rigs. To mitigate the collision risk, the Service recommends facility lighting be shielded from above thereby reducing reflectivity in clouds and fog. We further suggest, where possible, lighting be shielded on the east side of buildings through the installation of shaded windows.

Wetland Functions: The Applicant has not proposed measures to offset wetland losses associated with the proposed project. The Service is willing to work with the USACE and the Applicant to identify possible reclamation projects on the North Slope to compensate for the loss

of wetland habitats associated with the proposed project. In addition, as infrastructure extends across the Arctic Coastal Plain, the cumulative impacts associated with gravel roads, such as fugitive dust and hydrology (overland- and stream-flow), continue to increase. We recommend the USACE, Applicant, and interested State and Federal parties create a working group to develop studies to measure and ultimately reduce the impacts associated with long, linear projects on the landscape.

Conclusion: The Service appreciates the opportunity to provide comments on the proposed Nanushuk Project. We will continue to work with other cooperating agencies and the USACE to develop a useful and informative document that will aid the USACE and other agencies in their permitting decisions. Please contact Louise Smith at 907-456-0306 (louise_smith@fws.gov) or Bob Henszey at 907-456-0323 (bob_henszey@fws.gov) should you have questions concerning these comments.

Sincerely,

Sarah C. Conn,
Field Supervisor
Fairbanks Fish and Wildlife Field Office

cc: Ellen Lyons, USACE
Gayle Martin, EPA
Gary Mendivil, Alaska Department of Natural Resources
Martha Itta, NVN

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