



**UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration**

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

September 23, 2010

Colonel Reinhard W. Koenig
District Engineer, Alaska District
U.S. Army Corps of Engineers
P. O. Box 6898
Elmendorf AFB, Alaska 99506-0898

Re: POA-2000-495-M3
Gastineau Channel

Attn: Heidi Firstencel

Dear Col. Koenig:

The National Marine Fisheries Service (NMFS) has reviewed the Corps of Engineers' September 3, 2010, request for comments on the City and Borough of Juneau (CBJ) proposed modification to permit application number POA-2000-495-M3 for work on the Douglas Harbor. In the Public Notice dated December 8, 2009, CBJ proposed dredging approximately 30,000 cubic yards of mercury contaminated material from the harbor and disposing of that material at a formerly utilized unconfined aquatic site in Gastineau Channel. The modification proposed by CBJ in an August 12, 2010, letter to the Corps is to cap the dredged material deposited in Gastineau Channel, and the newly exposed dredged surface in Douglas Harbor, with a layer of clean course sand and an upper layer of cobble totaling six inches in depth. Gastineau Channel is used as rearing, feeding, and migrating habitat by all five species of Pacific salmon and other marine organisms including crab, halibut, herring and other forage fish, and marine mammals.

Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act requires federal agencies to consult with NMFS on all actions that may adversely affect Essential Fish Habitat (EFH). NMFS is required to make EFH conservation recommendations, which may include measures to avoid, minimize, mitigate, or otherwise offset adverse effects.

NMFS is concerned that the applicant has not responded to guidance from the Corps (consistent with recommendations from NMFS and other resource agencies) to complete a more detailed evaluation of upland disposal alternatives. As we noted in previous correspondence regarding this project, the disposal of contaminated dredged material in Gastineau Channel would subject crabs, fish, and other marine life to adverse effects from elevated levels of mercury in the sediment. The applicant should analyze alternatives, including capping as well as upland disposal alternatives, to help identify the least environmentally damaging practicable alternative. In accordance with Section 305(b)(4)(A) of the Magnuson-Stevens Act, NMFS makes the following EFH conservation recommendations:

1. Evaluate the three Yacht Club disposal alternatives that CBJ and PND discussed with the Environmental Protection Agency (EPA) in July 2010.

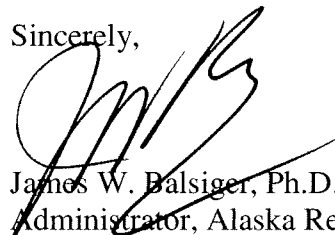


2. Evaluate options for upland and/or nearshore disposal at the Juneau Rock Dump.
3. Evaluate other upland disposal options, such as use of a combination of sites, as suggested in the NMFS letter dated September 9, 2010. Options evaluated should include the feasibility of acquisition and/or use of lands not currently under CBJ ownership.
4. Conduct Tier IV testing using guidance provided in the EPA and Corps Inland Water Testing Manual if in-water disposal continues to be proposed. For example, conduct in situ tests of the layer to be exposed within the harbor using native organisms likely to colonize the sediment, and conduct risk assessment modeling.
5. Develop a detailed site specific dredged material capping plan, with the assistance of a qualified expert, using EPA and Corps technical capping guidance documents. The plan should include the basis for choosing a particular cap thickness and design, and should account for the potential effects of bioturbation and scour on cap integrity over time.
6. Evaluate the practicability of dredged material disposal and capping that uses contained confinement, which can be much more effective than capping unconfined material.
7. Develop long term monitoring and maintenance protocols to evaluate and maintain cap integrity and sediment confinement over time.

On February 4, 2010, NMFS recommended that the Corps deny the project as then proposed because it would have substantial and unacceptable impacts on aquatic resources of national importance as defined in part IV, Paragraph 3(b) of the Clean Water Act section 404(q) Memorandum of Agreement between our agencies. Our recommendation stands, although we continue to hope that this matter can be resolved by working together to identify an acceptable option for disposal of the contaminated material.

We look forward to continued discussions with the Corps on the proposed project. If you have questions, please contact Ms. Chiska Derr at Chiska.Derr@noaa.gov or by phone at (907) 586-7345.

Sincerely,



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

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