



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division
CEPOA-RD
Post Office Box 6898
JBER, Alaska 99506-0898

PUBLIC NOTICE DATE: 15 days
EXPIRATION DATE: July 25, 2014
REFERENCE NUMBER: POA-2012-875-M2
WATERWAY: Prudhoe Bay

Interested parties are hereby notified that a Department of the Army (DA) permit application has been received for work in waters of the United States (US) as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision.

Comments must be submitted to Mr. Harry A. Baij, Jr. at (907) 753-2784, toll-free from within Alaska at (800) 478-2712, or by e-mail at harry.a.baij@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Alaska Industrial Development and Export Authority (AIDEA), Attn. Matthew Narus, Project Manager, 813 West Northern Light Boulevard, Anchorage, Alaska 99503, e-mail address: mnarus@aidea.org, telephone: 907-771-3015.

PROJECT NAME: Interior Energy Project.

AGENT: HDR Alaska, Inc., Attn. Shannon Morgan, 2525 C Street, Suite 305, Anchorage, Alaska 99503, e-mail address: Shannon.Morgan@hdrinc.com, Telephone: 907-644-2021.

LOCATION: The proposed project is located in the North Slope Borough at Township 10 North, Range 14 East, Section 3, Umiat Meridian, within the Prudhoe Bay Unit (PBU) near Deadhorse, Alaska. The site is located along the north side of Spine Road between Drill Site 6 and Drill Site 14, at approximately Latitude 70.2473, Longitude -148.5654.

PURPOSE: AIDEA's stated purpose is to reduce heating fuel costs and improve air quality within Interior Alaska and the Fairbanks North Star Borough (FNSB) by making a supply of liquefied natural gas available on the North Slope of Alaska for overland transportation to the FNSB, to meet residential, commercial, and industrial demands.

PROPOSED WORK: Discharge 90,714 cubic yards of clean, unconsolidated local source gravel fill material into 4.19 acres of North Slope tundra wetlands. The total area of fill impacts in wetlands would increase from the currently permitted 11.52 acres, to 15.71 acres (See ADDITIONAL INFORMATION section below). The filling of wetlands would:

- 1) Increase the operations pad size to 800' x 810' (the outer dimensions of the existing permit area would not change, but additional fill would be placed to increase the pad size toward the Spine Road, between the authorized access roads);
- 2) Reduce the access road dimensions to 60 feet wide by 180 feet long and 60 feet wide by 310 feet long;
- 3) Construct a 135 foot by 25 foot gravel PIG launching pad;
- 4) Install 26 each, 8-inch diameter vertical support members on approximately 50-foot intervals in order to support a 1,100 linear foot long, 8-inch diameter feed gas pipeline; and
- 5) Increase the fill depth where necessary for slope grading and uneven topography.

All work would be performed in accordance with the enclosed plan (11 sheets [Figures 1 through 5.5], Figures 1, 2, 3, and 5 dated April 17, 2014; Figures 4.1 and 4.2 dated April 18, 2014; Figures 5.1, 5.2, 5.4 and 5.5 dated April 15, 2014; and Figure 5.3 dated April 8, 2014).

ADDITIONAL INFORMATION: The original DA permit, POA-2012-875, issued to Spectrum Alaska LLC in 2013, was transferred to AIDEA on June 17, 2014. The DA permit was subsequently modified, by DA permit POA-2012-875-M1, Prudhoe Bay, to change the restriction on gravel fill placement to protect migratory bird nesting from May 15 to August 15, to June 1 to August 1.

AIDEA's proposed second DA permit modification (POA-2012-875-M2, this action) would authorize a larger liquefied natural gas (LNG) facility than the original Spectrum Alaska LLC project permitted in 2013.

AIDEA originally applied for a DA permit (POA-2013-538, Prudhoe Bay) to construct an LNG facility approximately 0.75 miles to the east. Because of that site's close proximity to the Little Putuligayuk River and the other aquatic resources on-site and apparent consideration for the use of Spectrum Alaska LLC's authorized location for a similar purpose, AIDEA decided to acquire the Spectrum Alaska LLC site and request a DA permit transfer. Once the transfer of permit was completed AIDEA was able to request this DA permit modification to expand the authorized fill area to meet their larger LNG facility needs.

Currently, DA permit, POA-2012-875, Prudhoe Bay, (AIDEA) authorizes "placement of 88,656 cubic yards of clean gravel fill in 11.52 acres of jurisdictional wetlands for the construction of an 810' X 530' gravel pad and two driveways, one 60' X 446' and the other 60' X 575'."

Gravel fill material is planned to be obtained from PUT 23 which is an existing material source located in the Prudhoe Bay Operating Unit, approximately 7 miles from the project site.

The applicant's fill placement previously authorized under DA permit POA-2012, Prudhoe Bay, and that proposed herein would be as follows:

Table 1: Total Material Volumes by Location, Cubic Yards (CY), and Acres

Project Component	Excavation Volume Total (CY)	Permanent Wetland Impacts (Acres)	Fill Volume Total (CY)
Operations Pad	0	14.88	172,000
Access Road	0	0.74	6,570
Pipeline Vertical Support Members	80	0.01	80
Pigging Pad	0	0.08	720
Total	80	15.71	179,370
Total Currently Authorized	0	11.52	88,656
Proposed	80	4.19	90,714

Note: Excavation of earthen materials will not be regulated as a discharge by the US Army Corps of Engineers. Any discharge of excavated/dredged material would be regulated.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the US from activities involving discharges of dredged or fill material.

Avoidance: Because of the abundance of wetlands on the North Slope, and the project vicinity, avoiding all fill discharges into wetlands is not practicable. Avoidance measures proposed are:

- Pipeline vertical support members would be constructed using ice roads and an ice pad to reduce the need for temporary fill;

Minimization: Practicable minimization measures have been incorporated into the project location and design.

a. Minimizing direct impacts to wetlands would include:

- This LNG facility pad location was chosen based in part upon agency comments provided during permit evaluation. The review agencies preferred this pad location because it is not close to open water bodies;
- Minimizing the size of the gravel pad and access road by optimizing the facility design and equipment layout. The proposed design dimensions are the minimum size necessary to provide safe operations and meet required processing needs;
- Natural drainage patterns would be maintained by locating fill away from streams, and installing adequate quantities and sizes of cross-drainage culverts to avoid/minimize wetland ponding or drying; and,

b. Minimizing secondary impacts to wetlands or other resources would include:

- Avoiding ground disturbing construction activities during bird nesting season (June 1 to August 1) to prevent impacts to nesting birds;
- The access road and fill pad would have standard permafrost insulation depths (5 foot minimum) to maintain the integrity of the underlying permafrost; and,
- The pipeline construction would include a minimum of 7-feet above the ground surface to allow unrestricted passage of wildlife and prevent thermal impacts on the permafrost wetlands.

Compensatory Mitigation: For the unavoidable permanent impacts to 4.19 acres of wetlands, the applicant proposes to pay an in-lieu fee to The Conservation Fund. No compensatory mitigation is proposed for the temporary impacts related to construction activities, as they would occur in the winter season during frozen conditions.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217) has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties that exist in the vicinity of the worksite. Consultation of the AHRs constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. This application is being coordinated with the State Historic Preservation Office (SHPO) and the North Slope Borough (NSB). Any comments SHPO or the NSB may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work. No cultural resources were identified within the project area during field surveys conducted by the agent the week of September 2, 2013.

ENDANGERED SPECIES:

We have determined the described activity may affect, but is not likely to adversely affect polar bears (*Ursus maritimus*), Steller's eider (*Polysticta stelleri*) and spectacled eider (*Somateria fischeri*), and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). In a letter dated June 3, 2014, (to AIDEA's agent), the U.S. Fish and Wildlife Service concluded that the proposed action was not likely to adversely affect listed eiders or polar bears. Any further comments USFWS may have

concerning endangered or threatened wildlife or plants or their critical habitat in the additional proposed fill area will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). We have determined the described activity would not adversely affect EFH in the project area. No fish-bearing open water areas would be impacted by the proposed project.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authority:

(X) Discharge dredged or fill material into waters of the United States – Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' file number **POA-2012-875-M2, Prudhoe Bay**, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.