1. PURPOSE AND NEED FOR AGENCY ACTION

1.1 Introduction

On December 5, 2008, Alaska Railroad Corporation (ARRC or the Applicant) filed a petition with the Surface Transportation Board (STB or the Board) pursuant to 49 U.S. Code (U.S.C.) 10502 and 10901 for the authority to construct and operate approximately 30 to 45 miles of rail line to connect the Port MacKenzie District in Matanuska-Susitna Borough (MSB) to a point on the existing ARRC main line between Wasilla and just north of Willow, Alaska (See Section 1.5.1 for more information on the Board's authority). Referred to as the Port MacKenzie Rail Extension, the proposed rail line would provide a rail connection for freight services between Port MacKenzie and Interior Alaska. The port facility is owned and operated by MSB and MSB is a co-sponsor of the proposed rail line.

As shown in Figure 1-1, which presents various routing alternatives, the southern terminus of the proposed rail line extension would be in the Port MacKenzie District, and the northern terminus would be at one of four locations along the existing ARRC main line, depending on alternative. The southern terminus would be approximately 2 or 3 miles from the Port MacKenzie docks, depending on alternative. In addition to constructing the rail line, the Applicant would construct other structures (such as access roads, sidings, and communications towers) to support rail line operations. The anticipated train traffic would be two trains daily – one train traveling in each direction.

1.1.1 Existing Port Facilities and Activity

Port MacKenzie is an existing deepwater port on the north side of Knik Arm. It lies approximately 30 miles southwest of Wasilla and 5 miles north of Anchorage across Knik Arm. Port Mackenzie's deep-draft dock has a depth of 60 feet at the mean lower low water (tidal measurement that represents the 19-year average of the lower low water height of each tidal day) (NOAA, 2009). With this water depth, it can serve some of the largest vessels in the world including Capesize and Panamax vessels, which can have approximately 40- to 90-foot drafts. Capesize vessels are too large to pass through the Panama Canal and only a small number of deep-water ports can accommodate them. Panamax vessels, the largest vessels that can pass through the Panama Canal, are over 1,000 feet long, over 100 feet wide, and have a maximum cargo tonnage of approximately 50,000. In addition, the port is surrounded by 8,940 upland acres,[1] which are available for commercial or industrial development, and 1,300 tideland acres (collectively called the Port MacKenzie District).

To address its market opportunities, Port MacKenzie has published tariff rates for a variety of materials including bulk commodities, containers, iron or steel materials, vehicles and heavy equipment, and mobile or modular buildings. The Port's current customers include shippers of wood chips, saw logs, sand/gravel, cement, and scrap metal. Ship traffic was irregular at Port MacKenzie from 2005 through 2008, ranging from no ships to six ships per year. In August of

[1] Upland refers to all non-tidal areas and can include features such as wetlands.

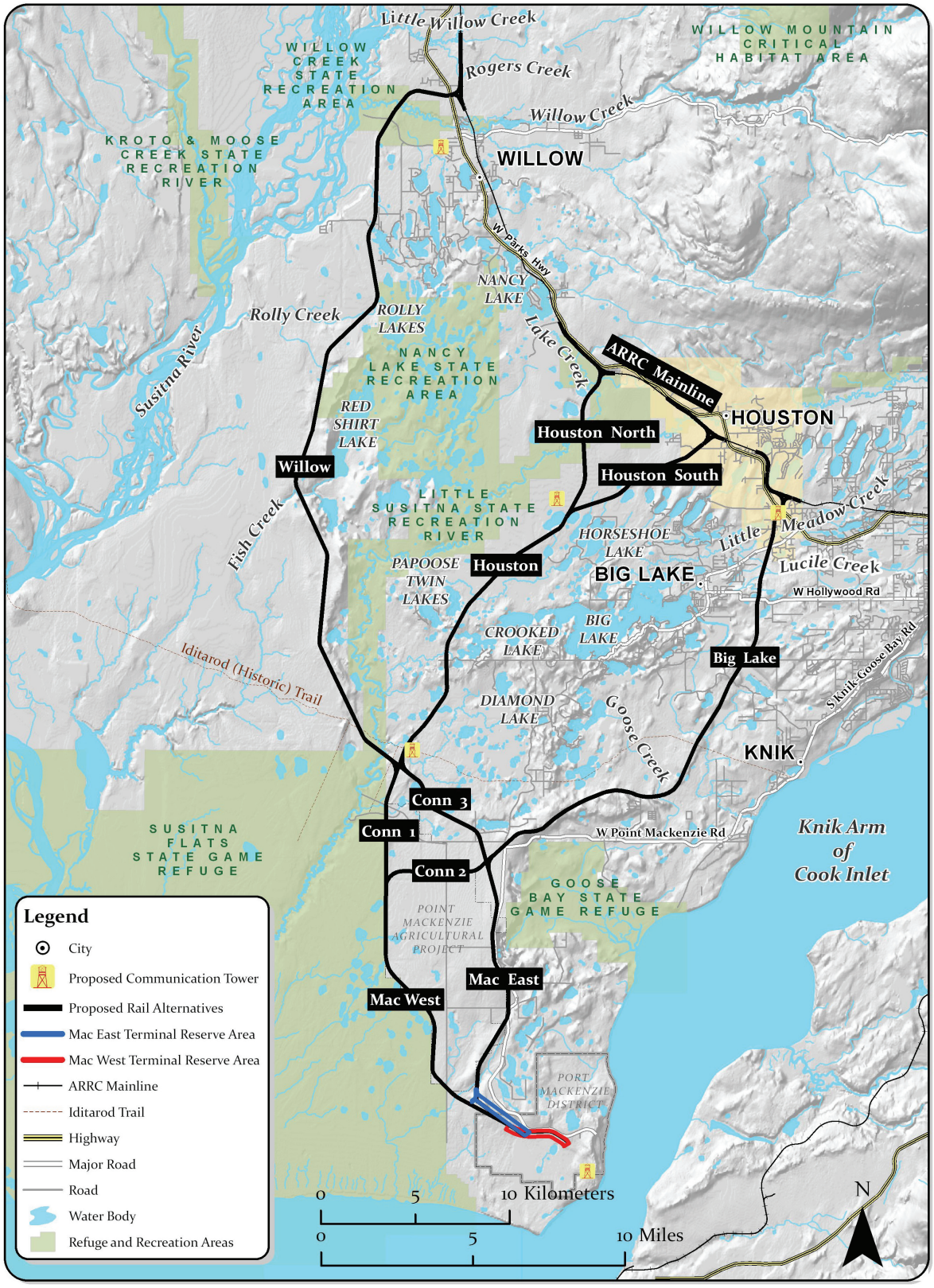

Figure 1-1. Overview of Proposed Port MacKenzie Rail Extension Route Alternatives

2008, there were also 185 barges associated with gravel transportation for ongoing development at the Port of Anchorage (Van Dongen, 2009b).

1.1.2 Previous Port and Rail Planning Studies

MSB began investigating the development of Port MacKenzie and supporting infrastructure, including a rail line, in the 1970s. In 1993, MSB established the port district area and designated the land for development, including development of Port MacKenzie, in the MSB Coastal Management Plan. A rail extension to Port MacKenzie has always been part of previous planning studies, which have noted that good surface transportation access would be necessary to accommodate growth at Port MacKenzie and to develop it as a strong economic driver in MSB. At present, Port MacKenzie is only connected to the transportation network via roads.

The 1997 MSB Long Range Transportation Plan (MSB, 1997) described the need for rail and improved road access to Port MacKenzie. In 2003, MSB completed a preliminary study of road and rail corridor alternatives that would connect Port MacKenzie to the Alaska Railroad (MSB, 2003). In 2007, the State of Alaska granted MSB an appropriation to perform conceptual engineering and environmental documentation for the Port MacKenzie Rail Extension, which resulted in publication of the Preliminary Environmental and Alternatives Report (ARRC, 2008). Subsequently, MSB requested ARRC to investigate providing rail service to Port MacKenzie. MSB intends to secure additional state funding for the proposed rail line.

1.2 Purpose and Need

The Applicant has stated that the purpose of the proposed rail line is to provide rail service to Port MacKenzie and connect the Port with the existing ARRC rail system, providing Port MacKenzie customers with rail transportation between Port MacKenzie and Interior Alaska.

According to the Applicant, Port MacKenzie is the closest deep-water port to Interior Alaska and has capacity to handle bulk commodities. The Port's market includes bulk commodities (e.g., wood chips, saw logs, sand/gravel, and cement), iron or steel materials (e.g., scrap metal), vehicles and heavy equipment, and mobile or modular buildings. The nearest other port in the area is the Port of Anchorage, which is an additional 35 highway/rail miles from the Alaska interior. The Applicant notes that the Port of Anchorage currently has no capacity for dry bulk materials export. The required room for bulk rail unloading (unit train rail loop arrangements) does not exist, nor does the Port of Anchorage presently have the capacity to handle the loading of dry bulk materials into ships. Available space for stockpile and handling of bulk materials is also limited.

In contrast to the limited available space and bulk handling capabilities at the Port of Anchorage, Port MacKenzie is situated on nearly 9,000 acres of land, and has existing dockside bulk materials loading capacity with a conveyor system to move materials from existing stockpile staging areas to the docks. The dredge-free draft of the port is in excess of 60 feet, providing the ability to load nearly any sized vessel. Unlike similar port facilities that serve Panamax and Capesize vessels, Port MacKenzie does not have rail service. At present, freight truck is the only available mode of surface transportation for bulk materials and other freight to and from Port MacKenzie. Trucks, as compared to rail, are inefficient for bulk commodity movements and

generally are used for short-haul movements in that context. Bulk commodity shippers, which already have access to the existing ARRC network, utilize a combination of rail and transload to truck 30 miles away for final delivery to Port MacKenzie. However, such intermediate movements and handling requirements are not efficient and impose increased costs to the shipper and consumer due to multiple handling of materials between transportation modes. The Applicant states that the cost for intermediate transloading from rail to truck, and the additional truck ton-mile cost for final delivery, actually places Port MacKenzie at a significant disadvantage to other regional ports with rail service.

For example, a railroad can move one ton of freight 457 miles on a gallon of diesel fuel, compared to 133 miles for a truck.[2] The Federal Railroad Administration compared overall fuel efficiency of rail and truck transport on 23 competitive corridors throughout the nation and concluded that, in all cases, moving freight by railroad was more fuel efficient than by truck.[3] The report concluded that, "rail fuel efficiency varies from 156 to 512 ton-miles per gallon, truck fuel efficiency ranges from 68 to 133 ton-miles per gallon." Both efficiency in handling and efficiency in fuel use translate into substantial cost savings for freight shipped via rail transport rather than transport by truck over the highway.

Because of the economics and efficiencies offered by direct rail service, the Applicant anticipates that bulk commodity movements to and from the Port would likely be by rail if such an option were available. The proposed rail line would thus provide Port MacKenzie's customers with multi-modal options for the movement of freight to and from the Port similar to that offered by other ports handling large vessels. The proposed project would also support ARRC's statutory goal to foster and promote long-term economic growth and development in the State of Alaska.

1.3 Project Context

The proposed rail line would end at a terminal reserve (rail yard) approximately 2 or 3 miles, depending on the route that is authorized, from the existing Port MacKenzie docks. Rail facilities that Port MacKenzie might construct to connect to the rail line extension would depend on specific traffic needs and would be expected to be generally consistent with Port MacKenzie master planning documents. These facilities might include buildings, roads, industrial spurs, sidings, loading/unloading tracks, and other associated facilities throughout the upland portions of the Port MacKenzie District.

According to MSB, it will develop additional facilities to support Port MacKenzie's growth, with or without the proposed rail line. At present, MSB is constructing a bulk materials facility at Port MacKenzie to provide expanded facilities to handle bulk material cargo to be transported to Port MacKenzie by truck, independent of the proposed rail line. The facilities include upgrades to truck roads, staging, and storage areas.

ARRC expects the proposed rail line to result in the diversion of some bulk materials from truck to rail. However, a portion of bulk materials going to or from Port MacKenzie would continue to travel by truck regardless of the proposed rail line because of the short distances involved or

[2] http://www.aar.org/Environment/Environment.aspx.
[3] Federal Railroad Administration, Comparative Evaluation of Rail and Truck Fuel Efficiency on Competitive Corridors, Final Report November 19, 2009.

logistics (e.g., shippers lacking access to or transload facilities with the existing rail line). MSB has stated that as it continues to plan for the bulk materials facility and future Port MacKenzie development, it will consider the location of ARRC's proposed rail line in its decisionmaking.

1.4 National Environmental Policy Act Process

The Board is the agency responsible for granting the authority to construct and operate proposed rail lines and associated facilities (see Section 1.5.1 for more detail). Accordingly, the Board, through its Section of Environmental Analysis (SEA), is the lead agency responsible under the National Environmental Policy Act (NEPA) for preparing this Environmental Impact Statement (EIS) to identify and evaluate potential environmental impacts associated with the proposed action and alternatives. The proposed action is to construct and operate a rail line extension from Port MacKenzie to the existing ARRC main line between Wasilla and just north of Willow, Alaska. Under the build alternatives, the proposed rail line would follow one of several routes. Under the No-Action Alternative, ARRC would not construct the proposed rail line.

Three Federal agencies are cooperating in the preparation of this Draft EIS pursuant to Council on Environmental Quality (CEQ) NEPA implementing regulations at 40 Code of Federal Regulations (CFR) 1501.6. CEQ regulations emphasize agency cooperation early in the NEPA process and allow a lead agency (in this case, the Board) to request the assistance of the other agencies with either jurisdiction by law or special expertise in matters relevant to preparing this Draft EIS. Table 1-1 lists each cooperating agency and describes its roles and responsibilities.

Table 1-1
Cooperating Agency Involvement in the Port MacKenzie Rail Extension EIS

Federal Railroad Administration	Could provide funding to ARRC for rail line construction or operations.
U.S. Army Corps of Engineers	Could issue a Section 404 Clean Water Act permit and/or a Section 10 Rivers and Harbors Act permit.
U.S. Coast Guard	Could issue bridge permits.

SEA and the cooperating agencies (collectively the Agencies) prepared this Draft EIS in accordance with NEPA, CEQ regulations, and the Board's environmental regulations (49 CFR 1105) to provide the Board; the cooperating agencies; other Federal, state, and local agencies; Alaska Natives; and the public with information on the potential environmental impacts of the proposed action and alternatives, including the No-Action Alternative. While much of this Draft EIS generally refers only to SEA, the document reflects input from all three cooperating agencies.

The Agencies also prepared this Draft EIS in accordance with Federal Railroad Administration (FRA) NEPA guidance at 64 CFR 28545; U.S. Army Corps of Engineers NEPA-implementing regulations at 33 CFR 230; and U.S. Coast Guard COMDTINST M16475.1D—NEPA-Implementing Procedures and Policy for Considering Environmental Impacts.

SEA is issuing this Draft EIS for public review and comment. SEA will consider all comments received on this Draft EIS and respond to all substantive comments in a Final EIS. The Final EIS will include final recommended environmental mitigation conditions, as applicable. The

Board will consider the entire environmental record, the Draft and Final EISs, all public and agency comments, and SEA's environmental recommendations in making its final decision on whether to authorize the construction and operation of the proposed Port MacKenzie Rail Extension.

The Board will decide whether to approve, approve with conditions (which could include conditions designed to mitigate impacts on the environment), or deny the Applicant's request for a license to construct and operate a proposed rail line from the Port MacKenzie District to the existing main line to the north. The cooperating agencies that could issue individual decisions concerning the proposed action could use information in the EIS for decisionmaking purposes.

1.5 Agency Responsibilities

This Draft EIS is intended to give the STB, FRA, U.S. Army Corps of Engineers, and U.S. Coast Guard the information they would need to exercise their statutory responsibilities related to the proposed action. These agencies could make decisions concerning the proposed action and alternatives and could use this Draft EIS for the disclosure and analysis of potential environmental impacts related to those decisions. Sections 1.5.1 and 1.5.2 describe the roles of the lead and cooperating agencies. Additional Federal agencies have environmental review and oversight responsibilities for the proposed rail line. Section 1.5.3 briefly describes these agencies and their responsibilities. Appendix A contains correspondence between the lead agency and other Federal, state, and local agencies.

1.5.1 Lead Agency

The STB, pursuant to 49 U.S.C. 10901 and 10502, is the agency responsible for authorizing the construction of proposed rail line and associated facilities and their subsequent operation. The STB is a bipartisan, decisionally independent adjudicatory body, organizationally housed within the U.S. Department of Transportation (USDOT). The ICC [Interstate Commerce Commission] Termination Act of 1995 (49 U.S.C. 10101 *et seq.*; Public Law 104-88, December 29, 1995) established the STB to assume some (but not all) functions of the ICC, particularly those related to the regulation of freight rail lines.

The construction and operation of rail lines require prior Board authorization either through issuance of a certificate under 49 U.S.C. 10901 or, as requested here, by granting an exemption under 49 U.S.C. 10502 from the formal application procedures of section 10901. Section 10901(c) as amended by the ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803 (1995) (ICCTA) is a permissive licensing standard. It now directs the Board to grant rail line construction proposals "unless" the Board finds the proposal "inconsistent with the public convenience and necessity [PC&N]." Thus, Congress made a presumption that rail construction projects are in the public interest unless shown otherwise. See Mid States Coalition for Progress v. STB, 345 F.3d 520, 552 (8th Cir. 2003); Alaska Railroad Corporation - Construction and

Operation Exemption – Rail line Between North Pole and Delta Junction, Alaska, STB Finance Docket No. 34658 (STB served January 5, 2010),[4] slip op. at 5.

Under 49 U.S.C. 10502, the Board must exempt a proposed rail line construction from the detailed application procedures of 49 U.S.C. 10901 when it finds that: (1) those procedures are not necessary to carry out the rail transportation policy (RTP) of 49 U.S.C. 10101; and (2) either (a) the proposal is of limited scope, or (b) the full application procedures are not necessary to protect shippers from an abuse of market power.

The STB has jurisdiction over rail line rate and service issues, and rail structuring transactions, such as proposed line construction, line sales, line abandonments, and rail line mergers. Accordingly, the STB, through SEA, is the lead agency responsible for preparing this Draft EIS.

1.5.2 Cooperating Agencies

1.5.2.1 Federal Railroad Administration

The FRA administers rail line assistance programs and consolidates government support of rail transportation activities. The FRA develops and enforces rail line safety regulations and would enforce these regulations on ARRC's proposed rail line. Although no funding requests have been submitted to date, the FRA anticipates that ARRC might apply for a grant to help fund the Port MacKenzie Rail Extension project; and therefore, has become a cooperating agency. The USDOT regulation known as "Section 4(f)" (23 CFR 774) applies to this proceeding because of a potential grant request and the involvement of the FRA as a cooperating agency. Based on the provisions of this regulation, the FRA would not be permitted to provide funding for any STB authorized alternative that would involve the use of a Section 4(f) property, unless the impacts would be *de minimus*, or there were no prudent and feasible alternatives that avoided Section 4(f) properties. FRA intends to use this EIS to fulfill its NEPA requirements associated with a potential decision to fund the project. See Appendix M of this Draft EIS for more detail about Section 4(f) resources.

1.5.2.2 U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers, under Section 404 of the Clean Water Act of 1977 (33 U.S.C. 1251 *et seq.*), has jurisdiction over activities that would result in the discharge of dredge or fill material into waters of the U.S., including lakes, rivers, streams, oxbows, ponds, and wetlands. Activities that affect these systems require a Section 404 permit from the Corps of Engineers. Construction of the proposed rail line would impact waters of the U.S.; therefore, the Applicant would have to obtain a Section 404 permit prior to commencing project construction.

[4] Congress had first relaxed the section 10901 standard in the Staggers Rail Act of 1980, Pub. L. No. 96-448, 96 Stat. 1895 (1980). Before 1980, the Interstate Commerce Commission (ICC), our predecessor, had been directed to scrutinize rail construction proposals closely to prevent excess rail capacity. The ICC was to issue a license only if it found that the PC&N "require" the construction. See former 49 U.S.C. 10901(a) (1978); see, e.g., Chesapeake & Ohio Ry. v. United States, 283 U.S. 35, 42 (1931). In the Staggers Act, Congress made it easier to obtain agency authorization for a new line by providing that the ICC need only find that the PC&N "permit," as opposed to "require" the proposed new line. See former 49 U.S.C. 10901(a) (1995); H.R. Rep. No. 1430, 96th Cong., 2d Sess. 115-16 (1980), reprinted in 1980 U.S.C.C.A.N. 4147-48. With the ICCTA, Congress completed its policy shift, directing that the Board "shall" issue construction licenses "unless" the agency finds a proposal "inconsistent" with the PC&N. See 49 U.S.C. 10901(c).

In addition, the Corps of Engineers is responsible for activities that could affect navigable waters of the U.S., pursuant to Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403). Section 10 requires any entity proposing to perform work or place a structure in, over, or under a navigable water to obtain a Section 10 permit from the Corps of Engineers prior to commencing the activity. Construction of the proposed rail line would involve crossing navigable waters of the U.S.; therefore, the Applicant would have to obtain a Section 10 permit prior to commencing project construction.

The Army Corps of Engineers could use this EIS to fulfill its NEPA requirements associated with permit evaluation under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act.

1.5.2.3 U.S. Coast Guard

The Coast Guard, under Section 9 of the Rivers and Harbors Act of 1899 (33 U.S.C. 401 *et seq*.), the General Bridge Act of 1946, as amended (60 Stat. 847; 33 U.S.C. 525 *et seq*.), and the Department of Transportation Act of 1966 (Public Law 89-670, 80 Stat. 931–950; 49 U.S.C. 1651–1659), has authority for approval of bridges over navigable waters of the U.S. The Coast Guard is responsible for assessing the navigational and environmental impacts of constructing, maintaining, and operating the proposed bridges associated with the Port MacKenzie Rail Extension. This assessment would be a component of the Coast Guard review of whether to issue bridge permits under Section 9 of the Rivers and Harbors Act. The Coast Guard intends to use this EIS to fulfill its NEPA requirements associated with any decision to grant bridge permits.

1.5.3 Other Federal Agencies

1.5.3.1 U.S. Environmental Protection Agency

The U.S. Environmental Protection Agency (USEPA) has broad oversight and implementing responsibility for many Federal environmental laws, including the:

- Clean Air Act
- Clean Water Act
- Comprehensive Environmental Response, Compensation, and Liability Act
- Toxic Substances Control Act
- Resource Conservation and Recovery Act

The USEPA also provides guidance on compliance with certain Executive Orders, including Executive Order 12898, *Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations*; 11990, *Protection of Wetlands*; and 11988, *Floodplain Management*. Under Section 309 of the Clean Air Act (42 U.S.C. 7609), the USEPA reviews and comments on the environmental impacts of major Federal actions for which an agency prepares an EIS under NEPA. The USEPA Office of Federal Activities, which is responsible for reviewing EISs, evaluates and comments on the quality of analysis in this Draft EIS and the extent of the proposal's impact on the environment. The USEPA also announces the

availability of any Draft EIS for public comment in the *Federal Register*. SEA will consider the USEPA evaluations and comments on this Draft EIS in the Final EIS.

1.5.3.2 Advisory Council on Historic Preservation

The Advisory Council on Historic Preservation administers the National Historic Preservation Act (Public Law 89-665, October 15, 1966; 16 U.S.C. 470 *et seq.*), which requires Federal agencies to consider the effects of their actions on historic and cultural resources. Under the National Historic Preservation Act, the STB consults with the appropriate State Historic Preservation Officer. For the proposed action and alternatives, the STB has consulted and will continue to consult with the State Historic Preservation Officer at the Alaska Office of History and Archaeology, a part of the Alaska Department of Natural Resources (ADNR).

The Advisory Council is an independent Federal agency created under the authority of the National Historic Preservation Act. It is responsible for advocating consideration of historic values in agency decision making, issuing regulations to implement Section 106 of the National Historic Preservation Act, and reviewing Federal programs and policies to further historic preservation. SEA will consult with the Advisory Council as necessary.

SEA has developed a draft Programmatic Agreement (PA) for the proposed action that would govern the completion of the Section 106 process if the proposed rail line is authorized by the Board and the rail line is built. SEA has provided the draft PA for review as Appendix J of the Draft EIS.

The Advisory Council on Historic Preservation also is responsible for ensuring that projects are in compliance with other requirements concerning historic and cultural resources. These include the Archaeological Resource Protection Act, the Native American Graves Protection and Repatriation Act, the American Indian Religious Freedom Act, and Executive Orders requiring consultation with Native American Tribes.

1.5.3.3 U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service is the Federal agency with primary expertise in fish, wildlife, and natural resources issues. The Fish and Wildlife Service is responsible for implementation of the Endangered Species Act (7 U.S.C. 136; 16 U.S.C. 1531 *et seq.*) and, through its field offices, for consulting with other Federal agencies on potential impacts to threatened and endangered species.

Under Section 7 of the Endangered Species Act, the Fish and Wildlife Service is responsible for the review of Federal agency actions and potential impacts to terrestrial and freshwater threatened and endangered species, and could issue a determination, in the form of a biological opinion, that details projected impacts to threatened and endangered species in the area of a proposed agency action. The STB is responsible for initiating Section 7 consultation with the Fish and Wildlife Service. SEA has consulted and will continue to consult with the Fish and Wildlife Service as necessary during the EIS process, and is providing the Fish and Wildlife Service this Draft EIS for review and comment.

1.5.3.4 National Marine Fisheries Service

Under Section 7 of the Endangered Species Act, the National Marine Fisheries Service is responsible for the review of Federal agency actions and potential impacts to threatened and endangered marine and anadromous fish species, and could issue a determination, in the form of a biological opinion, that details projected impacts to threatened and endangered species in the area of a proposed agency action. The STB is responsible for initiating Section 7 consultation with the National Marine Fisheries Service. SEA has consulted and will continue to consult with the National Marine Fisheries Service as necessary during the EIS process. The National Marine Fisheries Service has requested an assessment of the potential impacts of the proposed Port MacKenzie Rail Extension on the Cook Inlet beluga whale. SEA has completed a draft Biological Assessment and has included the draft as Appendix H of this Draft EIS.

Under the Marine Mammals Protection Act (16 U.S.C. 1361 *et seq.*), the National Marine Fisheries Service is responsible for the review of Federal agency actions that may cause "take" of marine mammals protected under the act.

The Magnuson-Stevens Fishery Conservation and Management Act (Public Law 94-265) requires that Federal agencies consult with the National Marine Fisheries Service on Federal actions that could adversely affect Essential Fish Habitat (50 CFR 600.905–930). The Act requires coordination between the STB and the National Marine Fisheries Service to protect, conserve, and enhance Essential Fish Habitat. The National Marine Fisheries Service has requested an assessment of the potential effect of the Port MacKenzie Rail Extension on Essential Fish Habitat in the area of the proposed action and alternatives. SEA has completed a draft Essential Fish Habitat Assessment and has included the draft assessment as Appendix G of the Draft EIS. SEA will continue to consult with the National Marine Fisheries Service as necessary and is providing it this Draft EIS for review.

1.6 Scoping and Public Involvement

1.6.1 Scoping Notice and Public Meetings

On February 12, 2008, SEA published the Notice of Intent to Prepare an EIS, Draft Scope of Study, Notice of Scoping Meetings, and Request for Comments (73 *Federal Register* [*FR*] 8106). SEA distributed a letter to more than 7,700 citizens; elected officials; Federal, state, and local agencies; tribal organizations; and other potentially interested stakeholders to introduce the Port MacKenzie Rail Extension Project; announce SEA's intent to prepare an EIS; request comments; and give notice of six public scoping meetings. The distribution encompassed the communities surrounding the proposed action and alternatives and groups outside the project area that could have an interest in the Project. SEA also posted meeting notices in public locations (such as post offices, grocery stores, and restaurants) in the project area and initiated a toll-free project hotline. SEA also provided project information on the STB Web site at www.stb.dot.gov and on an STB-sponsored project Web site at www.stbportmacraileis.com. SEA placed notices of the scoping meetings in several newspapers, including the *Frontiersman*, the *Talkeetna Times*, and the *Anchorage Daily News*.

SEA held public scoping meetings in Knik, Big Lake, Willow, Houston, Wasilla, and Anchorage, Alaska, on March 3, 4, 5, 6, 10, and 11, 2008, respectively. SEA used a workshop format to allow attendees to provide comments to and ask questions of SEA. Approximately 146 citizens, representatives of organizations, elected officials, and officials from Federal, state, and local agencies attended the meetings. Some attendees submitted written comments during the meetings, and SEA received additional scoping comment letters during the scoping comment period, which closed on March 21, 2008.

SEA considered agency and public input received during the scoping process and on July 17, 2009 issued the final scope of study for this Draft EIS. SEA published the final scope of study in the *Federal Register*, placed it on the STB and project Web sites, and mailed an announcement of the availability of the final scope of study to approximately 8,000 individuals, agencies, and other interested parties on the SEA project mailing list. The final scope of study summarized the comments received and potential impacts to be analyzed.

In short, as part of the environmental review process to date, SEA has conducted broad public outreach activities to inform the public about the proposed action and to facilitate public participation. SEA consulted with and will continue to consult with Federal, State of Alaska, and local agencies, tribal organizations, affected communities, and all interested parties to gather and disseminate information about the proposed project.

1.6.2 Tribal and Government-To-Government Consultation

SEA consulted with Federally Recognized Tribes and other tribal organizations during the preparation of this Draft EIS (see Appendix B). Prior to issuing the Notice of Intent to Prepare an EIS, SEA informed tribal organizations of the proposed Port MacKenzie Rail Extension and requested comments on the project. SEA also contacted the following Federally Recognized Tribes, tribal groups, and Alaska Native Regional Corporations for input in the development of the Government-to-Government Consultation and Coordination Plan:

- Chickaloon Village Traditional Council
- Chickaloon-Moose Creek Native Association, Incorporated
- Cook Inlet Region, Incorporated
- Eklutna, Incorporated
- Knik Tribal Council
- Knikatnu, Incorporated
- Native Village of Eklutna
- Native Village of Tyonek
- Tyonek Native Corporation

The plan describes the objectives and approach to the consultation process and provided an opportunity for the recipients to indicate how they wanted to participate further in government-to-government coordination for the proposed project.

After sending consultation letters and following up with phone calls, SEA received completed questionnaires from Knikatnu, Incorporated and the Native Village of Eklutna. Both

organizations asked to continue to receive project information by mail and to participate in the public involvement process.

1.6.3 Request for Comments on the Draft EIS

SEA encourages the public and any interested parties to submit written comments on all aspects of this Draft EIS. SEA will consider all comments in preparing the Final EIS, which will include responses to all substantive comments, SEA's final conclusions on potential impacts, and SEA's final recommendations. All comments on the Draft EIS must be submitted within the prescribed comment period, which closes on May 10, 2010. When submitting comments on the Draft EIS, SEA encourages commenters to be as specific as possible and substantiate concerns and recommendations.

Mail written comments on the Draft EIS to:

David Navecky
Surface Transportation Board
395 E Street, SW
Washington, DC 20423
Attention: Environmental Filing
STB Finance Docket No. 35095

Commenters also may submit comments electronically. Comments submitted electronically will be given the same attention as mailed comments. Persons who submit comments electronically do not have to also send those comments by mail. Environmental comments may be filed electronically on the STB Web site at www.stb.dot.gov by clicking on the "E-FILING" link. By selecting "Environmental Comments" after the link, individuals will not be required to log in to submit their comments. Comments can be typed into the online form provided, or attached as Microsoft Word®, Corel Word Perfect®, or Adobe® Acrobat® files. Written comments on the Draft EIS, which was served March 16, 2010, must be postmarked by May 10, 2010. Electronically-filed comments must be received by May 10, 2010.

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

Additional information about the project can be obtained by calling the SEA toll-free number at 1-888-257-7560 (telecommunications device [TDD] for the hearing impaired is 1-800-877-8339).

This Draft EIS is also available on the STB Web site at www.stb.dot.gov and on the project Web site at www.stbportmacraileis.com.

1.6.4 Public Comment Meetings

In addition to receiving written comments on the Draft EIS, SEA will host public meetings. SEA involved the cooperating agencies in planning and conducting the public meetings. SEA and the cooperating agencies are holding six public meetings on the Draft EIS during which interested

parties may make oral comments in a formal setting and/or submit written comments. SEA will begin each meeting with a brief overview of the proposed action and environmental review process. The overview will be followed by a formal comment period during which each interested individual will be given several minutes to address the meeting participants and convey his or her oral comments. A court reporter will be present to record these oral comments. If time permits, the court reporter will be available at the conclusion of the formal segment of the meeting to record oral comments from individuals not interested in addressing the meeting as a whole. Meetings will be held at the following dates, times, and locations:

- April 6, 2010, 6:30-8:30 pm at Wilda Marston Theater, 3600 Denali Street, Anchorage, AK
- April 7, 2010, 6:30-8:30 pm at Big Lake Elementary School, 3808 South Big Lake Road, Big Lake, AK
- April 8, 2010, 6:30-8:30 pm at Menard Sports Center, 1001 S Mack Drive Wasilla, AK
- April 12, 2010, 6:30-8:30 pm at Houston Middle School, 12801 W. Hawk Lane, Houston, AK
- April 13, 2010, 6:30-8:30 pm, at Willow Community Center, Mile 70 Parks Highway, Willow, AK
- April 14, 2010, 6:30-8:30 pm, at Knik Elementary School Gym, 6350 Hollywood Boulevard, Wasilla, AK

Following the close of the comment period on the Draft EIS (May 10, 2010), SEA and the cooperating agencies will issue a Final Environmental Impact Statement (Final EIS) that considers comments on the Draft EIS. The Board will then issue a final decision based on the Draft and Final EISs and all public and agency comments in the public record for this proceeding. The final decision will address the transportation merits of the proposed project and the entire environmental record. That final decision will take one of three actions: approve the proposed project, deny it, or approve it with mitigation conditions, including environmental conditions.

1.7 Draft EIS Organization and Format

This Draft EIS is organized in a manner consistent with NEPA and CEQ NEPA implementing regulations at 40 CFR 1502.10. It is intended to provide clear and concise information on the proposed action and alternatives to agency decisionmakers and the public. This Draft EIS describes the proposed action and alternatives, existing environmental conditions, and potential environmental impacts associated with the proposed action and alternatives. The Table of Contents lists chapters and specific topics within chapters to help readers find topics of interest. The Table of Contents lists tables and figures numerically by the chapter in which they appear. The Index at the end of the main body of this Draft EIS more specifically identifies the locations of topics of interest. Appendices are lettered and are provided in alphabetical order after the main body of this Draft EIS.

Analyses in this document address proposed activities associated with construction and operation of proposed rail line and associated facilities and their potential environmental impacts, as

appropriate. This Draft EIS reports potential direct and indirect impacts from construction and operation of the proposed rail line and associated facilities, and for the No-Action Alternative, the potential direct and indirect impacts of not implementing the proposed action. Impact areas addressed include geology and soils, water resources, biological resources, cultural and historic resources, subsistence, air quality, noise and vibration, energy, transportation safety and delay, navigation, land use, socioeconomics, and environmental justice.

This Draft EIS also addresses potential cumulative impacts to the environment that would result 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.