



National Marine Fisheries Service  
 P.O. Box 2166L  
 Juneau, Alaska 99802-1668

February 28, 1994

Mr. Don Kohler  
 Chief, Permit Processing Section  
 Regulatory Branch  
 Alaska District, Corps of Engineers  
 P.O. Box 898  
 Anchorage, Alaska 99506-0898

RE: Zimovia Strait 87  
 2-880483

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REGULATORY FUNCTIONS BRANCH  
 Alaska District, Corps of Engineers

Attn: Houston Hannafious

Dear Mr. Kohler:

Reference is made to the subject public notice dated December 30, 1993, about an application for a Department of the Army permit. The applicant, Alaska Pulp Corporation, requests authorization to place fill material on tidelands in Zimovia Strait near Wrangell, Alaska. After issuance of the public notice, the applicant prepared and submitted new information concerning the permit application. We were informed by the Corps of Engineers, letter dated January 28, 1994, that the comment period for this public notice is extended to February 28, 1994.

We are concerned that the future of the mill may be especially uncertain at this time. Because the applicant closed its pulp mill at Sitka, Alaska, the USDA Forest Service may cancel the long-term contract which provides the applicant timber. Due to economic uncertainty, this project may be started and not completed. To avoid potential environmentally damaging construction activities becoming long term situations, the applicant should provide a financial guarantee, such as a performance bond, issued by a reputable bonding company to guarantee completion of the project. The performance bond (in an amount adequate to complete the project) should be posted before construction begins. The use of performance bonds as a means of ensuring compliance with a permit's special conditions is specifically authorized in the Corps regulatory program at Section 325.4(d) of Title 33 of the Code of Federal Regulations.

Our agency along with representatives from the Environment Protection Agency, U.S. Fish and Wildlife Service, Alaska Department of Fish and Game, and the Corps of Engineers discussed the proposed project with the applicant's agent, Mr. Thomas R. Hanna. Because of those discussions, several aspects were changed, clarified, or added to the project. The revised project as described in the material presented by Mr. Hanna (dated December 13, 1993, January 21, 1994, February 4, 1994, and February 14, 1994), will reduce adverse effects, on those living marine resources for which we are responsible, from the project described in the September 8, 1993, public notice.



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Previous permit applications to fill this area were controversial because of the location, kind of fill material proposed for use, and size of the area to be filled. The current proposal will use a mixture of half rock and half wood debris from Mt. Seley. No newly generated wood waste or wood waste from other areas would be used except wood waste now in the intertidal area adjacent to the project location. Further, the project size is reduced from over 23 acres to 9.8 acres, and the fill containment method has improved.

Our agency will not object to permit issuance if the following stipulations are included as special conditions.

1. Material furnished by the applicant's agent dated December 13, 1993, January 21, 1994, February 4, 1994, and February 14, 1994, shall be incorporated into the permit. ✓
2. All portions of fill which include wood waste will be compacted throughout and enclosed on all sides with a clay/shotrock/plastic liner within six months from the initial discharge of wood waste material. The clay/shotrock cap shall be completed within seven months from the initial discharge of wood waste. The clay/plastic on the side of the fill shall be keyed at least three-feet deep into the existing bottom. ✓
3. No newly generated wood waste or wood waste from other than Mt. Seley shall be placed in the fill except waste from the intertidal area. ✓
4. Construction activities shall be completed within two years of commencement. no
5. The causeway between the log storage area and the mill shall be constructed on pilings. ✓
6. The following in-water log storage areas shall be abandoned and the Department of the Army permits relinquished upon completion of cells 1 through 3: ✓
  - a. Blind Slough deep-water log storage permit ADL-101706, consisting of 66.12 acres;
  - b. Aaron Creek deep-water log storage permit ADL-101002, consisting of 9.19 acres, and withdraw the appeal of the Aaron Creek shallow-water area, consisting of 72.3 acres;
  - c. Pt. Babler log storage permit ADL-104926, consisting of 35.03 acres (ref. ADL-104926 and ATS-784);
  - d. Berg Bay deep-water log storage permit ADL-100827, consisting of 6.93 acres (ref. ADL-00827 and ATS-849);

e. Fish Bay shallow-water log storage area in Peril Strait, consisting of 53.33 acres (ref. ADL-104737 and ATS-954), and

f. Remove the shallow-water dolphins to the immediate north of the proposed project within ATS-1249, and no longer use this 450' x 500' area for log raft storage (about 5.2 acres). Any residual logs or debris will be removed from the area simultaneously as the dolphins are removed. The unused portion of tideland between the project and the mill site will not be used for in-water log storage or transport, and any residual logs or debris will be removed from the area before project completion.

7. A performance bond in an amount adequate to complete the project shall be posted before construction begins.

Our review and comment on this permit application do not comprise the full public interest review or cumulative impacts assessment required of the Corps of Engineers. We are, however, willing to aid you with those living marine resource issues identified during the public interest review process.

Thank you for the opportunity to comment.

Sincerely,



Steven Pennoyer  
 Director, Alaska Region

cc: ADFG,  
 FWS, Juneau  
 Applicant  
 Div. of Governmental  
 Coordination, Juneau

EPA, Anchorage  
 ADNR, Juneau  
 ADEC, Juneau

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