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RECORD OF DECISION

GLACIER BAY

**NATIONAL PARK AND PRESERVE, ALASKA**

Falls Creek Hydroelectric Project & Land Exchange



**NATIONAL PARK SERVICE**

GLACIER BAY NATIONAL PARK AND PRESERVE, ALASKA  
UNITED STATES DEPARTMENT OF THE INTERIOR

**Glacier Bay National Park and Preserve**

**Falls Creek Hydroelectric Project and Land Exchange  
Environmental Impact Statement**

**Record of Decision**

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Prepared by:  
U.S. Department of the Interior  
National Park Service

## **Falls Creek Hydroelectric Project and Land Exchange**

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United States Department of the Interior  
National Park Service

**RECORD OF DECISION**

Glacier Bay National Park and Preserve  
Falls Creek Hydroelectric Project and Land Exchange

**INTRODUCTION**

This record of decision documents the decision by the National Park Service (NPS) on behalf of the Secretary of Interior (Secretary) to implement applicable portions of the Glacier Bay National Park Boundary Adjustment Act of 1998 (P.L. 105-317) (Act). The Act mandated the Secretary to implement specific actions once certain provisions were met. In this record of decision the NPS addresses its decision to:

- exchange land presently in Glacier Bay National Park (Glacier Bay) to the State of Alaska (state);
- add state land to Klondike Gold Rush National Historical Park (Klondike Gold Rush);
- designate an island in Blue Mouse Cove and Cenotaph Island in Glacier Bay park as wilderness; and
- adjust national park and wilderness boundaries as necessary to compensate for the land exchange.

By addressing these actions the NPS will fulfill the Department of Interior's responsibility under the Act.

This record of decision follows the Federal Energy Regulatory Commission's (FERC) October 29, 2004 decision to issue a license to Gustavus Electric Company (GEC) allowing the construction and operation of the Falls Creek Hydroelectric Project (FERC No. 11659). It also follows the FERC Order Denying Rehearing on March 24, 2005, and FERC rejecting on June 17 the reconsideration and request for rehearing of the March 24, 2005, order. This record of decision does not address any of FERC's responsibility under the Act nor does it address any aspect of the licensing process and decision as discussed in the final environmental impact statement (EIS) and the FERC *Order Issuing License* and the subsequent rehearing denials.

This record of decision has been prepared by the NPS under the National Environmental Policy Act (NEPA) of 1969 and Council of Environmental Quality (CEQ) regulations (40 CFR 1505.2). This record of decision details the background for the action, public involvement in the decision-making process, the decision made, the basis for the decision, other alternatives considered, and agency consultation.

## BACKGROUND

The Act outlines conditions and provisions that must be met to allow the Secretary to exchange land located within designated wilderness in Glacier Bay. These conditions are:

- 1) The Secretary must concur with FERC that the hydroelectric project can be constructed and operated without adversely impacting the purposes and values of the park as constituted after the exchange and,
- 2) The proposal would comply with the requirements of the National Historic Preservation Act (NHPA).

The Act also mandated that the Secretary and the state of Alaska must also concur with FERC on the minimum amount of land that is needed to construct and operate the hydropower project, based on sound land management principles.

On August 19, 2004, FERC issued a notice of its determination that the proposal filed by GEC, modified pursuant to the recommendations in the final EIS, will not adversely impact the purposes and values of Glacier Bay as constituted after the consummation of the land exchange, and that it will comply with the NHPA. The August 19, 2004, notice also addressed FERC's determination of the minimum amount of land necessary for the hydroelectric power project. FERC determined that the minimum amount necessary for the construction and operation of the project is the land within a 200 foot wide buffer zone around the powerhouse; the diversion dam and intake structures; the haul back site; and the transmission line, access road, and penstock corridors.

On August 24, 2004 the Commission requested the Secretary's concurrence which was filed with FERC on September 22, 2004. The Secretary concurred with FERC that the proposal will not adversely impact the purposes and values of Glacier Bay as constituted after the consummation of the land exchange and that it will comply with the NHPA. This concurrence is based on the final EIS (section 6.1.2.4, *Effects on Purposes and Values of GBNPP* Glacier Bay National Park and Preserve).

The Secretary concurred in part with the Commission's determination of the minimum amount of land necessary for the construction and operation of the project. In concurring, the Secretary affirmed that, as discussed in the final EIS, the exchange of just the 200 foot buffer alone would not be consistent with the sound land management principles section of the Act. Therefore, an additional amount of land would need to be exchanged with the state to assure that the land pattern remaining after the proposed exchange is consistent with sound management principles. The Governor of Alaska concurred with the FERC determination of the minimum amount of land necessary to construct and operate the hydroelectric power project and stated his intent for the exchange to be consistent with sound land management practices. This record of decision addresses the sound land principles clause of the Act.

The final EIS addresses the state land that would be exchanged to the NPS to compensate for the land removed from the park. In exchange for the Falls Creek land at Glacier Bay, the Act provides, subject to consent by the state of Alaska, for conveyance to the United States, state lands near Long Lake in Wrangell-St. Elias National Park and Preserve, or other lands owned by the state of Alaska. Therefore, in addition to the Long Lake parcels, state land along the Chilkoot Trail in Klondike Gold Rush was addressed in the final EIS.

The final EIS also addresses wilderness designation and deletion of wilderness land. To compensate for the wilderness acreage deleted from the park and to ensure the transaction maintains within the National Wilderness Preservation System approximately the same amount of designated wilderness as currently exists, the Act specified and prioritized the land parcels that would be designated.

In priority order, depending upon the amount of land exchanged, the following park land would be designated as wilderness: (1) the unnamed island near Blue Mouse Cove in Glacier Bay proper (about 789 acres), (2) Cenotaph Island in Lituya Bay on the outer coast of the park (about 280 acres), and (3) land near Alsek Lake approximately 60 miles southeast of Yakutat, Alaska (about 2,270 acres).

## **PUBLIC INVOLVEMENT**

Public comment was sought throughout both the FERC hydropower licensing process and the EIS process. The EIS was developed through the FERC licensing process. In accordance with the FERC Regulations for Licensing Hydroelectric Projects (18 CFR 4.34), this process includes scoping and preparation of a preliminary draft environmental assessment (PDEA), which was prepared by Gustavus Electric Company. The PDEA includes information about potential resource effects and protection, mitigation, and enhancement proposals; and considers public and agency comments received by GEC on the proposed project.

Complying with FERC regulations, GEC prepared and distributed an *Initial Consultation Document* on November 25, 1998 and a *Scoping Document 1* on April 19, 1999. Gustavus Electric Company held two public meetings to review and comment on the scoping document on May 6 and May 7, 1999, and conducted site visits on May 6, 1999, and on July 2, 1999. FERC issued a public notice of the scoping meetings and site visit on April 19, 1999. Gustavus Electric Company reviewed all comments received and issued a revised document, *Scoping Document 2*, on January 22, 2001. The PDEA was issued for public review in May 2001 with the comment period ending August 28, 2001. GEC, in October 2001, filed the PDEA and their license application with FERC.

Additionally, a *Notice of Intent to prepare an EIS*, published in the *Federal Register* in July 5, 2002 (67 FR 129), formally initiated the planning and EIS process and public scoping comment period. The scoping period ended on September 2, 2002. The draft EIS

was released for public comment on November 7, 2003 (68 FR 216). The 60-day public review of the draft EIS ended on January 6, 2004.

The NPS and FERC conducted four public meetings to solicit comments on the draft EIS. These meetings were held on December 8, 9, 10, and 11, 2003, in Hoonah, Gustavus, Juneau, and Anchorage, Alaska respectively. A total of 54 letters, representing 9 agencies and non-governmental organizations and 48 individuals, were received. NPS and FERC also received 436 identical form letters from different individuals. The final EIS includes copies of these comments and Appendix D, responses.

A broad array of comments were received on the licensing aspects of the project such as instream flows; effects on wildlife; general concerns about the effects of a hydropower plant facility on a pristine ecosystem; recreational use effects; effects on the surrounding private land and project economics. Comments pertinent to this record of decision and the land exchange were received on the long term effects of a change in land use from NPS to state ownership; the precedence of deleting designated wilderness; and general opposition to removing land from a national park.

A Federal Register notice announcing the availability of the final EIS was published by the EPA on July 9, 2004 (69 FR 41476), commencing the required 30-day no-action period (62 FR 3681).

## **Agency Consultation**

Conforming to FERC's regulations, Gustavus Electric Company consulted with appropriate state and federal environmental agencies, tribal entities and the public throughout the licensing process. This consultation was used as the first step in complying with the Fish and Wildlife Coordination Act, Endangered Species Act, NHPA, and other federal statutes. Pre-license filing consultation was documented in accordance with FERC regulations and the information and the consultation comments were addressed in the PDEA and license application.

During EIS preparation, FERC issued a notice on December 11, 2001, directing that final comments, recommendations, terms and conditions, and prescriptions concerning the license application and PDEA be filed. The Alaska Department of Fish and Game, U.S. Fish and Wildlife Service and National Marine Fisheries Service provided comments and this information was either incorporated into the final EIS or FERC provided rationale on why it was not adopted.

## **DECISION**

The NPS has decided to adopt the Preferred Alternative as presented in the final EIS. This will result in conveyance of 1,050 acres (1,034 acres total per December 2004 land

survey) to the state of Alaska (Figure 1.1 and 1.2). The Preferred Alternative is a slight variation of the final EIS Maximum Boundary Alternative. The Maximum Boundary Alternative included the entire 1,145 acres of Glacier Bay park land identified in the Act as potentially available for exchange and the development of a hydroelectric power project. Because 95 acres in the upper portion of the Falls Creek area was not needed for construction of the hydroelectric power project, the Maximum Boundary Alternative was reduced by this amount. To compensate for the 1,034 acres in Glacier Bay that will be exchanged to the state of Alaska, the state of Alaska will transfer to NPS, approximately 1,040 acres of Chilkoot parcels within Klondike Gold Rush. This land will be administered as part of the historical park (Figure 1.1 and 1.3).

In accordance with Section 2(b) of the Boundary Act, to compensate for the 1034 acres deleted from the National Wilderness Preservation System at Glacier Bay, the unnamed island near Blue Mouse Cove and Cenotaph Island, totaling 1,069 acres, will be designated as wilderness (Figure 1.1). These lands will be administered according to the laws governing national wilderness areas in Alaska. The wilderness boundaries in the Falls Creek, Blue Mouse Cove, and Cenotaph Island areas will be adjusted accordingly.

Upon completion of the exchange of land under this Act, the Secretary shall adjust, as necessary, the boundaries of the affected NPS units to include the land acquired from the State of Alaska.

## OTHER ALTERNATIVES CONSIDERED

Regarding the land exchange portion of the project other alternatives considered in the final EIS are outlined below:

**No-Action Alternative:** Under the No Action Alternative the hydroelectric power plant would not be constructed and the land exchange would not occur.

**GEC Alternative:** The GEC Alternative would transfer about 850 acres of park land to the state. Under this alternative the park boundary would be the eastern side of the Kahtaheena River from approximately 0.5 miles north of the diversion dam/intake structure to the powerhouse location. This alternative would result in less land being exchanged. It was not selected primarily because of potential impacts to the park lands that are adjacent to the Kahtaheena River and in the zone of project related impacts on state land within the FERC project boundary.

**Corridor Alternative:** The Corridor Alternative would be essentially the same as GEC's alternative with the exception that the amount of land transferred to the state of Alaska would be reduced. Approximately 680 acres of park land would be transferred to the state, and about 224 acres of this land would be isolated from the remainder of the park, resulting in an island of park land surrounded by state and private land.



## BASIS FOR THE DECISION

A summary of the key provisions of the Act pertinent to this record of decision are:

- 1) Lands in the Falls Creek area to be conveyed to the state would be designated by the Secretary and the state, and the lands to be exchanged would be consistent with sound land management principles.
- 2) A sufficiently equal value of state land would be exchanged to satisfy state and federal law, and this land would be suitable of inclusion in the National Park System.
- 3) The designation of approximately the same amount of wilderness as deleted from the park.
- 4) Park and wilderness boundary adjustment based on the location and amount of land exchange and in conformance with the Act.

*Lands in the Falls Creek area to be conveyed to the state would be designated by the secretary and the state, and the lands to be exchanged would be consistent with sound land management principles.*

The selected alternative meets the mandate of the Act that requires the lands to be exchanged be consistent with sound land management principles. This provides a land ownership pattern that does not isolate any federal tracts of land within state or private land, and gives the state a contiguous parcel of manageable land adjacent to other state and private land near the community of Gustavus. After the land exchange, Glacier Bay will have a common boundary with the state. Prior to the exchange, the park boundary generally was adjacent to private land. Additionally, with this land exchange configuration, because there would be a wider buffer of state land between the project facilities and the park, it is expected that there will be less potential for project-related erosion or landslides or noises from project construction to affect the park than under other action alternatives considered in the final EIS.

*A sufficiently equal value of state land would be exchanged to satisfy state and federal law, and this land would be suitable of inclusion in the National Park System.*

The final EIS provided an array of acres, from which to select the specific acres to be exchanged. Based on applicable federal and state laws, the Act requires that the conveyed land have a sufficiently equal appraised value to satisfy the federal and state laws. The exact state land parcels were not specified in the final EIS, because the amount of Falls Creek lands to be exchanged were not known until a preferred alternative was selected. Additionally, an appraisal needed to be completed based on the land that would be exchanged to the state, which would then determine the amount of land the U.S. would receive from the state. The final EIS and subsequent survey of the Falls Creek lands specified 1,034 acres of Glacier Bay park land available for exchange.

A complicating factor in the Act regarding the land exchange is that the state of Alaska

needed to provide consent for the lands that they would convey to the U.S. When the Act was passed in 1998 it named state lands at Long Lake within the boundary of Wrangell Saint Elias National Park and Preserve, as the default lands for potential exchange. There was not any known public controversy about conveying this land when it was included in the Act. Since then, public opinion has changed and the state decided to not convey the Long Lake lands and instead to convey the Chilkoot Trail land within the boundary of Klondike Gold Rush.

In December 2004, the NPS and State presented a proposal to the Skagway City Council to convey Chilkoot Trail land to the U.S. The Skagway City Council expressed concern about parcels that would potentially block public access to other state and City lands further up the Taiya River valley. Accordingly, the state asked NPS to drop a large parcel from the exchange. The exclusion of this parcel resulted in an insufficient amount of land described in the final EIS as available for exchange. To address this shortfall the NPS and state collaboratively developed a list of additional lands that would be suitable for exchange. The substitute land consisting of 590 acres is identified in the NPS and State *Final Exchange Agreement*, with the other lands that are being exchanged. These parcels, were not described in the final EIS.

NPS completed a review of the potential environmental effects on the cultural and natural resources of receiving this substitute land, and concluded that the effects would be substantially similar those evaluated for exchange in the final EIS. No significant change in the environmental effects of the exchange will result due to substituting these 590 acres in the exchange.

*The designation of approximately the same amount of wilderness as deleted from the park.*

The NPS on behalf of the Secretary will designate as wilderness the unnamed island near Blue Mouse Cove and Cenotaph Island, totaling 1,069 acres. These 1,069 acres exceeds the amount of wilderness by 35 acres that is being deleted in the Falls Creek area. As specified in the Act, any land exchange must be approximately equal in sum to what is deleted; we conclude that this is approximately equal in sum.

*Park and wilderness boundary adjustment based on the location and amount of land exchange and in conformance with the Act.*

In conformance with the Act, upon completion of the exchange of lands, the NPS, on behalf of the Secretary, will adjust the boundary of Glacier Bay to exclude the lands transferred to the state and will adjust the boundary of Klondike Gold Rush to include the lands received from the state. The wilderness area boundaries in Glacier Bay will be adjusted as a result of the land exchange and wilderness designation.

## **ENVIRONMENTALLY PREFERRED ALTERNATIVE**

The final EIS did not designate an environmentally preferred alternative because FERC does not include this in its environmental analysis. As a joint lead agency with FERC on the preparation of the final EIS, NPS complied with FERC's policy in this regard. To conform to the CEQ guidelines for preparing a record of decision, NPS has designated an environmentally preferred alternative.

The environmentally preferred alternative is "the alternative that will promote the national environmental policy as expressed in Section 101 of the National Environmental Policy Act. Ordinarily, this means the alternative that causes the least damage to the biological and physical environment; it also means the alternative which best protects, preserves, and enhances historic, cultural, and natural resources." (Question 6, CEQ "Forty Most Asked Questions on CEQ NEPA Regulations"). Section 101 of NEPA states "...it is the continuing responsibility of the Federal Government to use all practicable means...to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may –

- fulfill the responsibilities of each generation as trustee of the environment for succeeding generations.
- ensure for all Americans safe, healthful, productive, and esthetically and culturally pleasing surroundings.
- attain the widest range of beneficial uses of the environment without degradation, risk of health or safety, or other undesirable and unintended consequences.
- preserve important historic, cultural, and natural aspects of our national heritage and maintain, wherever possible, an environment that supports diversity and variety of individual choice.
- achieve a balance between population and resource use that will permit high standards of living and a wide sharing of life's amenities.
- enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources."

Based on these criteria, the NPS determined that the No Action alternative is the environmentally preferred alternative. Under the No Action Alternative, the proposed hydroelectric project would not be constructed; the land surrounding the proposed project would be retained within the National Wilderness Preservation System for the foreseeable future and it would continue to be managed as wilderness; and there would be no land exchange. The natural ecosystem processes in the Falls Creek area would remain undisturbed by the effects of a change in land ownership and the construction of a hydroelectric project.

There would also not be a need to designate the unnamed island near Blue Mouse Cove, Cenotaph Island, or the Alsek Lake lands as wilderness. These lands would continue to be managed under the Wilderness Visitor Use Management Plan administered by Glacier Bay. Under this management plan, development of these parcels is prohibited, so the lands would remain undeveloped.

## **Measures To Minimize Harm**

Measures to minimize harm pertinent in this record of decision are incorporated through complying with the mandates of the Act. The Act mandates and the record of decision will implement:

- 1) That a sufficiently equal value of state land would be exchanged to satisfy state and federal law, and this land would be suitable of inclusion in the National Park System;
- 2) The land received from the state of Alaska would be consistent with sound land management principles; and
- 3) That approximately the same amount of wilderness as deleted from Glacier Bay would be designated as wilderness under the National Wilderness Preservation System.

## **Non-Impairment Determination**

The analysis presented in final EIS, Chapter 4 *Environmental Consequences*, shows that no park resource or values would be impaired as a result of implementing the actions addressed in this record of decision. The final EIS described potential effects on park resource values, none of which would be at a level that would result in impairment. The Act contained a mandate similar to the impairment policy which required the Secretary concur that the hydroelectric project can be constructed and operated without adversely impacting the purposes and values of the park, as constituted after the exchange. As described earlier in this document, the Secretary provided this concurrence. The specified actions in this record of decision are therefore consistent with the National Park Service Organic Act.

## CONCLUSION

The planning and decision making process which resulted in the selection of the proposed action regarding the land exchange, as identified and detailed in the final EIS and described above, was conducted in accordance with the National Environmental Policy Act and Council on Environmental Quality regulations. The proposed action is accepted and approved.

Recommended: Tomie Patrick Lee 3/13/2006  
Tomie Lee, Superintendent, Date  
Glacier Bay National Park and Preserve

Recommended: James Corless 3/10/06  
James Corless, Superintendent, Date  
Klondike Gold Rush National Historic Park

Recommended: Marcia Blaszak 3/20/06  
Marcia Blaszak, Date  
Alaska Regional Director

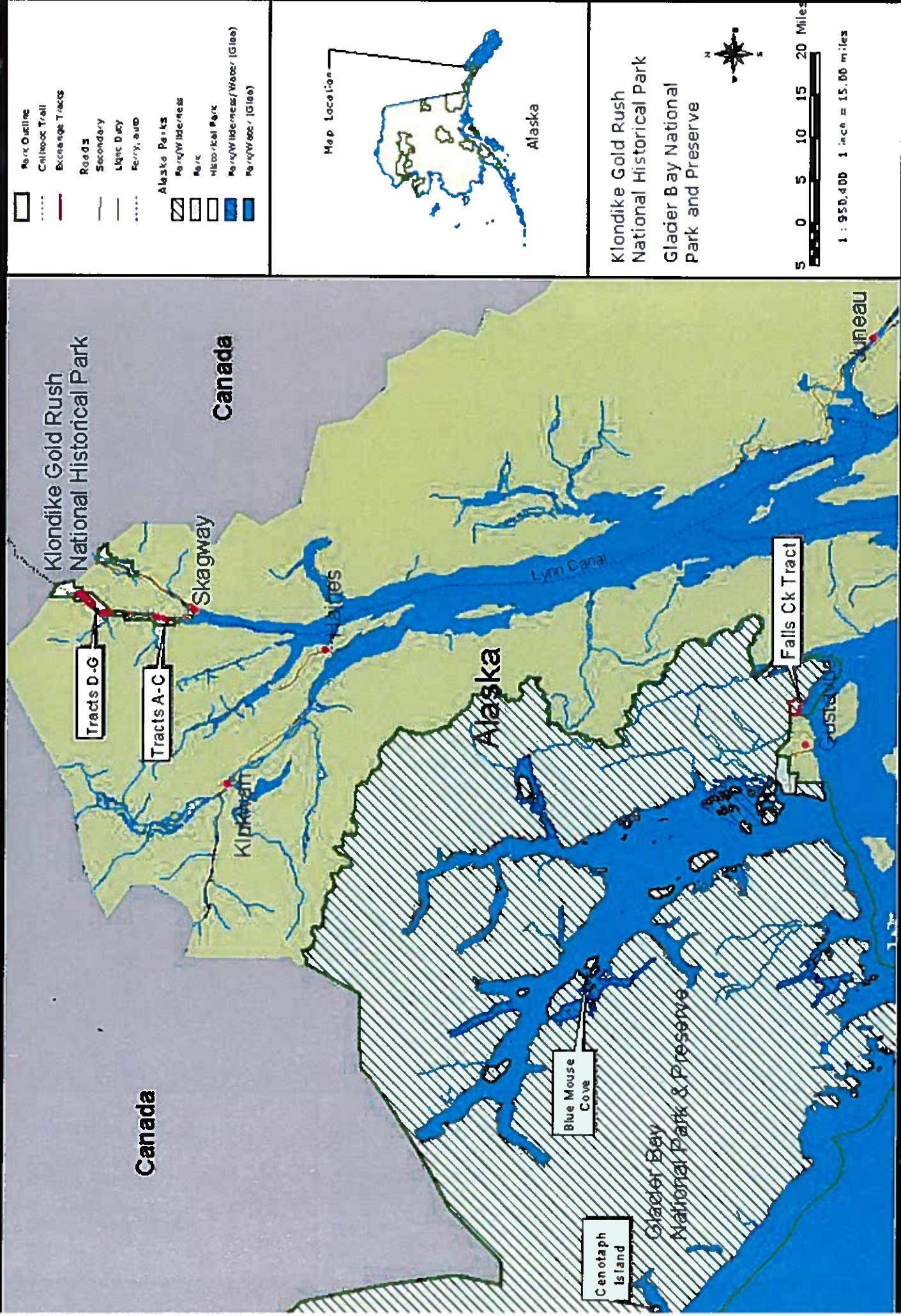
Approved: Steve Martin 3/24/06  
Steve Martin, Date  
Deputy Director, National Park Service



# Vicinity Map, Figure 1.1

## Falls Creek- KLGO tracts Land Exchange

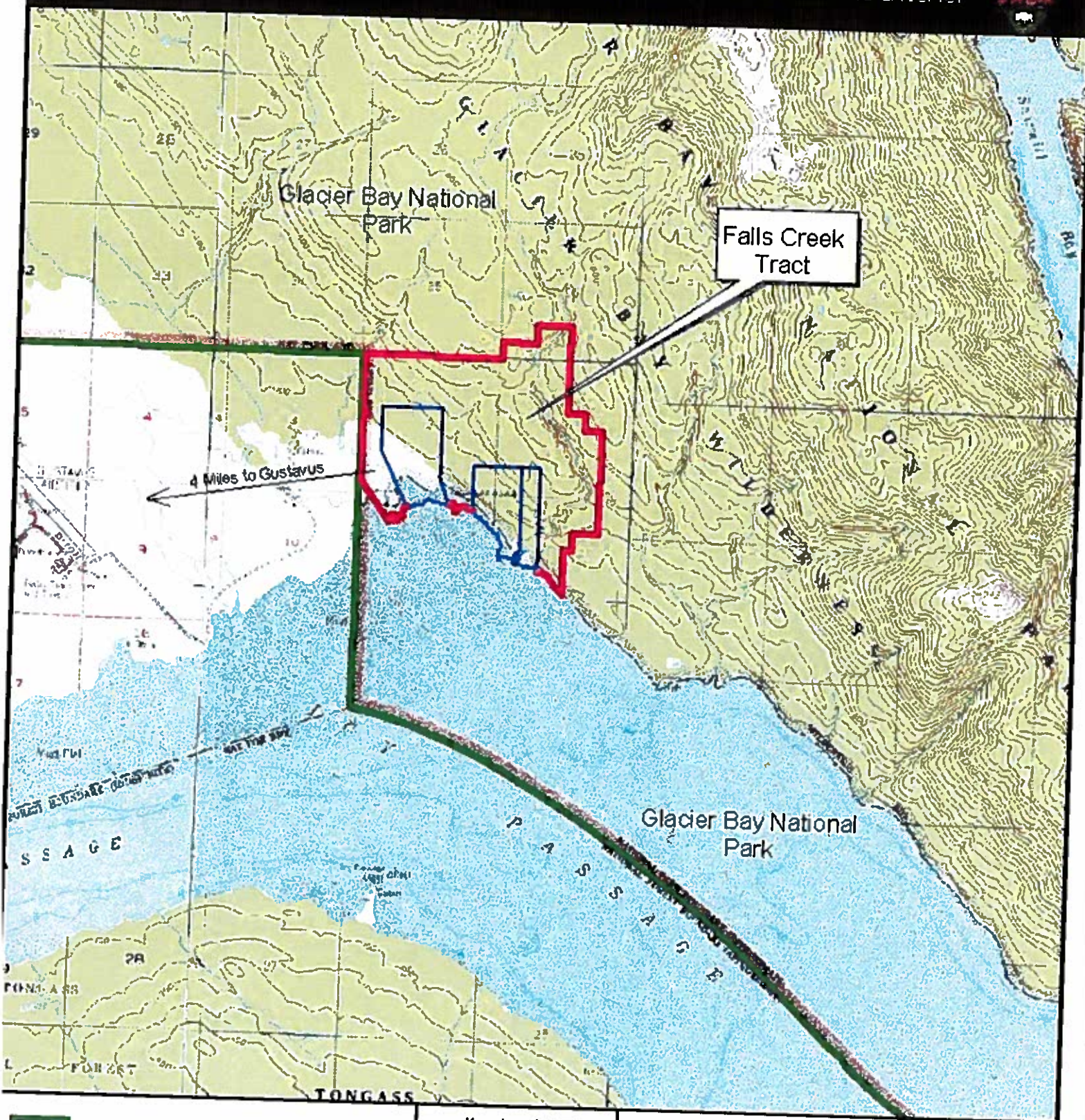
National Park Service  
U.S. Department of the Interior





# Falls Creek Land Exchange Figure 1.2

National Park Service  
U.S. Department of the Interior



Park Outline

NPS Lands to  
State of Alaska

Private lands not  
part of the exchange



Glacier Bay National Park and Preserve  
Alaska

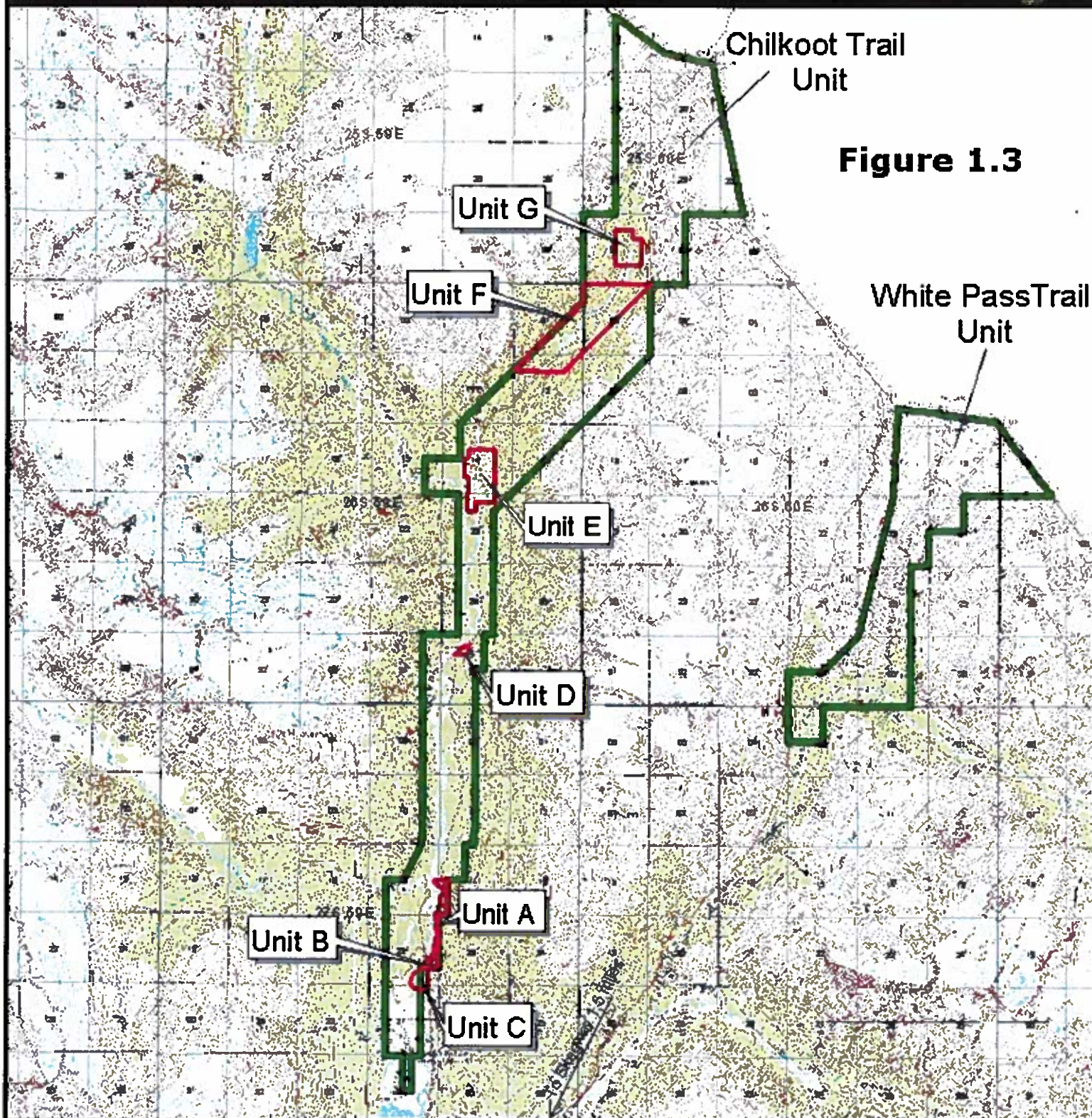
  
  

1 : 63,360 1 inch = 1.00 miles



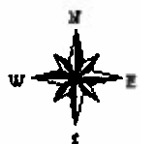
# Klondike Gold Rush NHP Land Exchange

National Park Service  
U.S. Department of the Interior



**Figure 1.3**

- Park Boundary
- State Lands to National Park Service
- Chilkoot Trail
- DOT Road Centerline



Klondike Gold Rush National Historical Park  
Alaska

1 0 1 2 3 4 Miles

1 : 126,720 1 inch = 2.00 miles



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November 2003

