FINDING OF NO SIGNIFICANT IMPACT
ENVIRONMENTAL ASSESSMENT
FOR PROPOSED FUNDING FOR THE
PENOBSCOT RIVER RESTORATION PROJECT

The U.S. Fish and Wildlife Service (Service) is proposing to provide funding to the Penobscot River Restoration Trust (Trust) for the Penobscot River Restoration Project (Restoration Project) in Maine. The Restoration Project is a collaborative effort with the Trust and other stakeholders resulting from the Lower Penobscot River Basin Comprehensive Settlement Accord (Settlement).

The purpose of the Restoration Project is to reconnect the Penobscot River to the coastal estuary and the sea by redesigning the way that the River provides enduring benefits for society. Several barriers to fish migration will be removed; eleven species of native sea-run fish will regain access to important habitat in the Penobscot River watershed; and the level of hydroelectric generation on the River will be maintained. The Veazie and Great Works Dams are the first two dams on the Penobscot River and the Howland Dam is upstream at the confluence with the Piscataquis River. The Trust has purchased the Veazie, Great Works and Howland Hydroelectric Projects with the intention of decommissioning them, removing the Veazie and Great Works dams, and constructing a nature-like channel around the Howland Dam through which fish can swim. The Trust is currently implementing the dam removal phase of the Restoration Project. The Service proposes to provide a portion of the funding needed to complete the Restoration Project, including the dam removal phase.

The Settlement has been approved by the Federal Energy Regulatory Commission (FERC), which prepared an Environmental Assessment (EA) on the effects of its implementation. The Service reviewed the EA, filed comments, and has determined that its comments were adequately addressed. On August 3, 2012, the Service published a notice in the *Federal Register* that it is adopting that EA since the action analyzed in the EA (FERC approval of the Settlement) and what the Service is proposing (funding of portions of the Settlement) are essentially the same in ultimate environmental effect. The Service invited public comments and made the EA available on *http://www.regulation.gov* and on the Web site of the Service's Ecological Services Field Office in Maine. The EA is incorporated herein by reference.

The EA analyzed the impact of the Trust's Proposed Action, three alternatives and a no action alternative. Under the Proposed Action, the FERC would oversee decommissioning of all three hydroelectric projects, removal of Veazie and Great Works Dams, and construction of the fish bypass at Howland Dam. The Proposed Action would improve access to nearly 1,000 miles of riverine habitat in the Penobscot River watershed and restore runs of sea-run fish species (including three species federally listed under the Endangered Species Act. The Trust's

Proposed Action also will maintain the same level of hydroelectric power generation in the watershed.

The EA analyses three other Action Alternatives and a no action alternative. Under Action Alternative 1, the Veazie, Great Works, and Howland Dams would be completely removed. This alternative would provide similar environmental benefits as the Trust's Proposed Action. However, removing the Howland Dam instead of constructing a nature-like fishway around the Dam would cause a loss of impoundment-based activities and viewshed that are important to the Town of Howland. Action Alternative 2 is similar to the Trust's Proposed Action and would provide similar environmental benefits. This alternative differs from the Proposed Action in that the Howland fish bypass would be implemented without oversight from FERC. Under Action Alternative 3, all three dams would be surrendered in place and all of the provisions of the Settlement would be executed without oversight from FERC. This alternative would provide similar environmental benefits and effects as the Proposed Action, because the measures stipulated in the Settlement Agreement (i.e., removal of Veazie and Great Works Dams and construction of the Howland fish bypass) would be implemented after the three project licenses were surrendered. The No Action alternative would not achieve the fish passage benefits.

The Trust's Proposed Action will provide cultural and spiritual sustenance for the Penobscot Indian Nation, which is a federally recognized Tribe for whom the Federal government has trust responsibilities. The Proposed Action will reconnect the Penobscot River to the coastal estuary and the sea. The Proposed Action will have positive ecological effects on riverine habitat, water quality, sea-run fish, threatened and endangered species, essential fish habitat, and migratory birds. Federally listed Atlantic salmon (*Salmo salar*) will benefit from improved upstream and downstream passage. Federally listed shortnose sturgeon (*Acipenser brevirostrum*) and Atlantic sturgeon (*Acipenser oxyrinchus oxyrinchus*) will have access to all of their historic spawning and rearing habitat in the Penobscot River. The Proposed Action will have negligible, if any, impacts on other elements of the human environment such as air quality, geology, and sediment chemistry. Removal of the two dams and construction of the nature-like bypass at Howland will have no effect upon any structure or site of historic, architectural, or archaeological significance as defined by the National Historic Preservation Act of 1966, as amended, and implementing regulations 36 CFR 800.

The Proposed Action will provide net benefits that far outweigh any negative impacts on the human environment. This determination is based on the EA and the following considerations:

1. The Restoration Project will restore approximately eight miles of aquatic habitat in the lower Penobscot River that will benefit eleven species of sea-run fish. For those species that probably never went above the first falls on the river, they will have open access from the sea to their entire historic habitat in the Penobscot River.

2. The Restoration Project will improve access to approximately 1,000 miles of aquatic habitat that will be available to sea-run fish species that migrate to upriver habitats as part of their life cycle such as Atlantic salmon, American shad, American eel, alewife, and blueback herring.

3. The Restoration Project will have positive impacts on federally listed Atlantic salmon, shortnose sturgeon and Atlantic sturgeon.

4. The Restoration Project will provide cultural and spiritual sustenance for the federally recognized Penobscot Indian Nation. Their reservation is located on the Penobscot River, upstream from Veazie and Great Works Dams, in the area where they traditionally gathered as a people during the annual upstream migration of sea-run fish.

5. The Restoration Project will have no known negative impacts on any historic or prehistoric archaeological sites recorded by the State of Maine.

6. Sediment loading will be minimized during demolition/construction activities by employing erosion control plans and by scheduling the demolition construction during the seasonal low flow period. Detailed erosion control measures will be in place prior to construction activities.

7. Stranding of mussels and fish due to water level reduction will be minimized during dam removal in accordance with approved plans in place prior to construction.

8. The risk of flooding of property after the dams are removed has been analyzed and determined to be quite low and essentially no different than when the dams were in place.

9. The mill's ability to draw water from the Penobscot River at Great Works will not be impaired and more likely the water intake system will be improved.

10. The Restoration Project is expected to have local and regional economic benefits due to construction and river-based recreation such as fishing and boating.

The Service's public notice of it adopting FERC's EA received a single comment. That comment voiced concerns with harvest of Atlantic salmon and loss of hydroelectric generation. Our response is that: a) Atlantic salmon are protected from harvest under the Endangered Species Act, and b) the Settlement provided for electric generation that was lost at Veazie, Great Works, and Howland to be fully replaced by generation enhancements at other hydroelectric dams in the Penobscot River watershed.

Based on the foregoing, the Service's independent review and evaluation of the environmental effects presented in the EA, and public comment, the Service has determined that providing funding to the Penobscot River Restoration Project will not significantly affect the human environment. Therefore, the Service will proceed with implementation of its proposed action.

09.07.2012
Date

Laury Zicari
Field Supervisor
Maine Field Office
U.S. Fish and Wildlife Service

Reference:

Environmental Assessment, dated September 6, 2012