

# BALLOT MEASURE 4 OPPOSITION DISCUSSION

BY

Deantha Crockett

Executive Director

Alaska Miners Association

&

Richard A. Hughes, PE

H2T Mine Engineering Services, LLP

# THE PERMITTING PROCESS

The State uses/has a very responsible permitting process:

- Office of Project Management & Permitting (OPMP), this agency coordinates the agency overview & coordination & involves
  - STATE
    - DNR – Natural Resources
    - DEC – Environmental Conservation
    - DF&G – Fish & Game
    - DCCED - Commerce
    - DOR - Revenue
    - DOT&PF – Transportation
    - DOL&WFD – Labor & Workforce Development
    - Others as needed.
  - FEDERAL
    - BLM or Forest Service on federal lands
    - EPA
    - COE – Corps of Engineers
    - Other as needed and required.
  - BOROUGH & NATIVE REGIONAL AS NEEDED
  - PUBLIC – Public hearings are held in affected areas to allow critique to be provided by interested or affected parties; all comments are review for pertinence, magnitude and consequence.

# THE PERMITTING PROCESS

- Permit Requirements
  - DNR
    - Plan of Operations Approval
    - Reclamation Plan Approval
    - Right-of-Way for Access & Utilities
    - Mill site Lease
    - Title 41 Permit – for activity within fish-bearing waters
    - Water appropriation
    - Dam Safety Certification
    - Upland or Tideland Leases
    - Material Sale – sand, gravel needs
    - Winter travel permit
    - Cultural Resources Protection

# THE PERMITTING PROCESS

- Alaska Department of Environmental Conservation
  - Waste Management Permit
  - Domestic and Non-Domestic Wastewater Disposal Permits
  - AKDES – wastewater discharge standards compliance
  - COE CWA 404 certificate of reasonable assurance
  - Storm Water Discharge Pollution Prevention Plan
  - Air Quality Permits – PSD
  - Approval to Construct and Operate a Public Water Supply System
  - Plan Review for Non-Domestic Wastewater Treatment System
  - Plan Review and Construction Approval for Domestic Sewage System
  - Oil Discharge Prevention and Contingency Plan
  - EPA Class V Injection Well Permit

# THE PERMITTING PROCESS

- Alaska Department of Fish & Game: if a project is within a state refuge, sanctuary, or critical habitat, any activity within the special area will require a Special Areas Permit from ADF&G
- Department of Revenue: Mining License: imposes a 7% net profits tax on sales of mined product
- US Army Corps of Engineers Section 404 and Sec 10 Permits – wetlands preservation
- US Fish & Wildlife Service – Section 7 consultation regarding threatened & endangered species that may be affected
- National Marine Fisheries Service – Federal agencies must conduct a Section 7 consultation with the NMFS re. threatened and endangered species

# No Single Permit to Mine: there are many permits & authorizations — Mine permitting is a mixture of State, Federal and potentially, local permitting requirements, each project is unique

## STATE

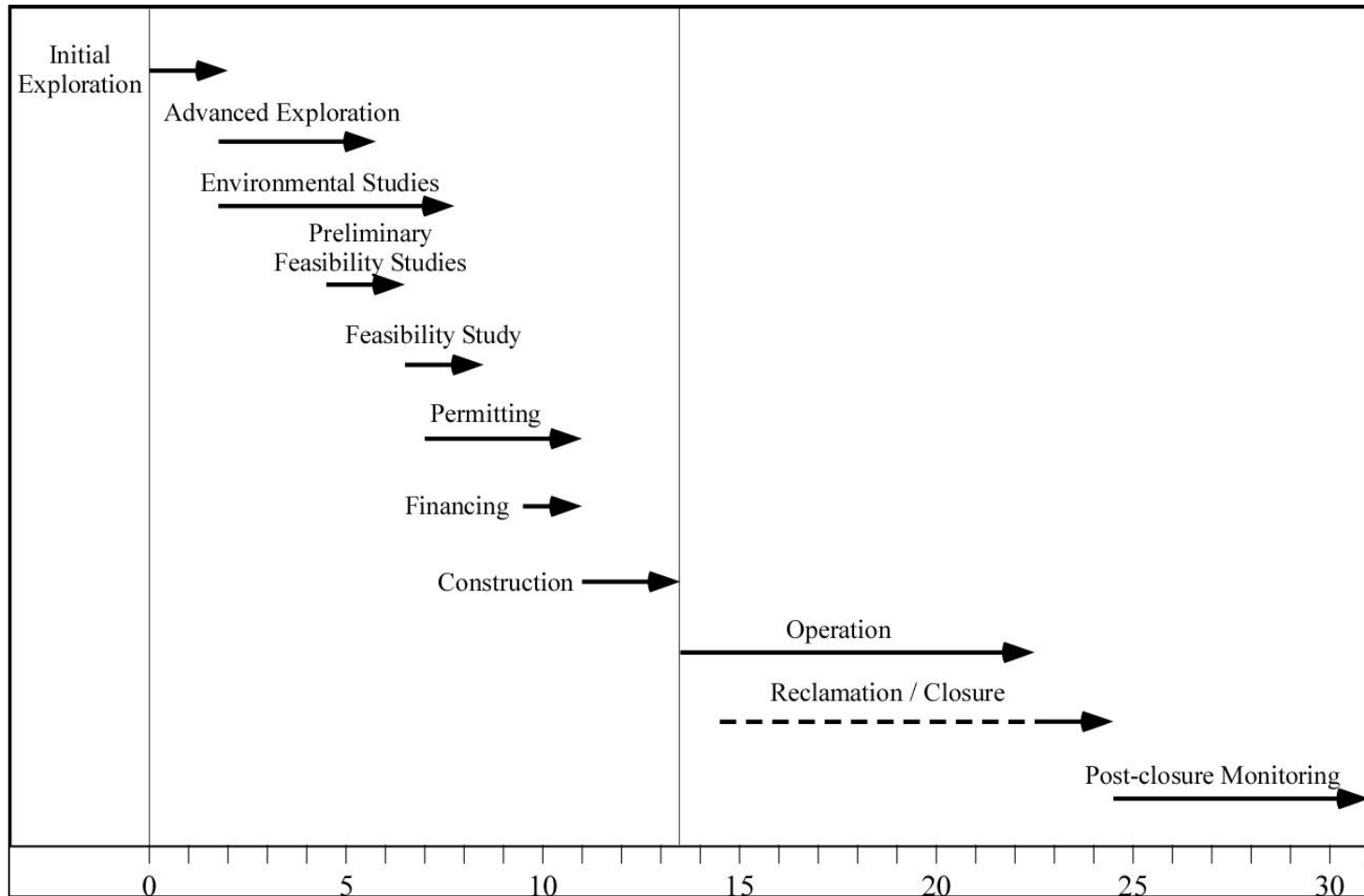
- Plan of Operations (DNR)
- Reclamation and Bonding (DNR)
- Waste Management Permits and Bonding (ADEC)
- CWA Section 402 APDES water Discharge Permit
- Certification of ACOE Permits (ADEC)
- Sewage Treatment system Approval (ADEC)
- Air Quality Permits (ADEC)
- Fish Habitat and Fishway Permits (ADF&G)
- Water Rights (DNR)
- Right of Way/Access (DNR/DOT)
- Tidelands Leases (DNR)
- Dam Safety Certification (DNR)
- Cultural Resource Protection (DNR)
- Monitoring Plant (Surface/groundwater/wildlife) (DNR/DEC/DFG)

## FEDERAL

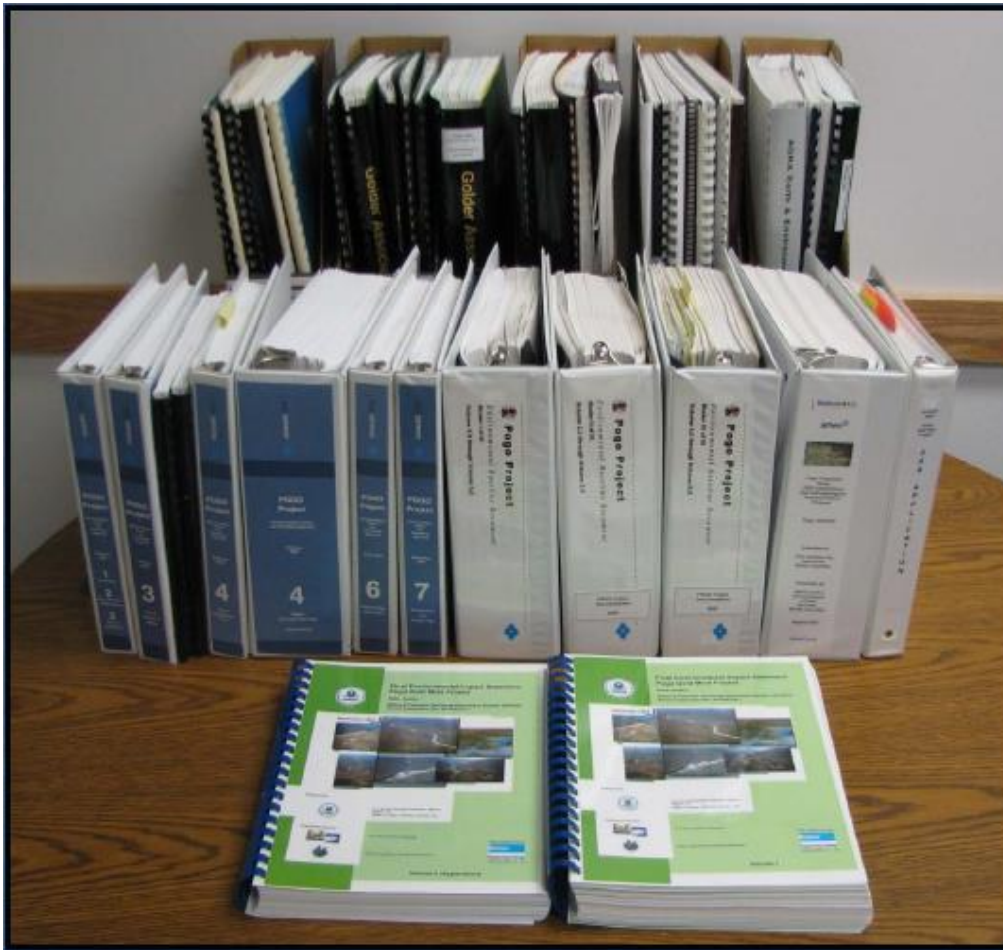
- US EPA Air Quality Permit review
- US EPA Safe Drinking Water Act (UIC Permit)
- US ACOE Section 404 Dredge and Fill Permit
- US ACOE Section 10 Rivers and Harbors Act
- US ACOE Section 106 Historical and Cultural Resources Protection
- NMFS Threatened and Endangered Species Act Consultation
- NMFS Marine Mammal Protection Act
- NMFS Essential Fish Habitat
- NMFS Fish and Wildlife Coordination Act
- USFWS Threatened and Endangered Species Act Consultation
- USFWS Bald Eagle Protection Act Clearance
- USFWS Migratory Bird Protection
- USFWS Fish and Wildlife Coordination Act

These are only some of the permits required!

# Typical Time Frame for a Completed Mine Project



# The Permit Application Package is Comprehensive



An example:

Pogo Gold Mine Permitting Documents and Environmental Impact Statement





# NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PROCESS

- Major federal actions trigger NEPA (EPA, COE, BLM, USFS)
- Requires an Environmental Assessment
- Could require an Environmental Impact Statement (EIS)
- Timeline for NEPA is usually longest part of the mine permitting process.

# AN EIS IS

- A disclosure document prepared so agencies undertaking decisions on a project are fully informed

# AN EIS IS NOT

- A Decision document

# NEPA PROCESS STEPS

- Application (i.e. for a CWA Section 404 permit, or USFS Plan of Operations Approval)
- Scoping (identify significant issues, scope of EIS)
- Draft EIS Review
- Comments
- Final EIS
- Record of Decision (ROD) – federal register posting of decision of action re. the project – still not a Permit to proceed; the permit follows the ROD and may incorporate certain language from the ROD as permit stipulations.

# BASELINE STUDIES

- Surface Water Quality & Quantity
- Groundwater Quality & Quantity
- Subsistence
- Aquatic Life
- Wildlife
- Wetlands
- Socioeconomics
- Cultural Resources
- Meteorology
- Traditional Ecological Knowledge (TEK)
- Visual Resources
- Noise
- Air Quality

# FINANCIAL ASSURANCES

- Financial assurances are required from each mine operator so that reclamation and closure activities can be performed if the operator is unable to do so
- May be in the form of a Bond, Letter of Credit, Cash, Collateral; Most are Letters of Credit
- Trust Funds can be used for long-term obligations under AS 37.14.800
- Requirement applies equally to US and non-US parent corporation
- Amounts vary, mostly due to long-term obligations (water treatment, monitoring)
- Amount is reviewed every 5 years through Environmental Audit as part of the permit renewal process
- Amount also reviewed anytime agencies feel it is warranted by a change in the scope/scale of the operation

# Financial Assurance for Alaska Mines

MINE	TOTAL BOND (\$ Millions)
Greens Creek	\$65
Red Dog	\$305
Ft. Knox	\$98
Kensington	\$29
Rock Creek (Closed)	\$14
Pogo	\$57
Nixon Fork (Closed)	\$6
Usibelli Coal	\$12
TOTAL	\$586

Source: OPMP website, presentation.

# DOES THE STATE EVER DENY PERMITS?

Answer – many times:

- There are many permits, each requiring YES/NO decisions
- A NO typically results in design changes to the project, and resubmittal of supporting documents
- The final approval project rarely looks like what was initially proposed
  - agencies require numerous changes to get to YES decision and permit approvals
- Sometimes applicants abandon a project before they get rejected
- Frequently project owners abandon projects before they submit development permits – economics or technical challenges make projects unfeasible or marginally feasible. Very few exploration projects ever become a mine
- Examples of denials/discouragements: Echo Bay's AJ Gold Project & US Borax's Quartz Hill (molybdenum in Misty Fiords) .

# ALASKA DAM SAFETY PROGRAM APPROVALS

- Certificate of approval to construct, modify, repair, remove or abandon a dam is required
- Considerations
  - Site location and hazard potential
  - Geology and seismicity
  - Hydrology and hydraulics
  - Structural integrity, slope and seismic stability
  - Seepage control
  - Operation and maintenance
  - Emergency contingency planning



# ADF&G – PERMIT(S)

All salmon are required to swim in a uniform fashion:



# Environmental Monitoring

- Mines are required to perform routine environmental monitoring to assure that protection mechanisms are performing
- Monitoring is specific in a number of monitoring plans approved by ADNR, ADEC, and/or ADF&G
- Typically: air, water, fish, and waste streams are included
- Schedule: begins prior to mine construction and continues through operational and closure periods
- 30 years of monitoring is typical, but can be in perpetuity (Red Dog)

Source and for further info: <http://dnr.alaska.gov/mlw/mining/largemine/>