

BALLOT MEASURE 4 OPPOSITION DISCUSSION

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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

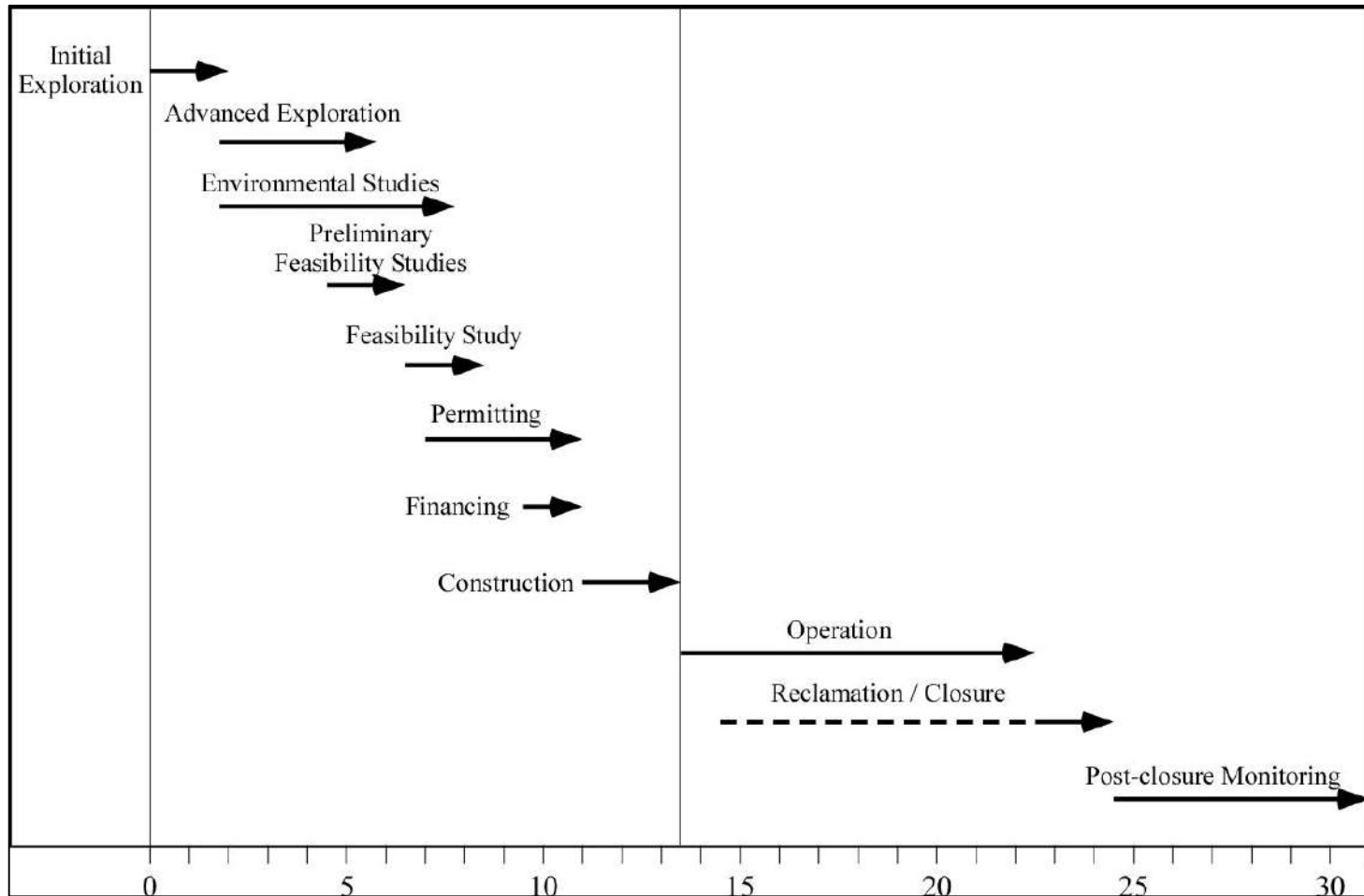
- Plan of Operations (DNR)
- Reclamation and Bonding (DNR)
- Waste Management Permits and Bonding (ADEC)
- CWA Section 402 APDES water Discharge Permit
- Certification of ACOE Permits (ADEC)
- Sewage Treatment system Approval (ADEC)
- Air Quality Permits (ADEC)
- Fish Habitat and Fishway Permits (ADF&G)
- 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

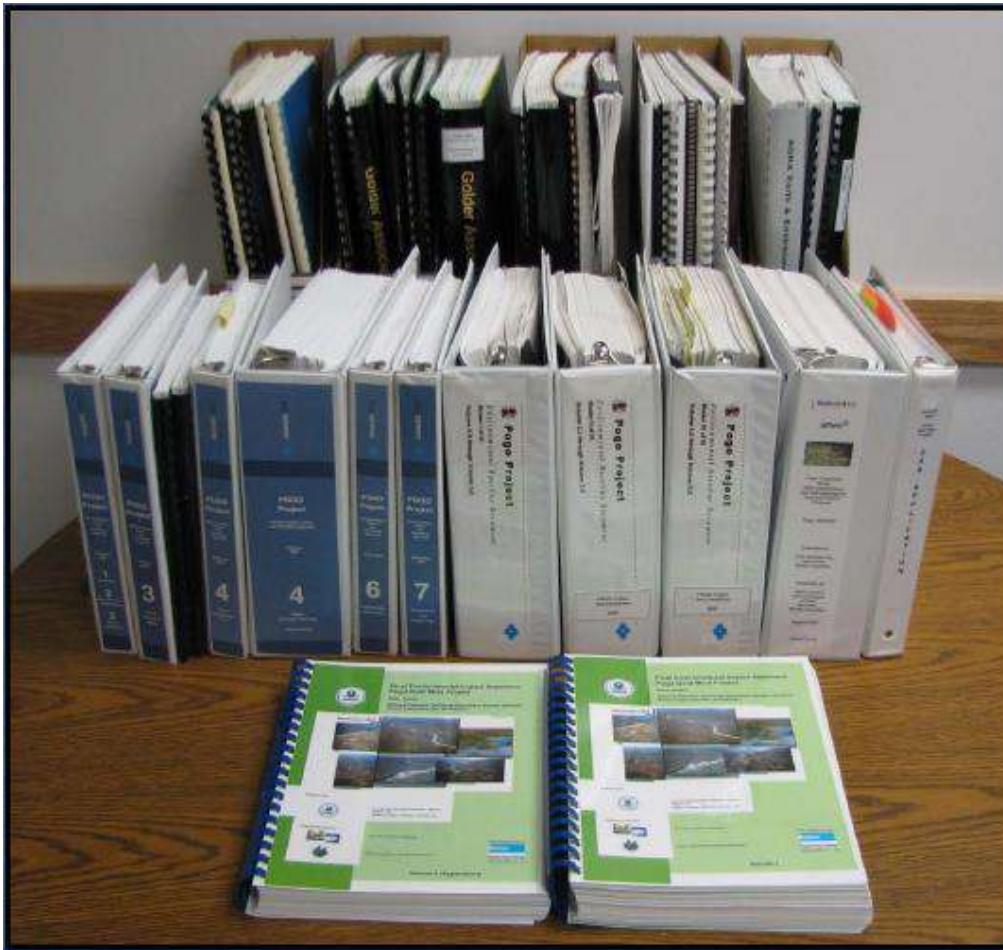
- US EPA Air Quality Permit review
- US EPA Safe Drinking Water Act (UIC Permit)
- US ACOE Section 404 Dredge and Fill Permit
- US ACOE Section 10 Rivers and Harbors Act
- US ACOE Section 106 Historical and Cultural Resources Protection
- NMFS Threatened and Endangered Species Act Consultation
- NMFS 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/>