



November 7, 2019

Mr. Matthew Reece, Minerals Program Manager
Tongass National Forest, U.S. Forest Service
Kensington Mine POA 1 SEIS
8510 Mendenhall Loop Road
Juneau, AK 99801

Submitted electronically at: <https://www.fs.usda.gov/project/?project=55533>

Re: USFS SEIS for Kensington Mine Plan of Operation Amendment (POA 1)

Dear Mr. Reece:

Thank you for the opportunity to provide scoping comments to assist in the U.S. Forest Service's (USFS) preparation of the Supplemental Environmental Impact Statement (SEIS) for Coeur Alaska, Inc.'s (Coeur) proposed life of mine extension for the Kensington Mine as described in December 2018 Coeur's Plan of Operation Amendment 1 (POA 1). These comments are offered on the behalf of memberships of the Alaska Miners Association (AMA), the Council of Alaska Producers (CAP), and the Resource Development Council for Alaska, Inc. (RDC).

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

Formed in 1992, CAP is a non-profit trade association that represents the interests of Alaska's five large metal mines and several advanced projects. CAP informs members on legislative and regulatory issues, supports and advances the mining industry, educates members, the media, and the general public on mining related issues, and promotes economic opportunity and environmentally sound mining practices.

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Coeur has proposed POA 1 to increase tailings and waste rock storage capacity to reflect favorable exploration results, improved metal prices, and ongoing operational efficiencies. The proposed POA 1 is a continuation of the safe, reliable, and proven mining practices the Kensington Mine has been advancing since production began in July 2010.

When designing POA 1, Coeur used existing infrastructure that minimizes disturbance, minimizes the carbon footprint, and maintains and improves the general aesthetics of the operation. In addition, POA 1 provides a net benefit for fish and wildlife by creating more aquatic habitat with the mine's closure plan.

Possible Alternatives

We believe any reasonable alternative must provide 4 million tons (Mt) of tailings storage and 5 Mt of waste rock storage. Possible alternatives that fail to meet these quantities would not provide Coeur the certainty it

needs in its operations nor provide for a ten-year life of mine extension. Additionally, the USFS should consider and dismiss from further consideration any possible alternative that would require Coeur to cease production, even temporarily. Possible alternatives that do not meet the above criteria should not be carried forward as reasonable alternatives.

Only focus on significant impacts

We encourage the USFS to focus the scope of the SEIS only on significant impacts associated with POA 1 as the National Environmental Policy Act (NEPA) is intended to accomplish. The USFS should logically evaluate whether or not an issue raised during the Scoping period is an impact that could be attributed to POA 1.

If commenters suggest impacts are attributable to POA 1, the USFS must closely examine that suggested impact and determine if it truly rises to the level of “significant” while taking into consideration the many effective mitigation measures Coeur implements under its approved Plan of Operations as well as the mitigation measures proposed in POA 1. For example, the recent settlement agreement between the U.S. Environmental Protection Agency (EPA) and Coeur over alleged historic water quality violations could instigate comparisons to POA 1 and its impact on water quality. In this instance, we believe any such decisions on the level of POA 1’s impact on water quality must include expert input from the State of Alaska’s Department of Environmental Conservation (ADEC), because ADEC has primacy under the Clean Water Act for permitting water discharges under Section 402 of the CWA.

Scoping commenters may also suggest or reintroduce impacts already reviewed and studied both during and since the 2004 SEIS. These comments may indicate that said impacts should require studies and/or monitoring and should be determined “significant” and examined in this SEIS by requiring yet more studies and/or monitoring. Before determining any such impact is again “significant” and carried into this SEIS for further analysis, the USFS must review and give proper and full consideration to the information and data that was required to be collected. We believe many of these suspected adverse significant impacts identified in the 2004 SEIS did not materialize and that the subsequent studies and/or monitoring have borne this out. Further, in an effort to provide transparency to the public, the USFS should describe how the results of any such study or monitoring have been considered in its decision-making process for that potential impact

Purpose and Need

In the September 3, 2019, Federal Register notice announcing the USFS’s Notice of Intent (NOI) to write a SEIS, the USFS states, “The purpose of this SEIS is for the Forest Service to consider the proposed changes and to determine whether there is a need to amend the Plan of Operations.”

This purpose and need statement as worded suggests that the USFS is intending to develop the SEIS to determine the need for the USFS to act. With Coeur’s submittal of POA 1, we believe a project’s need is inherently established and the USFS, if it were the sole Federal agency making a decision, should consider revising its purpose and need statement to:

“The purpose of this SEIS is for the Forest Service to consider the proposed changes and to determine whether to amend the Plan of Operations.”

But the USFS is not alone in evaluating POA 1. The NOI states Coeur will also need a Section 404 Clean Water Act (CWA) permit from the U.S. Army Corps of Engineers (USACE) before commencing with POA 1. In May of 2003, there was correspondence between the Council of Environmental Quality (CEQ) and the U.S. Department of Transportation regarding the topic of purpose and need. While most of the correspondence’s subject matter is not germane to the USFS’s National Environmental Policy Act (NEPA) action on POA 1, it is worth pointing out one salient topic pertaining to situations where more than one federal agency has a decision to make. In those cases, CEQ provides clear counsel when it writes:

“In situations involving two or more agencies that have a decision to make for the same proposed action and responsibility to comply with NEPA or a similar statute, it is prudent to jointly develop a purpose and need statement that can be utilized by both agencies.

An agreed-upon purpose and need statement at this stage can prevent problems later that may delay completion of the NEPA process.”

To this end, we encourage the USFS, as the lead agency, to jointly develop a purpose and need statement with USACE to avoid delays that often occur when a lead agency and cooperating agency disagree over the purpose and need.

In developing a joint purpose and need statement, we believe the USFS should adopt a position similar to that of USACE’s Regulatory Program and acknowledge that the USFS is neither a proponent nor an opponent of Coeur’s proposal (POA 1) to amend their 2005 Plan of Operations. This will allow the USFS to fully consider Coeur’s purpose and need in developing a joint purpose and need statement with USACE.

Executive Order 13807 - Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects

We encourage the USFS and USACE to adopt a process for this SEIS that meets the intent of Executive Order (E.O.) 13807 in order to efficiently come to agreement on key issues and complete the SEIS and permitting efforts on a schedule that avoids the unnecessary closure of the mine. The components of POA 1 are not technically complex or difficult to manage and the USFS and USACE should look at voluntarily adopting E.O. 138707 as an opportunity to partner and create a “win-win” scenario for an environmental review.

Economic benefits to consider

Currently, the Kensington Mine is the second largest private employer in Southeast Alaska in terms of payroll, with \$53 million in direct annual payroll and benefits supporting about 386 full-time, year-round employees. These employees earn an average wage of \$96,200. The mine is the second largest property taxpayer in the City and Borough of Juneau, paying \$1.4 million annually, and spends approximately \$107 million annually with Alaska vendors. The Kensington Mine is already a tremendous contributor to the economy of the region and state. POA 1 would add to this significantly, generating direct and indirect economic impacts over a two-year construction period with direct employment of about 65 workers earning \$6.8M in total wages each year of construction.

Conclusion

In conclusion, we urge USFS to provide for Alternatives that provide Kensington with the capacity to continue their environmentally-sound and economically beneficial operations, and to focus the scope of the SEIS on significant impacts only.

Thank you for the opportunity to comment.



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