

From: [Deantha Crockett](#)
To: [donlingoldeis_POA](#)
Subject: [EXTERNAL] Comments from AMA on Donlin DEIS
Date: Tuesday, May 31, 2016 4:05:49 PM
Attachments: [AMA Comments Donlin draft EIS.pdf](#)
[ATT00001.htm](#)

Dear Mr. Gordon:

Attached are comments by the Alaska Miners Association on the Donlin Gold Draft EIS. Thank you for the opportunity to submit comments.

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May 31, 2016

Mr. Keith Gordon
U.S. Army Corps of Engineers, Alaska District
CEPOA-RD-Gordon
PO Box 6898
JBER, AK 99506-0898
Submitted via email at POA.donlingoldeis@usace.army.mil

RE: Donlin Gold Draft Environmental Impact Statement

Dear Mr. Gordon:

The Alaska Miners Association (AMA) appreciates the opportunity to submit comments on the U.S. Army Corps of Engineers (Corps) Draft Environmental Impact Statement (DEIS) for the Donlin Gold Project.

AMA is a non-profit membership organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,800 members that come from seven statewide branches: Anchorage, Denali, Fairbanks, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, vendors, suction dredge miners, small family mines, junior mining companies, and major mining companies. We look for and produce gold, silver, platinum, molybdenum, lead, zinc, copper, coal, limestone, sand and gravel, crushed stone, armor rock, and other materials.

Alaska's mining industry has a history of rigorous project design to be able to complete the stringent permitting process that authorizes mining projects. This is a robust process that ensures environmental protection, and AMA members have long contended and indeed, insisted, on its scientific integrity to meet the goals of public agencies and the standards in which our members operate. The Donlin Gold DEIS, at this point, has taken four years and more than \$500 million to complete. An assertion that this process is long or stringent enough is misguided, and a trend of extreme delay and cost is not a sustainable model for Alaska. It does not result in a better project or even more comprehensive description of potential environmental impacts. It is simply inefficient. It is imperative for the Donlin Gold Project, and for future projects whom are watching Donlin navigate the National Environmental Act (NEPA) process, that the process be finished in an expedient manner. Otherwise, it signals the federal process is unworkable. AMA encourages you to move the Donlin EIS process forward in the manner described in NEPA and not delay the document any further.

AMA Supports Alternative 2: Proposed Project



AMA strongly supports Alternative 2 in the DEIS; the proposed project. Donlin Gold has submitted a robust, environmentally-sound project that will generate significant economic benefits to the region, State, and nation while maintaining environmental protection. Donlin Gold has spent over 20 years, and nearly \$500 million studying the environmental, geological, and engineering aspects of the project in order to complete a design of environmental excellence. In addition, Donlin has had decades of consultation with the region's communities and stakeholders to incorporate concerns and suggestions into the ultimate design. Such a carefully contemplated, vigorously designed project has resulted in one that has mitigated risk and will transform the economy of the region. Alternative 2 is the correct choice for the Donlin Gold EIS.

AMA provides the following comments on Alternatives included in the DEIS outside of Alternative 2:

AMA Opposes Alternative 1: Denial of Economic Prosperity

AMA is strongly opposed to Alternative 1. A No-Action decision is irresponsible, as it will without doubt result in a missed opportunity for the Southwest Alaska region, as well as the state and nation. The proposed project would bring 3,000 construction jobs for the four-year timeline, and between 600-1,200 jobs from mining operations through its estimated 27-year mine life. The most recent economic impact study commissioned by AMA and completed by the McDowell Group, *Economic Benefits from Alaska's Mining Industry* (2015), revealed that jobs in Alaska's mining industry carry an average annual wage of \$108,000; these are mostly full-time, year-round jobs often located in rural areas of the State. Jobs at Donlin would be no exception: several hundred to one thousand or more jobs would bring enormous opportunity to a region with one of the highest unemployment rates in the nation. Through its exploration stages, Donlin demonstrated a strong commitment to local hire and would continue to do so during operation. Donlin Gold addressed local employment barriers at its exploration camp, reducing staff turnover rate from 300% to 5% during the exploration stage for an ultimate 90% local hire rate.

In addition to providing stable, high-paying jobs, Donlin has shown a major commitment to workforce development and training to ensure local residents are prepared and trained to work at the project. Donlin has conducted its own workforce programs as well as supported other education and training organizations in the State. The job skills and training received while studying for and working at the mine will prepare the workforce for future work opportunities, creating a value that extends beyond the life of the mine.

In addition to direct employment and contracting opportunities associated with Donlin Gold, many indirect business opportunities are anticipated in areas such as logistics, transportation, training, education and health care.

The most important economic benefit any project can provide is a job that enables an individual to produce a supportable income for their households. Donlin is poised to bring significant other economic impacts as well.

An important benefit to focus on is revenues to Alaska Native Corporations. Donlin is located on surface land owned by The Kuskokwim Corporation (TKC), an Alaska Village Corporation; and Calista Corporation, an Alaska Regional Corporation, owns the subsurface (mineral) estate. These lands were selected under the Alaska Native Claims Settlement Act (ANCSA) specifically for their mineral development potential in order to bring revenues to Corporations and benefits to their shareholders. Royalties paid to Calista by Donlin revenues will in part be redistributed to other regional and village corporations, pursuant to the 7(i) and 7(j) revenue sharing provisions of ANCSA. Donlin Gold is proposing to develop this land in partnership with



Calista Corporation and TKC, resulting in a project that benefits the landowners and its stakeholders immensely.

The State of Alaska has a government significantly dependent on revenues from resource development to fund its services, and is currently in the midst of a staggering budget crisis due to low commodity prices. In times of revenue decline, the responsible action is to look for ways to diversify revenue streams. Donlin Gold is an important factor in this diversification: not only will the project employ Alaskans, but it will pay millions in taxes to the State of Alaska. Donlin Gold is exactly the kind of new development and economic diversification our state, and in fact our country, needs.

Mining operations require support from a multitude of contractors and vendor businesses, for everything from fuel delivery to goods, flight services, and much more. Alaska's "support sector" is home to hundreds of Alaskan-owned and family run businesses that support successful mining operations. *Economic Benefits from Alaska's Mining Industry* (2011) estimates that Alaska's mines spend \$500 million annually with over 600 Alaskan businesses. These support businesses employ Alaskans and pay local, state, and federal taxes, and are an important part of the economy. Donlin will increase the demand for these goods and services and continue to grow the economy of the State.

Finally, the Donlin project can significantly lower the cost that Alaskan households, especially in the Southwest Alaska region, pay for their essential needs. Improved transportation and communications infrastructure that will support the mine, including port and pipeline facilities, can provide better services and lower cost of energy, goods, and services to local residents. Infrastructure in Alaska is prohibitively expensive and requires a large consumer base to justify their development. Mining operations require stable energy sources, access roads, airstrips, and other costly projects needed in remote Alaska that, without an industrial-sized consumer, would likely not be built. Donlin demonstrates this through its proposed 315-mile natural gas pipeline from Cook Inlet to the project site. Construction of the pipeline is a gigantic undertaking – really, an entire "megaproject" on its own, that Donlin proposes to build to support the mine's energy needs. The pipeline will have excess capacity should there be interest in accessing natural gas to address the energy needs of the region and bring more affordable power closer to these rural communities.

The economic benefits outlined in this comment letter cannot be overstated. Selection of Alternative 1 of the DEIS would constitute a missed opportunity at best, but in fact a denial of opportunity, for Alaskans and the nation. AMA urges the Corps to ***not*** select Alternative 1.

Alternative 3: Concepts to reduce barging, alter equipment fuel and pipeline plans

AMA finds the concepts in Alternative 3 to be unnecessary and urges the Corps to decline this alternative. The practice of barging, the use of LNG-fueled equipment, and a potential for a diesel pipeline have already been evaluated by the Donlin Gold project team and determined to be less viable options. The proposed project outlined in Alternative 2 was not done hastily: extensive time and money was spent by Donlin to fully understand all aspects of the project and arrive at its proposed conclusions. Project concepts suggested in Alternative 3A are not the best practices and designs for the project and the region.

The practice of barging outlined in Alternative 2's proposed project has thoroughly examined impacts and outlined best management practices for barging required by Donlin Gold operations.

First, the increase in barge traffic is unreasonably characterized in the DEIS. The document focuses on a percentage increase of barge traffic associated with the Donlin Project while placing little context on the rest of the boat activity on the Kuskokwim River. The level of existing barge traffic (less than 1 per day)



would increase to less than two per day during operations. The DEIS does little to put this in context with the 100 to 200+ boats that could be encountered on any given summer day on the Kuskokwim River. Barging has occurred on the river for decades with little impact. Most erosion or scouring is a natural occurrence that takes place during spring break-up in Alaska, and high water events. Any additional impact from less than two barges per day seems inconsequential in comparison. These statements are misleading, and have likely caused the public and affected stakeholders to be unnecessarily concerned because of this information provided by a government agency.

On a similar note, the inclusion of Dutch Harbor, Alaska, in the impact assessment in relation to fuel barging is unnecessary and speculative. Whether or not a third-party may require additional diesel storage simply extends the area of project influence beyond that required by the National Environmental Policy Act (NEPA).

What can be accurately and appropriately described about barging activity from Donlin operations is that the mine would implement guidelines for barge operations to minimize the potential for impacts. This includes practices like adjusting loads based on water levels of the river to avoid risk of grounding, establishment of navigational aids and procedures for operating in narrow channels, and use of state-of-the-art navigation and communication equipment to operate safely and responsibly. In addition, Donlin has said it will implement a communication program to keep local communities informed of barge schedules and status.

Alternative 3A outlines some initiatives to decrease barging and fuel storage needs that, in theory, are reasonable for an EIS to evaluate. Initiatives to reduce emissions and lower fuel costs are always worth exploring, however, in the case of the Donlin project, review of a mining project utilizing equipment fueled by Liquid Natural Gas (LNG) poses some challenges. Large industrial equipment like haul trucks sees improvements to technology throughout time, however, the technology explored in this Alternative isn't yet available, proven, or shown to be backed by consumer protections and warranties. To review the use of hypothetical LNG fueled equipment at the Donlin Gold Project, at this time, is inappropriate and should be discarded until the potential for use becomes more feasible.

Alternative 3B suggests that construction of a diesel pipeline rather than natural gas could reduce river barging, and while that would be the case, it is the only "upside" to this alternative. Doing so would bring many negative impacts to not only the project economics, but also the environment. Exclusive use of diesel at the project would result in increased greenhouse gas emissions and require approximately 120 million gallons of diesel annually. An amount of this magnitude would create many associated impacts, such as a large increase in dock and tanker traffic in west Cook Inlet, new infrastructure and associated footprint for spill response, and a new potential risk for spills. The need for new infrastructure would include an access road traversing much of the pipeline corridor, which could increase competition for subsistence resources in the vicinity of the pipeline. Finally, a diesel pipeline ensures a commitment to diesel fuel use for the life of the mine that would eliminate the potential for LNG fuel migration for equipment at the site as well as the option for local communities to access lower-cost energy brought in by a natural gas pipeline.

Donlin Gold's proposed project in Alternative 2 outlines what are the best practices for barging to mitigate impacts from barge traffic associated with the project. Alternative 3's concepts are not necessary and should be withdrawn from Corps consideration.

Alternative 4: Alternate, Upriver Port Location



As in the case with Alternative 3, AMA finds the concepts in Alternative 4 to be unnecessary, and urges the Corps to decline this alternative. Again, Donlin undertook significant study to understand the region and is proposing a port location based on the best, most feasible option. Through detailed evaluation, the Jungjuk site was determined to be the best port location for Donlin.

The Birch Tree Crossing port location proposed in Alternative 4 is not a requirement for barging and brings longer road impacts, including a larger wetlands disturbance, more stream crossings, impacts to subsistence hunters, and increased truck traffic and associated dust and spill risk. The Corps should discard its concept of an alternative port location as outlined in Alternative 4.

Alternative 5: Mine Site Alternatives, Use of Dry Stack Tailings

Alternative 5A fails to consider the results of a significant environmental and engineering study commissioned by Donlin Gold to determine the best project design for the conditions in which it will operate. From a social perception standpoint, a common misconception is that dry stack tailings are the only safe tailings storage facilities (TSFs) that mines can use. This is highly inaccurate and is an unfortunate viewpoint, as a broad application of a mining method ignores the use of best available science to provide the highest environmental protections. Mining project designs must always consider individual project specifics, like the scale of a project, climate in which it will operate, potential for dust migration, and thousands of additional technical details. Tailings storage is a site-specific determination and it is crucial that the ultimate design consider the truly best design for the specific site conditions, not what the perception may be.

In its exhaustive study, Donlin Gold determined that use of a dry stack TSF could increase fugitive dust and would increase energy consumption and associated greenhouse gas emissions. A dry stack ultimately does not address a core concern of water management at the Donlin site. Instead, Donlin has addressed this concern with a detailed water management plan which includes proposal of a dry closure for the TSF, an engineered rock fill and downstream-style construction tailings dam designed to withstand seismic activity, and an innovative synthetic liner that will be the first of its kind used in Alaska.

Use of a dry stack TSF at the Donlin site poses significant operational challenges, is a departure from the science and engineering study conclusions, and should not be considered to be the best option. The TSF designed outlined in the proposed project in Alternative 2 is the best option. The Corps should disregard the dry stack tailings concept in Alternative 5A from the Donlin EIS.

Alternative 6: Pipeline route alternatives

In its proposed project, Donlin Gold has outlined the construction of a 315-mile buried pipeline to supply the mine with natural gas for its energy needs. This proposal ultimately arose from consultation with area residents who voiced concerns about excess traffic from diesel barge deliveries on the Kuskokwim River. Upon arriving at a decision to construct a pipeline, Donlin explored several potential routes, including the Dalzell Gorge route outlined in Alternative 6 upon arriving at a decision to construct a pipeline. After extensive consultation with the area residents and recreational users, Donlin chose the route proposed in Alternative 2, and determined ways to ensure construction does not interfere with recreational events and the hunting seasons.



The Dalzell Gorge route is an inappropriate choice for the pipeline to Donlin. The route results in a greater environmental footprint, including wetlands, and would be built through a narrow canyon with challenging terrain. The route would pose geotechnical challenges during construction and risk to the long-term stability of the pipeline. The Dalzell Gorge route would also significantly overlap with the Iditarod National Historic Trail and the annual Iditarod Trail dog mushing and Iron Dog snowmachine races. The route proposed by Donlin in Alternative 2 does not conflict with the races, does not pose the same challenges, and would result in a smaller environmental footprint; therefore, the Corps should decline the proposed route in Alternative 6.

In summary, AMA strongly supports the extremely detailed concepts proposed in Alternative 2 of the DEIS. The Donlin Gold project is located in an area with a long history of mining, beginning with the discovery of placer gold in 1909. The mineral richness of the region brings enormous potential, and opportunities to tap that potential. Donlin Gold has proposed a modern, rigorous project that has reviewed and analyzed all potential impacts to ensure an operation with the highest environmental standards. For these reasons, AMA submits that it is the responsibility of the Corps to approve Alternative 2, Donlin's proposed project.

The Alaska Miners Association thanks you for the opportunity to review and comment on the Draft Environmental Impact Statement for the Donlin Gold Project.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Crockett', is written over a light blue horizontal line.

Deantha Crockett
Executive Director