

USACE Media Teleconference 7-24-19

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Dave Hobbie – USACE

Becky Bohrer – Associated Press

Nicholas Harvey – Seeking Alpha

Karen Ducey – freelance

David Owen – Owen Investments

Elwood Brehmer – Alaska Journal of Commerce

Mariah Oxford – Pebble Watch

Dylan Brown – E&E News

Ashley Braun – freelance

John Budnik: The purpose of today's teleconference is to give a general status update of where the Corps is in the EIS process. With me today is Mr. Dave Hobbie, our Chief of Regulatory Division. We have allotted one hour for this session. Dave Hobbie will say welcome to you folks and then we'll turn it over to you for questions. Just as a courtesy, kindly ask that you place your phone on mute. Please hold your questions until after we say welcome and be sure to state your name and affiliation when asking a question. Full disclosure, this call is being recorded in order to provide a transcript at a later time. Before we get started, I'd like to conduct a quick roll call, just so we know who else is out there. Going through my list in order of the RSVPs that I've received. Is Nicholas Harvey on the line?

Nicholas Harvey: Here.

John Budnik: Good morning Nick. Yereth Rosen, Reuters? [silence] No Yereth, I think she said she would join a little bit later. Becky Bohrer with Associated Press?

Becky Bohrer : Yes, and I may have to jump off for one of the rounds of questions to cover the legislature, but I'm here for the initial part.

John Budnik: OK, thank you Becky . Is Jill Burke, Bloomberg Environment? [silence] No Jill. Steven Lee, Bloomberg Environment? [silence] No Steven. Margie Bauman, Fisherman's News? [silence] No Margie. David Owen, Owen Investments?

David Owen: Yeah, here.

John Budnik: Alright, good morning David. Ashley Braun, freelance?

Ashley Braun: I'm right here.

John Budnik: Good morning Ashley. Scott Braunstein, if I'm saying that correctly, CNN?
[silence] No Scott. Elwood Brehmer, Alaska Journal of Commerce?

Elwood Brehmer: Howdy John.

John Budnik: Hey, good morning, Elwood. Karen Ducey, freelance?

Karen Ducey: Yep, I'm here, good morning.

John Budnik: Good morning Karen. Dylan Brown, E&E News?

Dylan Brown: Here.

John Budnik: Good morning, Dylan. Mariah Oxford, Pebble Watch?

Mariah Oxford: I'm here.

John Budnik: Good morning. Hannah Wineberger with KRASKA PBS? [silence] No Hannah. Alright folks, we have a pretty full house here. We'll turn it over to Mr. Dave Hobbie to say good morning to you.

Dave Hobbie: Good morning everybody, I don't know exactly where you're all sitting, but in Alaska it's a beautiful rainy day. I say that because it's been extremely dry around here so we're actually thankful to have the rain. So, good morning, and if you're all ready we can go ahead and get started, John.

John Budnik: Alright, well let's go ahead and kick off the first round of questions. Starting with Nick.

Nicholas Harvey: Thanks John. I guess, first question is one most of you have regarding the EPA and the 404q elevation procedure. It looks like, reading the regulations, that within 25 days the EPA can issue the, what I would call, real effect letter. What's your sense as to whether they might issue that to you by the end of the week, and if so, what does that kick-off in terms of correspondence between you and EPA?

Dave Hobbie: OK, thanks for the question. I really don't have a sense here of what we call here the "B letter." I don't have any confirmation or denial from EPA that they're going to send it or not going to send it, I assume they probably will. For us, just to be clear, we probably get about 10-15 of these a year, and as a whole in the district, across the nation probably a couple hundred. What that does is preserve their right to elevate if they don't like or disagree with the decision that we're going to make. Just so you know, traditionally the 404q process has been utilized if the EPA believes that they might need to use their C authority. In this case, they've done that and they've pulled it back so it's a bit different. But, this really will not alter our process at all, as this process is spelled out. But what it does allow for is them to maintain their rights to elevate, if at the end they disagree with either our decision, for example if they disagree with our Compensatory Mitigation Plan at the end they could elevate and say let's have more

discussions about this. But at the end of the day it's still the Department of the Army's final decision to make.

Nicholas Harvey: OK, thank you.

John Budnik: Thank you Nicholas. Becky Bohrer ?

Becky Bohrer : Hi, Dave can you talk a bit about the EPA's comments, I know that they're one of many comments that the agency receives, but could you talk a bit about the concerns that were raised and the shortcomings in the review draft and the weight that the Corps believes that the EPA's comments carry or don't carry and next steps in terms of addressing the specific concerns that EPA raised?

Dave Hobbie: Yes, I'll do the best I can. We received about 105,000 comments in general. A lot to review, EPA is one of those comments, along with the other agencies, and of course it's all very detailed. So right now, the team, and when I say, "team" there is about 25-30 people scouring over the comments trying to differentiate from the standard comment "we like this project or we don't like it," to separate those out from the real substantial ones, like EPA's. So, the team is analyzing those. Once we analyze them, first to see if we have the information to address the comments and number two, do we need to acquire additional information or data or does further analysis need to be done to address those comments, we will move forward with doing that. At the same time, we are having technical meetings with the different agencies to ensure that we understand the comments in full and so they understand our responses in full also, which will be an iterative process, and of course, a lengthy process. One of the reasons we're going to hopefully make a decision summer of next year, but there is of course, as you well know a long time period there, because we were expecting a lot of comments, so this gives us an opportunity to analyze comments. So, this gives us an opportunity to address them in full. As far as the weight of the comments, we take all comments seriously, including EPA's. Fish and Wildlife Service, we take them all very seriously. The USEPA of course has a lot of expertise so we give a lot of weight to those comments.

Becky Bohrer : One follow-up, you had mentioned that when you analyze you'll look at additional information and does further analysis need to be done, can you look at that and make a decision like, "we don't agree that we need to do this?"

Dave Hobbie: Yes, that may be one of the decisions that we make. I don't know if it would be "we don't agree that we need to do this." It would more likely be "we already have the information or it's already been addressed someplace else." So, we might make that decision, I don't think we'll just say, "we don't need to answer this question," because we will address all comments. Our response may be, "this information is located in this section of the EIS or it was addressed with this current response." But we wouldn't just say we don't need to respond.

John Budnik: Alright, thank you Becky . Moving on to David Owen.

David Owen: At page 60 of the Executive Summary, the table shows that there will be a permanent loss of 81 miles of streams and approximately 3,500 acres of wetlands, that sounds like a lot, but in the context of the 9,816 miles documented lakes and streams in the entire

Bristol Bay watershed that appears at page 49 of the Executive Summary, and the EPA itself estimates it may contain as many as 5,500 miles, that's many thousands of kilometers, of streams, most of them anadromous. Does the Corps consider those losses to be devastating and is the [inaudible] specific?

Dave Hobbie: I apologize, I can't verify all the numbers that you gave me but I'll take your word for it. We wouldn't use the word "devastating," what we might use is "significant" or significant to the point where they cannot be mitigated for. That will come out of the analysis, because some analysis needs to be done with regards to the potential impacts to rivers. So, when we're done with some of the analysis and reviewing the comments, because again, I do think some things will come up in the comments that we will need to revisit, then we will figure out how to address that. That may impact the overall decision to issue a permit. Whether we issue or deny the permit, or issue a permit with special conditions. But right now, I can't say, the Corps typically would use the word significant impacts, we wouldn't use the word "devastating." I know that's kind of a technical issue.

David Owen: OK then, a follow-up: does the Corps think that those losses in the context of the entire Bristol Bay watershed would be a substantial and unacceptable impact? But I guess you've already answered that.

Dave Hobbie: Again, currently we have additional analysis to do. The current analysis does not state that, but again, we want to make sure that we're very sound on this so we will continue to analyze and look at the data we have.

David Owen: OK, thank you very much.

John Budnik: Thank you David, Ashley Braun?

Ashley Braun: Yes, so I have a few questions here. My first is if you could just confirm that Action Alternative 3, the North Road Only Option, for the project would have no port facilities constructed whatsoever on Cook Inlet and instead would transport ore concentrate via truck and pipeline and would also presumably have construction materials for the project transported via truck rather than by sea?

Dave Hobbie: Action Alternative 3 still uses a port facility.

Ashley Braun: OK, a port facility on Lower Cook Inlet?

Dave Hobbie: At Diamond Point.

Ashley Braun: At Diamond Point. OK, yeah. Got it. Related to the ports, on the west side of Lower Cook Inlet, specifically looking at Amakdedori, I have some questions about how thoroughly the Draft Environmental Impact Statement supplements the documents, such as the Essential Fish Habitat Assessment and the Endangered Species Act Biological Assessment detail the potential impacts to endangered species? The Fish and Wildlife Service in their public comments specifically said that the Army Corps had not engaged with the Fish and Wildlife Service in consultation pursuant to Section 7 of the Endangered Species Act, and called out

both the Draft Environmental Impact Statement and Draft Biological Assessment as inadequately analyzing and significantly minimizing the potential to endangered northern sea otters and to their habitat. I'm curious, do you have a reaction to that and whether the Army Corps has begun consultation with Fish and Wildlife.

Dave Hobbie: OK, I'll try to answer that in full. There are a few different questions in there. One, the Fish and Wildlife Services is a cooperating agency on the EIS. We have engaged them, more from an informal standpoint, because until we really determine what we believe the LEDPA will be, the least environmentally damaging practicable alternative, we won't start formal consultation because you might never end consultation if you looked at not only the potential alternatives in the EIS, but if there is any combination of those alternatives used. So, once we determine the LEDPA we will start consultation with them, which is the normal process. With regard to unacceptable impacts, I believe you're talking about—to be as clear as possible, the Corps of Engineers and our authorities, we basically issue permits that would be considered construction permits. A lot of what we've received from National Marine Fisheries Services along with the Fish and Wildlife Service wants to go into operations of the mine, which is outside of our scope of authority. So, something else they want with regards to operations is outside of our authority, so they may have to conduct separately with the State or the applicant, but our authorities don't allow us to speculate that far out.

Ashley Braun: In terms of the potential impacts?

Dave Hobbie: Right, now, we may have to disclose it under NEPA, but with regards to the actual permit itself, our authorities don't require us to consult for operations of projects.

Ashley Braun: OK. Got it. I'm curious how much the draft Environmental Impact Statement relied on the Biological Assessment for information about northern sea otters and potential impacts to them and their habitat?

Dave Hobbie: We looked at it somewhat, but again, until we get the LEDPA, because depending on the final alternative or the combination of alternatives utilized, there may not be any routes that would impact the northern sea otter. Again, once we determine the LEDPA, then we will move on to that consultation if required for that particular species.

Ashley Braun: OK. Do you feel that you have enough information about the presence of northern sea otters in western Cook Inlet, if there is going to be a port on that waterbody?

Dave Hobbie: We feel we have enough information to start that consultation. In that process, if Fish and Wildlife Service points out additional information that we might need to complete the formal consultation, we may have to acquire more data, but right now I feel that we have enough information to start that process if necessary.

Ashley Braun: OK.

John Budnik: Let's go ahead and keep the first round going. We'll continue, great discussion here. Next up is Elwood Brehmer.

Elwood Brehmer: Good morning, gentleman. Dave, you just mentioned that there were some aspects of the EIS, the project, brought up in the comments that the Corps needs to reevaluate or get more information on, what areas?

Dave Hobbie: I'm sorry, we look at the comments as a whole, so we've seen over 105,000. I don't have an accumulation sheet in front of me of every area that people thought we needed to expand or further explore. So, I don't know if I could answer that question for you in full.

Elwood Brehmer: You mentioned that there are some that you believe the Corps needs to reevaluate. Which areas are those?

Dave Hobbie: I apologize if I misspoke. If I didn't say this, is that we are still evaluating the comments, we're looking into many different areas that may need further evaluation. I'm sorry if I came across that we've already made that determination. That is not accurate. We are still looking into that, and again, there may be areas that we need to do that in, but I don't think we've come to a conclusion that there's a specific area we need to do that in at this point. But again, it's still really early.

Elwood Brehmer: Yes, certainly. OK, thank you.

John Budnik: Thank you Elwood. Karen Ducey?

Karen Ducey: Good morning. I was just wondering about where the funds are coming from to conduct this EIS? I believe that they're federal funds and I'm wondering how much money you've requested from the feds to conduct this EIS?

Dave Hobbie: OK, I'll answer a couple parts. I, when I say I, the Alaska District Regulatory Program gets a yearly appropriation for all projects. Pebble is just one project in our pending case load. So, we get an appropriation, there's been no additional appropriation because we're handling Pebble, if that's the question. With regards to the third party contractor, Pebble Limited actually has to pay for that contract, with the Corps' responsibility to determine who that contractor would be, and that contractor actually works for us, but Pebble pays that bill, which is standard operating procedure across the country, this is nothing unique to this project.

Karen Ducey: Do you know how much that'll cost or how much they're requesting?

Dave Hobbie: Again, we haven't requested any additional funds, this is just out of the general appropriation. Right now, I'm not tracking how much additional labor money it is costing Pebble. If you want to know what Pebble paid for the contractor, I believe you'd have to contact them because I believe that's non-disclosure on our part.

Karen Ducey: OK, thank you.

John Budnik: Thank you Karen. Dylan?

Dylan Brown: Hi, thanks for doing this as always. My question, I'm trying to see if you have any reaction or how it changes your calculus as far as EPA restarting the process to list the 2014 proposed determination?

Dave Hobbie: In all honesty, we have an application and we're still processing it. I'm not going to speculate on what might happen with the EPA. Right now, we've had, when I say no effect, we know it's going on but we're still doing our jobs here to process the application. So, it really hasn't altered our process to date.

Dylan Brown: Have you had any sort of interactions with EPA about this particular process?

Dave Hobbie: Not about this process, a lot of interaction with EPA on the project itself, but not about this particular process, no sir.

John Budnik: Thank you Dylan, Mariah?

Mariah Oxford: Hi, good morning. I wondered about alternatives and whether or not there are any alternatives that have been taken out of consideration so far now that you've got comments in?

Dave Hobbie: Not at this point. Again, we'll go through them, and that may happen over a short duration of time. But right now, no alternative has been taken out of the mix.

Mariah Oxford: OK, so no land access comments have been addressed yet by the Corps?

Dave Hobbie: Well, that's correct. Under NEPA we'll look at everything and when it comes to our permitting, which are kind of two similar, but distinctly different things. When we talk about issuing permits, we talk about the LEDPA, the least environmentally damaging practicable alternative, the practicability is the big one, because if for some reason the alternative is not practicable because of either cost, technology, ability to accomplish, for whatever reason, then yes, that might be taken off the table, but we're not at that point yet.

Mariah Oxford: OK, do you have an idea of when that LEDPA might be reached? When that milestone might be reached in this process?

Dave Hobbie: Ma'am, we won't actually have the ability to identify the final LEDPA until we get to the end of the process, because we're constantly evaluating. We're hoping that maybe by, no later than the end of October, early November to have that preliminary LEDPA.

Mariah Oxford: OK. Do you release any of that information to the public at that time or is that strictly between the cooperating agencies and the Corps?

Dave Hobbie: It'll be between the cooperating agencies and the Corps, and many of the villages so they're tracking or becoming more aware. But we won't put out a public notice with the LEDPA or anything like that, if that's what you're asking.

Mariah Oxford: OK, great. Thank you.

John Budnik: Thank you, Mariah. That concludes the first round of questions. I just want to see if anybody has joined on the line that has not had a chance to ask a question?

Dave Hobbie: And before we go on to the next round, I just want to apologize if I didn't say this upfront. I know everybody's focused on the letter from EPA. We have comments from a variety

of different agencies and we take them all very seriously. We've invited these cooperating agencies to be cooperators for very specific reasons, their special expertise. So, we take them all very seriously. I'm not trying to say that EPA is less than or more than, I'm just wanting to make sure that everybody understands that this is an iterative process with all of the agencies and we're going to stay very engaged with them through the end of this process. I wanted to say that as a clarifying point.

John Budnik: Alright, thanks Dave Hobbie. Let's go ahead and kick off the second round of questions, we'll kick it back to you, Nick.

Nicholas Harvey: Thanks. Dave, the Corps got several comments in regard to redoing parts of the whole of the Draft EIS. Is there a precedent for that? Is that something that the Corps does, is that part of the process from getting from the Draft EIS to the final is addressing the comments and the requests made by either cooperating agencies or the general public. Is there any precedent for redoing the draft or no?

Dave Hobbie: Well, I'll answer in a couple of phases, one, right now we're following the normal process. The traditional process is to be to do a draft, get the comments in, you address them and possibly do data analysis, data gap analysis to address the comments, and then do a final EIS. That is the standard process. I can't say the Corps has never done a supplemental EIS or that they've always done it, what I would tell you is that the process we have is the normal process. I figured this question was going to come up, so I've been thinking about it. You're all writers and you probably give your information to an editor before you publish. That's kind of what this is like for us, except that we've got about 105,000 editors right now looking at our document with recommended changes and alterations. That's kind of our process is to address those, and we'll do so to the best of our ability, but I want to make clear that NEPA is all about disclosure. So, what we're trying to make sure is that the NEPA document that we put out to the public when we go to the draft, disclosed the potential or the possibility all of those impacts. If we've done that accurately and adequately, we would not try to fall back and do a draft, a second draft, we would publish the final.

Nicholas Harvey: Got it. Any idea if there's any talk of doing a supplemental Draft EIS on any particular area? Or is that something that we'll figure out later?

Dave Hobbie: Not at this point. Again, the comment period closed July 1. We're only 22 days into this, I know that sounds like a long time, but with 105,000 comments it's going to take us a bit longer to get through all that. But we were projecting about a million comments, I'm not saying that's good or bad, but we were kind of prepared for this. So, we might get to it sooner than normal, but at the same time, we want to make sure we're not missing any comments and that we're really taking a hard look at the ones that are really substantive to be sure we're addressing them fully.

Nicholas Harvey: OK. Thank you.

John Budnik: Thank you, Nick. Back to you, Becky Bohrer .

Becky Bohrer : Thank you. Dave, can we go back on the 404q process, if the process continues there, how does that play out in practical terms, in terms of the interaction between EPA and the Corps going forward as the Corps continues its analysis?

Dave Hobbie: OK, well the Corps to move forward in its analysis. The 404q process really doesn't alter anything until the very end, if they choose to utilize it to its full extent. So, at the very end, if the Corps is ready to make a final decision and the EPA concurs that decision, we make that decision and move on. If EPA disagrees with that, they have the ability to, we would provide them, what's called our C letter, which says "we're willing to object or issue your objections" in which case, they would have the ability to raise that to the, what we call ASACW, that's the Assistance Secretary to the Army for Civil Works, for further discussion and review. At that point, the district would give further guidance on gaps we may need to fill or what we need to do, or the ASACW could make a final decision at that point. So, that's the way that process would work. At that point, if we made a decision and the EPA still disagreed with it, then they would always have that right to invoke C, and this is where, because I'm not an attorney it gets a bit awkward, so I'm not really sure what that means. I'm not a legal scholar in that area, so I'm not sure what that would really mean or what action EPA would have to take.

Becky Bohrer : One follow-up on the comments, would you read into the fact that you got in a fraction of the comments that you were anticipating?

Dave Hobbie: Nothing really. We were prepared for the worst with regards to staffing and the analytical tools we were trying to put in place. So, other than, it may make our job a little bit less cumbersome. But I don't read anything into that, good or bad.

John Budnik: OK, thank you Becky . Back to you David Owen?

David Owen: Yes, I'm going to zero in on page 54 of the Executive Summary of the EIS, the reason the number of returning adult salmon to the Nushagak and Kvichak river systems will not be reduced by Pebble operations, is that the Alaska Department Fish and Game will adjust the openings and closings of the fishing season to the Nushagak and the Kvichak as needed to ensure an acceptable number of salmon return to the stream to spawn. Is that correct?

Dave Hobbie: Currently that's what the analysis says. Again, we will be reverifying through this process of comment evaluation and again relooking at this process very carefully.

David Owen: OK, just a follow-up. I gather, because of the fact that the returning adult salmon will not be reduced, that is a reason why it's not anticipated that there will be any long-term impact to the health of the Bristol Bay and Cook Inlet fisheries, is that correct?

Dave Hobbie: OK, sir. I think that would be a safe assumption, but to be clear they were talking about the overall population of adult salmon, not experiencing a significant reduction.

David Owen: OK, thank you.

John Budnik: Thank you, David. Ashley Braun?

Ashley Braun: Yes, the draft Environmental Impact Statement seems to have a lot of detail about potential impacts of the proposed mine site to salmon and fish-bearing streams, a lot more compared to endangered species like sea otters and salmon and their habitat in lower Cook Inlet, Amakdedori Port, I was hoping you could comment on whether you feel that that's the case, whether there is potentially more information provided about certain aspects of the project compared to others? Particularly around impacts to endangered species.

Dave Hobbie: Yes ma'am. We try to accomplish the analysis commensurate with the impact. Again, depending on what the final determination for the LEDPA is, if there are no doubt impacts to the otter would be greater than we would do much more analysis. Again, this is where the agencies would come in to do more on this. When we did scoping the majority of the comments really focused on salmon in particular. So, we tried to do the analysis commensurate to what we thought the impacts would actually be to that particular area and/or species.

Ashley Braun: OK, and related to that, while in the EIS there are several alternatives examined, there's actually one alternative examined in the ESA Biological and EFH Assessment, which includes port construction on Lower Cook Inlet. I'm curious if the draft statement relied on those assessments for information about impacts for each alternative, whether you have adequate information to really assess the environmental impacts of alternatives that are not outlined in the Biological EFH Assessment?

Dave Hobbie: Yes, ma'am. What we did in the draft EIS analysis that we looked at was focused on what, at the time, the applicant said was their preferred alternative. That of course, may not wind up being the alternative that is actually chosen or what may end up being the LEDPA, in which case further analysis would be done. To do a formal consultation with the Services and to complete a Biological Assessment and then get a biological opinion from the service on this based on the routes, there may be additional analysis that is required. But yes, we did use the information that we had available based on what was required, based on what the applicant said was their preferred alternative at the time.

Ashley Braun: OK, thank you.

John Budnik: Thank you Ashley. Next up is Elwood Brehmer.

Elwood Brehmer: Hello again. Dave, the Department of Fish and Game, the EPA, and the Fish and Wildlife, maybe call them the "biological agencies" for lack of a better way to put it, they all have pretty consistent comments regarding what they felt as a lack of adequate analysis of downstream impacts of the mine. How are the parameters to where you essentially stop analyzing potential impacts set?

Dave Hobbie: A couple things: one, and I'll reiterate, the whole purpose of the draft is to get comments so we can see if there are shortcomings or not. What I would say is that we did utilize modeling to determine what the downstream impacts would be. If we need to do further modeling or boarder modeling or if that's required, we will do that. So, somewhere along the line you've got to decide where to stop with regards to looking. If you're familiar with modeling you can do it from now until it gets cold again in Alaska. So, we did do the modeling to take a look at

that, but again we may need to take a look to extend or expound on that to take a look at that, based on our technical meetings with the agencies, to clarify what they're looking for we may need to do some additional analysis to make that final determination.

Elwood Brehmer: When you say modeling are you just talking about running computer hydrologic models or?

Dave Hobbie: Yes. A lot of information goes in those models. Again, I'm not a model expert, but there could be thousands of variables that go into those models to try to determine the downstream impacts. Those assumptions can be challenged and/or manipulated under any given circumstance to look at a full range of possible impacts.

Elwood Brehmer: One last question really quick, typically it's been Shane McCoy doing those calls. Why is he not on this one?

Dave Hobbie: I was going to make a joke about I'm better looking but we're on the phone. The real reason is, it really comes down to my travel schedule, I'm out of the office a lot and I do cover, sorry I haven't mentioned this before, but my area of coverage is Alaska, Hawaii, Guam, and American Samoa, so I'm out of the office a lot. For better or for worse my travel schedule has accommodated these calls. So, that's the only reason.

Elwood Brehmer: OK, so typically you would prefer to be the one taking these questions as opposed to Shane, but your travel schedule wouldn't allow that?

Dave Hobbie: I don't know if I would say that. A couple things, my travel schedule has a lot to do with it. But number two, I'm trying to keep Shane busy working on the actual draft now that we have comments. So, if I can relieve him and allow him to focus on that aspect of it then I will, but if my travel schedule doesn't permit, he'll be the one doing the talking.

Elwood Brehmer: Fair enough, thank you.

John Budnik: Thank you Elwood, next up is Karen Ducey.

Karen Ducey: Hi, I was just wondering about how much weight the comments will hold when all is said and done and you guys are making your decision. I know there are some heavy hitters that have commented, as well as the general public, and you have 105,000 plus of these comments, but when you're sitting down at the table discussing that, I'm wondering weight they will actually carry. Is it 10 percent, we'll take it into consideration, but ultimately, we're going to make a decision based on our other findings, or is it a lot, 80 percent, we're really going to take these into consideration?

Dave Hobbie: I'll do my best to answer. We don't weight comments, what we do is try to resolve any comments. Can we address the comments? And based on the resolution or addressing the comments, what does that tell us at the end? If the comments say we haven't done enough analysis, but we can show that we have done the additional analysis or we do additional analysis and the agency says we've got it and think it's sufficient now. But we're not going to weight the comments as far as—we do look at the agencies for specific areas of

special expertise, we've got Fish and Game and the National Marine Fisheries Service, they're the experts in the areas of fisheries, so yes, we're going to look at those comments very seriously. If me, Dave Hobbie says I think they're wrong, we're probably going to give more weight to the National Marine Fisheries and Fish and Game in Alaska over Dave Hobbie, yes, yes we will.

Karen Ducey: So, if you have, I'm just making these numbers up, if there was a huge percentage of comments that said we want the mine stopped, let's say it's 90 percent or something, something really high. Would that carry a lot of weight when you're making your decision, if this is clear that the public doesn't want it—and the flipside too, if you have a lot of comments that were pro-mining and wanted the project, would you say, "OK, we won't do it." I'm trying to gauge how important the comments are, not just in their content, giving ideas, but in making your final decision.

Dave Hobbie: Well, if I haven't mentioned this on other calls, I will now. This is not a vote. We could have a million comments that say I don't like it; thanks for your comment. This is not a vote, if more people like it they get it, if more people like it they don't. Because our job isn't to say is this popular or not, we look at the overall public interest, what may occur to the public interest, what impact may occur to environment and we look at that and evaluate that and based on our regulations we make the final determination. Nowhere in our regulations does it say if a lot of people like it they get it, or if a lot of people don't like it they don't. I've tried to iterate that earlier on in other calls. The number of comments is not nearly as relevant as the substantive part of the comment. People have sent us comments that says we don't like it or we do like it, that's nice and we'll address them and we appreciate their comment, but the comments that bring weight with regards to resources or resource concerns or focus in on analysis or lack thereof, those are the ones we're really focusing on addressing. The real job is on addressing the comments, not just saying we liked them or we didn't like them.

Karen Ducey: OK, thanks.

John Budnik: Thank you Karen. Back to you, Dylan Brown.

Dylan Brown: I'm all good, thanks John.

John Budnik: Thank you Dylan. Mariah Oxford?

Mariah Oxford: Hi there. I had a question about some of the EPA's comments on the draft EIS. They had recommended more developed designs and plans in the EIS to help better evaluate the environmental impacts and alternatives and mitigation. Has the Corps requested more detailed designs or plans from the developers to meet those concerns?

Dave Hobbie: Ma'am, a couple things. One, we talk about the LEDPA and this is a standard process, we wouldn't ask any applicant to go into a discussion without a detailed design and having a pretty good, firm idea of what the LEDPA might be. I think they've spent tens of millions of dollars to design a road system that we don't agree with. So, in this process, when we get to more likely the preliminary LEDPA, which I talked about earlier, then we'll start looking for more detailed designs, road width, height, etc. design/build out of facilities to allow the

applicant to do that. With regards to mitigation, until we come up with the LEDPA we really don't know what the overall exact impacts are going to be, which is what the Compensatory Mitigation Plan should be developed off of. At which point, we would expect the applicant to spend much more time, effort, and energy to develop a Compensatory Mitigation Plan.

Mariah Oxford: OK, thank you. Could you speak to the timeline then? If the LEDPA or preliminary LEDPA is October/November, and then you potentially need more detailed plans, and yet you are still looking toward a final EIS at the beginning of next year, does that give you enough time to gather enough information on the LEDPA?

Dave Hobbie: Again, what I would say is, we believe so. What I would tell you too, is that it's a schedule. We have a target. I leave my house in the morning hoping to get to work in 20 minutes, sometimes it takes me 30 based on traffic. We do believe that the timeline we've spelled out and we have buy-in from the agencies that think we can do it in this timeframe, if unknowns come out, the schedule may be altered. Right now, we don't see that. I'm not going to say it won't or it will be. But there's always things that pop up.

Mariah Oxford: OK, thank you.

John Budnik: Thank you Mariah. That concludes our second round. Is there anybody that has joined us who is on the line and has not had an opportunity to ask a question yet? [silence] With that, we'll go into round three here. It might be our last round as we're creeping up into the fourth quarter of the hour here. Back to you, Nicholas Harvey.

Nicholas Harvey: Thanks. Dave, the Draft EIS and comments back about the Draft EIS talk quite a bit about the expanded mine scenario. Two part question: is there any precedent for issuing a permit for longer than the applicant asked for, and is the Corps considering doing such a thing for Pebble?

Dave Hobbie: I know people are focused on the years, what we focus on is the footprint, so we grant extensions to permits all of the time, throughout the nation. There's a difference between extension of time versus expansion though. To be clear, if Pebble needed more time to complete the mining process that they've currently laid out, we would most likely grant that. If they wanted to expand the mine site, that would be a totally different scenario.

Nicholas Harvey: Alright, thank you.

John Budnik: Thank you Nick. Becky ? [silence] She may have to drop out there. Back to you, David Owen.

David Owen: Hi. The EPA is expected to send their 3(b) "will have" letter to the Corps, this Friday, July 26th, but if it doesn't send that "will have" letter, is the Corps going to continue on with the project unimpeded?

Dave Hobbie: Well, we're currently doing that now. Whether they send the b letter or not we will continue that exact same process. The only part where they may be a slow down or more consultation or coordination would be at the end of the process. So, whether they send the (b)

letter or not we're going to carry on pretty much until the very end. If they don't send the b letter then yes, they would not have that ability to elevate to a higher level if they disagree with our decision.

David Owen: Alright, just one other question. Do you intend to hear a worst-case catastrophic failure analysis that some of the cooperating agencies and NGOs urge?

Dave Hobbie: Not at this point, sir.

David Owen: Good, thank you.

John Budnik: Thank you David. Back to you, Ashley Braun.

Ashley Braun: I just want to make sure that I'm totally clear on how the regulatory processes work here in terms of having the NEPA process that the Army Corps is following here with the Draft EIS and how that relates to some of these other environmental regulations that come into play such as the Endangered Species Act, Magnusson Stevens Fisheries Act, that kind of thing. And if the Army Corps fulfills their, for example, Endangered Species Act obligations by consulting with the Fish and Wildlife Service on potential impacts to endangered species does that check the box for the Pebble project in terms of that environmental regulation, or are there other processes related to that going on during the process?

Dave Hobbie: I'll try to answer that. The processes are running concurrently with each other, but at the end we would not have the ability to issue another permit, whether we wanted to or not, if a biological opinion was not completed if there is an effect determination made to a threatened or endangered species. So, I don't know if that answers your questions. At the end of the day, we have to complete consultation with National Marine Fisheries and Fish and Wildlife before we can issue a permit decision.

Ashley Braun: OK, that's helpful, thank you.

John Budnik: Thank you Ashley, Elwood Brehmer?

Elwood Brehmer: One last one. Dave, every agency that writes an EIS seems to have a little bit of a different process or their own schedule for when decisions are made and how they work it. When do you expect the Corps to issue its preferred alternative or make a judgement in any way on the project? Will that be at the final EIS, when the Record of Decision is made, somewhere in between?

Dave Hobbie: It'll be at the Record of Decision phase, sir.

Elwood Brehmer: OK. All good, thank you.

John Budnik: Thank you Elwood, Karen Ducey?

Karen Ducey: Yes, hi. I was just wondering, have any Canadian officials met with you guys? I know that Northern Dynasty is based out of Canada and Canada is very pro-mining. I was just

wondering if any of their legislators have reached out to you or if you have any comments directly from an official from Canada?

Dave Hobbie: Not that I'm aware of. I know nobody, well at least no one that I know of is from Canada who has reached out to me. Early on I was in some meetings with some representatives from Northern Dynasty as they talked about the submitting the application. I never asked them where they were from, so I don't know if they were from Canada or not. But no one that I'm aware of from Canada has reached out to me to talk about this at all. Or from any of my folks.

Karen Ducey: OK. Have any of the Governor Dunleavy's budget cuts affected, I know that you are federal, but have any of his budget cuts affected you in any way, that you've noticed?

Dave Hobbie: Not us, no.

Karen Ducey: OK. I have one more really quick question. The footprint of the mine is smaller now than their original draft and the original request. What sort of processes are in place to ensure it doesn't expand? I know they have to reapply and do this process again, but is there anything that is negative, like they cannot do this process more than two times? Are there any precautions that are in place to be sure that it does not expand?

Dave Hobbie: I think you kind of summed it up for us. If somewhere down the line they chose to want to expand they'd have to go through pretty much this exact same process all over again. Currently there is nothing to preclude them from trying it 10 times, if that's what they chose to do.

Karen Ducey: OK. Timeframe-wise, I know that you guys have said summer, since the commercial fisheries in the summer. I wonder if you would be making this decision before the fishery happened in mid-June or after it's over at the end of July?

Dave Hobbie: I can't dally in that type--but the fisheries' season, the timing of the fishing season did not dictate when our final decision came out.

Karen Ducey: OK, alright thanks.

Dave Hobbie: I do want to clarify something, and I think everybody is aware of this, if we made a decision, if we made a negative decision everybody would know about that, if we made a decision in the affirmative it would still probably be in 4-5 years because there's still a plethora of state permits they would have to acquire, so it would still be a minimum of 4-5 years before they could even possibly break ground. Just so everybody is tracking that.

John Budnik: Thank you Karen. Back to you, Dylan Brown. [silence] He may have dropped off. Mariah Oxford?

Mariah Oxford: Hi there. I know that you mentioned that there were some technical working groups with cooperating agencies, and the EPA had requested some resource-specific interagency working groups to be developed to work through specific issues. Do you have plans

to do that? And secondly, are any of the proceedings from those meetings made public?
Thanks.

Dave Hobbie: Yes, we do plan on having those meetings ma'am, and the notes will go up on the public website.

Mariah Oxford: OK, thank you.

John Budnik: Thank you Mariah. I'm going to go ahead and run through the list, we're under 10 minutes to the hour here. So, this is probably the last go around here. Back to you, Nick.

Nicholas Harvey: Thank you, real quick. Under the compensatory mitigation section of EPA's letter, it requested, or suggested that the Corps should do an opportunity for public comments on the compensatory mitigation. Is that being considered?

Dave Hobbie: Well I can say we considered it, unless something extraordinary happened that is not our standard operating procedure for the applicant, so I don't think we'd do it here.

Nicholas Harvey: OK, thank you.

John Budnik: Thanks Nicholas. Becky Bohrer I believe dropped off. David Owen?

David Owen: I'm wondering how the Corps can be expected to closely coordinate with the EPA through the elevate procedure while they have evidence [inaudible] the project before its determination, which seems to me that it's incompatible.

Dave Hobbie: Well, right now the cooperating agencies are working with us. They're in the meetings with us, they'll be in the technical meetings with us. We're working through it. Don't confuse the process of whether or not they want to use C or not with if they're participating with us, because right now they are.

David Owen: OK, just one other quick one, the EPA is recommending a liner for the bulk TSF, but wouldn't that defeat the purpose of the design as the water is intended to flow through so it does not accumulate significantly across the dam?

Dave Hobbie: That'll come out in the technical analysis meetings, sir. We'll take a hard look at what they've commented on and we'll put all of the technical experts in the room and see how it all falls out.

David Owen: Yes, I don't understand that. If the dam is supposed to be flow-through, the liner would stop it.

John Budnik: I'm not sure if that was a question or not? [Dave Owen inaudible] You're kind of breaking up there, I'm sorry, I'm not sure if there was a question in there?

David Owen: I'm just saying that if you put a liner on the bulk TSF then the water wouldn't be able to flow through.

Dave Hobbie: Right, again we'll have the technical experts look at it, we want to be sure that we can respond to EPA's comments and concerns so we'll make sure the technical experts take a look at it so we'll have an official response on that. I am not a dam expert or a tailings expert, so we do want the experts to take a look at it and tell us if it's a good idea.

David Owen: Thank you very much, David. You've been very helpful.

Dave Hobbie: Thank you, sir.

John Budnik: Alright, Ashley Braun?

Ashley Braun: No other comments, I'm all set, thanks.

John Budnik: Thank you. Elwood Brehmer?

Elwood Brehmer: All good here, thanks guys.

John Budnik: Thank you Elwood. Karen Ducey?

Karen Ducey: All set, thanks so much.

John Budnik: Dylan Brown? [silence] Dylan Brown may have left. Mariah Oxford?

Mariah Oxford: I just have one more, I noticed that a lot of the comments you received requested a no action alternative. I'm curious what would have to go into your analysis or what would you have to find to end up with that kind of a result?

Dave Hobbie: Well, a no action alternative would be pretty much permit denial. So, there are a variety of things and I can't speculate anything in particular that we might find that says yes. But at the end, when we complete our analysis if it's determined that the project cannot be permitted, even with compensatory mitigation to reduce the impacts, that may lead to permit denial, which would be the no action alternative.

Mariah Oxford: Would that come at the preliminary LEDPA phase?

Dave Hobbie: No, that would come within the ROD phase, ma'am.

Mariah Oxford: OK. Awesome, thank you.

John Budnik: Alright, thank you Mariah. I think we've exhausted all the questions. Dave Hobbie do you have any closing remarks?

Dave Hobbie: Just, thanks everybody. If you're in Alaska enjoy the rainy day. If you're back east turn your air up.

John Budnik: Alright, folks. With that, that concludes our July media teleconference. Thanks for joining us. I have everybody's contact information so please be on the lookout for the next one come August. We do not have a date at this time but as you all know I like to provide everybody

with at least a 72-hour heads up with that media advisory. So, with that, have a great day and enjoy the rest of your week.

Multiple: Thank you. Thank you.

John Budnik: Bye.