

## **USACE Media Teleconference 10-25-18**

John Budnik (JB) **USACE**

Tom Findter (TF) **USACE**

Shane McCoy (SM) **USACE**

Margie Bauman (MB) **Cordova Times**

Mariah Oxford (MO) **Pebble Watch**

Tim Bradner (TB) **Alaska Legislative Digest**

Stephen Lee (SL) **Bloomberg Environment**

John Budnik (JB): This is recording... Alright, good morning folks. Welcome and thanks for joining us again for discussion about the Pebble Project Environmental Impact Statement. The purpose of today's teleconference is to give the general status update on where the Corps is in the EIS process. My name is John Budnik, I am a public affairs specialist here in public affairs office for the US Army Corps of Engineers Alaska District. Sit next to me is Mr. Shane McCoy our program manager for the Pebble EIS. We have allotted one hour for this session with Shane and give some brief opening remarks and then we will turn it over to you guys for questions. Just as courtesy, we kindly ask that you place your phone on mute and please hold your questions until after Shane's initial statement and please be sure to state your name and affiliation when asking a question. Full disclosure this call is being recorded in order to provide the transcript at the later time. Before we get started I like to do a quick roll call just to see who is on the line. Just going through the order of how I received the RSVPs. I will go down the list here. Is Jill Burke, Bloomberg Environment on? No Jill. Is Mr. Tim Bradner?

Tim Bradner (TB): Yes, I am on. John, I will be with you only part of the time so if in some of your rounds if I don't answer, it is because I had to leave. Thank you.

John Budnik (JB): Ok. Appreciate the heads up, Tim. Is Ann Thompson, NBC News? No Ann. Is Stephen Lee, Bloomberg Environment?

Stephen Lee (SL): Hi John, I am here.

John Budnik (JB): Good morning, Stephen.

Stephen Lee (SL): Hi, there.

John Budnik (JB): Is Margie Bauman, Cordova Times? No Margie. Is Isabelle Ross, KDLG? No Isabelle. Is Tim Sohn, Outside Magazine? No Tim. Is Elwood Brehmer, Alaska Journal of Commerce? Alright, is Mariah Oxford on the line?

Mariah Oxford (MO): Yeah, I am here. Good morning.

John Budnik (JB): Good morning, Mariah. Alright, so we got a small group. We might have a few join us a little bit later. We understand that everyone is busy so without further ado I'll turn it over to Shane to make an opening statement and will go through the pool.

Shane McCoy (SM): Hey, good morning everybody. Thanks for joining us. My name is Shane McCoy, a project lead with the US Army Corps of Engineers for the Development of the Environmental Impact Statement Level of Analysis for the project proposed by Pebble Limited Partnership as you are probably you aware we are currently in the process of developing the draft EIS for the project. We anticipate the publishing of the notice of availability for the draft EIS in early 2019. We believe that time of the calendar year will be conducive for timely review and comment and it should not conflict with commercial fishing, local subsistence activity and other cultural consideration. As we continue to develop the analysis the draft section and chapter are being distributed to the cooperating agencies so that their comments can be consider and incorporate into the draft EIS that would make available to the public. Last month, USACE initiated the process to comply with Section 106 of the National Historic Preservation Act by inviting parties that may want to be consulting parties under the Act. We have schedule the first meeting of consulting parties that have responded in the affirmative for next week. I would like to remind the audience that for this project in the effort to be efficient and transparent for everyone. We made the request for information and responses from the applicant publically available on the project website- [pebbleprojecteis.com](http://pebbleprojecteis.com). Additionally, I would like to remind you that we added a feature to the website for those who want to get a weekly notification email to them when new information posted so that the interested individuals can be inform and it's a real time as practical. Of note, the Pebble Limited Partnership submitted the revised project description that captured the changes of the memo that they submitted in May. The project description is available on the website. With that brief update, I like to open the today's conference with questions.

John Budnik (JB): Ok, thank you Shane. First up is Mr. Tim Bradner.

Tim Bradner (TB): Shane, thank you. Just a quick update that you mentioned, PLP has submitted a revised project description. Now, is this their second revised project description? The original one was last December and they did one revision? Could you maybe remind us when that was? So is this the second one?

Shane McCoy (SM): Well, you are absolutely correct. We received the complete application on December of last year and during the scoping process, May 11<sup>th</sup> specifically, and they submitted a memo of revisions that they were proposing for the project. The revised project description is just a more robust version on that memo incorporating more information, but it's the same revision that was proposed in May.

Tim Bradner (TB): Ok. Just to follow-up, is that posted on the website?

Shane McCoy (SM): It is.

Tim Bradner (TB): Yup, ok. Thank you.

John Budnik (JB): Ok, thank you Tim. Stephen.

Stephen Lee (SL): Hey, thanks for committing this call. So my question has to do with the story that I did, I guess a few weeks ago, about AECOM requesting financial information and from Northern Dynasty and then not getting a response on the grounds of a Canadian security law. John, so you and I were in contact about that, but I am not sure if we ever closed the loop. Is there any statement about that you guys would like to share?

Shane McCoy (SM): Yeah, this is Shane. So my understanding of your question was the disclaimer that said that the information in 2011, Lowart report there is no longer valid. Is that the correct remembrance of what the inquiry is about?

Stephen Lee (SL): I am not actually sure if we are talking in the same thing. I assume that we are. So the disclosures rule National Instrument 43-101 that is the Canadian security rule.

Shane McCoy (SM): Right.

Stephen Lee (SL): Is that what you are referring too as well?

Shane McCoy (SM): Yes.

Stephen Lee (SL): Ok. So I think we are on the same page.

Shane McCoy (SM): So my understanding is the disclaimer was put there because the project the size of the mine that they are proposing has changed since that report was issued. The disclaimer itself is because there is very stringent, applicable regulation, and codes that have to be addressed including the feasibility study for them to actually use that on the SEDAR-Canadian Exchange. Now that being said the information that presented in there is factual, but again it doesn't raise to the level of the confidence that is required to post on the financial disclaimer or financial... the SEDAR of the Canadian Stock Exchange.

Stephen Lee (SL): Ok. Thanks very much.

John Budnik (JB): Thank you, Stephen. Mariah.

Mariah Oxford (MO): Hi there, good morning.

Shane McCoy (SM): Good morning, Mariah.

Mariah is talking, but her call breaking off and Shane said (please see below).

Shane McCoy (SM): Mariah...there is quite a bit feedback loop here. I am having a hard time hearing everything.

Mariah Oxford (MO): Ok, let me try off the speaker. Is that better?

Shane McCoy (SM): Seems to be yes.

Mariah Oxford (MO): Ok, well...if you are still getting information in from the applicants through these RFIs and you are still planning on January is your timeline for putting out

the draft EIS. Do you have a cut-off point for when you need the information from them?

Shane McCoy (SM): We revisit the schedule every week. Right now I believe, there are two or three outstanding Requests for Information (RFI) out there. There will be a point where we have to adjust our schedule if we don't have all the information we need. But right now, everything seems to be going as the schedule indicated. Again, we are anticipating release on January.

Mariah Oxford (MO): Ok. Thank you.

John Budnik (JB): Alright, thank you Mariah. After round 1, I just want to see if we have any late comers. Jill, Ann, Margie, Isabelle, Tim or Elwood.

Margie Bauman (MB): Yeah, this is Margie. No question right now.

John Budnik (JB): Alright, thank you Margie. Alright, we will go back through the pool again and that's back to you again, Tim.

Tim Bradner (TB): Thanks, John. Shane, I noticed some on the website, could you just mention briefly the subjects of the two or three request of information that are still out there.

Shane McCoy (SM): Oh, off the top of my head... One of them is the clarification on view shed. I am sorry I don't have them off the top of my head. I apologize.

Tim Bradner (TB): Ok, I will check the web.

Shane McCoy (SM): Well, I don't think the actual requests are up yet we generally wait until we have the response from the applicant and we post them. Hey, would somebody put their phone on mute?

John Budnik (JB): Yeah, sorry. We are getting a lot of feedback on our end. If you are not asking a question just kindly ask place your phone on mute. Appreciate that. Just out of courtesy for everyone. Tim, did you have a follow-up?

Tim Bradner (TB): O yeah, maybe a bit more detail about the historical preservation committee meeting that you are planning next week? Shane, we just want to know what that is all about.

Shane McCoy (SM): Certainly, so under the National Historic Preservation Act and we are running the processes parallel to the NEPA process the National Environmental Policy Act process. We are required to analyze historic property and make determinations of eligibility for the register and with that we invite the tribes and other potential consulting parties that may have interest or knowledge of the potential cultural or historic sites. So we can be in compliance with the Act. One identify sites, two determined if they are eligible, make assessment of affect and propose the mitigation if necessary.

Tim Bradner (TB): Ok. Just a quick follow-up, is that on a similar timeline track to the EIS?

Shane McCoy (SM): Yeah, like I said we are running the parallel and again we would need to pretty much conclude that process prior that making a permit decision.

Tim Bradner (TB): Ok and this is one final question. When is the meeting and when will you Inform of Advisory Council? When is the meeting?

Shane McCoy (SM): We have Inform the Advisory Council meeting is on the historic property and the meeting is on the 30<sup>th</sup>.

Tim Bradner (TB): Ok. Thank you.

John Budnik (JB): Thank you, Tim. Back to you Stephen.

Stephen Lee (SL): No question at this time. Thanks guys.

John Budnik (JB): Ok, thank you. Mariah.

Mariah Oxford (MO): Hi, there. Following up with the National Historic Preservation Act, it seems like you also requested information that would comply with the Marine Mammal Protection Act and the Essential Fish Habitat Assessment required by Magnuson-Stephens? Has that information been submit from the applicant?

Shane McCoy (SM): So with regards to Marine Mammal Protection Act...if the permit is issued, it is incumbent upon the permittee to be compliant with that. However, we have also requested information with regards to a biological assessment for the Endangered Species Act for both species listed that are listed for National Marine Fisheries Service as well as US Fish and Wildlife Service. We have received draft biological assessments for both of the services. And again, the Essential Fish Habitat Assessment that you are talking about we have not receive yet, but we are anticipating later this month.

Mariah Oxford (MO): Ok, great...thank you!

John Budnik (JB): Thank you Mariah. Margie.

Margie Bauman (MB): No question at this time. Thank you.

John Budnik (JB): Thank you Margie. Back to you Mr. Tim Bradner.

Tim Bradner (TB): No question, John.

John Budnik (JB): Thank you. Stephen.

Stephen Lee (SL): Yeah, thanks. I just want to circle back on this issue that I feel like I asked you guys every time, but have there been any indication from Northern Dynasty, that they continue to be responsive or they have been responsive to your outreach the them? Is there any change in the way you are interacting with the company?

Shane McCoy (SM): So I don't directly interact with Northern Dynasty. I interact with their subsidiary Pebble Limited Partnership, but we have had no issues with regards to their responsiveness.

Stephen Lee (SL): Ok, thank you.

Shane McCoy (SM): Thank you.

John Budnik (JB): Thank you, Stephen.

Someone is on the line and saying, Jack is calling in.

John Budnik (JB): Hi, Jack. Did I get a RSVP from you, Jack?

Jack is replying, yes.

John Budnik (JB): Oh, ok. What affiliation are you with?

Jack is replying, I am the one being interview? Is this a right number?

John Budnik (JB): \*paused\* mode.

Tom Findter (TF): Ok, this is Tom Findter Chief of Public Affairs. I just got word that they are doing the interview on this line, but at the moment we are actually doing the media teleconference. So what I would suggest that you call our executive office and you can contact Jackie Lisman at 907-753-2501.

Jack is repeating the phone number that given to him.

Tom Findter (TF): Right, she will provide you with a new conference line.

Jack is saying, ok, thank you.

Shane McCoy (SM): Sorry about that.

John Budnik (JB): Yeah, sorry about that. This is a shared office line.

Tom Findter (TF): We may be getting some additional call-in from folks that are supposed to be doing the interviews today. We apologize for the inconvenience.

John Budnik (JB): Right. So back to you Mariah.

Mariah Oxford (MO): Thank you. Shane, thanks for the intro this morning I am not sure if I caught all of it. So I just want to ask again about the draft EIS. Have you complete the preliminary draft EIS and gotten comments back from the cooperating agencies? Now are you doing the multiple rounds or just one round of that?

Shane McCoy (SM): That's a great question. We are not doing a preliminary draft per say, but functionally what we are doing is we are providing the draft sections and chapters for cooperating agencies to review and provide comments. Those comments will be review and incorporate as appropriate for the draft EIS to be released for the public to comment.

Mariah Oxford (MO): Ok. Could I follow-up?

John Budnik (JB): Yeah, absolutely.

Shane McCoy (SM): Sure.

Mariah Oxford (MO): Just wondering if you are still getting information in from the applicant that might inform the cooperating agencies a little bit better. How does that work? If you are getting in that they haven't been able to see it and they have already submitted their comments to you?

Shane McCoy (SM): Well, I disseminate all the information both to the public and the cooperating agencies. That being said, we are currently doing data gap analysis just to make sure that everything we need for a very robust and credible draft EIS is available, but that being said if we need additional information we will go back to the applicant as appropriate.

Mariah Oxford (MO): Ok, thank you.

John Budnik (JB): Alright, thank you Mariah. Back to you Mr. Tim Bradner.

Tim Bradner (TB): Oh, no question at this time.

John Budnik (JB): Alright, thank you Tim. Stephen.

Stephen Lee (SL): No question, thanks guys.

John Budnik (JB): Thank you, Stephen. Margie.

Margie Bauman (MB): No further questions, thank you.

John Budnik (JB): Alright, thank you. Mariah.

Mariah Oxford (MO): I did have a couple more questions.

John Budnik (JB): Sure.

Mariah Oxford (MO): I wondered, how many transportation corridor alternatives you are considering in addition to the Amakdedori on the Iliamna Lake route described in the permitting update in May?

Shane McCoy (SM): Sure. So to try to make this as readable for the public as possible we are proposing three general alternatives including the applicants proposed. Now within every one of those alternatives including transportation corridor they are multiple variants...you know little component changes that could be incorporated if appropriate so long story short will be: three main alternatives being considered, but all of those alternatives has variants incorporated into them.

Mariah Oxford (MO): Ok, could I follow-up to that question?

Shane McCoy (SM): Sure.

John Budnik (JB): Certainly.

Mariah Oxford (MO): Just this, some of the corridors options have been studied more

extensively than the Amakdedori so I wonder if you have enough information about that route to adequately assess it.

Shane McCoy (SM): We do right now. Yes.

Mariah Oxford (MO): Ok, thank you.

Shane McCoy (SM): Obviously, one of the routes is going to be the Northern route that was kind like discussion previously, but within that is also variants that include ferry options and alternatives ferry terminal locations.

Mariah Oxford (MO): Ok, thank you.

Shane McCoy (SM): Sure.

John Budnik (JB): Alright, thank you. Tim Bradner.

Tim Bradner (TB): Again, no question.

John Budnik (JB): Ok, thank you. Stephen.

Stephen Lee (SL): No question. Thanks again.

John Budnik (JB): Ok. Margie.

Margie Bauman (MB): I guess...we are all speechless. Nope, thank you.

John Budnik (JB): Mariah.

Mariah Oxford (MO): Thanks. I just had one last question. When I looked at AECOM's proposal for the project that talked about the important developing a Failure Modes Effects Assessment (FMEA) for TSF embankments and AECOM suggested that PLP and it's consultants will be part of developing that FMEA. So has the FMEA been developed and if so who is involved in developing it?

Shane McCoy (SM): Certainly. So just the terms of ours failure modes and effects analyses is a very specific term has again kind like the response with regards to that financial disclosure that we are talking about. FMEA is not required by the Corps. It would be required by the State when they get to the later design stage on the embankment structure. Now that being said we are using that model of FMEA to do a Spill Risk Assessment and currently we have been hosting today and yesterday a group of consultants. My consultants as well as the Pebble Limited Partnership and their consultants as well as members from the State to do...you know Spill Risk Assessment associated not only the tailings facility, but the water management ponds, and all the embankments, but do understand that is not at the same level that would be required for the State. So it is more like Spill Risk Assessment than the true FMEA.

Mariah Oxford (MO): Ok, thanks for the explanation on that. I was interested because the language in the proposal talked about this and being critical for defensible EIS scenario so I wondered who actually creating the criteria for that FMEA.



Shane McCoy (SM): So again like I said its AECOM, my third party contractor, and their folks and a lot of their folks, people from the State, for the Dam Safety as well as and again Pebble Limited Partnership and their consultants.

Mariah Oxford (MO): Ok, thank you.

Shane McCoy (SM): Yup.

John Budnik (JB): Alright, well...I just open it up to the pool here, if there is remaining questions I left out there.

Tim Bradner (TB): John, this is Tim. Just one question, I am following up from the previous question.

John Budnik (JB): Sure.

Tim Bradner (TB): Could you please explain the Failure Mode Analysis is not as specific as the State requirement? Shane, is that what you said? When would this would this be done?

Shane McCoy (SM): Are you talking about the State or are you talking about our Spill Risk Assessment?

Tim Bradner (TB): Let's start with yours.

Shane McCoy (SM): Our Spill Risk Assessment, the large group will get together today and they will be identifying the potential risks, failure modes at which time they will doing modeling on the different dams' scenarios which will be available in the draft EIS. Now for the State, their level of design for the impound structure is much higher than what is required for us. Again, our jurisdiction lies within discharge dredge and fill materials in the water of the US and we are not the dam experts, but that being said until they apply for the State I can't answer when the State will be conducting theirs.

Tim Bradner (TB): Ok, thank you.

Shane McCoy (SM): Sure.

John Budnik (JB): Thank you, Tim. Any other questions out there in pool?

Mariah Oxford (MO): This is Mariah again. Just wonder, could you guys send us a copy of initial statement that Shane gave?

Shane McCoy (SM): Sure.

John Budnik (JB): Yeah, absolutely. I can follow-up with everyone there.

Margie Bauman (MB): That will be helpful.

John Budnik (JB): Absolutely.

Shane McCoy (SM): Sure.

Mariah Oxford (MO): Thank you.

Margie Bauman (MB): I just had one further comment: I appreciated the explanation of why when I dialed-in this line first I was listening to somebody job interview.

John Budnik (JB): We apologize about that we will try to mitigate that in future calls with you folks.

Margie Bauman (MB): Well, the first time I tried dialing the number I apparently hit one button wrong because I got a recording said that I won a gift certificate from Walmart.

Everybody is laughing.

Shane McCoy (SM): What's that number?

Margie Bauman (MB): I don't know. I hung-up and tried again.

John Budnik (JB): Alright, well folks...I really appreciate everyone's time in joining us. Shane, did we want to set expectations for the next one?

Shane McCoy (SM): I guess I just wanted to open up for one last chance. Does anybody have any additional question that they would like to ask at this time?

John Budnik (JB): Ok. Next one we are probably looking at?

Shane McCoy (SM): Late November.

John Budnik (JB): Late November, ok. As usual you expect immediate advisory on that when we have date nail down and we will go through it again. With that thanks for your time and you folks, have a great day!

***\*End of Call\****