

USACE Media Teleconference 8-23-18

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Mariah Oxford (MO) **Pebble Watch**

Tim Sohn (TS) **Outside Magazine**

Nic Harvery (NH) **Seeking Alpha**

Shane McCoy (SM): Good morning, everybody. My name is Shane McCoy, I am the program manager for the development of the Environmental Impact Statement level-of-analysis for the proposed Pebble project. As you are aware, we are in the middle of the development of the Draft EIS at this time. We are fully engaged with the cooperating agencies and the applicant to continue to develop that analysis. With that, I will turn it over to questions.

John Budnik (JB): Okay. To make the questioning easy, as some of you that have joined in the past know the drill, for the newcomers, we'll just go through the list that I just ran though...as time allows, we'll go through a couple of rounds of questions until we are tapped out or the hour is up. So, first up is Elwood.

Elwood Brehmer (EB): Good morning, folks. Thanks as always for taking the time. I guess to start it simple: are you still on track for a January 2019 release for the Draft EIS?

SM: Good morning, Elwood. This is Shane, and yes, we are.

EB: Alright.

JB: Do you have a follow-up there, Elwood?

EB: No, we can certainly go to the rest of the folks and circle back around.

JB: Cool. Drew.

Drew Griffin (DG): Shane, just talk to me...after January 2019, what happens? How long are we talking about in terms of follow-up? And, prior to the January 2019 release, will you guys be giving a draft to Pebble and they will actually be able to make comment or changes on that draft?

SM: So, if I'm following...with the notice of availability for the draft EIS in 2019 we will enter into the next public comment period. In terms of getting it to Pebble to make comments or changes, we will not be doing that. It is the Corps of Engineers' document.

DG: You said you are in the middle of the draft EIS at this time, you're working with all of the partners including the applicant – what involvement does the applicant have in this current EIS process right now?

SM: Certainly, good question. The applicant is responsible to providing the information and data that we require to continue and complete our analysis.

DG: What kind of data are you getting from the applicant and how does the Corps verify that it is correct?

SM: We are engaged with the third-party contractor that has a whole suite of interdisciplinary experts, subject-matter-experts, when receiving the data perform independent review and analysis and verify the data is accurate and good.

DG: Thank you.

JB: Thank you, Drew. Mariah.

Mariah Oxford (MO): Hi there. I wanted to follow-up to that question, actually. A document you guys uploaded to the document library since our last media advisory was the proposal the third-party contractor submitted for winning the bid on this project. I sent you some questions about that, but as a follow-up to the question Drew just asked...the proposal AECOM submitted suggested that PLP would take the lead on drafting Chapter 7 and some other information in the EIS?

SM: No, they are not. Again that is the responsibility of the lead federal agency, the Army Corps of Engineers, and our third-party contractor.

MO: Ok. Thank you.

SM: Thank you.

JB: Next is Nic.

Nic Harvey (NH): Hey John, actually I'm good right now. No questions at the moment.

JB: Ok. Thank you. Jill.

SM: She's not on.

JB: She's not on...I apologize. I had a check next to her name. Is there anybody, any latecomers I did not call during the roll call? Alex or Tim?

Tim Sohn (TS): Hi John, Tim Sohn.

JB: Hi, Tim. Go ahead and ask a question.

TS: Ok. I guess I'm most curious to follow-up on those questions about PLP's responsiveness. Curious as to what the level of frequency of engagement is with PLP between the contractor or the Corps...is it weekly, twice a week, three times a week, or less often? Frequency of engagement.

SM: As my team identifies data gaps, we submit requests for information (RFIs) in real time. So, there is no schedule. I would suggest that at a minimum the Corps is in contact with Pebble three to five times per week in regards to information requests.

TS: Ok. Is there any substantial or notable data gaps that has come up recently or since our last media advisory?

SM: Well, I guess I'm not sure what you mean by 'notable.' But if you guys are interested in what we are asking of Pebble, we are posting those requests for information on the public website in as real-time as possible with responses from Pebble. Do understand there is a lot of information moving in both directions. From our direction, we continually identify data gaps and sending requests for information with suspense dates on them. Pebble responds with the data that we request. Occasionally, we have to follow-up with additional information on that same subject based on those responses.

JB: Thank you, Tim. And just for the newcomers on the line in case you are not aware of the project website it is www.pebbleprojecteis.com. Again, that's pebbleprojecteis.com. Alright, that concludes our first round of questions, so back to you Elwood.

EB: Alright. Thanks. I know it's been a concern to the group opposing Pebble, but do you need any more study on cultural resource sites around Amakdedori Port site?

SM: We did require additional information from that area. Pebble did hire a contractor and has provided information in regards to on the ground and desktop surveys. Do understand that cultural resources do have a sensitivity to them so the specific information in the reports will not be made available to the public due to the nature of the sensitivities.

EB: Ok. Is that a fear that if you point out where something is that someone might go there and disturb it?

SM: That's absolutely correct.

EB: Ok. Just wanted to clarify that. Thanks.

JB: Thanks, Elwood. Back to you Drew.

DG: A couple of things, Shane. I appreciate that there is a website with tons of information on it. Also, appreciate that I have a day job. You guys have ton of data going on. So, let me try to ask you a couple of questions...on the notable data gaps that

PLP has not provided you...have you guys had any requests that PLP has denied due to the company's own lack of resources to provide that information to you?

SM: We have not. Again, I set suspenses for the requested information. There have been instances when they have asked for extra time and we have allowed that. But there has not been any information that PLP has not given us or will not give us in the future.

DG: Ok. Secondly, going back to the drafting, the actual word 'drafting' and how that is being put together...is PLP involved at all in the editorial process? Do you run anything by the company in terms of editorial to basically allow them to refute in real time anything you're putting in there?

SM: We do not.

DG: Ok. Thank you.

JB: Thank you, Drew. Mariah.

MO: Hi, thanks. My next question also relates to these data gaps or information you don't have in hand, yet. In the Northern Dynasty Minerals June financials, it stated that they deferred their detailed geophysical survey of the marine portion of the natural gas pipeline until 2019, and presumably that would happen after the Draft EIS in 2019 followed by the 90-day comment period...so, that means the public would be responding to a draft without the benefit of that information. So, what's your position moving forward under the current timeframe without that essential information and is there any information that you are aware of that has been delayed for study until 2019?

SM: I'll hit the second part of that question first. No, I'm not aware of anything that they are postponing until 2019. In regards to the geophysical surveys, those would not be necessary to characterize environmental impacts. Those would be used at the design criteria level. Again, we have information about the substrates and potential impacts to aquatic resources. That wouldn't be information required to analyze the environmental impacts in the NEPA document.

MO: Ok. So, you don't analyze the environmental impacts in the context of the design?

SM: We do in context of the design. We do not do reviews of construction design. Again, our emphasis, our focus is impacts to aquatic resources and navigable waters of the United States.

MO: Ok. Thank you.

JB: Thank you, Mariah. Nic, any questions?

NH: Yeah. It was my understanding in regards to the scoping report that it was due to come out sometime at the end of August. Is that still the case?

SM: Yes, we are targeting August 31.

NH: Alright. Fantastic.

JB: Did you have a follow-up?

NH: No, that's it from me.

JB: Ok. Thank you, Nic. Back to you, Tim.

TS: Thanks. To follow-up on the scoping report, any substantial changes or any large deviations from the draft scoping report that you guys published **inaudible**

SM: There's more detail in it. We have had time to continue our analysis of the scoping comments. As for deviations, I don't understand. If you're talking about format, not so much.

TS: I guess I was wondering since you've had time to comb through the comments if there were any surprises or additional relevant pieces of scoping information that came to light in the later stages of reviewing the comments.

SM: As far as surprises, given the history of this project and the familiarity of the proposed project impacts, most of the comments are right in line with what we expected. There were some very specific things that came out of scoping that will help inform our analysis that the Corps didn't have visibility on prior, but that's the whole point of scoping is to get that kind of information to inform our analysis. There are a lot of specifics in there that maybe were not known initially, but as far as the topics of concerns they were not unexpected.

TS: Ok. John, are we going to have another chance to ask a question?...I'll wait for the next one.

JB: Yeah. Thanks, Tim. I just wanted to check to see if we have had any latecomers. I know we had Alex, Jill...anyone else out there? Okay, we'll roll into round three here...back to you, Elwood.

EB: Alright, thank you. Getting back to my first question a little bit. If Pebble made some substantive changes to their plan – I believe back in May, roughly halfway through the EIS scoping process if you're still aiming to hit the January 2019 target for releasing the draft EIS – what allows you to continue on that schedule after they have made those changes? Are the changes not as substantial as they appear on their face? Do they have enough information? How do you stay on that timeframe?

SM: We would consider what they submitted on May 11 as an alternative versus what they proposed originally. It will be analyzed as an alternative.

EB: Ok. So the draft EIS will have their original plans and this will be one of their alternatives?

SM:Correct.

EB: Ok. Alright.

JB: Thank you, Elwood. Back to you, Drew.

DG: Just to follow up on that so that I'm clear...the Corps is still going ahead on this EIS based off of the original application. Is that what I'm hearing?

SM: Well, the original application triggered the review process and as many of you know it an iterative process. Because our regulations and the law requires us to continue because they came in with a complete application in December.

DG: And so this new plan that they released publically – you're saying that it will be considered as an alternative plan – so will that only be considered by the Corps only when and if this plan is exhausted or has failed?

SM: Can you reword that...

DG: So they applied for – I'll call it big mine, small mine – they applied for the big mine – these are my words – and you guys started the EIS process based off of the big mine. Then in May, they had a leaner, meaner kind of mine, the small mine. You're evaluating for the original big mine, correct? Not at the same time doing review on the small mine or are you?

SM: Let me answer this carefully. We carry alternatives forward for analysis. So, at the end of the day, the NEPA document will help inform our decision. Our decision is one that can only be the least environmentally damaging practicable alternative and is one of the criteria the substantive review goes. Understand that, through scoping, we have identified a suite of alternatives for various components including the mine. There is screening criteria that will be applied through the analysis.

DG: Alright. I'm not sure we are speaking the same language. What I want to know is if Pebble gets what it considers a negative review by the Corps will they be able to ask the Corps to reapply a new EIS on a smaller version which they have yet to submit to you as the option number one?

SM: I'm assuming when you say a negative review that you mean a permit denial?

DG: Correct.

SM: If we deny with prejudice, the applicant cannot come back with substantially the same project with the same purpose and need.

DG: Ok. Secondly, Shane, how do you spell your last name?

SM: It's McCoy. M-c-capital C-o-y.

JB: Thank you, Drew. Back to you, Mariah.

MO: Thank you. This is interesting to consider the technical changes the PLP submitted in May as an alternative. Kind of related to one of the questions that I had. Back in May, you guys said you were expecting some additional engineering details from them related to those technical changes – do you require as much information from them if it

is being considered as an alternative? Secondly, have you received those additional engineering details for that updated information which you're now considering as an alternative?

SM: We would require the same level of information for our analysis for all of our alternatives including those proposed by the applicant. And, yes, we continue to receive information almost daily from the applicant in regards to the designs and other alternatives as well.

MO: At what point do you put those on the website for transparency so the public can see what designs they are looking at?

SM: Typically, we wouldn't put them on until we have received a response from the applicant. We're trying to do it as real time as possible, but understand there are a lot of moving parts in the development of an EIS. The intent is to put them out there as real time as possible and if you'll notice there are dates of which the RFIs are posted so one can go on the website and see what is the latest information we have put out to be made available to the public.

MO: Ok, so we wouldn't see actual documents from PLP regarding the design, we'll see your request for information and their text response?

SM: Correct.

MO: Ok. Thank you.

JB: Thank you, Mariah. Nic...Nic Harvey there? He must have disengaged...back to you, Tim.

TS: Great. Thanks, John. Thanks, Shane. Just piggybacking off of the discussion about alternatives – you just mentioned that you were going through a number of alternatives for the mine and other components, so I was curious if you could tell me about the process – are alternatives for each component evaluated separately or are there XYZ alternatives for mines, XYZ alternatives for road, XYZ alternatives for tailings retention? Are they evaluated as separate elements or are they soup-to-nuts whole plan evaluated as an alternative?

SM: A little bit of both. What I mean by that is that there are some alternatives that have to be married together. What I mean by that is if there is a road consideration and the applicant still needs a port, then the road would have to lead from the port. But there are components of the mine that we are evaluating as alternative components of the mine.

TS: Okay, but are you evaluating – are there several different alternative transportation corridors that you're evaluating? Does every iteration involve the ferry? I guess I'm just trying to get a handle on how wide the scope of possibilities of the different elements are? Is it mine plan A plus transportation corridor C, D, and E? Or is it not like that?

SM: It's similar to that. Yes, we are analyzing several different transportation corridors including ones without a ferry. We are also evaluating offsite mine locations, so it's not as clear cut as a bundle. However, we are looking at a reasonable range and a lot of that was driven out of scoping.

TS: Ok. Do you have any sort of number you can put on that – number of alternatives being considered at this point?

SM: No. In all honesty, alternatives change all the way up until the final EIS based on comments received during the Draft and scoping. There is no number right now that is prescript-ed or, I guess, predicted either.

TS: Ok, but it's not purely **inaudible**...some alternatives fall out of the way...some added, some taken away?

SM: Absolutely. There will be a list of alternatives considered, but eliminated and there will be a rationale for what those were. We have developed screening criteria as to why we would not carry an analysis further.

TS: Ok, great. Thank you, Shane.

JB: Thank you, Tim. Alright, we'll go through the list again. Back to you, Elwood.

EB: Sounds good. I did have another question queued up, but Shane, you caught my attention – you said you were looking at offsite mining locations?

SM: One of the questions that came up during scoping was “where else have they looked?” So we asked.

EB: Ok. Ok. So...does Pebble own or have other leases or claims at these other locations, I presume?

SM: We just asked what other periphery deposits they looked at.

EB: Do they have a means or rights to other deposits that you're looking at.

SM: I am not aware they have claims at other deposits.

EB: Ok. Just wondering. The other question and sort of shifting gears, but the Corps terminated The Conservation Funds' mitigation bank program last year. As I understand it that was the only statewide mitigation bank that was available through the Corps' program. Is there a mitigation bank program for Southwest Alaska in the area concerning Pebble?

SM: Just for technical clarity – The Conservation Fund was an fee in-lieu program, a distinction with a difference than a bank.

EB: No, you're right. I misspoke.

SM: Currently, there are no other third party service providers for compensatory mitigation – in Southwest Alaska – let's be clear about that.

EB: Ok.

JB: Thank you, Elwood. Back to you, Drew.

DG: Just one question, following up on this whole alternatives...Shane, you said that alternatives change frequently and drop off during the construction of the draft. Why do the alternatives come and go? Does PLP see what the Corps' reaction is and then drops or changes them? Or how does this happen?

SM: We apply screening criteria. Under NEPA, it's reasonable alternatives that can be carried forward and that's the common sense, but we're also applying the practicability. So, alternatives that would have a greater environmental impact would not be carried forward for analysis and PLP does not have a voice in that.

DG: But PLP comes up with the alternatives to be evaluated.

SM: No. Absolutely not. The Corps of Engineers in consultation with cooperating agencies and in review of the public scoping comments – that's how we develop alternatives.

DG: Ah, I see. Thanks for clarifying. And John, I'm done. I don't need another round. I'm good.

SM: And, just for clarity, the applicant can also propose alternatives to be analyzed as well. That is what happened on May 11.

DG: Is that an ongoing process? So it happened on May 11, are there things that we don't know about that they are proposing or keep proposing less publicly?

SM: No.

DG: Ok.

JB: Thank you, Drew. Back to you Mariah.

MO: Related to the deposit size, I had a question. Knowing that the developers are proposing to mine 1.5 billion tons but that the deposit is estimated at 11 billion tons of materials, will the Draft EIS consider the cumulative impacts from mining operations that develop the entire deposit or all of their claim? And, if not, then what size operations would be considered?

SM: We would not be analyzing 100 percent recovery. Currently, the cumulative effects are looking at a 78 year life of mine.

MO: Ok, so, do you know how much recovery that encompasses then?

SM: Yes, publically available information – the 78 year life of mine came from Northern Dynasty. At that level it would be a 55 percent recovery.

MO: Ok, and do you know how many claims that covers?

SM: I do not.

MO: Ok. Thank you.

SM: You're welcome.

JB: Thank you, Mariah. I'm going to check in again with Nic. Nic must have left. Back to you, Tim.

TS: I'm good, thanks, John. Thank you, Shane.

JB: Elwood.

EB: So, I guess it would be a basic follow-up and sorry, we're making you jump from topic to topic. Without an in-lieu fee program, what other options would Pebble Limited Partnership have for mitigating their wetland impacts?

SM: There is always the option for permittee responsible.

EB: Just meaning that they fund and contract to do wetland enhancement or mitigation themselves? Correct?

SM: And they would be liable for it, correct. The main difference between a third-party provider and permittee mitigation, that permittee responsible mitigation, the permittee is liable.

EB: Ok.

JB: Thank you, Elwood. I'm going to check in with Drew, I know you said you didn't have any more questions. Drew, are you still there?

DG: Yeah I'm still here and I have no more questions.

JB: Ok. Thank you for continuing to join us. Back to you, Mariah.

MO: Ok. I do have a couple more questions. One relates to Sen. Murkowski's letter that she sent to the Corps in April urging the Corps to consult with Alaska Native Corporations as part of the review and decision making process. Are there plans to consult with ANCs, if you haven't yet? If not, why not?

SM: Yup. Absolutely. Under the National Historic Preservation Act, we have sent out invitation letters to tribes, corporations and other potentially interested parties under Section 106 of the act. So we will be consulting with ANCSA corporations as well as tribes and other interested parties.

MO: Great. Is there any public documentation available on the website related to that consultation?

SM: No. We just initiated the process last week, Friday.

MO: Oh ok, thank you.

JB: Thank you, Mariah. Back to you, Tim.

TS: I'm good, thanks.

JB: Okay, we'll continue going on until we have no more questions. Elwood, back to you.

EB: I think this will be my last one depending on what everyone else brings up. You mentioned for cumulative impacts that you're looking at a 78 year mine life and 55 percent recovery on the whole 11 billion ton deposit – is it just because that has been mentioned by Northern Dynasty? Why exactly? Previously folks from the Corps – you look at this application now and look at further plans later – am I just missing something?

SM: Publically available information out there indicates they could pursue a mine life up to 78 years. Obviously, if they were authorized for what they are applying for right now and they wanted to expand it would retrigger NEPA and would need a supplemental EIS. Again, the reason we are at the 78 year because there is publically available information that discusses that.

EB: Ok. How detailed of a look do you do at those cumulative impacts?

SM: It would be a basic engineering. What would the impacts to aquatic resources and the environment? We wouldn't be requiring them to go to a full design of planning. Is that the question?

EB: Yes. That's helpful, thanks.

JB: Thanks, Elwood. Drew, I want to give you another opportunity just in case anything sparked up.

DG: I appreciated that and I still don't have any questions.

MO: I have another question, but I'd like a follow-up on the 78 year publically available information. Where is that?

SM: It's on the SEC filings.

MO: Ok. Thank you. Can I ask another question now?

JB: Sure.

MO: In the wake of the Mount Polley tailings breach, PLP stated that it intended to have an independent review panel to assess its mine plan, or dam design, before initiating

permitting. Now they said they still plan on doing that, and knowing that is their intent, are you planning on including the findings of that independent review in the EIS to help inform the analysis of the design impacts, the risks and alternatives?

SM: We will be doing a failure mode analysis independently. Pebble will be involved because we will have to engage their engineers. But we will also be having our independent subject matter experts as well and engaging with the state.

MO: So you'll be conducting a failure mode analysis, but you will not be including any independent review analysis that they may seek out?

SM: If it was available at the time that we needed it, we will review all available data. But again, our process is lead by the Corps and we are on a timeline to get a draft out by January. I can't compel them to do that, but I can compel them to engage with our group though.

MO: Okay, thank you.

JB: Thank you, Mariah. Tim.

TS: I'm starting to feel really boring over here, but still no.

JB: I certainly appreciate staying on the call and listening to the other questions. Back to you, Elwood, if you have any further questions.

EB: It's almost embarrassing for a reporter to say that he doesn't have any questions, but I guess I don't.

JB: That's alright. No judgment here. Back to you, Drew.

DG: Now you're just trying to make me feel bad. Still have no questions.

JB: Nah, certainly appreciate the vested interest. Back to you, Mariah.

MO: Ok, well, sorry guys, I read a lot of documents yesterday, so I still have some more. This one is kind of overall role of the third party contractor and the Corps perception of the EIS process. So, I was reviewing the AECOMs proposal yesterday and it describes its ability to prepare a legally defensible EIS and it mentioned that quite a few times. So, is that one of the main factors of how the EIS is developed?

SM: That's a good question. So, when I hear the term "legally defensible," to me that means it's an independent review, we follow the process and take a hard look all in accordance with our regulations and our laws. The consideration of "legally defensible" is that we are doing our job correctly.

MO: Ok. Some other information that was in the proposal related to how AECOM manages descent from cooperating agencies to come to a consensus on the EIS. How would characterize the role of the third-party contractor when it comes to disagreements? Is their goal to get the cooperating agencies to come to their line of thinking or how does that interaction work?

SM: No, it's not persuasive, it is collaborative. AECOME again works for the Corps, but they do facilitate the cooperating agency meetings. What I mean by that is that the whole intent in having cooperating agencies involved in the process because there will be potential disagreements. But that is the process to work towards consensus. So, it's really the Corps role to facilitate consensus and the ultimate document that is put out for review.

MO: Ok. Thanks. Would you welcome an EIS that is delivered outside of your preferred timeframe if the time is necessary for a comprehensive and accurate document?

SM: Would I welcome it? We will take the time we need to create the document. If more time is needed, then yes...we will make the document what we need.

MO: That's good info. Because I know the timeline is important that everything you're doing is streamlining and making it all moving forward, but knowing that the ultimate goal is an accurate document is good. Good to know that. My last question on that topic is – AECOM also talked about managing the public perception or issue perception since it is such a controversial development. So, what do you think is their responsibility to manage that perception? Do you think that is part of this process and to respond to misinformation?

SM: Part of the role and the new processes we have developed in managing perception is, part of that, about having our website in real time as best as much as possible – giving the public information as we get it as much as possible. So in regards to misinformation, that is why we are putting out the information so there isn't any misinformation and also why we are having these reoccurring media teleconferences so we can help manage misinformation. Everyone wants more information and we're trying to give it to them in as real time as we can.

MO: Ok. You're not concerned that the EIS necessarily addresses people's fears of tailing dam failure or anything like that AECOM addressed in its proposal?

SM: We will analyze the concerns that are brought up – if that's what you mean. A NEPA document discloses potential impacts as well as potential benefits, so it's a disclosure analysis.

MO: Ok, thank you.

JB: Okay, I think I will just open it up to the floor. I think we have four on the line here, instead of running through the list we'll just see if anyone has any further questions.

...

If not, I guess that will conclude our August Media Teleconference. I just want to make a note that I appreciate everyone's continuing interest in this. As Shane mentioned that the reason why we're doing this is so that we can get accurate information, make ourselves available to you folks. We understand the high level of interest in the public for this project. I appreciate everyone on the line that is willing to work with us in these

teleconferences, in the constraints. I know unfortunately we cannot always do one-on-one interviews and pull Shane away from the actual EIS work, but that is the point of these teleconferences and I just want to express my gratitude to the pool for working with us on that. So, with that I appreciate your time and interest and we'll bid you a good afternoon.

EB: Same to you, John, Shane, and everyone else on the line. Thank you.

SM: I also want to thank you guys for putting in the time and providing the questions in advance, they're very helpful. I'm sure the public has the same level of interest that you guys have put out there. So again, thank you for giving me as much lead time as possible so my answers are as accurate as possible.

JB: Have a great afternoon.

****End of Call****