

USACE Media Teleconference

10-22-19

John Budnik – USACE

Dave Hobbie – USACE

David Owen – Owen Investments

Jenny Weis – Salmon State

Richard Read – Los Angeles Times

Tim Sohn – Outside Magazine

Ariel Wittenberg – E&E News

Yereth Rosen – Reuters

Mariah Oxford – Pebble Watch

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Liz Ruskins – Alaska Public Media

David Hobbie – USACE

Margie Bauman – Fishermen's News

Alex DeMarban – Anchorage Daily News

John Budnik: Before we get started, I'd like to just do a quick roll call. This is just in order of the RSVPs received. Is Mr. David Owen, Owen Investments, on the line?

David Owen: Hi John, I'm here.

John Budnik: Hey, good morning, David. Elwood Brehmer, Alaska Journal of Commerce? [inaudible] Is Elwood on the line? [silence] OK. Jill Burke, Bloomberg Environment? [silence] Is Jenny Weis, freelance writing for the Salmon State?

Jenny Weis: Yep, hello.

John Budnik: Good morning, Jenny. Richard Read, Los Angeles Times.

Richard Read: Hi John I'm here.

John Budnik: Hey, good morning, Richard. Tim Sohn, Outside Magazine? He did make a note that he was in a loud area today, so he may be listening.

Tim Sohn: Yes, hi John, I'm here, but I'm going to stay on mute.

John Budnik: OK, thanks Tim. Ariel Wittenberg, E&E News?

Ariel Wittenberg: Hey how's it going, John?

John Budnik: Hey, good morning, Ariel. Brandon Hill, Cook Inlet Keeper? [silence] No Brandon. Yereth Rosen, Reuters?

Yereth Rosen: Yes, I'm here.

John Budnik: Good morning, Yereth. Margie Bauman, Cordova Times/Fisherman's News? [silence] No Margie. Mariah Oxford with Pebble Watch?

Mariah Oxford: I'm here, good morning.

John Budnik: Good morning, Mariah. Steven Lee, Bloomberg Environment?

Steven Lee: Good morning John, I'm here.

John Budnik: Good morning, Steven. Isabelle Ross, KDLG?

Isabelle Ross: Yes, I'm here.

John Budnik: Good morning, Izzy. Liz Ruskins, Alaska Public Media?

Liz Ruskins: Here.

John Budnik: Good morning, Liz. Fairly quiet there on the phone. Is anyone from KTUU on the line? I did receive an RSVP from Grant Robinson, but he said it was going to be somebody else. [silence] Alright, no one from KTUU. Alex DeMarban, Anchorage Daily News? [silence] No Alex. Mike Fikero, not sure if I'm saying that correctly, Fisherman's News? [silence] No Mike. Alright, well, without further ado, Dave, would you like to say anything or at least good morning to the people?

Dave Hobbie: Yeah, sure. Good morning everybody. This is our monthly update, welcome and thanks for calling in. Appreciate your time today.

John Budnik: Alright, well, we'll just go ahead and turn it over to you all, I'm sure you have lots of questions. First up on the list is Mr. David Owen?

David Owen: Hi, David. I wondered if you could just start off by giving us an overview of what's happened in the last month, some of the highlights?

Dave Hobbie: Thanks for the question. We're continuing to evaluate the comments we've received from agencies and the public to move forward with producing the Preliminary Final EIS. And then in November we will be doing additional rounds of meetings with the cooperating agencies to discuss their comments and give them preliminary feedback on how we're addressing their comments. After that point, we will continue to move forward with drafting the Preliminary Final EIS, which, when that is completed will be provided to the cooperating agencies for review, one last round of comments from them, and then we'll move to the Final EIS.

David Owen: OK, another question: has the EPA sent the 404(q)(b) letter elevating yet, I believe the deadline is tomorrow?

Dave Hobbie: The deadline is the 26th, I believe. But we have not received a letter.

David Owen: OK, thank you.

John Budnik: Alright, thanks David. I also do hear some typing, again, out of courtesy for everyone so they can hear, please put your phone on mute unless you're asking a question. Next is Jenny Weis.

Jenny Weis: Hi, this morning in the house T&I committee meeting, Richard Border a former Rio Tinto employee and mining engineer said the DEIS does not even meet industry standard practice, can you respond to that?

Dave Hobbie: Well, I could, but I'm not even sure what "standard industry practice" is, so I'm not sure what he's referring to—

Jenny Weis: --he was referring to scientific shortcomings in the DEIS document.

Dave Hobbie: Did he give any specifics?

Jenny Weis: Well, I imagine it would be along the lines of areas pointed out by agencies. So I know that the EPA mentions risks to groundwater, surface water flow, water quality, wetlands, aquatic resources, and air quality risks are underestimated impacts. I think that is the standards he was talking about.

Dave Hobbie: A couple things, just so we're all tracking, the EPA said they believe those areas were underestimated. We're all tracking those back to us, the comments from the agencies, to be sure we are addressing those. So, we are working through those comments. If that's what he meant by industry standards, yes, we are working on addressing those comments from those agencies.

Jenny Weis: Can you just elaborate a little bit on what the process is for addressing those, or what does that look like?

Dave Hobbie: Well, we're working with our third party contractor, AECOM. They've got a team of independent professionals reviewing all the data, there are some areas, for example, with regard to air quality. We've done some additional air modeling per the State and EPA's desire.

We did some additional air modeling and we also did some groundwater modeling per their request. So, that is part of it, and then we'll look through that analysis and when we meet in the middle of November, those are some of the things that we'll discuss with those agencies.

Jenny Weis: Thank you.

John Budnik: Thank you, and again sorry for being such a stickler, but I do continue to hear typing while people are asking questions, please place your phone on mute so we can hear the questions and responses clearly. Next up is Richard Read with LA Times.

Richard Read: Yeah, hi Dave. So, I take it you did not watch the hearing?

Dave Hobbie: No.

Richard Read: OK, one of the points, another point, made by the same person, Richard Borden, was concerning the economic feasibility, and by his calculations, the mine as proposed would lose 3 billion dollars. So his criticism is that the mining company is trying to get its foot in the door with an uneconomic plan, which it would then expand later, which would sort of game the Army Corps process as I understand it. So, I know we've gone over this before, but will you or are you going to require an economic feasibility analysis from the company?

Dave Hobbie: We do look at financial information the company provided us, and we did determine that a 20-year plan is feasible. We did not send that out to an independent economist to validate that, in large part, we're not required to. The regulations clearly state that if an applicant applies, the assumption is that it must be economically feasible, no one is doing these things to lose money. This gentleman that you're talking about, I'm not sure of his background, appreciate his opinion, at the end of the day we did look at the economics to do some verification, if we went into the depth that this gentleman did, I don't know.

Richard Read: OK, so is this an analysis that you did, is that something you could share with us, on the economics?

Dave Hobbie: We could provide the information, it's probably on our website. If not, we'll get it there.

Richard Read: OK, I just understood then, most of these processes, the applicant is required to submit a very detailed economic analysis—

Dave Hobbie: --that is incorrect, sir.

Richard Read: OK, I see. So, you're satisfied with what they provided. Are you also satisfied that this will be a money-making proposition, this proposal?

Dave Hobbie: Sir, it's not my position to judge whether the analysis will be money making, that's up to the applicant. Again, our regulations do refer to the fact that no one is trying to develop a project that loses money.

Richard Read: Normally that would seem fairly logical, but I think what some of the opponents are saying is that they've downsized this to the point where it isn't really economically feasible just to get the review and then turning around and proposing a larger project.

Dave Hobbie: To be honest with you, it's well within their rights to do that. However, that would require at least a modification we'd have to go through the exact same process that we're going through now.

Richard Read: OK, thanks.

John Budnik: OK, thank you, Richard. I'm going to go ahead and call on him, but he did say he may not ask a question because of where he's at, Tim Sohn?

Tim Sohn: Yeah, I can squeeze in a quick one. I heard from [inaudible] that there's a change in timeline, can you comment on if the existing timeline of early 2020 still holds or if that's going through adjustments? Thanks.

Dave Hobbie: Currently, sir, there has been no change to the timeline. We're continuously evaluating the timeline and looking at what it's going to take to get through the comments. So I'm not going to say it's not going to change, but we have not made that determination, and if it does, how much.

Tim Sohn: OK, thanks.

John Budnik: Thanks Tim. Next is Ariel.

Ariel Wittenberg: Yes, hi. I was just wondering, you mentioned sending the Preliminary Final EIS to the agencies at some point, I'm just curious when that is?

Dave Hobbie: We're hoping the middle of January. But again, that could alter. A lot of it will depend on what happens in the meetings in the middle of November, which may shift the timeline left or right.

John Budnik: Ariel did you have a follow-up?

Ariel Wittenberg: I had a different question so I can just wait if you're going to do a second round.

John Budnik: Yes, definitely. Next is Yereth.

Yereth Rosen: Yes, just really quick. This project has gotten a ton of criticism, including from Senator Lisa Murkowski, [inaudible] how do you feel about getting all of this criticism? Including from the [inaudible] resources committee?

Dave Hobbie: You were kind of breaking up there, but what I think I heard you say is how are we dealing with the criticism we've received and the perceived criticism from different people. I think you mentioned Senator Lisa Murkowski. At the end of the day, what I would tell you is that I take none of this stuff personally. We're processing the application as required per regulation. Of course, it would be best if we could make everybody happy. We know that's not going to

happen, but we're doing our job as best as possible to process the application, which we're doing. With regard to criticism, I've done this for a long time and there are very few projects I've worked on where we've received praise. So, some of it is part of the job. This is a very large, complex project.

John Budnik: OK, next is Mariah.

Mariah Oxford: Hi, good morning. My question is about whether or not you've determined that any of the alternatives are not practicable because of land owner objection?

Dave Hobbie: The easy answer is no. The rationale is that the Corps does not control the appropriation of real estate. If the applicant proposes a certain route, if the permit were to be issued for a certain route and the applicant could not acquire those real estate interests or those rights, then there would be some changes that would have to be made. But again, our interest is not real estate driven, so if the applicant proposes it, we're going to assume they can do it. If not, that is an issue they will have to bear.

Mariah Oxford: OK, so that's kind of a final answer on these questions that have been coming up over the last few months of different corporations saying yay or nay regarding access rights, that won't affect your alternatives whether or not an alternative would be off the table?

Dave Hobbie: Currently, no.

Mariah Oxford: OK, thank you.

John Budnik: Thank you Mariah. Next is Steven.

Steven Lee: Hi, just going back to the hearing from this morning. Congressman Peter DeFazio of Oregon, he seems pretty angry that this call that we're on right now being scheduled immediately after the meeting, he said that he was going to reach out to you guys and talk to you about it. He seemed to think that it was inappropriate. Just wondering if you've been contacted yet by the congressman or his office or do you have any response to his critique?

Dave Hobbie: I have not been. And these calls are scheduled monthly.

John Budnik: Yeah, Steven I can—the media teleconference calls, when I schedule them, that is one of my duties as the public affairs specialist here, I schedule them at Dave's—at the mercy of his schedule. Dave, being the chief, has a lot of travel time, a lot of other meetings to attend, so we carve out as much, at least an hour a month for the group. But again, with a project of such international interest, it's hard to make all the stars align, essentially.

Steven Lee: OK, so the timing was coincidental?

John Budnik: Yeah.

Steven Lee: OK. Just really quickly Dave, I didn't catch your last name or your title.

Dave Hobbie: I'm sorry. My name is David Hobbie, H-O-B as in boy, B as in boy-I-E, I'm Chief of the Regional Regulatory Division.

Steven Lee: OK, hey John, I've got to go, thank you so much for convening this call, I appreciate it.

John Budnik: Alright, thanks Steven. Next is Isabelle Ross with KDLG.

Isabelle Ross: I don't have any questions at the moment, thanks.

John Budnik: Alright, thanks. Next is Liz Ruskins, Alaska Public Media.

Liz Ruskins: My question was asked, thank you.

John Budnik: Alright, thank you. That concludes the first round of questions, I think I did hear some late joiners, is there anybody that I have not called on yet?

Margie Bauman: Yes, this is Margie Bauman. Hello!

John Budnik: Hey, good morning, Margie. Go ahead and ask a question.

Margie Bauman: I'm kind of surprised that David Hobbie didn't listen in on this very interesting hearing. Is there a particular reason? Well, I'm sure you were aware of it, why did you not listen in?

Dave Hobbie: It goes back to what John said earlier. I've got a pretty busy schedule, my job is usually filled out weeks, if not months, in advance. I know they record these things so it's not that I can't watch it, I just have not had the opportunity yet.

Margie Bauman: Are you going to have the opportunity to read over the testimony and the comments from the people there?

Dave Hobbie: I may have the opportunity, I don't know if I will.

Margie Bauman: Why would you not? Since you are overall in charge of this, wouldn't you want to hear what was said about it at this point, sir?

Dave Hobbie: I'll probably watch it, I don't know if I'll read over the transcripts though.

Margie Bauman: Oh. Seems like that would almost be quicker.

Dave Hobbie: That might be true too, I don't know.

Margie Bauman: Alright, that's my first one. Yeah, go ahead.

John Budnik: Thank you Margie. Anyone else?

Alex DeMarben: Yeah, this is Alex DeMarban with Anchorage Daily News.

John Budnik: Hey Alex.

Alex DeMarban: Hey, thanks for having us. So this morning in the hearing I think there was some dispute about how quickly this regulatory process was moving through the system, and

they think it's going more quickly than Donlin and I think there was even some people suggesting that it was in the upper percentile, in other words, one of the quickest processes out there for many projects, not even just mines. How does this compare to other mining projects in terms of the length of this regulatory process? Or as a follow on a kind of average and why is it going more quickly than Donlin? It seems that it would take longer than that given the seriousness of the mine. Go ahead.

Dave Hobbie: We haven't done an analysis in comparison to other mines or projects in terms of this kind of schedule for an EIS. What we did look at—

Alex DeMarban: You said you have done or you did not do an analysis?

Dave Hobbie: We did not.

Alex DeMarban: You have not done an analysis. OK.

Dave Hobbie: The amount of time is more about accomplishing the review and the process than it is about, did it take three months or six months. And I'll remind everybody that we're not done yet. So, until we're done, when we're done, we can say if it happened too fast or too slow. If the schedule moves and it takes us five more years, I'd be curious if people will still think that was too fast. But with regards to Donlin there are a couple of differences: one, Donlin requested a six month extension or delay at one point, which was a request that they made. Number two, and this is probably one of the biggest differences, from most EISs that I've worked on in the past, is the applicant has a tremendous amount of information. So when we've been making additional requests for information, they've been able to respond often in hours versus weeks, months, or years in some cases. So, their ability to respond to requests in a real-time manner has helped with the timing of this, and the process of this. Those are the biggest differences. But, until we're done, we're not done.

Alex DeMarban: OK, but you are predicting, 2020—next year—as the end of it. But you're just suggesting, that's the goal.

Dave Hobbie: At this point, yes sir.

Alex DeMarban: OK, alright. Thanks.

John Budnik: Thank you, Alex. Again, is there anybody on the line that I have not called on in the first round of questions? [silence] Alright, with that we'll go back to Mr. David Owen to start round two.

David Owen: Have you decided on a preliminary LEDPA yet?

Dave Hobbie: We have not, sir.

David Owen: OK, and when do you anticipate that that preliminary LEDPA would be complete?

Unidentified participant: Can someone define that?

Dave Hobbie: Excuse me?

Unidentified participant: Can LEDPA be defined?

John Budnik: Oh, what is the acronym.

Dave Hobbie: Oh, sorry. I thought you said “design.” It’s the least environmentally damaging practicable alternative.

Unidentified participant: Thank you.

Dave Hobbie: OK, sorry about that. I should do a better job of that.

David Owen: So back to my question, I was wondering when you think you might be determining that.

Dave Hobbie: Sir, we’d hoped to be determining that no later than the end of January, but it could bleed into February. It depends on what happens in our meetings in November and some of the comments and responses from agencies. And again, I apologize, at times we think we communicate well, and we don’t. The real thing I keep trying to tell people is that this is an iterative process. So, based on what we hear in November some of our thoughts may change on that. So, that’s why I’m hoping by the end of January, but it could slide into February.

David Owen: OK. Now, you had the one meeting with the cooperating agencies on all this too. Did I understand that you said the next one will be in November?

Dave Hobbie: That’s what we’re shooting for, sir. The middle of November.

David Owen: OK. Just one other question. Will the applicant be informed of what the Preliminary FEIS is and what the LEDPA is when you determine it?

Dave Hobbie: Yes sir. In a large part the applicant is still in the process of looking at areas they could avoid and minimize impacts. So yes, the applicant is very integral to this part.

David Owen: OK. They will know what the LEDPA is when you determine it.

Dave Hobbie: That is correct, sir.

David Owen: Preliminary LEDPA, that is.

Dave Hobbie: That is correct, sir.

David Owen: OK, thank you.

John Budnik: Thank you, David. I hate to be the bad cop here, but I continue to hear typing on the phone. It’s very, very distracting, it’s very hard to hear the questions being asked, please if you are not asking a question, please place your phone on mute so we can hear who has the floor and we can get the information to you. So thank you for that. Next is Jenny Weis.

Jenny Weis: Hi, how is the Corps planning to meet its National Historic Preservation Act obligations before it issues the permit and what are the steps in that process?

Dave Hobbie: OK, we're currently following what is called the Section 106 process. We're meeting with the State, also with the advisory council on historic properties—ACHP. We're working through to develop a programmatic agreement. We also have several other partners in there that we're working with and working with the tribes to do that, and then we'll come up with a programmatic agreement, which will have to be signed prior to the final decision. And let me be clear, I'm sorry if I've not been—I made this comment the other day, I keep hearing talk about "when you issue this permit." There has been no decision made. The decision may be to deny this permit. So, I just want to be clear that we have not made any decisions on this project.

Jenny Weis: Thanks. Just a follow up. Can you talk about the timeline for those meetings and steps that you just listed?

Dave Hobbie: Well we have continued meetings with the State Historic Preservation Office and the Advisory Council and the cooperators, there are probably another 10 meetings scheduled before this wraps up, could be more, depends on what comes out of those meetings and what we hear from the tribes. So, I don't have the dates for them—there is a whole team of folks working this—but there will be several rounds of meetings.

Jenny Weis: So is it correct that the meetings with the State are happening first and then tribes will be added later or are you already working with tribes?

Dave Hobbie: All together. So yes, we're working with the State and the tribes all at one time. It is done concurrently, not consecutively.

Jenny Weis: OK, thank you.

John Budnik: Alright, thank you Jenny. Next is Richard Read.

Richard Read: Yeah, there was a bit of discussion in the hearing about bonding requirements and whether or not it was possible to bond something or provide financial security for something that has to be managed actively in perpetuity. So I'm wondering, does the federal government have bonding requirements and if so, how does that work and is there a state requirement as well?

Dave Hobbie: Sir, from our permitting standpoint, we have no bonding requirements, that would be a state issue.

Richard Read: OK, Congressman DeFazio kept referring to Pebble Limited Partnership as an asset-less company. So, do you do any review of their financial capabilities as part of this?

Dave Hobbie: No sir.

Richard Read: OK, so the financial security, that whole issue is not handled by you, it's handled by the state government?

Dave Hobbie: I cannot speak and say it is specifically handled by the State, I guess the assumption would be if they don't have the money then they couldn't build it. But we are not going to say whether they have the money to actually build this thing, that is not within our

purview—I can tell you from working in other states and on other projects that often we get projects, especially for housing that was speculative, people come in and acquire permits, and then after they acquire those permits, and they would go out and try to secure some kind of funding to build that subdivision. So, it isn't in the Corps purview to say whether or not they can do this. If they submitted the permit application it is our job to process that application.

Richard Read: OK, I understand that. I guess what I'm asking about is after the thing is built and it goes through closure, there is this need to perpetually treat the water, which costs money on an ongoing basis. So, who, if anybody, makes the company honest to provide that and continue to finance it over centuries?

Dave Hobbie: That'd be the State, sir.

Richard Read: OK, thanks.

Dave Hobbie: You're welcome.

John Budnik: OK, thank you, Richard. I'm going to go ahead and call on him again; he may not want to ask a question, but Tim Sohn?

Tim Sohn: Yeah, thanks John. I'll keep this one short again. My line cut out slightly when, I think Mariah, asked a question around the various land use issues that might come into the LEDPA process. So I'm sorry to make you repeat it. Could you summarize briefly at which point in the process those land use issues on the tribal lands and the feedback you've gotten on that will come in? From what it sounded like, that wasn't going to be part of the LEDPA analysis [inaudible].

Dave Hobbie: That is correct, sir. The applicant has submitted an application and has determined that these were different alternatives. The Corps does not issue real estate interest on private lands. So, we have absolutely no interest in the real estate holdings. Since the applicant has applied for those different options, we're processing it. So, yes—long story short, no those land interests do not come into play in the determination of the LEDPA.

Tim Sohn: I guess the operable word there is practicable. I'm wondering in what way an option is practicable if it crosses land and if they do not have and will not have permission to cross, how do you view that as [inaudible].

Dave Hobbie: Again, sir, that is the applicant's responsibility. They would have to come back to us and prove they couldn't, to take it out of the practicability standpoint.

Tim Sohn: They, the applicant, would have to prove that they couldn't.

Dave Hobbie: Correct.

Tim Sohn: OK, thank you.

John Budnik: Thank you, Tim. Next is Ariel.

Ariel Wittenberg: Thank you. I just wanted to follow up on what he just said really quick even though I have a different question. Why does the applicant have to show that it is not practicable if you have a potentially—a landowner saying it's not practicable because we're not going to give them the access?

Dave Hobbie: Because people's minds change. Different things can happen. Currently the applicant has not come to us and said that these areas are not practicable to build on, so we're going to move forward like they are.

Ariel Wittenberg: OK. My other question was going back to the EPA's B letter, which I know isn't due to you for a couple of days, but have you heard anything, do you have any sense of whether they're going to actually send one or ask for another extension or?

Dave Hobbie: To be honest I have no clue. I have not heard anything, no one has asked me, so I have no clue ma'am.

John Budnik: Alright, thank you, Ariel. Next is Yereth.

Yereth Rosen: Hi, just a simple question. Why 2020?

Dave Hobbie: I—maybe I don't understand your question—

Yereth Rosen: How was that target based?

Dave Hobbie: When we got the application—actually, we knew it was coming about a year in advance—the team sat down and developed a timeline for processing the application and we built the schedule off of that. If they had applied a year later it would've been 2021. If they had applied a year sooner it would've been 2019. It was just how the schedule fell out, I don't think the year had—I guess I'm still not tracking, but I guess that's just how the schedule played out within the timeframe.

Yereth Rosen: OK.

John Budnik: Alright, thank you, Yereth. Next is Mariah.

Mariah Oxford: Hi, I wanted to ask a little bit about the process related to the actual work about how the science information is analyzed, this is something we've been asking for a while. I know it's kind of a nerdy question, but with so much banding about the term "science" and people exhorting the Corps to make sure you're doing a scientific study, Senator Sullivan said the Corps' applicant has a high bar to meet. Senator Murkowski recently said that the concerns of the EPA and the Department of the Interior need to be fully addressed, even if it requires more study and more comprehensive analysis. I know you're having these meetings with the cooperating agencies and you mentioned that depending on what happens in November it could change the timeline a little bit. Can you talk about that process again and about how decisions are made when there are disagreements at the table between scientists at different agencies, how does that work, how does that play out? Are you in meetings for days? Are you just going back and forth? Are you saying, "we hear you but this is our decision and what we've determined is final"?

Dave Hobbie: Well, it is kind of a combination of everything you talked about. The meetings do last days. The first round of meetings lasted four solid days—five days actually—so 40 hours of meetings. The next round will probably last similar, if not longer, to go through this—so a lot of discussion. We did—the reason we brought on a third party contractor is to have the independence, who would have no bias in this. We went through a screening and vetting process to ensure that they have no financial or other ties to Pebble Limited Partnership when they were selected, there were some contractors that were ineligible because of that. So we went through a rigorous vetting process to try to get as much of an independent analysis as humanely possible. Now as we go through this, in some areas we're doing additional modeling and testing right now, and you're right, it's probably like getting your kids together for dinner and you get five different opinions on where to go for dinner, right? But at the end of the day someone has to make the decision on where you're going to go. That is kind of the Corps role, but we will look at all the analysis and hear what everyone has to say and try to come up with the—the example I'll give you, the DOI says turn left and the EPA says turn right, where do you go from there? At the end of the day the Corps will look at all of the information and make a decision on which is the best path to go.

Mariah Oxford: OK, thank you. Just a quick follow up. How will you communicate that process to the public, so that the public—which is highly concerned about this—so that they understand how those decisions were made. Is there a document where you're addressing the specific comments that agencies have provided and how you came up with a final decision?

Dave Hobbie: Yes ma'am. That will be addressed in the Final EIS.

Mariah Oxford: OK, thank you.

Dave Hobbie: Thank you.

John Budnik: Thank you, Mariah. Next is Isabelle Ross, KDLG.

Isabelle Ross: Yeah, hi. This is a little bit of a shift in questions—I've been hearing some ongoing concerns from the sportfishing community in Bristol Bay about the impacts of the project—the potential impacts of the project—to their business. I was wondering if there were any updates to, specially to sportfishing, in the Draft EIS since it was released in February?

Dave Hobbie: Well, I would tell you that there have not been updates to the draft, but we are addressing those comments that will come out in the final. But we're working through that, yes. I don't know all the concerns specifically that you're talking about, but they will be addressed. Anything that is brought up will be addressed in the Final EIS.

Isabelle Ross: OK, got it, thank you.

Dave Hobbie: Thank you.

John Budnik: Thank you, Isabelle. Next is Liz Ruskins, Alaska Public Media.

Liz Ruskins: Yeah, I have a question about the EPA letter, the second letter. If they ask for an extension, is that automatically granted or who makes a decision on whether to grant an extension?

Dave Hobbie: Ma'am, the person who has the authority to make that decision would be a gentleman by the name of R.D. James, he is the Assistant Secretary of the Army for Civil Works. Again, I've not been consulted and this has not been discussed with me at all, so I don't even know if they're going to send a letter or if they've sent one. But it would not come to me, it would go to Mr. James. So, that's the best that I can answer that question.

John Budnik: Did you have a follow up, Liz?

Liz Ruskins: No, I'm good. Thanks.

John Budnik: OK, thank you. Next is Margie, Fisherman's News.

Margie Bauman: Yeah, speaking in the "I have heard" category, I have heard that some of the people that have attended these meetings have felt that they were being given lip service and that the mandate to the Corps was full speed ahead. How are you conducting these meetings in a way that all of the participants are assured that all of their comments and observations et cetera are seriously being considered rather than just passively listened to? Because, the word in some areas is that they're not paying attention to us, they have a mandate from the current presidential administration to put this permit through. Thank you.

Dave Hobbie: Well, I'm not certain. I've heard a question several times about mandates. I have not had anyone in the administration telling me, or even asking me to do something different or special. So I'm not exactly sure what mandate you're talking about. Everyone told me they thought we were doing a great job, at least that's what I heard. But I can't answer the question, I don't know what people are saying, so I can't really address that.

Margie Bauman: Everybody is telling you what a great job you're doing?

Dave Hobbie: No. What I'm telling you is that you say that you heard things that these meetings weren't going well. I heard that they were going well, so I don't know what to say about that.

Margie Bauman: Just that some people apparently have a concern that people are politely listening but not taking seriously, comments that are critical of the Draft EIS. That is what I was referring to. Thank you.

Dave Hobbie: Again, ma'am. I've not heard that. The team is working through this, they're having these meetings. I'm not sitting in these meetings, that's what I have an entire technical team for, I just don't know how to address that. I can't speak to how people may be feeling.

Margie Bauman: Alright, thank you.

John Budnik: Thank you, Margie. Next is Alex DeMarban.

Alex DeMarban: I would ask, with Murkowski and members of the committee today talking about how they're going to ensure proper oversight occurs of this regulatory process, I'm wondering how they're communicating their concerns to the Corps? Forgive me if that's already been answered, but have you guys received any recent letters or is anybody coming into your office every couple of weeks and meeting with you, or how does that work? Have they communicated their concerns to you?

Dave Hobbie: There are times we've provided briefings to different congress members about the project, but there's no set schedule for weekly or monthly or even quarterly meetings on this project. We've not received any recent letters from them either.

Alex DeMarban: When was the last one you've received from any of those folks? Do you remember that, roughly?

Dave Hobbie: I think it was when Senator Murkowski sent us a letter about the extension.

Alex DeMarban: OK, that was—when was that, spring?

Dave Hobbie: June timeframe, April, May, timeframe, somewhere in there.

Alex DeMarban: OK, alright hey thanks.

John Budnik: Thank you, Alex. That concludes round two. Is there anyone on the line that I have not called on that may have something to say? [silence] Alright, we're coming down on the home stretch here, but I'll run through the list one more time. Back to David Owen.

David Owen: I'd just like to make a comment on what Richard Read at LA Times said about DeFazio, that Pebble, or Northern Dynasty was an asset-less company, Tom Collier clarified that and said that's not true. He said that the Pebble Limited Partnership owns the Pebble claims but, NDM, Northern Dynasty, owns Pebble. So, Northern Dynasty's asset is the Pebble claims. So, that's just a clarification there. He adamantly denied what DeFazio was saying. Now, I'm going to ask a question. [inaudible name] according to his public calendar had a meeting—coordination meeting with the Army Corps on September 25. I was just wondering how that coordination meeting went. Apparently, this was a coordination meeting on the elevation process. Can you comment on that?

Dave Hobbie: Yes, I can. The meeting went well I thought. It really wasn't about the elevation process and I think EPA understands that. They talked more about schedule, the process there, when the next round of meetings would occur, there was no discussion that I recall about the elevation process in particular—about what that process meant—I think they're aware of that.

David Owen: OK, since this will probably be my last round, maybe I can get another question in here. Are you considering using the Eagle Bay ferry terminal on the north side of Lake Iliamna, which I believe is a component of alternative 2, as part of the LEDPA? It was included as part of the PLP's mitigation proposals in RFI 71b, I believe it is.

Dave Hobbie: Well, everything is still on the table as we're looking and determining the LEDPA, but I don't know if that will come out as part of the LEDPA. Everything is still on the table.

David Owen: OK, thank you.

Dave Hobbie: Thank you, sir.

John Budnik: OK, David. Next is Jenny Weis.

Jenny Weis: You mentioned—tell me if this is incorrect—but that the cooperating agencies would be able to review the preliminary draft FEIS in November. I was wondering if that is correct, how much time they would have to review it and will it be released to the public at that time?

Dave Hobbie: Ma'am it's the Preliminary Final EIS, not the preliminary draft. But that's what would come out of these public meetings—it will probably be either 30 or 45 days for review and it will not be released to the public.

Jenny Weis: OK. Can I add a follow-up?

John Budnik: Sure.

Jenny Weis: In the hearings, United Tribes of Bristol Bay Executive Director Alana Hurley noted that tribes are not being listened to in the process, I think she meant that the cooperating agency expertise was not incorporated into the DEIS. I was just wondering if you could speak to what steps the Corps is taking to address that.

Dave Hobbie: I didn't hear that comment, so I'll speak based on what you've said. We've had over 30 meetings with the different tribes, Alana represents UTBB, United Tribes of Bristol Bay, which is not all the tribes that we're consulting on this. So we are meeting with the tribes and continuing to meet with them. As a matter of fact, we had a meeting on Monday or Tuesday with the United Tribes of Bristol Bay to discuss this project. So that's the steps we're taking. We're listening to all the cooperating agencies, that's the purpose of those meetings, I guess that's how I can address that, I don't know what else to state.

Jenny Weis: Thank you.

John Budnik: Thank you, Jenny. Next is Richard Read.

Richard Read: Just a follow-up on that question. Alana Hurley was really quite outspoken, both in her prepared remarks and answering questions saying that there had been a longstanding lack of meaningful engagement by the Corps with the tribes. I take it that you feel you've done as much as you can, is that right?

Dave Hobbie: I feel that we can continue to work with the tribes and do the best that we can to continue that ongoing engagement. That doesn't mean it satisfies what they would like or not, but I think that we're doing everything that we can to continue that conversation and relationship.

John Budnik: Did you have a follow-up, Richard?

Richard Read: I think I'm set, thank you.

John Budnik: Alright, thank you Richard. Next is Tim Sohn.

Tim Sohn: I'm good, John. Thanks.

John Budnik: Thank you. Next is Ariel Wittenberg.

Ariel Wittenberg: I'm alright, thanks.

John Budnik: Thank you, Ariel. Yereth Rosen? [silence] OK, she may have disengaged. Mariah?

Mariah Oxford: I just have one last one, I think I probably know the answer, but I'll ask anyway. You've probably seen the CNN report recently of the complaints of a potential SEC violation related to Northern Dynasty stock trading and the EPA's removal of the proposed determination? Given that story, did anyone at the Corps know that the EPA was planning on withdrawing the proposed determination?

Dave Hobbie: Not that I'm aware of, ma'am. I can only speak for myself and the people in my office, but not that I'm aware of.

Mariah Oxford: OK, thank you.

John Budnik: Thank you, Mariah. Next is Isabelle Ross.

Isabelle Ross: Yeah, this is just following up on Richard's question. When UTBB says they would like more engagement or consideration from the Army Corps, are there any examples that you all have of times when they wanted to engage and you either didn't have the time or resources to do so, or why that would be? If there were examples of why you wouldn't meet their request to engage in dialogue?

Dave Hobbie: I don't know if this is UTBB or Nondalton, I know at times there have been some scheduling conflicts. At one point they had a death in the village, so we had to reschedule. I know at one time our commander had a death in his family so was unable to attend. I know on several attempts we've tried to meet with them. As a matter of fact—Nondalton—we attempted to meet with in Fairbanks this last week when they were at the AFN and they weren't able to meet. So I think there have been schedule conflicts at times. And I do know that we do have—when I say limited resources—we will continue to try to get to the villages when we can. But it is not cheap to get to the villages as it is not cheap for them to get here either. So at times, I know that resources may have a constraining role, I don't know if that's occurred yet though.

Isabelle Ross: OK, thank you.

John Budnik: Thank you, Isabelle. Liz Ruskins? [silence] She may have left. Margie Bauman?

Margie Bauman: Yeah, getting back to this question of meeting with the United Tribes of Bristol Bay. You say you've met with them quite often. Do these meetings occur on the phone most of the time, or are the United Tribe's folks having to come to Anchorage? Are you going to the village? On average who meets whom where, and how many folks participate?

Dave Hobbie: That's actually a lot of questions in one. There are times where it is a phone conversation where UTBB may be represented, when we do government-to-government, we try to do it face-to-face. There have been a couple of times where they've been in Anchorage so we've actually met in Anchorage because they were here for other reasons. And there have been times where we've been to other villages that represent United Tribes of Bristol Bay. So, I don't know a percentage, if that's 50/50. But, if they're here in Anchorage, by all means we try to take advantage of that. But we do try to travel to a village to have those government-to-government consultation meetings.

Margie Bauman: So overall, about how many times do you think you've met with them?

Dave Hobbie: I know we've been—when you look at the different tribes—over 30 times we've had meetings. Again, right now in front of me exactly how many times we've had a meeting with UTBB. And they don't represent all of the tribes, so our responsibility is to all and not just the United Tribes of Bristol Bay.

Margie Bauman: Thank you.

John Budnik: Thank you, Margie. Alex?

Alex DeMarban: I'm good for now, thanks.

John Budnik: Thank you, Alex. I think we've pretty much exhausted all of the questions, I'm just going to open it up to the floor for any outstanding questions that may be out there.

David Owen: I just had one—it's David Owen—there's been a lot of concern, by a number of people, that—since Alaska is an active earthquake area, that there may be an earthquake at Pebble that would cause the tailings dam to collapse and wipe out all the fish in Bristol Bay, it's my understanding that the last Anchorage magnitude 9.2 of 1964 and the one last year near Anchorage is about 200 miles away from Pebble, and that the nearest seismic fault, the Lake Clark fault, ends about 20 miles from the Pebble border and was last active about 10,000 years ago during the last Ice Age. Is that also your understanding, or the Corps' understanding?

Dave Hobbie: If the understanding is where the fault lines might lie, then yes that is our understanding. Ultimately, the stability of the dam—the design and construction of the dam—will be a State requirement, not a Corps requirement.

David Owen: Yeah, but the nearest subduction zone responsible for the Anchorage disastrous earthquakes, is about 200 miles from Pebble, is that right?

Dave Hobbie: That's my understanding.

David Owen: OK, thank you.

John Budnik: Alright, thank you David. Any outstanding questions out there before we call it? [silence] Alright, if not, we're going to turn it over to Dave here for some closing comments.

Dave Hobbie: Again, everybody, thanks for calling in, appreciate your time. I know it takes time out of everybody's schedule so again thanks, appreciate it, and I hope you all have a great day.

John Budnik: Alright, thank you folks. Thank you for joining us and we'll reengage again with you in November.

Multiple: Thank you very much, thank you.

John Budnik: Take care.

[END OF CALL]