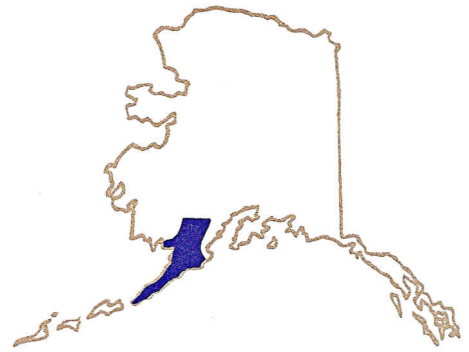




Lake and Peninsula Borough

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December 11, 2018

Via Email

Shane McCoy, Program Manager, Regulatory Division
U.S. Army Corps of Engineers, Alaska District
ATTN: DA Permit Application 2017-271, Pebble Limited Partnership
P.O. Box 6898
Joint Base Elmendorf-Richardson, Alaska 99506-0898

Subject: Lake and Borough Comments on Preliminary Draft of Section 4.3 – Socioeconomics

Dear Shane:

This letter provides the Lake and Peninsula Borough's comments on the draft of concerning project impacts on socioeconomic issues: Section 4.3, Needs and Welfare of the People – Socioeconomics. That section was distributed by e-mail on November 2nd. Our comments should be read in conjunction with our comments on the socioeconomic description of the area, Section 3.3. Our comments are divided into general, and specific comments. We appreciate the opportunity to review these and other drafts.

General Comments

Social & Cultural Affects. The discussion of socioeconomic impact on the villages omits what many people fear may be a primary impact: disruption of the social and cultural ties in the village: ties to the people and the land. Please see our comments on Section 3.3. The presentation of the impacts as if they were solely the sum of the impacts to census variables is incomplete. While we understand that predicting a project's effect on these social and cultural ties is difficult, and perhaps not completely possible, there are ways to get at these effects, and this section only does so superficially.

Other General Comments. All of information in the General Comment section of our suggestions for Section 3.3 are relevant for Section. Rather than repeat them here, please see that letter.

Specific Comments.

- Section 4.3.2.1. Regional Setting/Regional Economy. The analysis treats the areas as if it were one region. It is not. There are huge differences between the economies of Dillingham, the Lakes-area villages, and Kenai. They have different economies and will absorb the project very differently. Treating them as one regional economy is wrong. Further, in this method of analysis, it is not possible to single out the impacts to Lakes-

area villages which are likely to be different in type and scale than impacts to the Dillingham-area villages, and Kenai.

- Page 2. The Alternative 1 summer-only ferry option increases employment in a schedule that is directly opposite the availability of local people to work. Village residents have many opportunities in the summer including commercial fishing, subsistence harvesting, etc. Winter is a much slower time. Increasing employment and economic activity in the summer, which is the area's busy time, seems designed to increase stress on village facilities and minimize the opportunity for local employment. Further, to the extent that a road has the potential to decrease the cost of living, using the road only in the summer has the potential to minimize this positive effect. To the extent that the road enables local businesses to prosper that serve the local population – perhaps a store, a summer-only road makes that much difficult.
- Page 3. Cost of Living. This section should have more detail. We understand that you cannot predict specific cost of living reductions, but it is worthwhile understanding the order of magnitude. See comments on Section 3.3. Further, effects on cost of living may also extend to Igiugig, Pedro Bay, and Port Alsworth even though these are not directly tied by road to the project. Finally, we understand that the long-discussed bridge to Nondalton is beyond the scope of the EIS, it is worth noting that a bridge has been the subject of much discussion and would bring the cost-of-living benefits to Nondalton.
- Page 4. Transportation. One of the important transportation impacts is on the cross-village winter use of the lake. The RFI on winter trails show 5 significant trail use across the lake. There needs to be significant discussion on the effect of the winter ferry and that trail use. Without some mitigating actions, the open water where people currently travel creates a danger. There must be mitigating actions to ensure people remain safe. Further, the different alternatives have different impacts. The further east the ferry alternative, most likely the greater the obstruction of traditional village travel. That is, on the western-most route, it would still be possible, we think, to travel from Kokhanok to Iliamna/Newhalen by staying east of the ferry route. The eastern routes, especially to Eagle point will be more disruptive.
- Page 5. Section 4.3.2.2. Population. Population has the potential to be a large driver of change in the villages. Factors which would tend to decrease out-migration would be lowering the cost of living, increasing the ease and cost of getting from the Lakes area to the railbelt, and the potential for high-paying employment within the region. One uncertain but opposing factor is it is possible that some of the individuals who receive good-paying jobs at the project may choose to live elsewhere. Population growth of the villages is constrained by the availability of land for housing. Notwithstanding the at least partially erroneous census information on housing (see comments on Section 3.3), population increase at some villages may be constrained by the lack of available land.

There is a much greater potential for population increase in Iliamna and Newhalen than in other villages. Iliamna will be connected by road to the mine, and it has a long, paved airport with a cross-wind runway. There is a significant potential for support businesses to incorporate there. Thus, there is a chance for a significant increase in population at Iliamna. Depending on the availability of land, it is quite likely that this area could see a large increase.

Further, this analysis treats the potential for population increase as function of the road, only.

A significant decrease in population would have a destabilizing effect on the villages. A large increase may disrupt the social fabric of the villages. Given the importance of population change on the villages, a more detailed treatment is warranted.

- Housing. We believe the census information on housing is not measuring vacant housing in the traditional sense. See comments on Section 3.3. Therefore, the conclusion in the second paragraph in this section is wrong. More investigation of the availability of land for housing is warranted.
- Education. Another large effect on education in the Lake and Peninsula Borough may be the fact that the borough will have more money to spend on schools.
- Section 4.3.3. All of the comments made previously apply to this section as well.
- Section 4.3.4. All of the comments made previously apply to this section as well. There is one additional comment. This section includes road-only access to the region. This has the large effect of enabling the region to maintain the road when the project ends.
- Page 10. Table 4.3-1. The text should have names for these alternatives. The table is a summary and may be read independently of the text, and the readers who are not well versed in the EIS language may not remember what each alternative does. Naming them would be helpful.
 - Population. The text for alternative 1 on page 5 does not conclude “may see a slight population increase.” We are included to agree, except that more analysis is needed, especially of the potential for new housing. We disagree with respect to Iliamna/Newhalen. Without significant effort to restrain population and depending on the availability of land, there is significant for support businesses to develop, which could significantly increase population. Further, the analysis treats population solely as function of road access. If Pebble flies employees from their home village, which is somewhat common for remote mines near Native Villages, then other villages, especially Pedro Bay, Igiugig, or Port Alsworth but also some remote villages may also see some population increase.

To the extent that the summer-only decreases the ability for the project to lower the cost of living and decreases road-access from the villages to the railbelt area, it may also decrease the incentive to retain population or for in-migration.

Alternative 2. There still may be some increase at Kokhanok due to increased employment, especially if they are transported to the mine employment by air. Same comment as above with respect to Alternative 1.

- Economy and Income. The summer-only access alternatives may make it more difficult to develop businesses in the area, and it will limit the project’s ability to decrease the cost of living. Second, the analysis discounts the effect of employment on free transport from nearby villages to the site by air. This would widen the potential for increased employment, though the villages you mention would still be the most affected.

- Regional Infrastructure. As mentioned before. This treats the area as if Kenai, the Lake and Peninsula Borough, and locations as from the project area as Togiak are within one region. They are not.
- Cumulative Effects. Page 12. Next to last paragraph. We do not understand what oil and gas exploration and development is being discussed. Any oil and gas development listed at the top of the page has no potential for any effects on the area.

Thank you for the opportunity to comment on the section. We look forward to reviewing other drafts of this and other parts of the EIS.

Sincerely,

/ S /

Nathan Hill
Manager

cc: Lake and Peninsula Borough Assembly and Planning Commission
Bill Craig, AECOM