



File Code: 1570/2180

Date: JUN 13 2014

Mr. C.H. Huckelberry
County Administrator
Pima County
130 W. Congress, Floor 10
Tucson, AZ 85701

RE: 14-03-00-0091-O218

Dear Mr. Huckelberry:

On December 31, 2013, Coronado National Forest Supervisor Jim Upchurch published the legal notice of the objection period for the Rosemont Copper Mine Project Final Environmental Impact Statement (FEIS) and Draft Record of Decision (DROD). By the close of the objection filing period on February 14, 2014, we received objection letters from 114 objectors. Of those, 101 objectors were determined to be eligible.

In my February 28, 2014, letter acknowledging receipt of your objection (objection number referenced above), I stated I was exercising my discretion to extend the response time to the full 75 days contemplated under the objection rule at 36 CFR 218.26(b). I also noted it was my intent to issue a final written objection response by April 30, 2014.

On April 30, 2014, I sent you a letter explaining my decision to further delay my response to the objections due in part to the content and complexity of the objections, and my desire to provide a full and deliberate consideration of issues raised. At that time, I was also participating in on-going discussions with regulatory agencies with jurisdiction over the project, and I was informed of a possible ocelot sighting within the action area of the mine.

Since my letter to you in April, the sighting of the ocelot was confirmed, and on May 16, 2014, the U.S. Fish and Wildlife Service (USFWS) sent Forest Supervisor Upchurch a letter outlining the need to reinitiate formal consultation under the Endangered Species Act (ESA). On May 23, 2014, Forest Supervisor Upchurch responded to the USFWS with his intention to reinitiate consultation. In light of this development, I recognize there is a potential for updates or changes to the analysis displayed in the FEIS. Should this occur, I direct Supervisor Upchurch to fully comply with the requirements of the National Environmental Policy Act (NEPA) prior to signing a Final ROD.

I have now completed my review of the objections. I conducted my review in accordance with 36 CFR 218, Subparts A and B, and based my responses on the FEIS, DROD, and the current project record.

Resolution Meetings

Several objectors requested to meet with me to explore opportunities to resolve all or part of their objection. Over the last two weeks of April, Forest Supervisor Jim Upchurch and I met with the following groups:



- April 18: Save the Scenic Santa Ritas (SSSR), Gayle Hartmann (lead objector), Greg and Carol Shinsky, Randy Serraglio, Morris Farr, Tom Purdon, David Steele, and Roger Flynn
- April 25: Arizona Game and Fish Department, Jim DeVos and Linda Pollack
- April 28: Mountain Empire Action Alliance (MEAA), Jimmy Pepper, Wade Bunting, Joanne Myer, Mark Williams, and Dr. Tom Power
- April 29: Cienega Watershed Partnership, Martie Maierhauser, Larry Fischer, Sheila McFarland, Mead Meyer, and Tom Eisner
- April 29: Pima County/Pima County Regional Flood Control District, Chuck Huckleberry, Julia Fonseca, Nicole Fyffe, Frank Postillion, Jonathan Crow, Evan Canfield, Mark Kretski, Brian Powell, Ursula Kramer, Chuck Wusslehoff, and Sarah Walters
- April 30: Farmers Investment Company, Richard and Nan Walden and David Steele

It was evident from the content of the objections and the objection meetings that all parties had invested an extraordinary amount of time and effort throughout the entire planning process. I want to personally thank you for participating in this effort.

From the meetings, I was able to gain additional clarity on several of the objections points brought forward from the written objections. I hope you will see that my subject matter experts have addressed these items in the responses.

Objection Issue Summary

The objectors raised over 600 individual issues in their objections. These issues tracked very closely with the issues identified in the DROD, pages 4-7, centering around impacts of the mine on the following resources:

- Land stability and soil productivity
- Air quality
- Surface and ground water availability
- Surface and ground water quality
- Springs, seeps, and riparian vegetation
- Plants and animals including vegetation, habitat loss, non-native species, wildlife movement, special status species, and animal behavior
- Cultural resources including historic properties, disturbance of human remains, sacred sites, and traditional resource collecting areas
- Visual resources
- Dark skies and astronomy
- Recreation
- Public health and safety
- Social and economic resources including regional socioeconomics and rural landscapes
- Transportation/Access

Each objection letter was analyzed and the issues identified were assigned an issue number using the last four digits of the objection number and sequential numbers for the issues. For example, the issues identified in the Save the Scenic Santa Rita's objection letter are assigned issue numbers 0084-1, 0084-2, 0084-3, and so on. Issues not previously raised in comments were set aside from review in accordance with 36 CFR 218.10.

Due to the volume and complexity of the objections, a coding structure was developed to identify and group similar issues. For example, issues related to the effects (number code "5") of the project on recreation were coded REC-5. A response form for each coded topic was then prepared. The response form identifies the objectors, the specific objection issues related to the topic, and suggested remedies provided by objectors. I then assembled a team of subject matter experts to prepare the responses. The response forms, coding structure, and the list of issues set aside from review are posted on the Rosemont Mine EIS web page at <http://www.rosemonteis.us/>.

Based on the intensive review conducted by the review team and resolution meeting discussions, I have identified the following clarifications and corrections that need to be made in the Final ROD or in the Errata being prepared for the FEIS. Refer to the more specific coded response forms for more details related to the needed clarifications or corrections.

General

- Consultation with USFWS: As noted previously, I am instructing the Forest Supervisor to take actions necessary to complete the consultation he committed to in his May 23, 2014, letter to USFWS. Following consultation, the Forest Supervisor shall review the FEIS to determine the appropriate level of documentation required under NEPA. Whether any further public process will occur before a Final ROD is signed is dependent on whether a revision or supplement to the FEIS is deemed necessary.
- New Information: Some objectors provided articles and other attachments for review claiming it was "new information" not previously considered. For example, Jimmy Pepper cites RMRS "Vulnerability of US Water Supply to Shortage..." The Forest Supervisor should review articles attached to objections prior to issuing a Final ROD to determine if there is new information that would require additional NEPA analysis.
- Response to Comments: Republish Appendix G to include all Public Concern Statements and responses (not a subset as is currently printed). Also, to meet the requirements of Section 102(c) of NEPA, include scanned copies of actual letters received by Federal, State, and local agencies and elected officials [see NEPA and FSH 1909.15_25.1(3)].

Air Quality – Legal (AQ-3)

- ROD: Change the wording of mitigation measure FS-N-01 to state: "Air quality related blasting restrictions are specified in the Air Quality Class II Synthetic Minor Permit issued by the Arizona Department of Environmental Quality. Additional blasting restrictions were established focused on noise management techniques, including generally limiting blasting to once per day, during daylight hours; and sequenced blasting using time-delay technology."
- Errata: In Table 29. Air quality laws, ordinances, regulations, and standards, under the "applicability" column of the row titled "National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR 61 and 63" change the wording to state: "Based on the estimated, maximum potential emissions for the proposed mine operation, the Rosemont Copper Project would not be a "major HAP source" as annual HAP emissions are modeled at 3.37 tpy. However, applicable NESHAPs pertaining to the boiler, emergency engine, and storage tanks would apply."

the 667.2 million ton reserve figure shown on page 33 of the FEIS to 661.4 million tons. The Final ROD should include the correct numbers.

NEPA – General (NEP-1)

- ROD: To address monitoring concerns, consider including info about public availability of monitoring results or directing the public to regulatory agency websites.

NFMA – Amendment (NFM-3)

- Record: Add the Draft Programmatic Environmental Impact Statement for Revision of the Coronado National Forest Land and Resource Management Plan to the record.

Paleontology – Mitigation (PAL-4)

- ROD: Clarify that the paleontology mitigation measure is primarily aimed at recognizing vertebrate fossils but that other fossil assemblages may occur.

Recreation – General (REC-1)

- ROD: Change wording in mitigation FS-BR-21 to include a statement similar to that contained in FS-RW-02 that future land uses under the restrictive covenant or conservation easements developed will be coordinated with the nature, purposes, and primary uses of the Arizona National Scenic Trail (ANST) corridor for hikers, mountain bikes, and equestrians. This would ensure that the nature, purposes, and uses are accommodated on the ANST and for the connecting trail from the Hidden Valley Ranch Road trailhead.

Recreation – NEPA (REC-2)

- ROD: Clarify proposed mitigation FS-RW-03 by discussing whether designation or construction of additional roads, motorized routes, or semi-primitive recreation opportunity settings would be included in any future planning effort.

Seeps, Springs and Riparian – Mitigation (SSR-4)

- ROD: Clarify that the in-lieu fee program is not the only possible use of the water at Pantano Dam.
- ROD: The weather station currently located in the pit area could be disturbed by mining activities. Clarify that an alternative weather station location could be selected.

Socioeconomics – Mitigation (SOC-4)

- ROD: Clarify mitigation of groundwater impact costs to homeowners by referencing more details about the mechanics of the Well Owners Agreements (and sign ups), as well as the licensing agreement with Sahuarita in the mitigation measures section of the socioeconomic section. Readers appear to be confused about this mitigation aspect for property/well owners.

Socioeconomics – Effects (SOC-5)

- Errata: To address errors noted by objection 0057-MEAA, make the following edits on page 1103 of the FEIS:

“Labor income, which includes employee wages but excludes benefits, is estimated to be \$23 million in Pima County for direct labor income and \$57 million for indirect and induced labor income for a total of \$81 million in labor income (accounting for rounding) during the active mining phase under the AE model (Applied Economics 2011). In Pima, Santa Cruz, and Cochise Counties combined, the labor income during the active mining phase is estimated to be \$29 million per year in direct labor income (which includes benefits) and \$26 million per year in indirect and induced labor income for a total of \$55 million in labor income under the Forest Service model (Gebert n.d. [2011]). A range of wages would be expected among those employed by the mine, from the lower wages of a general laborer to the higher wages of the project management staff and technical advisors. According to Rosemont Copper, the average annual income for a Rosemont Copper employee would be approximately \$60,000.”

- Errata: Delete the statement on page 1102 of the FEIS concluding that ‘the number of jobs (approximately 800 attributed to recreation on the CNF) are not expected to change during mine construction.’
- ROD: Add language regarding differences between the Applied Economics (AE) and Forest Service input output models to the FEIS to ease concerns from readers about why the results are different for these two models:

“Industry sectors used in the two models differed in some cases for analysis of non-labor indirect expenditures (indirect impacts from supply purchases from local vendors). For example, the AE model assigned more local purchases of equipment, supplies, and services to retail, as well as the labor-intensive repair and maintenance sectors, while the Forest Service model allocated more of those purchases to wholesale sectors. Differences were most pronounced for purchase of fuel, equipment repair and maintenance, resulting in indirect impacts six times greater for the AE model versus the Forest Service model. These differences account, in large part, for the differences and apparent inconsistency between the relatively higher indirect/induced impacts under the AE model and the relatively lower impacts under the Forest Service model, despite the larger impact area assumed for the Forest Service model. Neither method is incorrect since there is uncertainty about how future expenditures will be distributed, but use of retail sectors results in larger multipliers and impacts, while use of wholesale sectors results in smaller, more conservative multipliers. Results from both models are presented in the FEIS (pp. 1101 to 1104) to provide a range of possible impacts (that also reflects a range of scale), rather than single absolute numbers.

“Induced jobs, during construction were higher for the Forest Service model because ‘benefits’ were assumed to be included in labor income (the AE model assumed no benefits and therefore lower labor income available for local spending).”

Surface Water Resources – Mitigation (SWR-4)

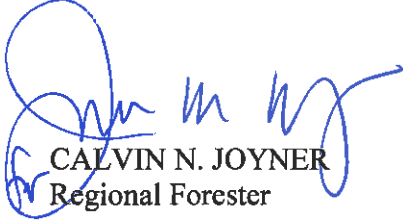
- At the Pima County resolution meeting, the County suggested that storm water (run-on) from outside the pit area, rather than be diverted to an infiltration pond, could be run (via a “perimeter channel”), downstream to the watershed. They acknowledged this would be costly but believed it was feasible. The Forest Supervisor should discuss the legal and practical feasibility of some method of routing this clean storm water to the watershed below to see if Rosemont wishes to propose such a change to its plans.

SUMMARY

In conclusion, I have reviewed all of the issues raised in the objections filed on the Rosemont Copper Mine Project and the assertions that the project violates various environmental laws, regulations, policies, and the Coronado Forest Plan. I find that the project is in compliance with these laws, regulations, policies, and the Forest Plan. However, by copy of this letter, I am instructing the Forest Supervisor to complete consultation with USFWS and address the clarifications and corrections I identified above prior to signing the Final ROD.

There will be no further review of this response by any other Forest Service or U.S. Department of Agriculture official as per 36 CFR 218.11(b)(2).

Sincerely,



CALVIN N. JOYNER
Regional Forester

cc: Jim Upchurch