

Aqqaluk Draft SEIS

Project

Since 1989, Red Dog has mined zinc and lead from the Main Pit, which will run out of ore in 2011. To continue operations until 2031, Red Dog needs to mine the Aqqaluk Deposit (another ore zone immediately adjacent to the Main Pit). The EPA is currently in the process of renewing the mine's water discharge permit (NPDES). In addition, the Army Corps of Engineers (COE) will ultimately issue the wetland permits for the Aqqaluk Deposit. Both federal actions must be reviewed under the National Environmental Policy Act (NEPA).

NEPA Process

NEPA requires federal agencies to analyze the environmental impacts of their decisions. Red Dog has requested a renewal of its NPDES permit and will be asking for the issuance of the wetlands permit for the Aqqaluk Deposit. These are both "federal actions" for which EPA is completing a Supplemental Environmental Impact Statement (SEIS) that considers the environmental impacts of the proposed action as well as those of reasonable alternatives. To determine what alternatives should be reviewed in the SEIS, EPA held scoping meetings in October 2007. Based on the comments received during scoping and cooperating agency input, EPA developed three alternatives and then analyzed the environmental impacts of Red Dog's proposed action along with the three alternatives.

On December 5, 2008, the EPA released the Draft SEIS for public review and comment. The Draft SEIS is open for comment until February 3, 2009. During the public comment period, interested parties may review the Draft SEIS and Draft NPDES permit and submit comments to the EPA. The EPA will then review and address the comments and issue a Final SEIS. The EPA and the COE may then issue their own Record's of Decision and final permits. This is anticipated to occur in the summer of 2009.

Alternative A – No Action

Every SEIS must include an alternative under which the Federal Agencies would take no action.

- ✓ NPDES permit not reissued.
- ✓ COE does not issue permits for the Aqqaluk Deposit.
- ✓ Aqqaluk Deposit is not mined,
- ✓ Red Dog runs out of ore and shuts down in 2011,
- ✓ Treatment and discharge of mine water into Red Dog Creek continues forever.

Alternative B – Applicant's Proposed Action

This alternative is the plan proposed by NANA and Teck.

- ✓ NPDES permit is reissued for discharge of treated mine water into Red Dog Creek with a 1,500 mg/L in stream TDS limit. The SEIS determined this alternative is fully protective of the aquatic life of the stream.
- ✓ The COE issues the permits for the Aqqaluk Deposit
- ✓ Aqqaluk Deposit is mined
- ✓ Red Dog proceeds with continuous operation until 2031.
- ✓ Treatment and discharge of mine water into Red Dog Creek continues forever.

Alternative B is also EPA's preferred alternative.

Alternative C – Concentrate Pipeline

This alternative was developed by the EPA to determine the environmental impacts of discharging into the ocean and transporting concentrate to the port via a slurry pipeline instead of trucks.

- ✓ The NPDES permit is issued for discharge of treated mine water into the Chukchi Sea instead of Red Dog Creek.
- ✓ The COE issues the permits for the Aqqaluk Deposit
- ✓ Aqqaluk Deposit is mined
- ✓ A concentrate slurry pipeline, a treated water discharge pipeline and diesel pipeline are constructed from the mine to the port.
- ✓ Red Dog is without a reissued NPDES permit for Red Dog Creek while the pipeline design, permitting, and construction is completed.
- ✓ After operations cease, treatment and discharge of mine water reverts back to Red Dog Creek (from the ocean) and continues forever.

Alternative D – Enhanced Dust Control

This alternative was developed by the EPA to determine the environmental impacts of discharging into the ocean and to minimize the environmental impact of trucking concentrate.

- ✓ The NPDES permit is issued for discharge of treated mine water into the Chukchi Sea instead of Red Dog Creek.
- ✓ The COE issues the permits for the Aqqaluk Deposit
- ✓ Aqqaluk Deposit is mined
- ✓ Year around truck washes are built at the mine and the port.
- ✓ Red Dog is without a reissued NPDES permit for Red Dog Creek while the pipeline design, permitting, and construction is completed.
- ✓ Treatment and discharge of mine water into the Chukchi Sea continues forever.

Why support Alternative B – Proposed Action

- Allows the economic benefit of Red Dog to continue without interruption for another 20 years. In 2007 Red Dog provided the following economic benefits:
 - ✓ 475 regular jobs – over 100 seasonal jobs
 - ✓ \$45 million in wages for regular employees
 - ✓ \$230 million in State and Federal taxes
 - ✓ \$56 million provided to NANA
 - ❖ Allowed NANA to pay record dividends
 - ✓ \$12 million paid Northwest Arctic Borough in 2007
 - ✓ \$82 million paid to NANA joint venture partnerships
- The proposed action is protective of the environment
 - ✓ Red Dog Creek downstream of the mine discharge will remain healthy and productive
 - ✓ The Risk Management Plan will address fugitive dust
 - ✓ The State, with public input, will approve reclamation and closure criteria
- The proposed action will provide for the continued sustainability of the NANA Region.
 - ✓ Allows for the timely development of the Aqqaluk Deposit
 - ✓ Red Dog and the benefits it provides will continue uninterrupted while the pipeline is designed.
 - ✓ The uninterrupted operation of the mine is needed to fund the design, permitting, and construction of the ocean discharge pipeline (separate and sequentially next).
 - ✓ The continued operation of Red Dog will give the Borough more time to plan for a future without Red Dog.
- Alternative B is EPA's preferred alternative.

How does the Ocean Discharge Pipeline relate to the Aqqaluk SEIS?

- Based on the public input received during the scoping meetings, EPA included a treated water discharge pipeline to the ocean into Alternatives C and D.
- Independently, Teck and NANA have entered into a Settlement Agreement with five plaintiffs in Kivalina which commits to construction of a single treated water discharge pipeline to the ocean. Several design and permitting activities are currently underway;
 - ✓ Pipeline design and engineering needed before construction/permitting applications can be submitted.
 - ✓ Researching regulatory and permitting requirements for the pipeline.
 - ✓ Gathering engineering and environmental baseline data.
 - ✓ The treated water discharge pipeline is a separate NEPA and permitting exercise from the current SEIS and NPDES permit renewal action.
- Once the discharge permit is renewed and all approvals are in place for the mining of the Aqqaluk Deposit, Red Dog will initiate permitting of the discharge pipeline.
 - ✓ The permitting and construction of the pipeline could take three years.
 - ✓ During this time the mine will need to discharge water to Red Dog Creek.
 - ✓ The renewed NPDES permit will ensure that the mine is able to discharge sufficient water while protecting the aquatic life of Red Dog Creek.