Deliberative Process / Ex. 5

Project Forecast Report
Updated August 13, 2018

Deliberative Process / Ex. 5

Deliberative Process / Ex. 5

- **R9/Forest Service & Corps of Engineers/Rosemont Mine/No EPA action pending**
  - **Background:** Hudbay Minerals, Inc., a Canadian mining company, proposes a new open-pit copper and molybdenum mine on 5,000 acres southeast of Tucson, Arizona, including 3,655 acres of National Forest land. The project would permanently fill 18 linear stream miles, adversely affect ~800 water supply wells, significantly degrade high quality aquatic ecosystems, pollute state-designated "Outstanding National Resource Waters" with heavy metals, adversely affect 12 federally listed species, and destroy an area sacred to the Tohono O'odham Nation. In July 2016, the US

Army Corps of Engineers (USACE) Los Angeles District recommended denial of Hudbay's application for a Clean Water Act §404 permit. The District's recommendation was elevated to the USACE South Pacific Division, as required by regulation following then-Governor Brewer's letter in support of the project. On 6/6/17, the U.S. Forest Service signed its Record of Decision (ROD) to approve the mine plan of operations and amend the 1986 Forest Plan by creating a new management area around the mine site.

- **EPA Involvement:** In 2012, EPA rated the U.S. Forest Service's (USFS) Environmental Impact Statement (EIS) "*Environmentally Unsatisfactory - Inadequate*" (EU-3) and identified the §404 permit as a candidate for U.S. Army Corps of Engineers Headquarters review. In 2013, because USFS's Final EIS did not resolve the EU-3 issues, EPA informed USFS and the Council on Environmental Quality (CEQ) that the proposed action was a candidate for referral to CEQ. CEQ initiated an interagency process to try to avoid the need for referral, while also attempting to align the USFS' and USACE's decision timelines; EPA participated in that process until it was suspended in 2016. EPA has visited the project site and met with USFS, COE, CEQ, and Hudbay on numerous occasions.
- **Status:** The 404 permit decision by the USACE South Pacific Division is still pending. USACE is expected to adopt USFS' EIS to support its decision. If USACE denies the permit, EPA has no role. If USACE issues a draft permit, the R9 Regional Administrator (RA) can either elevate USACE's draft decision to EPA HQ and request that the OW AA seek review of the draft decision by USACE HQ, or take no action. EPA R9 RA will meet with Hudbay, at Hudbay's request, on 8/21/18 in Phoenix. The RA was briefed on 7/12/18 and plans to be in listening mode in the meeting with Hudbay, as there is no EPA decision pending at this time.

Deliberative Process / Ex. 5

Deliberative Process / Ex. 5