To: Freire, JP[Freire.JP@epa.gov]; Bowman, Liz[Bowman.Liz@epa.gov]
From: Jackson, Ryan
Sent: Fri 5/12/2017 9:33:28 PM
Subject: Fwd: Fox News: EPA may OK a massive, controversial mine project near pristine Alaskan bay, 5/12/17

This is not really true.

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Begin forwarded message:

From: "McGonagle, Kevin" <mcgonagle.kevin@epa.gov>
Date: May 12, 2017 at 2:36:26 PM EDT
To: AO OPA OMR CLIPS <AO_OPA_OMR_CLIPS@epa.gov>
Subject: Fox News: EPA may OK a massive, controversial mine project near pristine Alaskan bay, 5/12/17

Fox News

http://www.foxnews.com/politics/2017/05/12/epa-may-ok-massive-controversial-mine-project-near-pristine-alaskan-bay.html

EPA may OK a massive, controversial mine project near pristine Alaskan bay

By Andrew O'Reilly 5/12/17

A controversial mining project in Alaska's Bristol Bay soon could receive a green light after the Environmental Protection Agency on Friday reached a settlement agreement with a small Canadian company that has been seeking to apply for permission to build what could be the world's largest gold and copper mine.

The settlement between the agency and a unit of Northern Dynasty Minerals reverses a controversial Obama-era decision by the EPA that blocked the company from applying for a permit to build the so-called Pebble Mine project in the Bristol Bay watershed of southern Alaska.

"We are committed to due process and the rule of law, and regulations that are 'regular,'" EPA Administrator Scott Pruitt said in a statement. "We understand how much the

community cares about this issue, with passionate advocates on all sides. The agreement will not guarantee or prejudge a particular outcome, but will provide Pebble a fair process for their permit application and help steer EPA away from costly and time-consuming litigation."

The project has been stuck in legal limbo since the EPA decision to block the mine, even before the company had submitted its permit applications. The EPA ruling came on the heels of a study that concluded that large-scale mining in the Bristol Bay watershed posed significant risk to salmon and adversely could affect Alaska Natives in the region whose culture is built around salmon.

The study provided the basis for the EPA to invoke a little-known part of the Clean Water Act called Section 404(c) that allows the EPA to "restrict, prohibit, deny or withdraw the use of an area as a disposal site for dredged or fill material if the discharge will have unacceptable adverse effects on municipal water supplies, shellfish beds and fishery areas, wildlife or recreational areas."

Supporters of the proposed Pebble Mine feared that the use of Section 404(c) could result in the project's veto before it goes through the permitting process.

The settlement on Friday now allows Pebble Limited Partnership, a subsidiary of Northern Dynasty Minerals, to apply for a Clean Water Act permit from the U.S. Army Corps of Engineers before the EPA moves forward with its own review process.

The EPA will not finalize a mine permit until 48 months from the settlement or until the U.S. Army Corps of Engineers issues its final environmental impact statement, whichever comes first.

Northern Dynasty Minerals argued that the EPA previously had taken preemptive regulatory action against the project and said that all the company hoped for was a fair assessment from the federal agency.

"From the outset of this unfortunate saga, we've asked for nothing more than fairness and due process under the law — the right to propose a development plan for Pebble and have it assessed against the robust environmental regulations and rigorous permitting requirements enforced in Alaska and the United States," Northern Dynasty's President Ron Thiessen said in a press release. "Today's settlement gives us precisely that, the same treatment every developer and investor in a stable, first world country should expect."

Northern Dynasty Minerals accused EPA of being in cahoots with mine opponents with a predetermined goal of blocking the project, while the EPA, in court documents, argued those claims were just an effort to undermine its plan to protect parts of the Bristol Bay region from development.

The inspector general for the EPA, which last year conducted an investigation following requests by the state, Northern Dynasty, and others, found no evidence of bias in how the

EPA conducted the study on potential mine impacts. It also concluded that the agency did not predetermine the study's outcome.

Friday's announcement by Pruitt is another signal that the mining industry will enjoy better relations under President Trump than it did with the previous administration, but the Pebble Mine project still faces widespread opposition from environmentalists, Alaska's indigenous communities, and the state's large-scale salmon fishing industry.

The project has been hampered for decades over concerns that toxic residue from the mine could harm the world's largest population of sockeye salmon and endanger the 14,000 jobs and $252 million-a-year generated by the local fishing industry.

"My family has been here for generations and we rely on the salmon to feed our families and to have a livelihood," Kimberly Williams, the executive director of the Bristol Bay nonprofit Nunamta Aulukestai, told Fox News. "Salmon fishing is not just part of my culture and history, but it provides jobs for everyone in the community and helps send people to college. The mine puts all that at risk."

While Northern Dynasty shares surged Friday morning — at one point in premarket action soaring more than 18 percent — some investors still say any excitement over Pebble Mine ignores the likelihood that the company will not attract big budget investors.

The New York-based investment firm Kerrisdale Capital released a damning report about Northern Dynasty in February, predicting that while the Trump administration's mining-friendly policies would benefit the company, the lack of big budget investors will continue to haunt the project.

A number of the world's largest mining corporations have pulled out of the project, including Mitsubishi, Rio Tinto, and Anglo American — the last of which had about $500 million in the project.

The Kerrisdale Capital report added: "With no economic value and huge political risks, Northern Dynasty is a zero."

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