Richard Fereday 1/6/2023 315 Burns Road

McCall, ID. 83638

Ms. Linda Jackson

Payette National Forest Supervisor

500 N. Mission Street Building 2

McCall ID 83638-3805

RE: Comment on the Payette Forest’s Draft Supplemental Draft Environmental Impact Statement for the Stibnite Gold Project proposed by Perpetua Corporation

Dear Ms. Jackson,

I responded to the original DEIS for the proposed Stibnite Mine project, and I attach a copy of that response here. This letter contains my additional comments addressing the Modified Mine Proposal submitted by Perpetua Resources for the Stibnite Gold Proposal. Please include both in the record of this matter.

As a fifty year business owner in McCall my input will mostly deal with what I know best - the economic state of McCall, Donnelly, Cascade, and the Valley County region. In considering the Stibnite Mine proposal, I have been focused on understanding how the project would affect our economy, including the many businesses here dependent on tourism and recreation. This is why my company has joined with some fifty other area businesses to commission an independent, third-party analysis of this subject by Power Consulting of Missoula, Montana. Power Consulting’s principals have, for over 45 years, provided expert analyses of natural resource development and its associated economic effects in many parts of the West. I recall their work in 1976, presented to the Idaho Public Utilities Commission, that demonstrated the economic effects, both on the public, on Idaho’s economy, and even on the project proponent, of a proposal to build a large coal-fired electrical plant near Boise. Their work helped lead the PUC to turn down that proposal, which in hindsight was a fortunate decision not only for Idaho, but for the power company itself.

In the case of the Stibnite proposal, Power Consulting has produced a study, *An Evaluation of the Potential Socio-Economic Impacts of The Proposed Stibnite Mine on Valley County, Idaho* (DEC 2022) (“Economic Impacts Study”), that carefully evaluates the proposed project. I am enclosing a copy of the Economic Impacts Study with this letter for the public record.

After review of the Supplemental Draft EIS, I note many portions of its analysis that I believe were either not included or that contain errors:

1. (SDEIS 4.21.2.2) In reading the SDEIS I was surprised to see that virtually all of the economic analysis figures used in the original 2018 DEIS were simply re-used in the SDEIS document (OCT2023). Using nearly five year old numbers is, if not outright fraudulent, misleading and disingenuous at best.

2. Section I of the Power Economic Impact Study goes into extensive detail to document the current drivers of the Valley County economy, something the SDEIS essentially ignores. The take-away from the Economic Impact Study is that Valley County is doing extremely well economically because of its “Recreation” based economy and the “non-labor” income that flows into the area from second home owners, retirees and people who can work from anywhere. As a McCall business person who has experienced and participated in this economy since the early 1970s, I can attest to the accuracy of this conclusion. It is truer today than ever. Any project that could substantially degrade the land and water resources upon which this economy is built should be viewed with skepticism. Likewise any project that could cause additional stresses on our local services, including housing, education, law enforcement, sanitation, and health care.

3. Section 2 of the Economic Impact Study points out that it is, “troubling that issues of HWY 55 transportation, spill risk, local wage scale problems, housing availability/affordability, and general infrastructure concerns were not adequately examined in either the DEIS or the SDEIS. Public officials, elected leaders, and concerned citizens should not be making decisions about the future of their communities without a full comprehensive impact analysis having been carried out to inform their decisions. Specifically, we find that the DEIS and the SDEIS socioeconomic sections presented a ‘benefits only’ analysis.” This comment refers to (SDEIS 4.21.2.2)

As an operating business today in McCall, we face extreme competition for workers because the current housing situation in McCall is horrible. Obviously, Perpetua has no hand in the existing situation, but to turn their backs on what their operation will probably do to inflate the local housing problem is brutally unfair. The SDEIS is deficient in failing to take a hard look at the actual, predictable impacts the project would have on the housing situation in Valley County.

4. Section 4.21.2.2 of the DEIS describes the very large multipliers to the mine’s spending that will be created during the construction period, but it also shows that most of these multiplier impacts will accrue outside of Valley County. The SDEIS uses the IMPLAN economic impact model to estimate these numbers, which is questionable. As pointed out in the Economic Impact Study, (2.1), “When IMPLAN is used to model a local area, if there is a connection in the area, then IMPLAN will allow that connection to be made. If, for example, there is a gas station in Valley County that sells diesel fuel, then IMPLAN will assume that the mine can and will procure its diesel from that local supplier. The problem with this assumption is that the local supplier is likely incapable of supplying the volume of diesel that the mine will need, and the mine s unlikely to purchase it at a much higher price from the local supplier. The mine will instead attempt to minimize their costs and have the diesel fuel brought in from a regional or national supplier that can give them a much better price and more secure supply. If one is not very careful with the results of IMPLAN, specifically in a small, isolated economy, one can, mistakenly, allow connections that do not have an economic logic to them. We strongly believe that this is the case with the modeling done for the proposed mine.” “Given the large volumes of supplies and the time to plan, the mine will choose to import supplies from the greater Boise metro area, or the U.S., or even the world. Remember that we are discussing the purchase of more than $260 million in materials, equipment, and services for the construction of the mine.” Section 4.21 of the SDEIS, by glossing over this problem, and then purporting to rely on IMPLAN, fails again to engage in the rigorous analysis of economic impacts required by the National Environmental Policy Act.

Similar inconsistencies and weaknesses appear all through the Highlands [spell out full name] study on which the Forest Service appears to rely in the SDEIS.

5. Still referring to SDEIS section 4.21.2.2, the Economic Impact Study (section 2.3, Fiscal Revenues), points out that rural counties may not see a significant inflow in taxes from mining operations, in contrast withHighlands’s contention. But the Economic Impact Study’s evidence is far more persuasive. “With respect to the $300,000 in property tax that is paid annually by the proposed mine during the operations phase, we must remember that there is a cost that the mine is imposing on the local area. There is likely to be an increase in use of Emergency Medical Services (EMS), roads, schools, etc. The important question is then *if* the property taxes that are paid by the mine will offset the costs that the mine imposes on the local area. This point is made in the DEIS, but not explored.”

Again, the SDEIS settles for a once-over-lightly analysis, when a much deeper and more meaningful review should be done for a project that would use National Forest System Lands, and public resources and infrastructure, while having potentially far-reaching environmental and socio-economic impacts. These impacts must be fairly and thoroughly displayed to the public and to local decision-makers, and the SDEIS falls short in this obligation.

The Economic Impact Study contains substantial detail—again, in stark contrast to the Highland effort on which the Forest Service evidently relies—about the likely costs to schools that would arise due to the project, concluding that, “If we believe that 80 students is the right number [i.e., the number Highland used], then this will cost Valley County more than $670,000, which is significantly more than the increase in property taxes that the proposed mine will pay.40 Put another way, those 80 students would take up all the property tax money that is gained due to the presence of the mine in Valley County, and then some, and leave none for the other services which will have added costs because of the population increase.”

6. Because of time and budget constraints, the Economic Impact Study did not do in-depth analysies of some of the issues that could be very detrimental. The transportation issues alone (road closures, delays, detours, accidents, etc. could have major impacts on the recreation economy here and there is basically no mention in the SDEIS of what added costs there may be to repair and maintain county roads or the major highways that will be used. The SDEIS mentions at least two times a “road agreement” with the County but there are no details in the SDEIS. I suspect that Valley County taxpayers will be paying millions for road repairs similar to what the County had to pay to repair West Mountain Road after Tamarack was built. Police, Fire, EMS, Health Care and Hospital adequacy and Public Transportation could all suffer funding crises.

The Economic Impact Study is quite extensive and has much more to say about the inadequacies of the DEIS and the SDEIS. I ask that you and your team read the complete study. (Attached)

The conclusions that the Economic Impact Study offers do not surprise me. Frankly, I did not have a good feel for what they (Power) would come up with so felt somewhat vindicated when I read the Economic Impact Study. After reading and digesting the Economic Impact Study I am convinced that this mine is too dangerous for Valley County. Any jobs and associated benefits are far outweighed by the possible costs to our County and City Governments, our local businesses and the working people of Valley County.

The direct costs that our economy could suffer, the potential for hazardous spills, leaks and TSF failures at the project site and all along the various supply routes are all unacceptable risks for the residents of Valley County. I am fearful for the future of the entire South Fork Salmon drainage as well as the North Fork of the Payette, the Little Salmon and the Main Salmon.

Therefore, I recommend that you choose the “No Action Alternative” for this proposal.

Sincerely,

Rick Fereday