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January 9, 2023

U.S. Forest Service, Payette National Forest

Attn: Linda Jackson, Payette Forest Supervisor

Stibnite Gold Project

500 North Mission Street, Building 2

McCall, ID 83638

**RE: Comments on the Payette and Boise National Forests’ Supplemental Draft Environmental Impact Statement for the Stibnite Gold Project**

Dear Ms. Jackson:

The Colorado Mining Association (CMA) is submitting these comments on the Payette and Boise National Forests’ (Forest Service’s) October 2022 Supplemental Draft Environmental Impact Statement (SDEIS) for Perpetua Resources Ltd.’s (Perpetua’s) proposed Stibnite Gold Project (SGP) in Valley County, Idaho. In October 2020, CMA submitted comments on the Forest Service’s 2020 Draft Environmental Impact Statement (DEIS). Today’s comments on the SDEIS augment our October 2020 comments on the DEIS.

About CMA

Established in 1876, CMA is the oldest professional mining industry trade association in the U.S. CMA’s members include companies that are actively engaged in the exploration, production, and refining of metals, coal, and industrial minerals and businesses and individuals that offer services and supplies to the mining industry. CMA’s mission is to honor Colorado’s world class mining heritage and continue to grow safe, sustainable, and responsible mining across the mine lifecycle through education, advocacy, and meaningful engagement in collaboration with local communities, policy makers, and members of the public.

Because Colorado’s rich mining history began in the 1850s, there are many legacy sites throughout the state where pre-regulation mining left mine waste piles and structures that create environmental and public safety problems. CMA thus has substantial expertise with legacy mine policy issues. This expertise makes us well qualified to provide comments on Perpetua’s plans to redevelop and restore the legacy Stibnite Mine.

During World War II, the U.S. government conducted wartime mining in Colorado, similar to the government’s mining activities at Stibnite during this period. For example, at one of Colorado’s most important mines, the Climax Molybdenum Mine in Lake County, the War Production Board prioritized mining to provide the military with molybdenum for the war effort and posted a unit of the US Army Auxiliary Military Police to guard the mine. By June 1943, production was more than twice what it had been before the war. Over the full course of the war, the company shipped a total of 180 million pounds of molybdenum.[[1]](#footnote-1) Today, Climax Molybdenum Company is a subsidiary of Freeport-McMoRan and is the world's leading producer and supplier of responsibly mined molybdenum.[[2]](#footnote-2)

**Using Modern Mining at Legacy Mining Issues**

Although the federal government’s wartime mining at Stibnite was essential and is credited with saving over one million American soldier’s lives and shortening the war by at least one year[[3]](#footnote-3), it left behind numerous environmental and ecological problems that have gone unabated for over 80 years. Perpetua’s Modified Plan of Restoration and Operations 2 (the ModPRO2) for the SGP[[4]](#footnote-4) presents the public with a unique opportunity to capitalize upon the environmental restoration measures that are an integral part of Perpetua’s plans to redevelop this legacy mine site.

According to Section 4.21.2.2 of the SDEIS, Perpetua is proposing to use $1.1 billion of private-sector resources to redevelop the Stibnite Mine and remediate many of the legacy problems. This substantial investment underscores the magnitude of the funding needed to restore a large historic mine site with complex environmental and ecological challenges. Idaho and the entire country are fortunate that Perpetua is planning to undertake this visionary environmental restoration and critical minerals mining project and that the Forest Service has prepared a detailed SDEIS to evaluate the Company’s project proposal. Because it does not appear that there are any other companies, communities, Tribes, conservation groups, or ENGOs that are ready to make this extraordinary investment to restore the Stibnite Mine site, it seems obvious that the most certain path to cleaning up the Stibnite Mine site is for the Forest Service to publish a Final Environmental Impact Statement (FEIS) and issue a Record of Decision (ROD) to approve the SGP as soon as possible.

CMA urges the Forest Service to capitalize upon Perpetua’s unique offer to remediate the Stibnite mine site. To put Perpetua’s $1.1 billion proposal to redevelop and restore the Stibnite mine site into perspective, the Forest Service has had very limited resources to address the environmental problems at Stibnite. According to the November 8, 2021 letter from the Intermountain Region Regional Forester, Mary Farnsworth, to Idaho Congressmen Russ Fulcher and Mike Simpson, the Forest Service spent $5.2 million to remediate the Stibnite mine site between 1992 and 2013.

Based on the Forest Service’s expenditures to date, it seems highly unlikely that Congress will appropriate the billion dollars needed to remediate the Stibnite mine site. Without Perpetua’s proposed investment of $1.1 billion, the Stibnite Mine area will probably continue to create serious environmental and ecological problems in the Payette and Boise National Forests for the foreseeable future.

Perpetua’s remediation proposal for Stibnite illustrates the complexity of the technical and economic issues encountered at legacy mine sites and raises an important policy issue about the realistic scope of remediation activities. At the SGP, it is not economically feasible to include all of the problematic legacy features in a mine plan. Although the MMP includes substantial environmental restoration measures, some problematic legacy mine waste piles and features will not be remediated because they are located outside of the project boundary for the MMP. The substantial but partial restoration of the SGP proposed in the MMP illustrates three important principles with potential applications at other legacy sites:

1. There is considerable merit in pursuing partial cleanup measures because some environmental restoration and improvement is better than no improvement;
2. A partial cleanup effort that initiates remediation may stimulate and enable future more comprehensive cleanup measures; and
3. Addressing the range of environmental problems at a legacy site is complex and expensive.

Recognizing the urgency to eliminate uncontrolled sources of contaminated leachate from certain mine waste piles that are outside of the MMP project boundary, Perpetua entered into an Administrative Settlement and Order on Consent (ASAOC) with the Forest Service and the U.S. Environmental Protection Agency (EPA) in January 2021. As described in Section 1.3 of the SDEIS, the ASAOC is a phased plan designed to remediate the legacy mine features outside of the MMP project boundary. Perpetua initiated Phase 1 of the ASAOC in July 2022. In the future, Perpetua may be able to pursue the conceptual site restoration measures in Phases 2 and 3 of the ASAOC if and when Perpetua is producing gold and antimony from the Stibnite Mine.

Under Phase I of the ASAOC, Perpetua is voluntarily addressing several areas identified as being time-critical by implementing restoration measures that will eliminate or reduce contaminant sources from these areas as quickly as possible. The Forest Service and the EPA are directing and supervising the ASAOC Phase I remediation activities, which will cost Perpetua $12 million to complete. In addition to these direct, on-the-ground remediation costs, Perpetua provided the agencies with a $7.5 million performance bond to guarantee this work.

The ASAOC Phase I water quality improvements are anticipated to be completed by 2025 and include constructing stream diversion ditches to divert water away from legacy mine wastes that are contaminating area streams, removing approximately 325,000 tons of legacy development rock and tailings from locations in Meadow Creek and the East Fork that are currently adversely impacting water quality. Phase I also entails conducting baseline studies at five historic mine adits that are discharging mine drainage.

Once the SGP has all of its operating permits and production is underway, Phases 2 and 3 of the ASAOC give Perpetua the option to remediate additional legacy mine features located outside the MMP project boundary. These phases will require additional baseline data and engineering studies. They will also require funding using a portion of the revenue derived from mine production.

The sequential combination of the ASAOC Phase 1, the MMP, and the future ASAOC Phases 2 and 3 would ultimately achieve a comprehensive, site-wide restoration and cleanup of the Stibnite Mine site. It is therefore imperative that the Forest Service, the U.S. Army Corps of Engineers, and the Idaho State regulatory agencies take immediate steps to set this remediation sequence in motion.

The opportunity to achieve a complete cleanup of the Stibnite mine site that Perpetua will subsidize is both unique and important. There may not be a similar opportunity in the future if the SGP is not built and operated. If this occurs, the lost opportunity costs would be enormous and the *status quo* environmental problems would adversely affect water quality, fish habitat, and ultimately people and communities for many years.

**Remining Legacy Mine Wastes as a Domestic Source of Critical Minerals**

Because some of Colorado’s legacy mine sites may hold promise as future sources of critical minerals, CMA is especially interested in the remining and reprocessing aspects of the SGP. In the June 2021 report “Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth[[5]](#footnote-5),” the Biden Administration directed the Secretaries of Agriculture and the Interior to evaluate reprocessing mine wastes as a viable source of critical minerals.

The reprocessing of legacy tailings at the SGP to recover gold and antimony may be the first project to demonstrate the viability of the remining/reprocessing of critical minerals concept. The SGP would thus become an example of how remining and reprocessing at some legacy mine sites could recover critical minerals while concurrently remediating the impacts from past, unregulated mining practices. As a prototype remining/reprocessing project, putting the SGP into production would help the Biden Administration show that redeveloping and remediating old mine sites by remining and reprocessing legacy mine wastes represents a significant win for both the environment and the security of the Nation’s critical minerals supply chains.

Unlike many demonstration projects that involve federal funding, the SGP remining project will be accomplished using private-sector resources. The federal government will not have to subsidize construction and operation of this project. However, to enable development of the SGP, the Forest Service has to complete the National Environmental Policy Act (NEPA) process by preparing the FEIS and issuing a ROD authorizing the SGP. CMA recognizes that preparing the FEIS and ROD will require a commitment of Forest Service resources and urges the Forest Service to prioritize this investment so the FEIS and ROD can be published as early as possible in 2023.

**Department of Defense Award**

Recognizing the importance of the SGP to national defense, the U.S. Department of Defense (DoD) recently awarded Perpetua up to $24.8 million in a Title III Defense Production Act (DPA) grant to help “complete environmental and engineering studies necessary to obtain a Final Environmental Impact Statement, a Final Record of Decision, and Other Ancillary permits.[[6]](#footnote-6)” According to the DoD announcement, the SGP contains “the sole domestic geologic reserve of antimony that can meet Department of Defense (DoD) requirements.” The DoD announcement includes other statements that underscore the national security importance of this project:

“This investment is essential to ensure the timely development of a domestic source of antimony trisulfide for the manufacture of small arms and medium caliber cartridges, as well as many other missile and munition items.”

“This action reinforces the Administration’s goals to increase the resilience of our critical mineral supply chains while deterring adversarial aggression.”

The DoD award signals that the country’s antimony supply chain is vulnerable to disruption and shortages and that our reliance on China and other foreign countries for much of the antimony the military needs to manufacture “small arms and medium caliber cartridges,...missile and munitions items” is risky.

According to the U.S. Geological Survey’s 2022 Minerals Commodity Summaries, the U.S. imports 84 percent of the antimony we use. Over half of this antimony was imported from China[[7]](#footnote-7). DoD’s Title III DPA award to support the SGP suggests that the U.S. military is concerned that the country’s substantial antimony import reliance creates an untenable situation for the U.S military and represents a significant threat to national security.

**Alternatives Analysis**

CMA was pleased to read that the Forest Service identified an Agency Preferred Alternative in the SDEIS, the Burntlog Route Alternative. CMA concurs with this choice based on the Forest Service’s discussion in Section 2.7 of the SDEIS regarding the environmental and safety risks associated with the Johnson Creek Alternative, which is the other action alternative evaluated in the SDEIS. CMA urges the Forest Service to retain the Burntlog Route as the Agency Preferred Alternative in the FEIS and authorize this alternative in the ROD.

The Forest Service has wisely not adopted the No Action Alternative in the SDEIS. It is imperative that in the FEIS, that the Forest Service similarly reject the No Action Alternative because the No Action or “Do Nothing” Alternative would preserve the *status quo* degraded environmental and ecological conditions at the Stibnite mine site. Under the No Action Alternative, the environmental and ecological problems at the Stibnite mine site would probably persist for many years into the future. The No Action Alternative would also deprive the Nation of the much-needed antimony from the SGP.

CMA suggests that the Forest Service should expand the discussion of the No Action Alternative in the FEIS in the Environmental Consequences chapter of the FEIS (e.g., Chapter 4) to document the many environmental and ecological benefits that would be foregone under the No Action Alternative. For example, Section 4.9.2.1 should clearly describe the water quality benefits that would not occur without the SGP. Similarly, Section 4.12.2.1 should explain that without the SGP, the Yellow Pine Pit cascade that prevents fish migration would remain in place.

The Forest Service has a trust responsibility to take reasonable actions to maintain and improve the health of National Forest System lands. The SGP presents the Forest Service with both an obligation and an opportunity to authorize a highly regulated, state-of-the-art mining project that will reduce the environmental harm stemming from World War II-vintage mining activities, and improve conditions in the Payette and Boise National Forests without spending taxpayer dollars. Compliance with the Forest Service’s core mission to “to sustain the health, diversity, and productivity of the nation’s forests and grasslands to meet the needs of present and future generations[[8]](#footnote-8)” dictates that the Forest Service should approve the SGP at the earliest opportunity.

**Conclusion**

CMA commends Perpetua and the Forest Service for working together on the SGP. Based on our review of the 2020 DEIS and the 2022 SDEIS, there is a massive database to support the Forest Service’s detailed evaluation of the SGP. In both the DEIS and SDEIS, the Forest Service has conducted a detailed and thorough analysis of the environmental impacts associated with the proposed SGP.

The data presented in the SDEIS show that the SGP includes numerous remediation measures that will improve water quality (Section 4.9), restore and enhance riparian and fish habitat (Section 4.12), and create significant socioeconomic benefits for state and local economies (Section 4.21). Both the 2020 DEIS and the 2022 SDEIS clearly satisfy the Forest Service’s obligation under NEPA to take a hard look at how a proposed project will impact the environment.

Additionally, both the Forest Service and Perpetua have gone to great lengths to seek public input and to respond to public comments on the 2020 DEIS. Many of the changes in Perpetua’s 2021 ModPRO2 evaluated SDEIS are in direct response to public comments on the Proposed Action analyzed in the DEIS. As explained in your October 21, 2022 “Dear Reader” letter, Perpetua’s ModPRO2 “reduc[es] surface disturbance and anticipated environmental impacts.”

Both the Forest Service and Perpetua deserve praise for using the public comments on the DEIS to refine and enhance the Proposed Action evaluated in the SDEIS. This use of public comments demonstrates how public comments on draft NEPA documents can make meaningful changes to a proposed project.

CMA also notes that the public has had a combined 150-day opportunity to submit comments on the DEIS and the SDEIS. This far exceeds the NEPA requirement for federal agencies to give the public 45 days to review a draft EIS. Thus the Forest Service has gone above and beyond what is required by providing the public with an extra 60 days to review and comment on the draft NEPA documents it has prepared for the SGP.

CMA appreciates this opportunity to provide comments on the SGP, which is a project important to the environment, the State of Idaho, and the Nation. Given the importance of this project, we urge the Forest Service to approve the SGP in the near future.

Sincerely yours,

Stan Dempsey, Jr.

Stan Dempsey, Jr.

President

1. <https://coloradoencyclopedia.org/article/climax-molybdenum-mine#War-and-Prosperity>. [↑](#footnote-ref-1)
2. <https://www.climaxmolybdenum.com/we-are-mo> [↑](#footnote-ref-2)
3. Congressional Record, 1956. [↑](#footnote-ref-3)
4. The ModPRO2 is called the 2021 Modified Mine Plan (MMP) in the SDEIS. [↑](#footnote-ref-4)
5. <https://www.whitehouse.gov/wp-content/uploads/2021/06/100-day-supply-chain-review-report.pdf>. This report was prepared in response to President Biden’s February 24,201 Executive Order 14017, “On America’s Supply Chains.” [↑](#footnote-ref-5)
6. <https://www.defense.gov/News/Releases/Release/Article/3249350/dod-issues-248m-critical-minerals-award-to-perpetua-resources/> [↑](#footnote-ref-6)
7. <https://pubs.er.usgs.gov/publication/mcs2022> [↑](#footnote-ref-7)
8. <https://www.fs.usda.gov/about-agency/meet-forest-service> [↑](#footnote-ref-8)