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DISTRICT 7

Arizona House of Representatives
Phoenix, Arizona 85007

May 21, 2024

Via Electronic Submission

Kerwin S. Dewberry, Forest Supervisor
Coronado National Forest
ATTN: Hermosa Critical Minerals Project
300 West Congress Street
Tucson, AZ, 85701

RE: Letter of Support for South32's Hermosa Critical Minerals Project & Mine Plan of Operation

Dear Mr. Dewberry,

I am writing to submit comments regarding the South32 Hermosa critical minerals project and to express my strong support for its approval.

As a member of the Arizona House of Representatives, Legislative District 7, I represent constituents in Arizona's famous "Copper Corridor," which includes the historic mining towns of Superior, Globe, Miami, Hayden, Kearny, Oracle, Mammoth, San Manuel, and Winkelman. With these areas in my district, I understand the benefits that major mining companies can bring to rural communities, as well as the best management practices that modern mining companies like South32 implement to help reduce environmental impacts and prevent waste.

Additionally, as the Chair of the House Committee on International Trade, I understand the importance of maintaining a domestic supply of critical minerals, as well as of reducing our reliance on foreign adversaries for critical minerals by friendshoring, reshoring, and nearshoring our critical mineral supply with the help of strategic mining partners, such as globally diversified mining and metals *companies headquartered in other market democracy, allied countries, like South32.*

Through these lenses, I recognize Hermosa's potential to bring numerous social and economic benefits to not only Southern Arizona and the surrounding communities in Santa Cruz County, but also the entire nation as the first and only advanced mine development project in the United States to be confirmed as a "covered project" under the Fixing America's Surface Transportation Act ("FAST-41") for its ability to deliver two critical minerals—manganese and zinc—while operating in an environmentally responsible manner.

Approving the critical Hermosa project as proposed will unlock new opportunities for the people of Southern Arizona, improving their lives now and for generations to come. To date, South32 has invested more than \$2 million in key infrastructure and social service improvements in the surrounding communities, including road upgrades, support for local nonprofits, and facilitating STEM education programs and scholarships for local students. Once operational, the project will deliver millions of dollars in additional taxes annually to help fund public schools, community colleges, and county services.

Approving Hermosa will also help transform the local economy positively, creating good-paying jobs for local residents that will allow the next generation to stay in Santa Cruz County. Hermosa will create more than 900 high-paying jobs that will each take home an average income of \$90,000 annually, which is double the national average today. It will also create 1,600 indirect and induced jobs across Santa Cruz County, and over 3,100 jobs across the state of Arizona, adding nearly \$1.2 billion to Arizona's economy during construction alone. I appreciate USFS considering these socioeconomic benefits—and the potential impact of the project's expansion not occurring—when drafting the Environmental Impact Statement ("EIS").

As a rancher, I am familiar with the National Environmental Policy Act ("NEPA") scoping process and its limitation of review to only USFS lands, such as where proposed tailings storage facilities, access roads, and groundwater management wells will be located. With respect to these, it is clear that South32 is committed to working with the USFS and members of the local community to ensure that environmental impacts on USFS lands are mitigated, including by operating on a limited surface footprint, selecting the least intrusive routes, and managing groundwater for future generations and wildlife.

In fact, South32 has already demonstrated its commitment to environmental responsibility by investing \$30 million in the cleanup of old mine waste that the company was not responsible for, thereby stopping heavy metal contamination from leaching into and polluting local waterways from legacy tailings and waste rock sites that were left behind by previous operations.

For its own operations, Hermosa is being designed from the ground up with policies and best management practices that reflect the latest in environmentally responsible mining processes. Most of the mining will occur underground and will be back-filled with tailings materials produced by the project, which will not only minimize the surface area impact to 750 acres (a fraction of the footprint of open-pit mines and other underground mines) (400 acres of which is located on land that has already been disturbed by a previous mine), but also eliminate the public health issues associated with abandoned mines that have been experienced with past mining practices. With these commitments, South32 has shown it will be environmentally responsible during extraction and processing of materials so that the public will not be left with the cost of cleaning up the mess after mining operations cease.

In addition, South32 has worked with members of the local community and USFS to select locations for the development of potential access roads that will be most broadly acceptable and least environmentally destructive to USFS land. This includes extensive discussions with local landowners and the decision to co-locate the primary access road along the same route as an existing gas line and the future electric transmission line that will deliver power to the project.

Lastly, thanks to its underground mine design and dry-stack tailings facilities, the critical Hermosa project will operate with approximately 75 percent less water than other mines in the region. Moreover, the company has listened to the community and identified ways to keep water within the Patagonia Mountains, such as by the proposed use of Rapid Infiltration Basins, which will serve as a source of water for wildlife and livestock and provide long-term benefits to the aquifer years after the project's operation has ceased.

I appreciate South32's commitment to work closely with the USFS and members of the local community to ensure their needs and concerns are reflected in the Mine Plan of Operation. South32's Hermosa project will create jobs, critical mineral supplies, and support for rural communities that justify expedited review and approval.

Thank you for your consideration of our views as the Hermosa project's scoping period continues. We recognize that South32 is committed to developing Hermosa in a way that benefits the community, minimizes impact on the environment, and creates new opportunities across the region for years to come. You can contact me at dcook@azleg.gov or 602-926-5162 with any questions or to discuss this issue in more detail.

Respectfully,

A handwritten signature in black ink, appearing to read "David L. Cook". The signature is fluid and cursive, with the first name "David" being the most prominent.

The Honorable David Cook
Arizona House of Representatives, LD 7
House Transportation Committee Chair
House International Trade Chair