

**Appendix A: DNR Responses to Public Comments Concerning
The Jonesville Underground Mine Renewal, U-0201**

Following are the Department of Natural Resources responses to the written and oral comments from the public received during the comment period (July 21, 2010 to October 12, 2010) and an informal conference for the renewal of the Jonesville Underground Mine. The DNR received a total of 55 letters, comment forms, e-mails and oral submissions containing 140 comments on specific permitting issues. 18 of these comments were made during the informal conference held January 24, 2011, in Sutton. One comment was also received concerning the Wishbone Hill Mine Permit, which is not up for review at this time. Some 41 people gave oral testimony or presented questions to the applicant at the public meeting on January 24.

Of the 55 comment response letters submitted, 47 came from private individuals. Five were from Non-Government Organizations; one came from a Community Council, one was from a State Government Agency and one was from a Tribal Corporation. There were no comments from Federal Agencies. The table below breaks down comments based where the comments originated.

Sutton	13
Palmer	14
Kenai Peninsula	1
Tribal Corporation (Chickaloon)	1
Municipality of Anchorage	5
Mat-Su Area	5
State Wide	3
Fairbanks-Healy	2
General Area*	3
Out of State	1
Non-Government Organizations	5
Federal Agencies	0
Borough Government	0
Total	54
*No Return Address provided	

Comments and Responses to Comments

Public Participation

Comment (C): The Department received two comments stating that the information on the application submitted by Black Range was outdated and inadequate. DNR's review of the application, and the application itself, is inadequate because the information on the application is out of date and does not reflect accurate ownership by Ranger Alaska. On this basis, the permit should be denied until the applicant updates the application.

Response (R): The current permit was transferred to Ranger Alaska on June 1, 2009. At that time, Ranger Alaska submitted all the necessary information to meet the requirements of 11 AAC 90.025 dealing with ownership and control of the Jonesville Underground Mine Permit. During the transfer of the permit, Ownership and control information was verified through the Office of Surface Mining Reclamation and Enforcement's Applicant Violator System (AVS). Ranger Alaska or its parent company is not listed as ineligible to receive a surface mining permit under the AVS. Prior to any operation Ranger Alaska will be required to revise the current ownership and control information in the permit.

C: Five comments were received stating that the application package does not contain enough information about the Jonesville operations and that requests for public information or a meeting with Ranger Alaska have been in vain. The application contains so little information that area residents cannot actively participate and effectively comment on the proposal.

R: The Department is reviewing the existing Jonesville Underground Mine Permit, in accordance with 11 AAC 90.129 Permit Renewals and Revisions. The application document requested the renewal of the existing permit with no additional changes. All the information contained in the permit including the proposed mining and reclamation plan has been available to the public at the Department of Natural Resources' offices in Anchorage throughout the public notice and comment period.

Fish and Wildlife

C: The Department received two letters stating that the permit renewal does not explain how the applicant will monitor or mitigate impacts to wildlife, especially fish. The permit is inadequate because the applicant's wildlife and fish data is inadequate and out of date. The salmon were destroyed in Moose Creek during earlier mining activities; how will the applicant avoid doing that again? A review of how DNR will monitor wildlife has not been proposed.

R: The project proposes an underground mining operation with limited surface facilities including a wash plant, shops and settling ponds. The current application includes plans to reprocess existing waste dumps to recover coal. As per 11 AAC 90.081, the applicant uses a management plan which monitors and mitigates impacts to wildlife and habitat. This plan was subject to approval by DNR, and review and comment by Alaska Department of Fish and Game.

Water Resources

- C:** Four comments were received which give a detailed analysis of why the applicant's water quality data is old and out of date. It questions the methods of analysis and field data collection.
- R:** Water quality samples have been collected at the Upper Marsh Flow, Lower Marsh Flow, Freshwater Spring, Crosscut Tunnel Flow, and MW1 sampling location on a yearly basis with the latest samples being collected in July of 2010. The sampling methodology, while being simple, has been consistently followed by the permittee. The department will review the sampling methodology and work with the permittee to correct issues. As per 11 AAC 90.047 and 049; the applicant will provide groundwater and surface water information within and adjacent to the project area. Any water discharge would have to meet the most stringent water quality standards for the receiving water body. The information provided in the permit application shows the water quality of monitoring locations within the project area and uses the maximum contaminant concentration for drinking water standard as a comparison point. The department plans to retain metal analysis for all current and future monitoring locations and may re-evaluate once mining starts.
- C:** One commenter raised concerns that the project does not adequately address the potential impacts to the areas hydrology. The commenter recommends that additional piezometers be installed to better characterize potential impacts.
- R:** The Department in its review of the project has recognized the need for additional data. The department has stipulated that additional water monitoring wells be installed before operation can begin to address any changes within the permit area. Additionally, the department found that once operations begin an increase in gravity discharge from the crosscut tunnel is expected. The new contribution to discharge is estimated to be 115 gpm after five years of mining. In the original findings, the department recognized that this is an estimate and stated that it would require an update to the project water balance once mining starts.
- C:** The Department received five comments concerning the possible impacts to the hydrologic balance including impacts to water wells, impacts to surface water bodies like Seventeen Mile Lake and Slipper Lake and the release of additional contaminants due to underground mining activity. These comments request additional monitoring wells and a review of potential impacts due to mining. Monitoring should be performed every two weeks.
- R:** Protection of the hydrologic balance is an integral part of a mining permit. As part of the existing mining permit, additional water monitoring wells will be established to detect any adverse impacts to the prevailing hydrologic balance. To date, four out of ten monitoring wells have been drilled. The remaining monitoring wells need to be installed prior to any mine development. In addition, the renewal of the Jonesville Permit will stipulate that these monitoring wells be installed at least six months prior to any mining activity.

Exploration

- C:** One comment was received stating that granting an exploration permit sets a precedent for more activity, including mining. The Department received two comments stating that the granting of an exploration permit is one step away from the mining and exploitation of coal.
- R:** The scope of the review by DNR is the renewal of Jonesville underground mine permit in accordance with 11 AAC 90. Ranger Alaska has not submitted a plan for resuming

exploration of the lease area. Should Ranger wish to renew the Exploration Permit, they will need to submit and receive approval of an exploration permit under 11 AAC90.163. This will involve public notice and public comment.

Transportation

- C:** The Department received three comments that trucks transporting coal to port facilities should be covered to prevent toxic coal dust from escaping into the environment.
- R:** Keeping the coal load covered in haul trucks will be a condition imposed on the operator, in accordance with the Air Resources Protection Plan, 11 AAC 90.421. The Department of Transportation will also make its own recommendations and requirements known to the operator should mining begin.
- C:** The Department received two comments stating that it would be unsafe for pedestrians to use Glenn Highway Bridges with the additional traffic and that the additional truck traffic will damage local roads.
- R:** Because the operator would be hauling coal on a public road system, the Department of Transportation can set limits on the maximum allowable size of haul trucks. DNR will work with the operator, DOT, and the public to insure public safety in addition to looking at other access routes to the project area to the Glenn Highway.

Coordination of Permit Review

- C:** The Department received two comments stating that there must be coordination with other State and Federal Agencies to assure that all concerns are being adequately addressed. It is unacceptable to have gaps in the permitting process that allow for a regulatory agency to say that a potential problem is not within their jurisdiction and walk away.
- R:** As a part of the renewal process, the department solicited comments from other local, state and federal agencies. The scope of our review as part of a renewal of the Jonesville Underground mine permit is limited to the requirements of 11 AAC 90.129, Permit Revision and Renewal. The department consistently works with other agencies to coordinate the review of the projects and endeavors to insure that agencies have necessary information to make decisions that minimize adverse impacts to the environment, the public and state resources.

Cultural Resources

- C:** The department received one comment that cultural data concerning the area is 20 years out of date. Ranger Alaska and the State should consult with the Chickaloon Native Village concerning ancestral Athabasca uses for the land. This includes historic hunting and fishing use.
- R:** The permit area was reviewed by the State Historic Preservation Office. In their review, they found that there were no places listed on the National Register of Historic Places or known cultural resources either within or adjacent to the permit boundary. Previous activity in the permit area was mining, and artifacts related to mining are the only ones found. The majority of activity will be confined to previously mined ground or working underground, which

would decrease the likelihood of finding any artifacts, modern or Athabascan. The Jonesville Underground mine permit contains cultural information and data as per 11 AAC.90. 041.

Health Impact Assessment

- C:** The Department received 12 comments stating that a health impact assessment must be mandated by the State, to determine health risks associated with living in proximity to the Jonesville Mine, and what impacts it will have for the local environment. This should happen before any additional work proceeds in the permit area, and would be an obligation of the permit applicant.
- R:** At this time, Health Impact Assessments are limited to projects where there is a proposed federal action. The state of Alaska is still reviewing how it will apply health impacts assessments to projects that do not have a federal component or to existing projects.

Reclamation

- C:** There was one comment that stated that on site reclamation obligations have not been met by the applicant or previous permit holders. On this basis, the renewal should be denied,
- R:** As part of the renewal the, DNR reviewed Ranger Alaska's compliance with the 11 AAC 90. At this time there are current reclamation liabilities within the Jonesville underground mine permit areas. Additional work needs to be completed to fully reclaim this area. The area is currently stable and Ranger Alaska has complied with all orders to address outstanding issues.

Bonding

- C:** The Department received one letter stating that cost estimates for woody plants were too low, which resulted in a low bond amount. The cost estimates should be raised higher to reflect current prices.
- R:** The Department has determined that for the amount of disturbance and proposed reclamation plan, the currently held bond is adequate to insure reclamation in case of bond forfeiture. Bond estimates are calculated and revised in an ongoing process between the operator and the Department. The bond amount is adjusted periodically to reflect changes in the reclamation plan changes in various cost elements and to adjust for inflation. Prior to mine start-up, bonding will be reviewed to reflect the most up to date operations and reclamation plan and adjusted thereafter any time the Department determines that the bond may be stale.
- C:** The Department received one comment stating that DNR should require bonding over and above the cost of reclamation to discourage mining of coal.
- R:** The bond amount is based on the actual disturbance and not used as a punitive tool to limit activity. The intent of these requirements is to encourage concurrent reclamation and reclamation of the mine area as defined by the approved post mining land use in the event of a company's failure or inability to do so. 11 AAC 90.

Other Comments

- C:** The Department received eleven comments stating that coal mining is inconsistent with public interest; therefore unconstitutional. The commenter's state that the "nature of the land

has changed” and that the area should be developed for other uses such as tourism and recreation. Also, the DNR must maximize benefits for all people, with wildlife being a priority concern.

R: The authorities under which the DNR acts were approved and ratified by the legislature upon the founding of Statehood in 1959. The DNR was selected as the regulatory agency assigned to administer the ASCMCRA act of 1983. In Article 8.12 of the Alaska State constitution, the leasing of State lands for the location and extraction of minerals is provided for: “The legislature shall provide for the issuance, types and terms of leases for coal, oil, gas, oil shale, sodium, phosphate, potash, sulfur, pumice, and other minerals as may be prescribed by law. Leases and permits giving the exclusive right of exploration for these minerals for specific periods and areas, subject to reasonable concurrent exploration as to different classes of minerals, may be authorized by law. Like leases and permits giving the exclusive right of prospecting by geophysical, geochemical, and similar methods for all minerals may also be authorized by law.” The Alaska legislature passed legislation that governs how coal is leased and regulated in the State. The land on which the leases have been issued is open to multiple uses and any development must minimize impacts to other uses in the area. Balancing conflicting land and resource uses for the state’s benefit is one of DNR’s primary missions and specifically the permitting decision for a potential mine would consider mitigation of conflicting uses.

Alaska Statute – Title 44. State Government. Chapter 99. Miscellaneous Provision and Policies. Article 2. General State Policies. Section 44.99.110. Declaration of state mineral policy.

The legislature, acting under article VIII, section 1 of the Constitution of the State of Alaska, in an effort to further the economic development of the state, to maintain a sound economy and stable employment, and to encourage responsible economic development within the state for the benefit of present and future generations through the proper conservation and development of the abundant mineral resources within the state, including metals, industrial minerals, and coal, declares as the mineral policy of the state that

- (1) Mineral exploration and development be given fair and equitable consideration with other resource uses in the multiple use management of state land;
- (2) Mineral development is encouraged through reasonable and consistent non-duplicative regulations and administrative stipulations;
- (3) Mineral development and the entry into the market place of mineral products be considered in developing a statewide transportation system;
- (4) Mineral development is encouraged through appropriate public information and education, scientific research, technical studies, and University of Alaska program involvement;
- (5) Economic development with respect to the state mineral industry is encouraged with Pacific Rim nations. (§ 1 ch 138 SLA 1988)

- C:** There were five comments received stating that the DNR should be investing in renewable, clean energy or alternative energy sources like wind and solar power. These would generate “green” jobs. It would break our addiction to fossil fuel.
- R:** DNR is supportive of alternate energy resources and does authorize renewable energy projects. The legislature is also considering funding to study the Susitna Dam Project in south central Alaska. The end use of coal is not within DNR regulatory authority.
- C:** The Department received one comment that despite best intentions on the part of the operator and the DNR, an unplanned accident, fuel spill, dam failure, etc. could happen in which the results would be unanticipated and irreparable.
- R:** The Department has carefully reviewed the plan of operations and reclamation as submitted by the applicant and finds that it is protective of the environment. . The applicant is required to post a reclamation bond in case of bankruptcy, or non compliance with permit conditions. The permit will be subject to, and has been the subject of, monthly inspections by Department personnel as per 11 AAC.90 601 – 11 AAC.90 641. This includes surprise inspection and investigation of citizen’s complaints. The DNR, as part of its inspection efforts, will focus on keeping any impacts to the area, within the permit area itself.
- C:** The Department received four comments stating that mining will ruin Alaska in the same manner that Appalachia was ruined earlier in the last century. Mountain Top removal and the creation of pits will permanently scar the landscape, kill fish and other wildlife, and put people at risk for disease.
- R:** The Department of Natural Resources enforces the Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA). These regulations specifically outline what a coal mine operators obligations are to the safeguard the public and the environment. It requires reclamation of the land by the operator during the operation of the mine, and requires the operator to post a security bond for reclamation should the operator declare insolvency. The regulations specifically require that the operator ensure that there will be no impacts to the environment outside the permit area.
- C:** The Department received 3 comments that renewing the permit would allow the operator to ship Alaskan coal overseas. This should not be done because Alaska needs to hold on to its own resources for future domestic use.
- R:** The marketing plan as adopted by Ranger Alaska for developing the resource is not subject to governmental control. The company could sell the coal for use in state, for U.S. domestic consumption, or export.
- C:** The Department received two comments that the proposed mining operations will have adverse affects on the Slipper Lake reclamation. They believe that efforts to keep the site clean will be wasted if the permit is renewed.
- R:** The footprint of the proposed project will have limited impact on the Slipper Lake areas. During operations, the project area will be protected to keep recreational users away from active operations.
- C:** The Department received one comment stating that coal mining in this area has been and will always be inherently dangerous, especially underground mining. Two accidents involving

two dozen fatalities over a 20 year period support this allegation. They stated that coal mining is not safe, and should be prohibited.

- R:** Health and safety for the underground mining in the Jonesville Project is regulated by the Mine Safety and Health Administration which has primacy on such matters in Alaska. This agency is responsible for enforcing safety standards and minimizing the risk to workers. Research of both these incidents cited reveals that in one, the fatalities were a result of illegal smoking underground. In both instances, the miners were killed by exploding methane. Good mine ventilation systems can greatly reduce this risk.
- C:** Three comments were made at the public meeting concerning property values in the area. According to Brad Cole, a realtor, property values will decline by 40% if the mine is allowed to proceed.
- R:** The potential effects of coal mining on property values are speculative and not within DNR regulatory authority concerning the renewal of the Jonesville Underground Mine permit. Property values near the Ft Knox mine north east of Fairbanks have remained stable throughout the mine life.
- C:** One comment stated that mining is subsidized by the government, which results in the creation of fewer jobs. With this in mind we should not allow mining.
- R:** The mining industry in Alaska is not subsidized to any extent. The mining industry is a three to four billion dollar industry in Alaska that produces thousands of the highest paying jobs in the state. Mining jobs have higher earnings than any other industry except oil and gas. In 2009, the average-annual earnings for a job in mining were \$91,100. That's nearly twice as much as the statewide average-annual earnings of \$46,600 (Alaska Economic Trends, October 2010).
- C:** One comment was received asking who would pay for the cost of mercury poisoning and testing in people living in the area, and how the applicant would be held responsible for mercury poisoning, should it occur.
- R:** The release of mercury from coal is only through burning in a power plant. While AS 27.21 and 11 AAC 90 does not have a mechanism for regulating these offsite power plants, within the mine area the project would have to meet the requirement of 11 AAC 90.323 in meeting state water quality standards 11 AAC 90.335 concerning acid forming and toxic material and 11 AAC 90.421 Air Resource protection. In addition, analysis of coal and over/interburden samples within the wishbone hill area show only trace levels of mercury. In 2000, the EPA Administrator found that regulation of hazardous air pollutants, including mercury, from coal and oil-fired power plants was appropriate and necessary. Current U.S. power plants capture approximately 33% of the contained mercury through existing pollution control equipment. The EPA expects these emissions to be further reduced as more scrubbers and SCRs are installed to comply with the Clean Air Interstate Rule and other regulations, and as mercury control technology is used in response to state mercury regulation.
- C:** The department received one comment indicating that new businesses would not want to start in an area where mining was occurring, and that tax revenues would decline. The shortfall in revenues would have to be borne by the local population.

- R:** The potential effects of coal mining on jobs and business not within DNR regulatory authority concerning the renewal of the Jonesville Underground Mine permit. In other areas of the state mining has brought considerable economic benefit to the surrounding communities and has had little impact on existing businesses.
- C:** There were two comments that there is no benefit to local community in the development of this project. All the money goes to outside interests and stockholders. This is just an exercise in greed.
- R:** Historically, in the State of Alaska, mining has had significant economic benefits to local populations. Companies engaged in mining efforts, with out regard to mineral being produced, have always provided high paying jobs, and created markets for vendors serving the mine's needs.
- C:** There were six comments that stated that a handful of short term jobs are not an equal trade for the health of this community, its people, the air we breathe, and the plants and animals that we eat.
- R:** The department is responsible for making sure that any development is done in a responsible manner and that all existing regulation and permit stipulations are followed. Compliance is assured by regular inspections, the ability to issue fines, shut down operations and the ability to pursue criminal and civil penalties. In addition to the Department of Natural Resources, other state and federal agencies have enforcement authority to prevent adverse impacts to the environment.
- C:** The Department received two comments stating that if the community has to suffer the presence of a mine, the operator should hire locally. Otherwise, the permit should not be renewed.
- R:** Local hire is a priority with every mine operator in Alaska. They all try to maximize local hire. It is found that local employees generally have fewer turnovers, miss less work, and live in Alaska out of preference and thus stay longer. Nearly three-quarters of all wage and salary earnings from mining stay within the state due to Alaska residents making up about three quarters of all workers in the mining industry (Alaska Economic Trends, October 2010).
- C:** The Department received 7 comments that the DNR should protect fish, wildlife, and local valley residents. It should not be in the pay of private industry.
- R:** As the mining permit is written, there are no anticipated adverse impacts to fish and wildlife in the surrounding area, including Moose and Eska Creek. The operations plan has been reviewed to see if it meets the requirements of 11 AAC 90.423, which requires the applicant to submit plans as to how impacts to fish and wildlife will be mitigated or avoided, and requires enhancement of these resources where practical. The DNR, through its inspections of the permit area and enforcement of regulations and performance standards, will make all efforts to safe guard the public. The only income the Coal Regulatory and Inspection Program receive from industry is permit processing fees.
- C:** The Department received 13 comments supporting the renewal of the Jonesville Underground Mine Permit.