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Governor Sean Parnell
STATE OF ALASKA

March 1, 2010

Ms. Eurika Durr
Clerk of the Board, Environmental Appeals Board (MC 1103B)
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460-0001

RECEIVED
U.S. E.P.A.
2010 MAR -9 AM 10:09
ENVIR. APPEALS BOARD

Re: Appeal of NPDES Permit AK-003865-3 – Red Dog Mine

Dear Ms. Durr,

I would like to express the State of Alaska's support for expedited consideration by the Environmental Appeal Board (EAB) of the Petition for Review filed by Trustees for Alaska and the Center on Race, Poverty, and the Environment of the National Pollutant Discharge Elimination System (NPDES) permit AK-003865-3 for the Red Dog Mine in Alaska.

From our perspective, the National Environmental Policy Act (NEPA) process has already evaluated the issues raised by the appellants. The State has been a cooperating agency with the Environmental Protection Agency (EPA) throughout the entire NEPA process leading to the final Supplemental Environmental Impact Statement (SEIS), Record of Decision, and issuance of the NPDES permit. Under Section 401 of the Clean Water Act, the State also has the responsibility for certifying that this NPDES permit meets all State water quality standards, and we have certified that it does.

This appeal process has the potential to interrupt mining operations at the Red Dog Mine. This mine is the largest zinc mine in the world, employing more than 525 people (of which 304 are shareholders in NANA Regional Corp., Inc., an Alaska Native Claims Settlement Act corporation) in a remote region of Alaska. The economy of that region of our State is almost totally dependent on revenues from this mine. The mine is the only source of tax revenues for the Northwest Arctic Borough, and contributes nearly 80 percent of the funding for local government. The mine's total contribution to local government since 2006 has been \$34 million.

The loss of the economy from this mine, even for a short time, will have serious consequences for the people of Northwest Alaska. EPA's own SEIS clearly states that mine closure would result in the abrupt loss of income and employment, could result in adverse health impacts, decrease the availability and quality of educational services and schools, and make it more difficult to maintain water and sewer systems throughout the entire Northwest Arctic Borough.

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Unless this appeal is resolved in a timely manner, the Red Dog Mine will not be able to continue to operate, and even a temporary shutdown would have a significant negative impact on the economy and people of the region. For the company's planning purposes, we believe that the permit must be in place by May 2010 in order to avoid a mine shut down that would subsequently occur in October 2010. An expedited review of this appeal has the potential to avoid the mine shutdown and the resultant impact on the economy.

We would not be urging expedited review in this matter if we believed it would compromise the thoroughness or fairness of the review. We respect the EAB appeal process and the need for careful consideration of every appeal. We are also not attempting through this letter to argue the merits of the appeal. At the same time, the State reserves the right to seek intervention in the proceeding at a future date. Thank you for considering our views.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell". The signature is written in a cursive style with a large, prominent initial "S".

Sean Parnell
Governor