

Chuitna Coal Project Status Update for November 2007

Chuitna Coal Project

The permit application package for the proposed Chuitna Coal Project has been organized into four distinct sets of documents (see attached table) and includes:

Ladd Landing and Development (LLD)

No coal would be mined at Ladd Landing Development area. However, these facilities located in Sections 19, 20, 28, and 29 Township 12 North, Range 10 West of the Seward Meridian would support the operations of the Chuitna Coal Mine. Annual coal production from this surface mining operation would be approximately 12 million metric tons per year for approximately 25 years of mine life. The facilities at Ladd Landing Development are designed for an annual throughput capacity of 15 million metric tons per year (MMTpy). Generally, a minimum quantity of coal would be stockpiled to ensure that adequate coal is available for loading customers' ships. The stockpile volume would range from 125,000 to 500,000 metric tons. Ship loading operations would be carried out so that most of the coal is shipped directly from the mine at a rate of 4,000 metric tons per hour with reclaiming from the stockpile at 2,000 metric tons per hour. As a result, approximately one third of the coal loaded would be removed from stockpile to load a ship. Once the ship is loaded, stockpiling of coal would resume, returning the stockpile quantity to the estimated minimum of 125,000 metric tons.

Chuitna Project Infrastructure (CPI)

No coal would be mined from the Chuitna Project Infrastructure corridor. However, these facilities located in Sections 6, 7, and 18 Township 12 North, Range 10 West, Section 31 Township 13 North, Range 10 West, and Sections 31, 32, 33, 34, 35, and 36 Township 13 North, Range 11 West of the Seward Meridian are to support operation of the Chuitna Coal Mine. Facilities include a housing and airstrip, access road, power transmission line, and coal transport conveyor. The housing and airstrip facilities would be located in close proximity to the Chuitna Coal Mine and include single status housing for the project operating workforce and an airstrip for transport of personnel and small equipment to and from the Project Area. The mine access road would be an all weather road connecting the Mine with Ladd Landing on the coast of the Cook Inlet, an approximately 20km (12 mi) distance. The road would be used during development/construction of the Chuitna Coal Mine and the Housing & Airstrip facility and during operations to transport equipment and operating supplies to and from Ladd Landing. The coal transport conveyor is a covered overland coal transport conveyor with an annual throughput capacity of 15 million metric tons per year (MMTpy). The power transmission line is a high voltage transmission line from the nearby Beluga Power Station to Ladd Landing and the Mine.

Chuitna Coal Mine (CCM)

The Chuitna Coal Mine would be a surface coal mine designed to remove coal from an area located in Sections 14, 15, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36 of Township 13 North, Range 12 West of the Seward Meridian which is under lease by PacRim Coal. The life of operations is projected to be approximately 25 years of coal production plus the time required for development and final closure. Development activities are projected to encompass two calendar years. Final closure including final pit backfilling, grading, topsoil replacement, seeding and planting, and monitoring for final bond release activities are projected to encompass an additional 10 to 15 years after coal production ceases. Most site activities would be completed during the first two to three years of closure with the remainder dedicated to site maintenance, monitoring, and final reclamation bond release.

Chuitna Coal Project (Baseline)

This set of documents represents the baseline data that has been or is currently being collected to define the natural conditions of the effected and adjacent areas of the project components. This information is required to develop operation and reclamation plans to avoid, minimize, or mitigate impacts. All baseline study reports submitted to date have been in draft format.

Status of the Chuitna Coal Project

During the month of November, PacRim submitted the following items for the Chuitna Coal Mine permit application package, Part D8 Reclamation and Bonding Requirements, and Part D9 Backfilling and Grading Plan.

At this time a complete permit application package for the Chuitna Coal Project has not been submitted to the Division and no formal review under AS 27.21 and 11 AAC 90 has been initiated. Once a complete permit application package has been submitted an evaluation of the cumulative impacts of the project will be made.

Petition to Designate the Chuitna River Watershed Unsuitable for Surface Coal Mining Operations

On June 14, The Trustees of Alaska, on behalf of local citizens and conservation groups filed a petition to designate the Chuitna River Watershed (approximately 150 square miles) as unsuitable for surface coal mining based on the follow assertions.

1. Reclamation in accordance with ASCMCRA is not technically feasible.
2. Mining operations would affect fragile land and could result in significant damage to important cultural, scientific, and aesthetic values and natural systems.
3. Mining operations would affect aquifer renewable resource land in which the operations could result in a substantial loss or reduction of long-range productivity of water supply or food or fiber products.

4. Mining operations would affect areas subject to frequent flooding and areas of unstable geology, or other natural hazard land in which the operations could substantially endanger life and property
5. The identified lands are not exempt from designation as unsuitable for coal mining operations.

On July 16, the Commissioner of DNR made a completeness determination, and found the following points.

1. LMU-1 lands are ineligible from the petition process, on the grounds that they had previously been reviewed, underwent a comment period, and a decision to issue the permit was made.
2. The petition regarding the remainder of the “Chuitna River watershed” is incomplete, because the petitioner’s do not adequately describe how there interests are adversely impacted within the Chuitna Watershed.
3. The petition is frivolous because it covers too sweeping and arbitrary an area unsupported by evidence that reclamation of wetlands cannot be accomplished.
4. The petition is frivolous because, it assumes that applicable standards and regulations for surface coal mining operations cannot prevent the harms claimed in the allegations.

On August 6, Trustees for Alaska, on behalf of the Petitioners requested that the Commissioner reconsider his decision. On August 13 the request for reconsideration was granted. This review is currently ongoing.

Upcoming events

Chuitna Project Informational Meeting

Thursday, December 13, 2007
5:30 PM to 7:30 PM
Atwood Building
550 West 7th Ave., Suite 240
Anchorage AK 99501

This informal meeting is an information exchange between the agencies and the public regarding the status of the Chuitna Coal Project. Please note, however, that comments and concerns expressed at this meeting are outside the public process and only issues that are raised during the agencies’ formal public comment periods are eligible to be used in an appeal.

Agenda

- Chuitna Coal Project update
 - Status of Applications
 - Fish Studies

- Proposed water balance
 - Archaeology Studies
- Unsuitability Petition
- ASCMCRA permitting process
 - Process
 - Timeline
- Establishment of Dates and Locations for Spring and Summer Information Meetings
 - **Please be prepared to discuss meeting dates and locations**
- Mental Health Trust Lands
- Questions and comments

Visitor parking is available on the Corner of 8th and E Street or in the JC Penny Parking Garage.