

**SUPPLEMENTAL EIS  
RESPONSES TO COMMENTS**

**SOCIOECONOMICS**

Employment .....	ECON-1400
Economy .....	ECON-1401
Community Services .....	ECON-1402
Land Use and Ownership .....	ECON-1403
Population and Demographics .....	ECON-1404

## ECON-1400 Employment

*1. All statements contained in the socioeconomic section of the document that have no basis in fact, are derogatory and cause insult to resource workers and the culture and heritage of their resource providing communities should be stricken from the document. All statements that reflect unsubstantiated bias must be removed, proven or revised in the Rock Creek Final EIS. (Q)(S67)(S3277)(S4264)*

*The SDEIS incorrectly states that, "Dependence on repeated natural resource cycles has caused major fluctuations in area quality of life and emphasized non-transferable job skills and reduced community self-determination." This statement assumes that those who work in natural resource related jobs have no transferable job skills and that a community's quality of life has and will be harmed by citizens having a good job which supports their family and makes them a productive community member.*

*The statement is also not supported by the factual experiences of other resource communities throughout the state and nation. Without these types of quality, long term, non-poverty level jobs projects such as this create, Montana will continue to be nearly last in income and tourism, as the latest surveys show. Resource workers are highly trained and offer transferable skills that will only serve to bolster the economic well being in the State. As a final point, employees will be a vital part of the local community and more often than not are active in all community activities, including "self-determination". This is biased propaganda which does not belong in the SDEIS. This statement should be removed from the document. (S3297)(S3277)(S4264)*

Response: The EIS analysis of project socioeconomic effects has been revised and updated. The new Chapter 3, Socioeconomics analysis, reviews past and present social and economic conditions and trends in Sanders, Lincoln, and Bonner Counties. The revised Chapter 4, Socioeconomics section, makes projections and identifies changes expected to occur both with and without mine development. These revisions were developed with the assistance of, and have been reviewed by, a panel which includes among its members a local county commissioner, local county planner, area business executive, mining industry spokespersons, and federal, state, and university system socioeconomic specialists as well as agency experts.

*2. I would also like to point out that the wages we pay are not those of the lower level that are usually found in the service sector as in fast food or tourist industry. Although important to this state, those sectors cannot support a good strong economy or provide the residents of this state with the lifestyles they deserve. (S3288)*

Response: The final EIS socioeconomic analysis has been completely revised and updated, but the reader will find that the data still show that in Sanders County in 1970 the service production sector provided 38.2 percent of employment and 35.1 percent of employment earnings. In 1998 that sector had grown to provide 48.8 percent of the jobs and 48.7 percent of earnings. The resource commodity production sector accounted for 15.6 percent of Sanders County jobs and 9.4 percent of earnings in 1970 down to 13.9 percent of jobs and negative earnings in 1998 (due to losses in the farm sector). Two conclusions can be drawn from these (and other) economic data for this region and time period: 1) The service sector contributed a substantially larger share of the Sanders County economy in 1998 than it did in 1970 while the resource commodity share of the economy declined during the period, and 2) as indicated by the small earnings percentages in the resource sector compared to employment percentages, average earnings per job in the resource sector were well below average earnings in either the Sanders County service sector or the economy as a whole. This second point should not be generalized to suggest that resource commodity sector jobs "cannot support a good strong economy" or provide people "with the lifestyles they deserve." It does suggest that implying that an economy is "good" or "strong" simply because it is based on any particular economic sector or type of employment is meaningless. The resource commodity sector includes mining jobs which usually provide long-term employment at above-average wages. It also includes minimum-wage, or below

minimum wage agricultural employment. The service sector includes the typical fast food industry job, but it also includes the airline pilot who lives in Sanders County and commutes to work in Seattle or the computer consultant who works virtually anywhere in the world. It is the immigration of these types of service workers and of retirees, who bring good pension incomes with them, that has driven the Sanders (and Bonner) County economy in recent years.

3. *The mining industry in the State of Montana is absolutely vital to many small corporations like Industrial Tool & Repair. We employ 16 people in this state and approximately 55% of our business comes from the mining industry. As other mines in the state wind down, it's crucial for us and thousands of others to have new business replace those that are leaving. (S3288)*

Response: Industrial Tool & Repair provides an excellent example of the secondary job creation associated with projects such as the Rock Creek proposal. The revised final EIS Chapter 4 socioeconomic analysis projects that up to 140 such jobs would be associated with Rock Creek project development and operation.

4. *Page 4-126 Under Alt 1: Sanders County has the second highest unemployment rate in Montana at 14.4 percent. (Montana Annual Labor Market Planning Information, Montana Department of Labor and Industry, June 1996). Why isn't this fact mentioned under Alternative I? Can the County expect to have this rate of unemployment in the future? Where are the "1,000 new Sanders County jobs" going to come from, what will they pay, and what contribution will they add to the local tax base? What is the basis for this prediction? What are the long term "socioeconomic benefits" of high unemployment, low wages, and a low tax base? (S3354)*

Response: The EIS analysis of project socioeconomic effects has been revised and updated. The new Chapter 3 analysis reviews past and present social and economic conditions and trends in Sanders, Lincoln, and Bonner Counties. The updated Chapter 4 socioeconomic section makes projections and identifies changes expected to occur both with and without mine development. These analyses have focused on the factors and industries which have provided employment and income, rather than on the "flip side" represented by unemployment. Factors contributing to the historically high unemployment rates in Lincoln and Sander Counties include the completion of major construction projects (e.g. Libby Dam), the dependence on cyclical industries (e.g., mining, wood products), and the tendency for people to move to or remain in the area because of its natural amenities, even when employment opportunities are limited.

5. *The ASARCO Rock Creek Project offers some 270 excellent paying jobs for our local people. Mine development will diversify and enhance the economic base of the local community and will present new opportunities for everyone. (S3388)*

Response: The updated EIS Chapter 4 socioeconomic analysis projects that the Rock Creek project would create up to 355 direct jobs and 140 secondary jobs in the local area. Average direct job wages would be about \$33,100 per year (net of social security withholding, in 1995 dollars) while secondary employment average wages would at least equal local area average earnings of \$15,890 per year.

6. *If we don't get some kind of industry here, Paradise and other small towns will dry up and disappear. There are no jobs for the young people. Or the old for that matter. (S3419)*

Response: The mine project is estimated to have virtually no direct job effects in the Paradise area, because Paradise is about 69 miles from the project site. Under some scenarios there could be some very limited employment and income effects extending to the Plains area.

7. *Even if ASARCO got a permit for the Rock Creek mine tomorrow, there's no guarantee folks from Lincoln and Sanders County would see the 350 jobs they've been promised anytime soon. Chances are, you'll have to wait until*

**VOLUME IV**

*the price of copper gets up to about \$1.20 a pound. Today, it was .76 cents a pound. Why, because society is not demanding minerals as many say they are. And even if the jobs are created, there's no guarantee they will last for 25 years.*

*If receiving an operating permit guaranteed that jobs would be created, then 300 folks would be working at Troy, and another 450 would be working at Noranda. But they are not. Today about 10 people work at Troy and presently none are working at Noranda. Why is it these jobs have not become reality. (S3465)*

Response: As you indicate, under the action alternatives, there is no guarantee that mining operations would start at any given time. The factors influencing project start up would include expectations relating to future costs and prices, The Hard Rock Impact Plan (ASARCO Incorporated 1997), assumes silver prices of \$5.00 per ounce and copper prices of \$1.00 per pound.

*8. Page 2-124 What is meant by "local"? I have lived here in Heron for 25 years and I know that there are not 240 people in western Sanders County (Trout Creek west) that currently would be able and willing to work as a hard rock miner. I have serious doubts as to ASARCO's available worker numbers. It is to the company's benefit to underestimate the socio-economic impacts that an influx of job-seekers would bring as the influx would seriously destabilize our local communities. (S471)*

Response: Based on past mine start up experience, new mine workers would be hired from an area much larger than your description of "local" western Sanders County. New workers would be expected to come from within a radius of roughly 60 miles, which includes Thompson Falls, Clark Fork, Troy, and Libby. Most mine project workers would be expected to reside within a 40-mile commuting radius.

*9. Page 2-38 under "Employment" ASARCO has long maintained that 350 jobs for 30 years would be garnered for this project. Actually 181 contract workers would be required (hopefully from the local environment) for three years. Thereafter 271 ASARCO employees would be needed. How many locals would derive direct benefits (i.e., jobs) during this 30 years mining 'phase'. (S4832)(S4833)*

Response: The revised EIS socioeconomic analysis anticipates construction phase employment under Alternative IV or V of 348 jobs for a period of less than 18 months. Long-term operating employment would be 340 workers. It is anticipated that 160 of the construction phase jobs and 240 of the operations workers would be hired from the local area (western Sanders County, southern Lincoln County, and the Clark Fork vicinity in Idaho). There would be approximately 140 additional secondary jobs created, 120 of which would go to local residents.

**ECON-1401 Economy**

1. *Why is it bad to interrupt long term transitions to an economy based on less commodity extraction with a period of resource based jobs? (S1705)(S1821)*

Response: This statement has been eliminated because whether or not this type of transition is considered good or bad, is based on each person's own viewpoints and preferences. The overwhelming majority of new local, regional and national employment growth is expected to be service producing and knowledge producing jobs, as evidenced in the estimated 2.1 percent annual local three-county job growth rate creating 13,000 new service producing and knowledge producing jobs through the year 2020. Resource commodity and goods producing jobs and their affected local sectors are anticipated to have substantially lower rates of new job creation, growing at a 1.0 percent annual rate, creating 2,200 new jobs in the three county area.

2. *The mine would likely create a boom-bust economic cycle in our rural area. Housing, roads, schools, medical facilities, etc. would all be negatively impacted. Mining development could not ignore the consequences of boom and bust" cycles on local economies and communities. Those who are negative of small town values usually use this to champion against any change. (S3395)(S3444)*

Response: As described in Alternative I - No Action, the local area would be expected to have substantial changes in employment and population patterns without the proposed mine project. The proposed project would serve to both accelerate and deter some of these expected changes. See the below responses for details of the projected changes under the various alternatives.

3. *Statements presented in the socioeconomic section of the EIS (esp. 4-126 and 4-131) indicate a lack of understanding of how mining currently affects small town Montana communities. For example, Jefferson County enjoys the highest per capita income and lowest crime rate in Montana and it has 3 active gold mines. Mining has as long an economic cycle as many of the more touted economic activities noted in these paragraphs of EIS. Statements about the boom and bust economic cycle is a scare tactic which unfairly targets one industry. All industries have booms and busts. There is no guarantee that the mine will operate for any length of time. What happens when the mine is closed? Among the most significant adverse affects would be significantly changed short and long-term social and economic values, boom-bust cycles endemic to the mineral resource extraction industry, and added strain on public and private services. What kind of future planning is it that self-destructs in 30 years? What about the economic depression that follows? Compare Wallace, ID, and other towns in CDA river basin. What are local economic ramifications of such mining (resource extraction monies) compared with relatively stable economic growth based on local service, etc. (S5)(S188)(S471)(S177)(S3571)(S3670)(S4046)(S4195)(S4282)(S4645)(S4832)(S4833)(S5621)*

Response: The revised socioeconomic sections (see Chapters 3 and 4 - Socioeconomics) shows that the local area has experienced long-term cycles of both growth and decline. For the years 1998 to 2020, reliable projections estimate the three county area would have a 1.8 percent annual increase in total employment (estimated 15,200 new jobs), with the most rapid rates of job growth in the largest sector - the service producing sector (projected 2.3 percent annual growth or 10,700 new jobs), and moderate rates of job growth in the resource commodity, goods producing, and knowledge producing (finance, education and government) sectors (0.8, 1.0, and 1.4 percent annual growth creating 400, 1,700, and 2,300 new jobs, respectively). Those communities within the project area which are most dependent on resource commodity jobs are more likely to have larger cyclical peaks of local employment growth and declines because resource commodity employment continues to be rapidly affected by cycles in international commodity markets.

The proposed mine project would induce a rapid increase in local employment. Mine operations would provide approximately 340 project jobs, as well as 160 indirect jobs (Alternatives IV and V),

most of which would be created in less than one year. This would amount to approximately a 11 percent employment jump in Sanders County total employment with the bulk of the employment occurring in western Sanders County (estimated 30 percent immediate local area employment jump). Rapid increases in employment and the expected high project wage rates (more than 50 percent above county averages) would be expected to create extensive waves of local job shifting and moderate levels of job seeker immigration. Closure of the mine after several decades would cause an estimated loss of 500 mine and indirect jobs in a several month period. The construction startup, mine operations startup and project closure employment effects would be substantial and significant because of their magnitude and rapidity. Annual total employment changes of 5 percent or more may create inflationary/deflationary wage effects, require additional training/retraining efforts, and, decrease overall rates of local economic productivity until new employment patterns and balances can be established in the local economy. Local population changes of 10 percent or more cause substantial changes in housing costs and availability, government services and community cohesion.

4. *Page S-14 Issue 4 - Alternative V will not create a "boom-bust" employment cycle? Why not? It is stated so on S-20 last paragraph. This is a unsolved contradiction. How is that reconciled with statement here that boom-bust will occur? (S4832)(S4833)*

Response: Please see the revised text which clarifies that Alternatives IV and V would reduce the severity and impacts of the employment transition between mine construction and mine operations, thus mitigating one of the project's two rapid employment boom/bust cycles.

5. *It would be good to see in the final EIS a presentation of those positive aspects of community in which mining communities may be superlative. The socioeconomic analysis is silent about the benefits of resource extraction that flow to the larger society of which Sanders County is a part. The Sanders County economy has generally been slow growing during the last 25 years, with significant increases only during 1992, 1993 and 1994. Growth slowed in 1995. Nonfarm labor income (the best single measure of local economic performance, which is strongly correlated with GDP and GSP at national and state levels) in 1995 was still 12 percent less than its peak in 1977, and the 1995 figure was roughly equal to its 1984 level. This means that growth in Sanders County occurred during only a short recent period. I question the use of the descriptions: natural resource industries are widely regarded as "declining economic sectors, with "untransferable sets of skills. The derogatory statements should be stricken from SDEIS. In what circles are these opinions widely regarded? By what definition is the mining industry a declining sector? Which skills used by mining industry employees are untransferable? Statements which suggest that mine development would hinder other economic development in Sanders County, and statements suggesting that education levels would decline and underemployment would increase are wrong. The SDEIS incorrectly states that, "Local residents who believe that project benefits are vital to community viability would tend to view project social problems as reasonable tradeoffs for 30 years of mining employment. Those who value small town communities, rural scenic qualities, and a sustainable diversified local economy, would tend to view project costs to be greater than its benefit." In other words, those who would like to have an opportunity to have high paying jobs in the mining industry don't value small town communities, rural scenic qualities and sustainable diversified local economies. I think all these socioeconomic statements with a strong negative twist should be removed from the document. These people, (Baden, O'Brien, Humphrey, Krannich, et.al.) have expressed a low life opinion of U.S. mining industry employees that should not be acceptable in an official document of this nature. Even a cursory examination of the positive effects of mining on local Montana communities, such as Phillips and Jefferson Counties, will reveal the inaccuracy of the statements made here. I would submit that you correctly determine the inaccuracy of those statements by studying and reviewing the economies of the towns/cities of Lovelock, Winnemucca, Golconda, Midas, Battle Mountain, Carlin, Elko, Austin, Tonapah, and Eureka, Nevada. Singling out natural resource economies for this sort of criticism without placing it in context with other economic sectors does the reader a disservice and is deceptive. These statements printed in the socioeconomic section have no place in a factual document and should be removed. (S5)(S25)(S1285)(S1946)(S3277)(S3297)(S3300)(S3354)(S3355)(S3406)(S3407)(S3433)(S3450)(S3464)(S3510)(S3558)(S3584)(S3587)(S3602)(S3626)(S3627)(S3644)(S3649)(S3665)*

(S3670)(S3697)(S3702)(S3713)(S3717)(S3751)(S3764)(S3774)(S3794)(S3803)(S3822)(S3825)(S3835)(S3856)(S3857)(S3868)(S3878)(S3882)(S3907)(S3917)(S3935)(S3974)(S3994)(S3995)(S4004)(S4022)(S4061)(S4065)(S4072)(S4084)(S4090)(S4094)(S4100)(S4157)(S4163)(S4183)(S4194)(S4195)(S4198)(S4200)(S4201)(S4210)(S4257)(S4277)(S4281)(S4282)(S4309)(S4318)(S4324)(S4328)(S4364)(S4389)(S4398)(S4409)(S4410)(S4442)(S4447)(S4449)(S4451)(S4464)(S4471)(S4476)(S4479)(S4521)(S4523)(S4534)(S4551)(S4553)(S4562)(S4563)(S4572)(S4586)(S4592)(S4597)(S4605)(S4609)(S4617)(S4674)(S4677)(S4715)(S4781)(S5043)(S5065)(S5162)(S5163)(S5767)(S5813)(S5827)(S5832)(S5835)(S5837)(S5852)(S6294)(S6537)(S6551)(S6552)(S6562)(S6684)(S6706)(S6742)

Response: The revised socioeconomic analysis (see Chapter 4) uses reliable economic projections to show that resource commodity industries (including mining) are projected to be slow growing, minimal sources of new local employment, particularly in comparison to other faster growing local economic sectors. There are multiple perspectives on the project's effects, and the completely revised socioeconomic analysis attempts to acknowledge divergent project effects on the differing economic patterns in the three counties. There are many examples of successful mining-based local communities throughout the nation (such as the 7 years of Flambeau Mine operations) and examples of depressed mining-based communities (such as Kellogg, Idaho). The analysis seeks to provide a reasonable range of perspectives that incorporates elements of the area's ongoing shift toward service and knowledge producing sectors (following national trends), and to describe the substantial effects of the project's proposed rapid employment changes in relation to long-term local employment patterns and numbers. There are a variety of uncertainties in assessing the magnitude and degree of mining effects on community development. However, current research and historic experiences supports inclusion of both positive and negative mining project effects on local communities and economies. The social and economic impact analysis focuses primarily on the local three county area, because this is where the projects socioeconomic effects are most likely to be directly noticeable and potentially significant.

6. *The residents of Bonner County rely upon the purity of our lake to attract the tourists that sustain our economy. The Clark Fork River flows directly into Idaho's largest lake, Pend Oreille, which is the economic lifeblood of most of Idaho's panhandle. Records show that the shifting dependance from extractive industry to non-extractives such as tourism, retirement communities, and real estate is very profitable in our region. These are long term economic gains that should not be jeopardized by a short term project. An article in the Bonner Daily Bee in Feb. 1998 stated that this area is now experiencing a labor shortage. Perhaps Montana is experiencing the same shortage that is apparently being felt across the country. So, are we really going to risk one of our countries greatest lakes for jobs we apparently don't need? Property values would be lowered as a result... This, coupled with fewer tourists, would devastate many families. As a community of people, we have changed our lively hoods to be towards the industry of tourism. The value of lake Pend Oreille is the source of the tourism trade. A 340-acre pile of 100 million tons of mine waste laying along the side of scenic highway 200 just 1/4 mile from the Clark Fork River will do absolutely nothing to enhance this areas beauty and economic stability. The loss of tourist dollars to the Pend Oreille area, due to mining waste seepage spoiling the lake, could be devastating to a whole lot more than the three hundred people supposedly to be employed at the mine. By polluting the lake from discharges from the waste from the mine we put all of this in jeopardy. Sandpoint will only suffer loss i.e. environment. The economic benefits of the mine are speculative and if realized are short term and limited in geographic scope. Northern Idaho's long-term economic future lies in tourism and recreation not in the extractive industries. A river and lake system polluted with 30 years of mining waste will not support these industries which are ecologically non polluting and economically sustainable over a longer period of time than 30 years. (S3251)(S3293)(S3701)(S4007)(S4013)(S4015)(S5092)(S6543)*

Response: As indicated in the revised Socioeconomics section, the mine project would be expected to have very modest direct socioeconomic employment and population effects on Bonner County. There would also be small additional indirect social and economic effects, that would both enhance and impede the attractiveness of Bonner County for various forms of community development.

There are no anticipated impacts to the Clark Fork River and Lake Pend Oreille from the discharge of treated mine water. The permit limits in the proposed MPDES permit in Appendix D were developed to ensure that Montana and Idaho non-degradation standards would be met. For details regarding the expected downstream water quality effects, see Chapter 4 - Hydrology, and for downstream effects on employment and population see Chapter 4 - Socioeconomics.

*7. I strongly resent the conclusions in the SDEIS socio-economic analyses. Resource extraction is not an economic and social liability. These industries provide good paying jobs, an excellent tax structure, and community enhancement. Well managed municipalities, counties and school systems benefit big time from these industries. I disagree with the SDEIS socioeconomic section's assertion that Asarco's Rock Creek proposed mine will hinder growth for Sanders County during and after the mine's activity. Economic experts fail to recognize mining's historic effect. As a catalyst for development and economic growth. Economic decline has devastated Lincoln County and somewhat affected Sanders County after the closure of the Troy Unit. Companies and industries will not start up in a community without trained employees and the basic social structure lacking in undeveloped areas. Mining and other basic industries are always the first catalyst for development and prosperity. Whether in the U.S. or other countries it is always the case. I believe that the EIS reviewers should take these facts into consideration. There is no empirical support for the outrageous opinions contained in the socio-economic section of this DEIS. They should be deleted in their entirety and replaced with an accurate and factual socio-economic analysis that would support the substantial benefits that Sanders County, Montana, and the United States will receive from this environmentally responsible, wealth creating project. The draft EIS does not accurately and correctly describe the economic characteristics, attributes, and trends in Sanders County. Consequently, the conclusions concerning the socioeconomic impacts of the Rock Creek Project are not based on sound analysis. This portion of the SDEIS should be changed to reflect that mining creates job opportunities for accountants, computer operators, equipment operators. The socio-economic impact analysis in the subject EIS needs to be broadened to consider the full significance of this project to society. All parties involved in the decision making process need to move beyond the narrow arguments of local jobs and corporate profit versus environmental impacts. One way to do this is to consider the manner in which the wealth created by the mine will be distributed to society. On page 4-126 the author states that Alternative I, the no-mine alternative, would have long-term socio-economic benefits. This statement is obviously absurd in light of the following facts: Sanders County, Montana has the highest unemployment rate in the entire state; the Rock Creek project will employ 345 people, approximately 80% will be hired from the local area, operate for approximately 25 years, not including the construction period; pay more than \$10 million annually in wages and salaries; generate more than \$4.5 million annually in income taxes; generate more than \$2.3 million annually in state and local property and mining taxes; we submit the evidence clearly supports that Alternative V would provide substantial long-term socio-economic benefits and that the no mine alternative, Alternative I, would contribute to long-term negative socio-economic impacts. The writers of the socio-economic section would have one believe that jobs that consume wealth are more valuable than jobs that create new wealth. How can any rational, objective analysis deny that this project will have substantial, positive socio-economic benefits? (Q)(S3298)(S3308)(S3398)(S3424)(S3426)(S3444)(S3527)(S3533)(S3535)(S3590)(S3595)(S3759)(S3762)(S3829)(S3837)(S3922)(S4004)(S4151)(S4258)(S5245)(S4442)*

Response: The mineral industry has historically been a valued and important portion of the United States economy. The same has been historically true in Montana. Despite mining's relative decline as an overall percentage of total Montana jobs, mining employed approximately 6,730 persons in Montana in 1998 or 1.2 percent of Montana's 543,300 total jobs. According to NPA DATA, between 1995 and the year 2020, the number of Montana jobs is expected to increase by a projected 173,600 new jobs, of which about 2,000 are projected to be in the mining industry (1 percent of these new jobs). Skills used in mining operations include: administrative, technicians, mechanics, equipment operators, and laborers (see Chapter 4 Socioeconomics Tables 4-47 and 4-53 for details). Many of these skills are widely useful and would be easily transferred to resource and the construction industries, and less easily transferred to service and financial industries. Between the years 1998 to 2020, the three-county area is projected to have a 1.8 percent annual increase in total

employment (estimated 15,200 new jobs), with the most rapid rates of job growth in service producing sectors (2.3 percent annual growth or 10,700 new jobs), and moderate rates of job growth in the goods producing, resource commodity, and knowledge producing sectors (0.8, 1.0, and 0.4 percent annual growth creating 400, 1,700, and 2,300 new jobs respectively). Mining is expected to continue to be a valued but declining slice of both the project area and state economy.

8. *The Sanders County civilian labor force was 3,789 in 1992, 3,858 in 1993, 3,955 in 1994, and 4,103 in 1995. This means there was no substantial variability in the labor force in recent years. Sources: US Bureau of Economic Analysis. Regional Economic Information System, CD, Washington: D.C. 1997. <http://jsd.dli.mt.gov/lmi.htm> (accessed January 30, 1998). (S3951)*

Response: Sanders County total employment has increased from 3,532 in year 1990 to 4,711 in year 1998 (a 3.7 percent average annual increase). As you indicate, Sanders County's total civilian labor force (including both employed and unemployed) has also increased from 3,789 in year 1992 to 4,103 in year 1995 (a 2.6 percent annual average increase). As a point of reference, between 1990 and 1998, Montana employment increased at a 2.0 percent annual rate, above national average rates. Sanders County's recent rate of new job creation compares favorably to Montana and national average rates.

9. *Over the next 25 years, Alternative I would allow development of over 1,000 new jobs. You say that, the population will grow by 1,100 people and the number of jobs will grow by 1,000, all the while it will shift toward more dependence on a retirement based economy. On what empirical evidence is that statement based? Are these jobs all such poor paying ventures that everyone must hold several? Are you assuming everyone in the county, including retirees (Swell, except for 100 lucky folks) will have to work? Are you assuming 1,000 adults will have 100 kids? In sum, how could you come up with such precise figures? Also, what is modest resource extraction? (S4832)(S4833)(S5827)*

Response: Sanders County total employment is projected to increase from 3,532 jobs in year 1990 to 5,990 jobs in the year 2020 (NPA DATA Services 2001), an increase of 2,458 new jobs during this 30 year period (a 1.8 percent annual increase). Resource commodity producing jobs are projected to increase from a total of 544 jobs in the year 1990 to 780 jobs in the year 2020 (increasing at a 1.2 percent annual rate), goods producing jobs are projected to go from 611 jobs in 1990 to 920 jobs in 2020 (a 1.4 percent annual increase), service producing jobs to increase from 1,537 jobs in 1990 to 3,000 jobs in year 2020 (a 2.3 percent annual increase), and knowledge producing jobs from 840 jobs in 1990 to 1,280 jobs in 2020 (a 1.4 percent annual increase). See County Employment Trends in Chapter 4 - Socioeconomics for a discussion of the 25 year incremental employment changes for the years 1970, 1998, and 2020 for all three counties. The phrase "modest resource extraction" would indicate employment rates approaching national average percentages. For population projection assumptions and details, please see Response to Comments section 1604 - Population and Chapter 4 - Socioeconomics.

10. *In Chapter 4, Alternative II, the statement of 300 future service jobs, in health, education and business services, would be foregone thru mine effects. Where do they think the money for these 300 new jobs would come from without the mine? Education money comes from taxes. Do the EIS writers not understand the fact that workers in mines pay taxes? That the Asarco company pays taxes? And who would pay for business services to hire new people if the mine doesn't go? Where else will "new money" come from? Same for health services. Retirees vote overall against education levies! You say the mine would hamper sustainable local economic growth and diversification for decades. You lost me on this. Please explain How would the mine hinder economic diversification? Why can't the area's natural amenities, diversification, community self-determination, and adaptability coexist with mining? Are these effects considered to be the inevitable result of the ASARCO Rock Creek mine, specifically, and or would they occur only under certain circumstances? If they would occur only*

*under certain circumstances, what are those circumstances and what actions, if any, might public or private entities take to help change those circumstances or to minimize the anticipated adverse effects and to maximize beneficial effects? References were made about how new [mining] jobs would increase the costs to local businesses because they [local businesses] might have to pay more than minimum wage. (S3277)(S3310)(S3338)(S3354)(S3974)(S3975)(S4592)(S4898)(S5245)(S5827)(S6537)(S6759)*

Response: For the years 1998 to 2020, reliable projections estimate the three county area will have a 1.8 percent annual increase in total employment (estimated 15,200 new jobs), with the most rapid rates of job growth in service producing sectors (2.3 percent annual growth or 10,700 new jobs), and moderate rates of job growth in the resource commodity, goods producing, and knowledge producing sectors (0.8, 1.0, and 1.4 percent annual growth creating 400, 1,700, and 2,300 new jobs respectively). Skills used in mining include: administrative, technicians, mechanics, equipment operators, and laborers (see Chapter 4 - Socioeconomics for details).

The proposed project's rapid increases in employment and the expected high wage rates (more than 50 percent above county averages) would be expected to create extensive waves of local job shifting and moderate levels of job seeker immigration. Project induced local employment changes would be expected to noticeably increase local wages and costs of living, increase local populations and congestion, and direct local human and community skill sets toward slower growing economic sectors. These effects would peak during project construction, with some residual effects during project operations. Reduced mining project socioeconomic effects would extend beyond project closure. The mine project could have a moderate impact on population growth in Sanders County and an extremely small effect in Lincoln and Bonner Counties projected population increase.

*11. Some of the socioeconomic statements are not only wrong, they represent a prejudice that has no place in the SDEIS. i.e. page 4-126 up to 300 future service jobs would be forgone through mine efforts. Quite the contrary: mine efforts will bring in the new money to create and support these service jobs, i.e. page 4-131 non transferable job skills and reduced community self determination-- prejudice and wrong! Today's miners are skilled workers that are an asset to any community. They are not somebody's idea of a "dirty dirt grubber," they are skilled equipment operators, they are mechanics, they are plumbers, they are electricians, they are carpenters, they are graduate engineers and accountants. They are local people looking for better paying jobs. They are good people. Their skills are not restricted to a mine. In fact, I am outraged that any government sponsored publication would print such wrong and inaccurate statements. Basically, much of the socioeconomic section should be removed. Disputing that tone of the socioeconomic section I would point out the following: unemployment and low paying jobs plague Lincoln and Sanders Counties. The Rock Creek Project, or for that matter any mine, would provide high paying jobs with good benefits. Mining operations and jobs create substantial opportunities for business and growth in the area, not stifle them. The community, schools and counties would benefit as will local, state and federal tax collections. how can they possibly infer that Sanders County would be better off without 350 high paying jobs over the next 30 years? The Rock Creek Mine will create new wealth for a depressed county by way of state and local tax revenues. The authors of this section are obviously biased against the natural resource industries. There are no references given for their inane statement that economic and social dependence on resource extraction industries is widely regarded as an economic and social liability. If so "widely known," let us see the facts and figures, not hearsay. This section also infers, without supporting facts, that up to 300 future service jobs (i.e. government jobs) would be lost if a mine were to go into production. I ask you - which is better for a community - 350 highly paid resource industry people or 300 low paid "service" jobs?*

*Alt. I para 1, you say Sanders County is expected to continue its long-term transition from an economy moderately dependent on resource-extraction economy to a more balanced economy. Balanced in whose opinion? It also sounds as if Sanders County population is going to increase whether there is a new mine or not, the county will still need to provide new services for an increased population. Why should they not have the self-determination to utilize their natural resource base in that process? The socioeconomic chapter must examine the economic*

*diversification opportunities provided by mining revenues. This chapter should use the Flambeau Mine in Ladysmith, Wisconsin, as an example of how a community can benefit and diversify its employment base due to mining revenues. I agree that economic diversification is a good thing. Northwest Montana currently has no major operating mines. A mine such as Rock Creek therefore, ipso facto, would help diversify the region's economic base. Certainly, the sources cited in the report (especially Power) want to see a complete shift away from all resource industries toward tourism. Why are the seasonality and low wage levels of tourist dependent communities not addressed? Sanders County is expected to continue its long-term transition from an economy moderately dependent (emphasis added) on resource-extraction economy to a more balanced (emphasis added) services, investment, and retirement-based economy with modest (emphasis added) resource extraction. How does one distinguish between "moderately dependent," "more balanced," and "modest?" To me "moderately dependent" already implies a fairly diverse, fairly balanced economy with a modest dependence on resource extraction. "Retirement-based" implies a source of lower tax revenues and an increase in demand on tax-supported as well as for-profit and not-for-profit service providers. (S3277)(S3292)(S3299)(S3332)(S3334)(S3333)(S3340)(S3588)(S3349)(S3357)(S3385)(S3388)(S3404)(S3404)(S3404)(S3448)(S3451)(S3460)(S3464)(S3475)(S3480)(S3493)(S3514)(S3540)(S3542)(S3552)(S3553)(S3557)(S3565)(S3566)(S3570)(S3585)(S3629)(S3635)(S3662)(S3664)(S3702)(S3710)(S3711)(S3725)(S3944)(S3954)(S3961)(S3974)(S3993)(S4024)(S4082)(S4096)(S4130)(S4184)(S4282)(S4410)(S4479)(S4627)(S4832)(S4833)(S4859)(S4898)(S5002)(S6537)*

Response: As described in the revised Chapter 4 - Socioeconomics, reliable projections estimate the three-county area would have a 1.8 percent annual increase in total employment (estimated 15,200 new jobs) between the years 1998 to 2020, with the most rapid rates of job growth in service producing sectors (2.3 percent annual growth or 10,700 new jobs), and moderate rates of job growth in the resource commodity, goods producing, and knowledge producing sectors (0.8, 1.0, and 1.4 percent annual growth creating 400, 1,700, and 2,300 new jobs respectively). Sanders County's total employment is projected to increase from 3,532 jobs in year 1990 to 5,990 jobs in the year 2020 (NPA DATA Services, 2001), an increase of 2,458 new jobs during this 30-year period (a 1.8 percent annual increase). Sanders County resource commodity producing jobs are projected to increase from 544 in year 1990 to 780 in year 2020 (increasing at a 1.2 percent annual rate), while future goods producing jobs are projected to go from 611 jobs in 1990 to 920 jobs in 2020 (a 1.4 percent annual increase), service producing jobs to increase from 1,537 jobs in 1990 to 3,000 jobs in year 2020 (a 2.3 percent annual increase), and knowledge producing jobs from 840 jobs in 1990 to 1,280 jobs in 2020 (a 1.4 percent annual increase). See the figure titled "Sanders County Employment Trends" in Chapter 4 - Socioeconomics for details of the 25 year incremental employment changes between the years 1970, 1998, and 2020.

The proposed mine project would generate an rapid increase in local employment (estimated 348 direct project construction jobs created in a 6-month period during construction startup under Alternatives IV and V). Mine operations would provide approximately 340 project jobs and additional indirect jobs (Alternatives IV and V), for an estimated 24- to 30-year period, most of which would be created in less than one year. These increases would amount to approximately a 11 percent employment jump in Sanders County total employment with the bulk of the employment occurring in western Sanders County (estimated 30 percent immediate local area employment jump). Rapid increases in employment and the expected high project wage rates (approximately 50 percent above county averages) would be expected to create extensive waves of local job shifting and moderate levels of job seeker immigration. Closure of the proposed project would cause an estimated loss of 320 project jobs and 128 indirect jobs in a several month period. The construction startup, mine operations startup and project closure employment effects would be substantial and significant because of their magnitude and rapidity. Annual total employment changes of 5 percent or more may create inflationary/deflationary wage effects, require additional training/retraining

efforts, and, decrease overall rates of local economic productivity until new employment patterns and balances can be established within the local economy. The phrase “balanced local economy” would describe local employment patterns similar to national averages. Chapter 4 - Socioeconomic describes the projects estimated local tax effects.

12. *Regarding the Socio Economics section, who wrote this dribble anyway? Was the author really qualified? The mine will decrease education levels? The mine will decrease a sense of community? Sanders County will be better off without the better paying jobs this mine will provide? How could you responsibly allow such blatantly wrong statements to appear in this document. Mining and community values are not mutually exclusive. Increasing mining will not decrease the economic viability of Sanders County. Mining will not automatically compromise small town values, scenic qualities or a diversified economy. ... the socioeconomic section in Chapter 4 is seriously flawed and betrays a bias that undermines the credibility of the entire document. The author of this section makes several statements that are unsubstantiated, inaccurate, internally inconsistent, and inflammatory. You have left out a significant long term impact in your socioeconomic analysis of the effects of allowing the Rock Creek Mine. That is looking into the future after the natural resource is exhausted. Generally after the natural resource such as the minerals or timber is exhausted, developers rush in using the utilities, roads, sewers, schools, fire stations, and other facilities that the resource has paid for to create play areas for the rich and idle like Aspen,... Thousands upon thousands of people seasonally converge on these areas causing yearly boom and bust economic cycles which devastate local economies. The cost of housing in these areas goes out of sight, the price of drinks in taverns can triple, and even coffee shops turn into expensive espresso bars, greatly limiting the ability of seasonally unemployed locals to causally gather and socially adapt to the change. The seasonal visitors often tramp around in the surrounding pristine wilderness areas damaging fragile ecosystems and the solitude and wilderness values of the area. All of this results in increased expenses to maintain camping areas, trail head access, sanitation, and other tourist facilities which can lead to increased local property taxed and unbridled growth of federal budget. Rather than having the various negative impacts outlined in the report, I believe that the opposite may be true. Perhaps this mine is the very thing necessary to give the local economy the boost it justly deserves. The SDEIS paints a black and white picture in regards to project impacts and quality of life issues. The SDEIS is incorrect in concluding that those who believe that project benefits are vital to community viability do not "value small town communities, rural scenic qualities and sustainable diversified economies. While some people may chose not to go where the perceived community and pristine natural qualities have been adversely affected by a large-scale mine, other people might measure these qualities by a different standard. While some local residents and some prospective residents might perceive a deterioration in the quality of life, other persons might continue to find the communities and the area attractive in comparison with their known alternatives. For each of the assertions in this paragraph, some further explanation should be made about how and why the anticipated adverse effect is considered likely to occur, whether and how circumstances associated with the proposed Rock Creek project might differ from circumstances that would be expected to cause the adverse effect, whether and how the anticipated adverse effects might be forestalled or mitigated, and whether and how the effects to the community from the project would differ from the effects to the community of not having the project. In all fairness, the DEIS should examine whether these blanket statements are, in fact, generally accurate and, more especially, whether each one appears likely to be accurate in the specific circumstance of the ASARCO Rock Creek mine. Page 4-131, First sentence: "Economic and social dependence on resource extraction industries is widely regarded as an economic and social liability because it ties social well-being to declining economic sectors, locking residents into untransferable sets of skills." Questions: What is meant by "social well-being" and by tying social well-being to declining economic sectors? Whose social well-being is involved -- existing local residents, the mine workforce, the in-migrating population, or those people who may become dependent on products that use the minerals produced by the mine? Why is mining considered to be a "declining economic sector" and is it a "declining sector" in general, statewide, or in the northwestern part of the State? If the statement is true in some circumstances, but not in others, what contributes to, or makes, the difference? Does it make a difference on the social effect of a mine, including its effect on "sense of community," if the mine is located in an area accustomed to a fluctuating population and to change, or if it is in an area that has had a relatively stable economy and population? Is the sense of community expected to be weakened because a single major corporation would come to play a major role in the community's economic well-*

*being? Is the sense of community expected to weaken because a relatively large number of persons might be moving to the area? How does this differ in effect from the in-migration anticipated without the mine? How would the two in-migrating populations differ? . . . What is meant by “decreases social adaptability?” Do people come to feel locked into a way of life or level of income that precludes their making other choices? (S3325)(S3329)(S3345)(S3354)(S3387)(S3390)(S3642)(S3682)(S3751)(S3775)(S3832)(S3834)(S3917)(S4282)(S4442)(S4480)(S4586)(S4898)(S6759)(S4592)*

Response: Chapter 6 identifies those responsible for preparation of the EIS. The socioeconomics section has been extensively revised, and now indicates that: “Existing and new residents and businesses are attracted by recreational opportunities, high environmental opportunities, and desirable settings for families.” The analysis focuses on those aspects of the community where the project would have notable or significant effects, so many other aspects of the local community that would be unaffected by the project (such as seasonality or wage rates of existing jobs) are not discussed in the analysis. Ongoing local population growth and employment patterns would be notably affected by project activities, so these project effects are included in the analysis. The project would be expected to increase local dependence on resource commodity economic sectors exposing local communities to greater degrees of cyclical local employment growth and decline because resource commodity employment is more rapidly affected by swings in international commodity markets than are other sources of new local employment growth. The present educational levels are described in Chapter 3, however no estimates of project effects on local educational levels are made in Chapter 4.

The proposed mine project would generate a rapid increase in local employment (estimated 348 direct project construction jobs created during construction startup and additional indirect workers under Alternatives IV and V). The construction startup, mine operations startup and project closure employment effects would be expected to have substantial and significant effects in the area because of their rapidity and size. Community social well-being is maintained by informal personal connections. Rapid regional and local employment fluctuations of 5 percent or more may create inflationary/deflationary wage effects, require local training/retraining efforts, and, decrease overall rates of local economic productivity until new employment patterns and balances can be reestablished within the local economy. The resulting rapid population changes would increase social congestion, making the local area feel more fast paced and urbanized to existing residents, and would reduce local residents density of acquaintance (reducing their sense of community and local efficacy). Newcomers lacking social ties generally have less participation in local activities and higher incidences of deviant behavior.

*13. The comment that job skills are not transferable is simply incorrect. I fully know that computer skills are needed by many different people at a mine. Operations such as Rock Creek also require skilled accountants, surveyors, drafters, purchasing and warehousing experts, not to mention mechanical and welding skills. These jobs require high skill levels and are very much “transferable.” The mining industry has evolved tremendously over the last 15 years. Please review your perceptions as to the socio economics to reflect updated reality. Contrast this statement with that under Cumulative Effects (p 4-141), “The two mine projects could compete for highly skilled mine workers” plus “...training programs...could provide a sufficient pool of skilled workers.” Skilled workers does not equate to “non-transferable job skills.” Because the mine workers must be skilled, it is highly likely they will expect their school-aged children to compete academically with their contemporaries. They might even raise the academic level in area schools. These are anything but exclusive to mining. Mining is stimulating to the economy and social structure. All mining skills are transferable to other industries e.g. mechanics, engineering, management. The ASARCO Troy Project created numerous quality job opportunities for accountants, analysts, blasters, carpenters, computer operators, consultants, drillers, electricians, engineers, equipment operators, geochemists, geologists, geophysicists, janitors, machinists, marketers, mechanics, mill operators, mill wrights,*

miners, secretaries, shovel operators, surveyors, technicians, truck drivers and welders. We know the same quality employment will be provided from the Rock Creek Project. If the phrase “locking residents into untransferable sets of skills” appears to be accurate in some situations but not in others, what makes, or contributes to, the difference? The various business, trade and professional skills represented are fully transferable to other jobs in various applications in offices, general construction, business opportunities, repair and maintenance and many other professional fields and capacities. The assertions in the SDEIS about socioeconomic impact are not supported by facts. (S25)(S3350)(S3462)(S3558)(S3643)(S3839)(S4191)(S4251)(S4592)(S4898)(S6759)

Response: The generalization on page 4-131 of the supplemental EIS indicating that economic and social dependence on resource extraction industries locks residents “into untransferable sets of skills” is not valid in the general sense for the Rock Creek Project. It conflicts directly with information elsewhere in the draft regarding the type and level of skills required of mine employees. The generalization has been removed from the final EIS. Skills used in mining operations include: administrative, technicians, mechanics, equipment operators, and laborers (see Chapter 4, Socioeconomics section). Many of these skills are widely useful and would be easily transferred to resource commodity producing and the construction industries. The point applicable to the Rock Creek Project is that when a single employer in a community is the dominant or only market in the community for employees having certain skills and this particular employer shuts down, it is very likely that many of the laid off employees will have to retrain or to leave the area to find new employment for their skills. This was the general experience when the nearby Troy Mine ceased operating in 1993.

14. Page S-21, Housing. Housing and Income. As the DEIS notes, the proposed project might adversely affect the availability of affordable housing, particularly for people with fixed or low-to-moderate incomes. This group might include elderly residents and those public employees, service workers, and mine support employees who are at the lower end of the pay scale. (S6759)

Response: Appendix C to the Hard-Rock Mining Impact Plan (ASARCO 1997a) contains the best available recent data relating to housing in western Sanders County. This information suggests that affordable housing for people with fixed or low-to-moderate incomes is not plentiful now. Median asking prices for homes and building sites in the Noxon/Heron area are especially high suggesting that the market is responding to the existing pattern of in-migration of relatively affluent buyers. It is difficult to say whether or not housing would become less affordable if mine development goes forward. Most likely housing would be difficult to find and expensive during the first few years and then would become more available as the market responds to the demand for the type of housing required by mine employees and others drawn to the area by mine development.

15. Page 4-137 and elsewhere. Income. The DEIS says that the average mine worker income would be \$27,000 per year. What is the range of income of all mineral development employees and what is the median income, i.e the income level at which half of the employees are paid more and half are paid less, not the average of the totals nor the average between the highest and the lowest? (S6759)

What is the median personal income (half below and half above) and what percentage of the existing population is considered to be low-to-moderate income? (F1)(S4014)(S4364)(S4428)(S4429)(S4449)(S4592)(S4891)(S4912)(S5051)(S5088)(S5555)(S5763)

Response: The \$27,000 income estimate comes from statewide Montana data for the mining industry. The applicant has recently indicated that Rock Creek project employee annual earnings would average \$31,200.

16. Pages 2-124 and 2-125: Changes in Socioeconomics Income, Housing, Cost of Living and Income. The increased demand for housing might be expected to contribute to a local increase in the cost of living, which, in

turn, might be expected to exacerbate the effects of local income disparities accentuated by the mine. However, the DEIS projects a minor impact on the area's personal income. Would the personal income generated by the mine have the effect of accentuating income disparities in the tri-county area, or in communities within that area, and, if so, to what effect? (S6759)

Response: Since the existing in-migration to western Sander and Bonner Counties includes a substantial proportion of relatively affluent individuals, housing costs are already high as are income disparities. It appears unlikely that mine income would significantly increase these income disparities in the area.

17. *Whoever the population is that moves into the area, the three focuses of concern should be the effect of in-migration on the existing population and its quality of life, and, in particular, on its socially and economically most vulnerable groups; the ability of the communities to meet the service and facility needs of the in-migrating population; and the willingness and ability of the existing communities and the in-migrating population to develop a common sense of community. . . Depending on the skills of the local workforce, the training provided by the mine, and the wages paid by the mine, the mine may draw from the local labor force and may increase local labor costs. Because of its effect on the local cost of living, the mine may also accentuate the effects of local income disparities.* (S6759)

Response: Mine employment could result in increased local labor costs and cost of living. If individuals from the low end of the income spectrum are not able to compete for the skilled and semi-skilled labor jobs for which the demand would be greatest, and if wages at the low end of the spectrum do not rise, local income disparities could increase. On the other hand, if these individuals are able to benefit either by moving up to better paid jobs or by wages at the low end of the spectrum increasing, income disparities might decline.

18. *Page 4-131. Does "community underemployment" relate to the fact that, given the income disparities that might result from the mine, the lower end of the income spectrum might include more public employees, service sector employees and mine support employees? Would an increasingly service-based economy result in less "community underemployment" than an economy in which a mine is a major factor? If so, why? . . . What proportion of the jobs fall into the minimum wage category? What proportion of the jobs are part-time and/or have no benefits (health insurance, retirement plans, paid vacation, sick leave, etc.)? How have these changed over the years? There is no mention of this in this section. . . . Pg 2-125, 1st paragraph. Annual personal income generated would be \$9.5 million (shareholders, CEO's?) Compare this to the local personal income rising only 2 percent. 2nd paragraph. Increase housing costs may affect low income people. What are the low-mid-high-income class breakdowns for the local region? Most local people will be affected by increased costs. Then, excess housing after thirty years. How will that affect local real estate taxes?* (S4592)(S4832)(S4833)(S6759)

Response: The revised socioeconomics effects section indicates that the mine would tend to pay above-average wages and would likely cause immediate increases in local area housing costs (particularly during short-term immigration periods, such as the construction startup). The analysis does not focus on those aspects of the local economy that are unlikely to be affected by the proposed project.

19. *The natural resource industry is a very important part of our Montana economy. It is also very important to the ability of our nation to be competitive in world markets. The environmental protection provided in the United States and Montana specifically, are more than adequate to protect our natural resources in a reasonable manner.* (S3386)

Response: There is no question that the natural resource industry is a notable and significant element in the Montana and national economies. However, that is a much broader issue than can be addressed within the scope of the Rock Creek project EIS. Under the law, the purpose of an EIS is to identify the impacts to the human environment expected to result from a specific proposed action.

The EIS is one tool used to determine what measures are needed in a specific situation to adequately protect our natural resources in a reasonable manner during development.

20. *Our nation has run a staggering balance of trade deficit. We have imported copper, silver, and other raw materials, and we have exported our money and our jobs. The United States needs 115 million ounces of silver and nearly 1 billion pounds of copper that can be produced from our country to help offset our trade deficit and put our people back to work. (S3388)*

Response: National policy relating to international trade and balance of payments is an issue which lies far beyond the scope of this EIS or the authority of those who will make the permitting decisions for the Rock Creek project. Under the law, the purpose this EIS is to identify the impacts to the human environment expected to result from the specific proposed action under review.

21. *In my opinion, without wisely utilizing our natural resources, we will be subject to foreign manipulation and power. We must keep our country independent in case of a national emergency. Without mining and smelting we would not enjoy the life style Americans have come to enjoy and expect. We all want our children to have at least what we have during their life times. Only by keeping our country strong and free will we be able to accomplish this and freedom means wise and continued use of our natural resources. This project helps accomplish this for us and generations to come. (S3446)*

*Historically, the mining industry has contributed to the wealth and development of the United States. It has provided good jobs and been the tax base for schools and other community requirements. A healthy domestic mining industry is vital to the well being of the nation; otherwise, we risk becoming dependent upon the whims of foreign governments and industries (witness the oil crisis of the 1970's). (S3937)*

Response: While national security, resource utilization, and economic policy are issues of great concern, those policies are far beyond the scope of this EIS. Decisions on the Rock Creek project will reflect those policies as they have been incorporated into federal and state law. National and international minerals markets also would be significant factors in determining when Sterling would begin developing the Rock Creek deposit should it be permitted.

22. *We also know that in order to continue the life style that exist in this country today, minerals will need to be produced to provide for that life style. We feel that a strong country will become stronger if it is able to produce these minerals instead of importing them. The jobs and related benefits to people who will help produce this mineral will provide additional economic strength to their country. The laws are in place to protect us and our children from damages that could result in this activity. (S3447)*

Response: There is no question that national security, resource utilization, and economic policy are issues of great concern. That is a much broader issue, however, than can be addressed within the scope of the Rock Creek project EIS. Under the law, the purpose of an EIS is to identify the impacts to the human environment expected to result from a specific proposed action. It is one tool, required by law, used to determine what measures are needed in a specific situation to provide the protection from damages .

23. *Any ode to resource extraction as a declining industry sector fails completely to appreciate the fact that it is not declining but simply externalized relative to these United States. Using the fact that a bunch of green nuts have shuttered resource production operations in this country to portray resource development as a declining business sector is a tunnel vision approach which ignores the fact that it has exploded elsewhere in the world more than proportional to any domestic decline. (S4442)*

Response: Many factors relating to national and international policy and economics have been identified as contributing to recent trends in natural resource based industries. The EIS simply identifies the results of those trends as revealed by economic data for the region and predicts that

those trends will continue, based on the lack of change in any national and international policy and economic developments.

24. *The socioeconomic analysis, in putting forth a boom and bust scenario, does not address the possibility of additional mines in the future. With three major deposits now known in the area, it is safer to assume that one or two more will be found than not. (S1285)*

Response: In order to maintain consistency throughout the EIS, the reasonably foreseeable activities in the area are presented in the analysis in the Chapter 2, Part IV. Please see that discussion. An almost unlimited set of scenarios could be developed regarding activities which might occur in the region that, in turn, would have an impact on the economy and social structure of the communities in the vicinity of the Rock Creek Project. Depending on the nature, timing, location, and other attributes of whatever activity might occur the potential for a boom and bust scenario to actually materialize could be made much greater, or it could be substantially mitigated.

25. *In reference to page 4-131, third paragraph: These "expert" comments seem to indicate the local residents already possess decreased educational (implied decreased mental ability?) levels since they consider the project to be an asset to the community. The underground technical skills to be gained by the work force are highly transferrable and valuable in the industry. The effect on average education levels in the community and the effect on individual lives would depend on circumstances. If some high school graduates who might have gone to college choose, instead, to go to work at the mine, because they will earn more at the mine just out of high school than they might expect to earn elsewhere just out of college, then the employment opportunity offered by the mine might mean that those individuals would receive less education than they otherwise might have. The social and economic section of your document concerns us most. You address the economic and social dependence or resource-extraction industries as being widely regarded as an economic and social liability because it ties social well-being to declining economic sectors, locking residents into untransferable sets of skills. We would submit that no skills which are ever developed are wasted! They are transferred into the next job, directly or indirectly. How does the surrounding work environment corral the mind and render it useless for any other "set of skills" or endeavor? How does it influence ones sense of community and value of "small town communities" and "rural scenic" qualities? Page 4-131, Third sentence: "The project would be expected to increase local labor costs, decrease average education levels, and weaken the sense of community." Again, some explanation, and probably some qualification, is needed. How does higher paying jobs "decrease" education levels? They would seem to have the opposite affect. Would they not make education more affordable? Page 4-131 states that average education levels will decrease. What kind of asinine statement is this? The mine will significantly increase the student tax base which will allow for increased educational funding which will allow for improvements in educational facilities, equipment, services, and activities and provide for more teachers at higher salaries. As far as the decrease in average education levels goes, that is the most ignorant statement I have ever heard. If anything the educational system will benefit by receiving money from Asarco and increase funds from the State for increase enrollment. Remarks about "non-transferable job skills" are appallingly inappropriate. The modern technology used at modern mining facilities requires some of the most coveted, highest demand skills in this country. Dependence on natural resource cycles caused fluctuations in area quality of life for heavens sake, all economic cycles, resource based or not, cause fluctuations in quality of life in every community. Decrease average education levels - wrong! It provides for more employment across a more diverse education base than most other industries. And it has higher wages for less relative training than most industries as well. (S3510)(S3568)(S3581)(S3601)(S3686)(S3778)(S3810)(S3823)(S4004)(S4080)(S4194)(S4195)(S4442)(S4480)(S4781)(S4898)(S5032)(S6759)*

Response: The revised final EIS lists existing educational attainment levels in a Chapter 3 table which indicates that within the three county project area, Bonner County has the highest levels of educational attainment and Lincoln County has the lowest levels. The final EIS deletes any projections of future area educational attainment.

26. *Infrastructure Impact is as critical as all the other issues and yet people see the possibility of wages and a new roof over their heads and forget about who is paying for the added sewer, water, roads, police, fire, schools, hospital, government. Usually it is the long time resident getting ready to retire that gets stuck with the bill to pay for all the wonderful new growth big business brings. If the DEIS identifies adverse fiscal and economic impacts that might result from the mine, the DEIS should also identify what causes the potential adverse consequences and should suggest what might forestall or mitigate those consequences, if possible.*

*The roads will not handle added traffic. The Noxon School is at its capacity. Services will not handle the huge number of miners and their families moving into the area. Where are they supposed to live? Analyze and disclose the impacts of in-migrating mine worker families on sewer treatment systems, water delivery systems, and housing that is currently at or near capacity in the area, and reveal that these infrastructure costs are not covered in the Hard Rock Impact Plan. Most new rural residences would rely on septic tanks for new residential wastewater disposal. The EIS has a double standard. So called "negative impacts such as the increased need for services and infrastructure are put against the mine. Yet population growth without the mine is not measured by the same yardstick. Bluntly, won't the increased population you predict without the mine also require services and infrastructure? Thompson Falls School Superintendent, Jerry Pauli, has referred to his district as a poor district with a high taxable valuation (i.e. low individual personal income versus high taxable valuation from the dam.) The DEIS suggests that residential property taxes may increase as a result of the mine. If this occurs, it would be because property values have increased.*

*The required Hard-Rock Mining Impact Plan should ensure that local taxpayers are not burdened with the increased cost of local government services provided as a result of the mine. The reference to school funding is confusing. It might be more clear to say that because the per capita taxable valuation exceeds the State average, the schools do not receive guaranteed tax base revenue from the State. Is this true for each school district in the affected area of the County, or only for certain districts? The Metal Mines License Tax is a severance tax collected by the State. By statute, 25 percent of the State's metal mines license tax revenue is returned to the county in which the mine is located or, if there is an approved impact plan, to the county or counties identified as experiencing fiscal and economic impacts as a result of the mine. (F1)(S4014)(S4364)(S4428)(S4429)(S4449)(S4592)(S4891)(S4912)(S5051)(S5088)(S5555)(S5763)*

Response: The socioeconomic analysis focuses on those aspects of local government operations where a notable or significant effect is anticipated. Thus, many other local government aspects that would be unaffected by the project (such as existing tax rates and budgets) are not included in the analysis. The estimated taxes from the project are described in the "Property Taxes" section and would depend on the project's total assessed valuation, the rate of local tax levies, tax sharing under the Hard Rock Impact plan, the rate and amount of the gross proceeds tax, and, any amounts of project indirect effects on local property valuations. All of these factors are subject to change over time.

The project effects on local government finances is also subject to a wide variety of changing factors. Two generalizations are applicable under the no-action and action alternatives: (1) growing residential funding needs may increasingly burden school, law enforcement, fire, health, water, sewer, library, and other human service providers, and these growing local government service and infrastructure needs will continue to outstrip the ability of local jurisdictions to pay for them; and (2) local governments, on average, depend on their local property tax revenues for less than half of their total revenues. The approved Hard Rock Impact Plan, negotiated between the potentially affected local governments and the applicant, would fund project fiscal impact mitigations for affected local government using a combination of average local government per capita rates and estimated incremental costs. These estimates are used to create a per capita local government impact revenue formula which adds the incremental local government costs to the average per capita support costs.

The majority of proposed of the proposed impact payments would be based on the per capita average support costs portion.

The Hard Rock Impact Plan is not intended to enable local governments to catch up on past or present funding deficits, but is structured simply “to ensure that the current level of services continues to be offered to the public” and that the incremental effects of the project’s public service demands would be paid for by the project owner, Sterling. The estimated project employment and population effects would be monitored under the impact plan, and, if the plans’ thresholds (15 percent change) were exceeded, financial adjustments to affected local governments would be made, according to approved formulas.

27. *Sanders County does not have a county plan in place that would be able to control, monitor, and otherwise allow for the impacts that in-migrating mine workers and others that would follow. This would include but not be limited to effects on infrastructure for sewer/septic systems, water delivery systems, housing, solid waste, roads, law enforcement and schools. The proposed mine is also mor than an hour from the nearest hospital. (S1905)*

Response: A comprehensive land use plan for Sanders County could be a very useful tool for managing the impacts of populati on growth and changing social structure that would likely to take place over the next several years. The Hard-Rock Mining Impact Plan approved in 1997 would provide the financial resources that units of local government and the school systems would need in order to respond to mine-related immigration, but it does not address impacts to private entities, such as the privately owned water systems in Heron.

28. *The Hard Rock Impact Plan is in place to address any potential inconvenience to communities relative to an influx of workers and families. When implemented it is designed to alleviate associated concerns. (S3464)*

Response: The Hard-Rock Mining Impact Plan would help units of local government in Sanders and Lincoln Counties deal with the fiscal impacts of mine development, but it will not “address any potential inconvenience to communities relative to an influx of workers and families.” There are no provisions in the Hard-Rock Mining Impact Act for addressing impacts on private individuals or entities. As private associations, the water systems in the community of Heron, for example, are not eligible for assistance. Also, if any private property owners find that the use or value of their property was compromised by mine development, costly legal action would be their only recourse.

29. *Fully analyze the impacts of the additional worker/residents on local sewer treatment systems, water systems road transportation systems, school systems and other parts of the infrastructure. (S4628)*

Response: The Hard-Rock Mining Impact Plan, which has been approved by local government and schools representatives and the mining company, provides for grants and prepayment of taxes to compensate units of local government and the school systems for the financial impacts associated with mine development, including those resulting from any influx of workers and residents. Provisions in the plan ensure that the level of assistance will increase, if impacts exceed projected threshold in the plan. It should be noted, however, that private entities (such as the Heron water systems) are not eligible for plan assistance under the Hard-Rock Mining Impact Act.

30. *Pages S-21 and elsewhere, 4-129 and 4-130. Community Services: Schools. Currently, several schools in the impact area are at or near capacity. If this continues to be the case when the mine goes into construction, the additional students will create a need for additional classroom space as well as for additional teachers. Other school service and space needs may also be affected. Through their Hard-Rock Mining Impact Plan, the school districts and ASARCO should find ways of providing the additional services and facilities when and where they are needed as a result of the Rock Creek project, without compromising accreditation standards or imposing additional*

*costs on the non-developer local taxpayer. The anticipated fluctuations in student population make this a more challenging task, but not an impossible one. (S6759)*

Response: References to the potential for mine development to compromise accreditation or impose costs on other local taxpayers have been removed from the revised document in recognition that the commitments made in the Hard Rock Mining Impact Plan essentially eliminate these potential project fiscal impacts.

31. *[Page 4-131.] During the productive life of the mine, Sanders and Lincoln Counties will receive metal mines license tax revenue based on the mine's annual gross receipts. Some of that revenue will be available during the life of the mine specifically for planning and economic development, to help the communities broaden their economic base. Following the mine's closure, part of the revenue will become available to retire local government debts, stabilize mill levies and for economic development purposes. [See discussions of metal mines license tax revenue, as revised above, pages 2-124, 2-125 and 4-129.] The carefully considered use of these financial resources should help the affected communities to ameliorate their potential "economic and social dependence on resource extraction industries." (S6759)*

Response: Yes, the mechanisms mentioned in the comment can be expected to ameliorate the potential impacts associated with mine development and eventual shutdown, but the relevant question is whether these mechanisms together with the social and economic benefits of the mine will be sufficient to outweigh anticipated negative impacts. The trends in the economy of western Sanders County for at least the last several years have been driven by the migration to this area of people seeking the environmental and social amenities which it offers. Development of the mine has the potential to impact these amenities (or, at least, public perception of their availability). Whether or not any resulting loss in this sector of the economy and social structure would be less or greater than any benefits associated with the mine is the key question. It is a question on which the available information and the limits of prediction inherent in socioeconomic analysis don't allow a clear answer. It is also a question on which there are many strong opinions and no consensus.

32. *My impression of this section is that the author feels that ASARCO has little or no intention of working with local governments and agencies to help the infrastructure, in the broadest sense, accommodate the changes that this mine will create in the area other than through the Hard Rock Impact Plan. Today it is rare that a company will not contribute substantially to the socioeconomic well-being of the area in which it will locate. To not contribute is simply bad business policy. These are not the types of actions which compensate for delays in tax revenues through triggers built into the Hard Rock Impact Plan. They consist of grants, scholarships, training and re-training programs at post secondary school level, in-kind donations, etc., which contribute to the community and area well-being and to being a good neighbor. (S4592)*

Response: The Hard-Rock Mining Impact Plan commits the Company to compensate units of local government for their increased capital and operating costs that result from project development. Commitment to such a plan is a condition which must be met in order to obtain a hard-rock mining permit for a large project in the state of Montana. Neither the law nor the plan require the Company to compensate any private entity for costs it may incur. The Heron water systems, for example, are private associations and are not eligible for inclusion in the Impact Plan. While most mining companies recognize that being a good neighbor is good policy, the community cannot assume that such a policy would always remain in effect. As recent disputes regarding whether or not a major mining company in financial difficulties would pay its property taxes clearly demonstrates, there are situations where a company may have difficulty meeting its major legal obligations. At such times "good neighbor policies" can be of little value.

33. *Has a cost benefit analysis been performed yet? Inquire about the four areas of the analysis: Identification of risks to society, classifications, quantification, presentation, the core question, is this project going to make society better, or worse off? Is the social benefit greater than the social costs? (S3655)*

Response: While the EIS process seeks to identify the significant economic and social costs and benefits of a proposed action, neither the National Environmental Policy Act nor the Montana Environmental Policy Act requires the use of formal benefit-cost analysis methodology. The purpose of an EIS, as defined under law is to identify for the decision-makers having authority to permit the proposed action what the impacts on the human environment will be and how the proposal could be altered to minimize those impacts. The question of whether or not the social benefit will be greater than the social cost goes beyond the scope of the EIS. It is essentially the question that the various decision-makers must answer based on the EIS analysis, input from various publics and the proponent, legal standards and applicable regulations, and other factors.

34. *The economic value of this mineral deposit is more than wages and profits. How do you measure the lost opportunities? (S3893)*

Response: The preferred alternative identified in the EIS recommends approval of the proposed mine development subject to certain measures designed to mitigate some of the predicted impacts of the original proposal. The associated opportunity costs are those imposed by the dedication of the Rock Creek drainage to mining use for the duration of the project and whatever period is required for reclamation. The opportunity costs for some uses of the area as it exists today may be foregone in perpetuity. A decision not to permit the proposed mine at this time would not mean that the mineral deposit could never be mined. The opportunity to work it at some point in the future employing a different plan and/or mining technology that is not available or economic today would still be open to society.

35. *Page 4-63 3rd paragraph. How has the Corps dealt with "unavoidable impacts" and "water-dependent" statements they need to address? Is the proposed mining activity water-dependent? Why? Have practicable alternatives been reviewed? Has an economic analysis for NOT mining been completed? Has a logistical analysis of how the mine will affect long-term socio-economic status of the area been done? Has the Corps thought about this? See pages 4-130 and 4-131 under "Social Well-Being and Quality of Life". (S4832)(S4833)*

Response: The Corp of Engineers has dealt with the requirements under Section 404(b)(1) by helping prepare the draft and revised Preliminary Section 404(b)(1) Showings in the draft and supplemental EISs. As stated in the Showings, the 404(b)(1) guidelines are the substantive criteria used to evaluate discharges of dredged fill material in waters of the U.S. The practicable alternative analysis to evaluate the need to dispose of fill material in waters of the U.S., or to minimize environmental damage has been integrated and is part of the overall EIS alternatives analysis. The practicable mining alternatives, including the no-action alternative, and the tailings disposal locations were analyzed and the results discussed in Section 2.1.1 of the Preliminary Section 404(b)(1) Showing in Appendix F of the final EIS.

All known available socio-economic analyses of the area and the potential implications of either developing or not developing the proposed mine have been incorporated or referenced in the EIS socioeconomic analysis.

36. *If there really was a need for these minerals, then Asarco Troy mine would be operating, but it's not. If society really demanded these minerals, then the Noranda Montanore project would be up and running, but it's not. (S3465)*

Response: As your comment notes, at this time the demand for these minerals may not be sufficient to bring the market price up to a point where these mines can be operated economically. In seeking permits for the Rock Creek project, Sterling may be seeking to be in a position to mine this deposit if mineral prices reach the point where the mine could profitably operate. The profitability of each mine differs based on the grade of the ore in the mine.

37. *The monetary benefits to the current population will be short-lived in the long run. The cost of potential cleanup of any mistakes in operation could be enormous. The reduction of tourist dollars, recreation equipment sales and gaming licences could decline dramatically. (S3707)*

Response: Possible cleanup costs and impacts on other economic sectors are certainly among the factors that must be weighed against the potential benefits associated with the Rock Creek Project.

38. *My concerns encompass many facets regarding quality of life. I am concerned about the environment and about maintaining the beauty of rural America which I enjoy every day. I am also concerned about ensuring a sound economic base into the future. Can we afford one without the other? As we have become aware of the negative aspects of our business and have worked diligently to eliminate risks, I request that the positive aspects be considered to preserve a balance which will allow us to maintain our quality of life... to enjoy abundant natural beauty while developing the minerals so critical to our future. (S3712)*

Response: The entire purpose and focus of the EIS analysis process is to attempt to identify the social, economic, and environmental costs and benefits of a proposed activity and to find a course of action which will allow the purposes of the proposed activity to be achieved with a minimum of undesirable social and environmental effects.

39. *What is the definition of the wrong sorts of people? What is the basis for this? (S3918)*

Response: The earlier portion of this comment letter indicates that the comments made are based on second hand information about what the EIS contains, not a reading of the actual supplemental EIS. A review of the actual document is recommended; the document neither states nor implies anything regarding "wrong sorts of people." What it does say is that recent population and economic growth in western Sanders County has been driven mostly by the immigration of retirees and persons employed in jobs (mostly in the service, knowledge, and investment economic sectors) that allow them great flexibility in where they live. These individuals have certain demographic characteristics. They tend to be older, more affluent, and better educated than the norm. These characteristics result in their needing and valuing certain community services and attributes. For instance, they often have no children still living with them, so they put few demands on local school systems (but they may also tend to vote against local school levies). They are drawn to western Sanders County primarily by the environmental amenities and life style that exist there. Those who would be drawn to the area by mine related employment opportunities would have different demographic characteristics. Primarily, they would be younger. This, in turn, means that they are more likely to have school-aged children and be less affluent. Some are apt to be highly trained and skilled in their specific line of employment. Their needs for housing and for community services, as well as their personal interests and values may differ from those of the group that has been fueling population and economic growth in recent years.

40. *I'd like to know what the benefit is for attracting new comers whose jobs could occur in any location. (S4004)*

Response: People who have employment that allows them to live essentially wherever they chose are generally seen as benefitting a community in two ways. First, since their income is usually derived from sources outside the community, they bring new income to the local economy. Second, the type

of work in which they engage and their demographic characteristics tend to be such that their demand for community services is relatively low.

41. *Why would the implementation of the Rock Creek Project prohibit the process of economic diversification? The project does not preclude the county from pursuing economic diversification while mining occurs. (S4715)*

Response: Implementation of the Rock Creek Project would not prohibit economic diversification, but it is a very rare community that (in the midst of the prosperity, the land use changes, and the demands on community services that a large industrial project places on small rural communities) has the energy and foresight to work to diversify its economy in anticipation of the eventual project closure. Lincoln County, for example has suffered from the shutdown of the Troy Mine.

42. *I request that the EIS reflect the opinion of the full time residents regarding raising the local wage rate. I also request that the EIS ask and publish the opinion of local full time residents making less than \$25,000/year about raising local wage rates and shifting from a minimum wage job to a high paying job. If this is not carried out, it is obvious that the EIS is biased towards keeping low income families where they are, and continuant to artificially subsidize the wealthy of the area. I would also like to know what the problem is in increasing local labor rates. The average person in Sandpoint can in no way afford an average home. Please provide evidence that increasing the local labor rates is a detriment to the average citizen. (S4781)*

Response: In virtually any economy, an increase in local labor rates benefits some people and hurts others. Increased labor costs usually result in an increase in the cost of living. Those whose incomes increase more than their cost of living increases benefit. Those on fixed incomes, those whose earnings don't increase, and those (usually small) businesses that are not in a position to pass increased labor costs on to their customers are hurt.

43. *Please provide proof that Alternative I would have more socioeconomic benefit than a producing mine would. I would also be interested in your definition of socioeconomic benefit. Page 4-131 contains a statement that alludes to the fact that social well being is tied to declining economic sector. Is this uncommon for other industries? (S4781)(S4898)*

Response: Communities which have their economies and social well being tied to declining economic sectors are not an uncommon occurrence. Any community with an economy that is heavily dependent on a single industry or a single large employer is extremely vulnerable to difficulty when anything happens to that industry or employer. Typically such communities maintain a reasonable degree of prosperity as long as the local projects or facilities continue to operate, but when the project or facility from a declining industry closes down, it seldom is replaced by a new one. The result can be some very hard times until the community is able to adjust.

44. *It is true that Montana has experienced a decline in natural resource industries and jobs in the past 40 - 50 years, and a huge increase in tourism. But your report never addresses their net effect of this change. According to Malone and Roeder's textbook on Montana history (Montana, A History of Two Centuries), Montana's per capita income stood at an impressive level in 1950, 8 percent higher than the nationwide average. Recent reports have shown that our per capita income is no longer so impressive, standing nearly at dead last in the United States. There are still counties with impressive per capita income, such as Jefferson County, the most mining intensive" county in the state. Why were none of these facts addressed in the report? (S6537)*

Response: The Socioeconomic sections of Chapters 3 and 4 have been revised and expanded. Per capita income figures for the State of Montana and the three counties in the socioeconomic study area are presented in Table 3-38.

45. *Address possible economic effects on no-extractive industries. (S6745)*

Response: The Socioeconomic sections of Chapters 3 and 4 have been revised and expanded. The Socioeconomic section of Chapter 4 includes a qualitative analysis of the potential impacts of the project on amenity values and associated industrial sectors. Also included in Chapter 4 is a discussion of how competition for qualified workers and rising wage rates might affect local businesses.

46. Page 4-128, paragraph 6 – *Even good incomes have to be countered with the negative. Increased income will increase costs for local business making them less competitive in the world market and decreasing growth? Please explain and justify this statement.*

*Housing and Land Use. The DEIS appears to consider seasonal housing as vacant housing and to assume that some of the seasonal housing and some of the limited private land in the area will become available for housing for the in-migrating population. It might be well to clarify that the projections are based on assumptions about what property owners might decide to do with the identified properties. (S5)(S6759)*

Response: Essentially the analysis has assumed that the local job market and the local real estate market would make its usual response to a situation of increased demand, accompanied by an increased willingness to pay, for the types of properties required to meet the needs of the in-migrating population. The demand for rentals and higher rental rates are expected to cause some owners of seasonal housing to enter the rental market. The demand for the basic home building sites is expected to motivate some landowners to offer such sites, although the local lags in the rate of new subdivision creation may limit this to some extent.

47. *If Asarco is successful in finding an economically feasible way of converting and marketing its tailings material for construction purposes, a new value-added enterprise might become part of the County's economy. This could overlap or follow the productive life of the mine, or both. (S6759)*

Response: The point made in this comment is correct, but marketing of the tailings material is not a part of the proposal under review in this EIS.

48. *In a world economy, it would seem unlikely that any economic sector or any community could entirely avoid experiencing the consequences of fluctuations in world markets and international monetary systems. (S6759)*

Response: The comment is generally accurate, but does not negate the assumption that a community which becomes heavily dependent on a single major employer whose operations are highly responsive to these world market factors increases its vulnerability compared to a community which relies substantially on more stable transfer payments and a highly diverse base of income and employment as the basis of its economy.

49. *If my interpretation of the author's presentation of this alternative is even close, the statement "Alternative I would have long-term socioeconomic benefits" does not ring true. This alternative seriously ignores its negative aspects. . . . Income (p 4-128) What is the average annual wage in the major job sectors at present? How have they changed over the years? The average mine worker wage of \$27000/year appears low. What is the basis for that figure? (S4592)*

Response: Employment growth rates that are higher than historic averages and comparable to statewide Montana averages were judged to be beneficial. Other interpretations are certainly possible. Project wages rates are describe in Chapter 4.

50. *Page S-11. "... all eight significant issues..." How is issue #4, socioeconomics, mitigated? It seems that although a longer construction phase would reduce the number of temporary short-term employees, this change in Alternative V does not affect the overall thirty-year boom and bust cycle. (S3462)*

Response: The only substantial socioeconomic variation between alternatives is the construction period employment patterns between Alternatives II and III, compared to Alternatives IV and V. Please see “Chapter II - Socioeconomic Alternatives Considered but Dismissed” for a fuller description.

51. Page 4-131 Consider these phrases and let the local population know what these mean – perhaps publish these in a newspaper article. " ... locking residents into untransferable sets of skills ...", " ... tying social well-being to declining economic sectors ...", " ...weaken sense of community ...", "Mining dependence increases community underemployment and decreases social adaptability." " ... reduces local community effectiveness.", " ...increased housing costs would have the most noticeable effect on fixed-income and elderly residents." (S4832)(S4833)

Response: These attempts at describing possible qualitative effects of project operations have been deleted. A more quantitative description is provided using reliable population and employment projections.

52. I make that request to the DEIS team that the Sanders County Employment and Personal Income Trends figures 3-12 and 3-13 pg 3-80 be updated with the most current available data. (S471)

To quote from the document in question, pg 3-78, "The Sanders County economy has shifted from a primary reliance on resource extraction to a predominance of services and trades. Or in other words, a mixed economic base. Services and government employment provide 43% of the local employment. Forestry and mining 15%. And further along the following quite Lincoln County is among the most resource - extraction-dependent counties in the region with 25% (Prior to the Troy Mine shutdown) of its jobs in woods products or mining. From pg 3-79 Services, dividends, retirement income and transfer payments provide 55 percent of total Sanders County personal income. ... forestry and mining 7% (Bureau of Economic Analysis 1993)". These figures are almost 5 years out of date now and should have been updated in this supplement. (S471)

Estimated annual wages for workers (Sp 4-120) are incorrect and out of date. Use of this data underestimates the positive effects of the project. (S3467)

The income section needs to be revised, page 4-128.

The impact on Sanders County school children was not adequately addressed and was inaccurately portrayed.

Clarification on an additional reference to temporary jobs is also inaccurate. A job which is projected to last more than 20 years is not temporary or transient.

Reference is made to the instability and economic and social liability of natural resource jobs. Perhaps the reason for this instability and decline should be provided. The decline in the number of permits issued and the increase in government restrictions and delays have caused much of the economic instability in this area. (S5245)

Page 4-128. All of these workers would... Are single people precluded from applying? (S5827)

The SDEIS cites the Northwest Policy Center's report in support of its contention - bluntly summarized - that mining is bad for the economy. Why not take a look at the NPC's recent summary of economic activity published on the internet, which describes Idaho's economic performance as "gazelle like," concurrent with large gains in mining sector employment? (S6537)

Page 2-124, paragraph 3 – The use of “significant” in this sentence and in the following paragraph is not consistent with the definition (p 4-2) in the document.

Page 3-79, paragraph 3 -- How could there be this much change in employment in one year? Please check this.

*Page 3-83, paragraph 6 – Note that Clark Fork is in Idaho not Montana.*

*Page 4-49, paragraph 2, last sentence – Conclusion not justified; this would need to be done according to IDEQ requirements.*

*Page 4-131, paragraph 5 - How does this fit with definition of significant?*

*Page 4-184, paragraph 6 – Invalid social economic conclusion restated.*

*Page 4-137, paragraph 6 - Asarco is using an hourly rate of \$ 15.00 for project wages which is equivalent to \$ 31,200 per year. (S5)*

*Pages 1-13 and 1-14, Hard-Rock Mining Impact Board/Sanders County. Page 1-13. Two typographical errors: In the section title, lines 1 and 6 (and elsewhere in the DEIS), insert a hyphen in “Hard-Rock”; in line 7, delete the comma in “... Commerce) [delete comma] oversees...”*

*Page 1-13. Rather than saying that the Board acts as a “referee,” it is more accurate to say that the Board adjudicates disputes, using contested case hearing procedures.*

*Page 1-14. The first and second paragraphs should appear in reverse order so that the role and purpose of the Plan are explained before the fact that the Plan has been approved. It would also be appropriate to note that, because of the uncertainty of the timing of the Rock Creek Project, the Plan provides for its own reassessment and a amendment, which are to be completed before the mine begins construction. [This is mentioned later in the DEIS, but is sufficiently important to clarify at the outset.]*

*Page 1-14. First paragraph. Although counties perform certain lead agency functions, each affected or potentially affected unit of local government identified in the Impact Plan is entitled to review the Plan on its own behalf and, if need be, to file its own objection to the proposed plan. Only the governing body of an affected unit of local government may file an objection to a proposed plan. The governing body may also petition to amend a plan or may concur in modifications to the plan.*

*Page 1-14. Second paragraph, first sentence. The sentence should end after “approved,” deleting the phrase “by the Hard Rock Mining Impact Board.” The Board actively approves the Plan only if the Board has had to resolve a formal dispute. If the parties to the plan concur in their Plan, it is automatically approved at the end of the formal review period.*

*Page 1-14. Second paragraph, second sentence. The reference to “increased public sector costs associated with major mineral development actions” is not an accurate description. It would be more accurate to refer to “anticipated increased local government costs resulting from the mineral development.” For the most part, these increased local government costs result either from the mineral development itself or from the population that moves in to the area because of the mineral development.*

*Page 4-126. Second sentence. Under the Hard-Rock Mining Impact Act, the mineral developer is required to pay all, not some, increased local government capital and net operating costs resulting from the mineral development, as identified in the impact plan.*

*Page 4-129. Hard-Rock Impact Plan. First paragraph, last sentence. The sentence should more correctly read: “Property tax prepayments would generally require credits against the company’s future local property tax liabilities. Other impact payments might be made as grants or, for large capital projects, through special facility impact bonds.”*

*Page 4-129. Second paragraph, first sentence. The sentence should more correctly read, "The impact plan identifies the increased revenues and the increased capital, operating and net operating costs...." [All four figures are needed. Net operating costs represent the amount by which increased costs exceed increased revenues. The mineral developer must pay all increased capital costs and all net operating costs resulting from the mineral development.]*

*Page 1-14: Green Mountain Conservation District: A participant at a recent public meeting in Sanders County asked whether conservation districts are, or should have been, included in the Impact Plan. The response is that the Impact Plan deals only with the types of local government units identified in section 90-6-302, MCA. That definition no longer encompasses conservation districts. The confusion arose because conservation districts were entitled to participate in the impact planning process under the more general language of the original Impact Act of 1981, and several districts in Sanders, Flathead and Lake Counties were actively involved with the impact plan for the proposed Coca Mines Hog Heaven project.*

*Pages 2-124 and 2-125: Changes in Socioeconomics. Population. The last two sentences would be more clearly worded and more accurate, as follows: "The in-migration could result in significant impacts on county, city, and school services in Sanders County. (See Community Services.) Population increases associated with the Rock Creek mine would be primarily in Sanders County. Population increases resulting from the Montanore mine would be largely confined to Lincoln County. Neither County is expected to experience significant cumulative impacts from the two projects."*

*Community Services, third paragraph. In addition to law enforcement and fire protection services, in-migration and increased mine traffic might increase the need for first responder, EMT, and ambulance services. If the project changes the demographics of the area appreciably, it could also affect the need for locally provided medical services.*

*Page 3-82. Water Supplies. Water systems and Land Use. In looking at community water systems, the DEIS might identify whether the system is operated by a governmental entity (municipality or county water district) or by a water user's association, might describe the current capacity of the system and its potential for growth, and might describe the current condition of the system. At the same time, the DEIS might identify factors that would be likely to limit community growth, such as a limited water supply or a lack of private land available for additional housing.*

*Note: Noxon's water system is now operated through a County Water District. The District is an independent unit of local government entitled to participate in the HRMI Plan on its own behalf.*

*Page 3-83. Libraries. Is the library in Thompson Falls supported by the city or the county or both? Does the library operate bookmobiles in other areas of the county?*

*Housing. Which communities appear most able to accommodate new housing, from the perspective of potentially available land? Are there buildable lots available within the existing communities? In which communities is new housing development constrained by limited availability of private land?*

*Having a sound infrastructure in place is a benefit to any community seeking economic development. Depending on circumstances, service providers might not create as much taxable valuation or generate as much property tax revenue as a large-scale mineral development. The HRMI Plan should address new service or facility needs resulting from the mine. Apart from the impact plan requirements, the increased tax base provided by the mine might help affected communities to address some of their infrastructure needs before they shift to a more predominantly service-oriented economy after the mine closes. (S6759)*

*Figures 3-12 and 3-13 (p 3-80) show the same information, both a breakdown in six employment categories for six time periods. Figure 3-13 should show income trends.*

*How are "services, dividends, retirement income, and transfer payments" (p 3-79) defined since they provide 55 percent of the total Sanders County personal income? How do the several income categories compare on an wage/salary basis? What has been the trend over the past 25 years? What effect have they had on the county's tax base?*

*The labor force has shown a modest gain from 1970 to 1994. What happened in the local economy between 1993 and 1994 to create such a sharp swing in the labor force? Not even mentioned are the education levels reflected in the various income and employment categories, any information on levels of un-employment/under-employment, or turnover in the labor force. How have these changed over the past 25 years?*

*Hard Rock Impact Plan (p 4-129) The last sentence of the first paragraph is incomplete. (S4592)*

*Page 3-80 Figure 3-13 Where are the 1995 figures? This chart has to be updated so current trends in Sanders County can be tracked, both for Hard Rock Impact Planning and for an accurate assessment of the socio-economic impacts of the proposed mine. The Sanders County of 1990 bears little resemblance to the County in 1998 as a quantum leap in population numbers and demographics has occurred in the interim. A better demarcation between Trade and the Services sectors in the bar charts has to be made as one cannot be discerned from another in this Figure.*

*The data included in this section seriously needs updating as the demographics in Sanders County have been changing dramatically and more quickly than expected.*

*Page 4-126 Mid page. The population of Sanders County has already surpassed 10,280, 22 years ahead of the projections. New projections must be made to accurately reflect the rapidly changing shifts. (S471)*

Response: Virtually all of these sections have been completely revised and comments were considered when revising these sections.

*53. Analyze and disclose the impacts to accommodating future growth and development on the lower Clark Fork River in Idaho and Montana if the projects' discharge uses up all the allowable degradation. (F1)(S4364)(S4891)(S4912)(S5051)(S5088)(S5555)(S5763)*

Response: The proposed Rock Creek project discharge would meet Montana and Idaho non-degradation standards and any changes in the water quality would be calculable but not measureable. The nutrient and metals loading analyses show that there would be no measureable or visible impact to the river or Lake Pond Oreille from the discharge. Future growth and development in the lower Clark Fork River valley would have to be evaluated on a case-by-case basis to determine what impact each new proposal might have.

*53. We think that mining in the Cabinets would not only have a direct effect on the local communities, but will also have a chain reaction effect on adjacent communities, such as the Flathead. (S6739)*

Response: The introduction to the Socioeconomic section in Chapter 3, Affected Environment, provides a discussion of the areas for which economic and social impacts were analyzed. The socioeconomic study area was defined to include Lincoln and Sanders County, Montana, and Bonner County, Idaho. Based on commuting distances, additional emphasis in the impact analysis was given to communities in southern Lincoln County, western Sanders County, and eastern Bonner County. While it is possible communities in the Flathead Valley may experience some economic or social impacts from the project, the effects are likely to be insignificant.

**ECON-1402 Community Service**

1. *Cumulative impacts from development pressures on many resources continue to be a major concern for the Green Mountain Conservation District. (S2794)*

Response: The revised socioeconomic section (Chapter 4) predicts that long-term immigration to Sanders County in response to direct and indirect employment opportunities associated with the project would be 548 persons (see Table 4-57 titled "Alternatives IV and V Expected Settlement Locations of Immigrating Workers and Families"). This figure equates to approximately ten percent of existing western Sanders County population. It is also anticipated that the presence of the mine could discourage immigration to the area of some persons who are retired or have employment which is not tied to any particular location. Please see the project Hard-Rock Mining Impact Plan for detailed projections of short-term impacts to community services associated with project construction and how those impacts will be mitigated by prepayment of taxes and grants by Sterling

2. *Who pays for the schools, hospitals, sewer systems etc. needed for this influx of people? (S4046)*

*The communities of the area are not in a position to handle in-migrating mine workers. There just are not the sewer treatment systems, water delivery systems and housing in this area to handle the needs of a venture of these proportions. (S4354)*

Response: The revised socioeconomic section (Chapter 4) predicts that long-term immigration to Sanders County in response to direct and indirect employment opportunities associated with the project would be 548 persons (approximately 5.4% of Sanders County population) under the preferred alternative. Lincoln County should see an estimated 227 persons. It is also anticipated that mine effects could discourage immigration to the area of some persons who are retired or have employment which is not tied to any particular location. The project's Hard-Rock Mining Impact Plan provides for payments to local governments which are expected to experience impacts to community services associated with project operations. The plan provides payment formulas for Sterling fiscal mitigation, including prepayment of taxes and direct grants. During project operations, tax revenues from the mine would be expected to substantially exceed anticipated costs for the projects' incremental demands on community services.

3. *In several places throughout the document it is stated that the accreditation of the local schools would be in jeopardy due to the addition (at the most only 4%) of children from mining families. Why would this be the case? Nowhere in the SDEIS could I find an explanation for this statement. (S4715)*

Response: The revised analysis in the final EIS does not project that any school accreditations would be in jeopardy as a result of mine-related enrollment because of implementation of the Hard Rock Impact Plan. The rationale for this conclusion is in Chapter 4.

4. *I have yet to see or hear how Asarco will mitigate the increased crowding and need for more money that the mine's employee population will cause for our schools. (S6632)*

Response: Please see the project Hard-Rock Mining Impact Plan (approved October 1997) for how short-term construction period impacts to the various school systems in Sanders and Lincoln Counties would be mitigated by prepayment of taxes and grants by Sterling. Long term, the increased tax revenues from the mine would be expected to substantially exceed anticipated costs for incremental demands on school systems. Tax base sharing will distribute this revenue to the systems experiencing mine-related student enrollment. Because enrollment in most area school systems is expected to decrease if the mine is not built, crowding is not expected to be a problem.

5. *Pages 4-126, 4-130: The italicized summary of socioeconomic effects indicates that some water and sanitation facilities are inadequate to serve project generated growth. The increased pollutant loading associated with mine related population growth and inadequate wastewater treatment capacity should also be identified and included with the assessment of impacts in the Hydrology section. Will MDEQ ensure that Thompson Falls wastewater treatment plant capacity will be appropriately increased to adequately treat increased wastewater flows caused by mine related population growth? Has increased Thompson Falls wastewater pollutant loading to the Clark Fork River been considered in Clark Fork River pollutant loading calculations (particularly nutrient loading)? (S146)*

Response: The discussions on impacts to water and sanitation facilities have been expanded in the Socioeconomic section in Chapter 4 as well as in the Cumulative Impacts subsection of Hydrology in Chapter 4.

6. *Page 2-125 and 3-82 Community water facilities in Heron are already overtaxed, carrying about twice as many families as they were designed for. There is no room within the current facilities for expansion without costly new wells, storage tanks, and water lines. (S471)(S3462)*

Response: The Heron water facilities are private entities rather than units of local government. As such, they are not eligible for assistance under the provisions of the Montana Hard-Rock Mining Impact Act. It is anticipated that individuals desiring to build in the Heron vicinity would need to develop their own water supplies.

7. *Page 3-83 Libraries. Heron has a well-used public library also. Housing. 1990 figures are not relevant or accurate. Updated figures are necessary. (S471)*

Response: Libraries, like most other community services, would experience increasing demand for their services, but it is anticipated that the substantial increase in local government tax revenues would allow additional spending on libraries that would be adequate to mitigate any significant impacts which might occur. The final EIS has incorporated more recent (1995) housing data, which local planners and business spokespersons indicate is reasonably indicative of current conditions.

8. *Page S-21. Why is there no mitigation for community water facilities in Noxon and Heron? (S3462)*

*Page 4-130 under "Water Supply" and "Wastewater Treatment" - Local demands on water systems/ treatment facilities at a maximum. How does ASARCO intend to address this situation? (S4832)(S4833)*

Response: The Hard Rock Mining Impact Plan did not originally identify the Noxon Water District as a local government unit expected to be fiscally impacted by the Rock Creek Project, but under the Plan (as modified October 20, 1997) the District would receive financial assistance if an impact or cost is identified. The water facilities in Trout Creek and Heron are private associations rather than units of local government. As such, they are not eligible for assistance under the provisions of the Montana Hard-Rock Mining Impact Act. The Impact Plan (written in 1997) indicates that the Trout Creek system currently serves 108 residential and commercial establishments and "could accommodate 15 to 20 additional service connections." It is anticipated that Sterling would assist in the development of a trailer camp to help meet short-term housing demand associated with the construction phase of project development. Water supply and wastewater treatment systems would need to be part of this facility.

9. *Page S-21 3rd paragraph "A total of 63 new students ..." Where has the actual analysis been completed to identify exactly how many children will be born throughout the length of the project. 4th paragraph, Entire paragraph is subject to criticism. If water facilities are near capacity, how can activities from ASARCO not adversely impact existing residents. ASARCO admits that ground water levels in the area may be adversely affected, or ("cannot be determined at this time"). Is it known how much loss of regional ground water will occur*

*due to mining operations within the rock/ore body? If local sewage treatment facilities are near capacity, is ASARCO intending to upgrade/expand these facilities regionwide?*

*Page 2-125 4th paragraph - How were the number of students arrived at? Has ASARCO polled its potential employees as to their family planning? 5th paragraph Why would additional MT Highway Patrol personnel be needed? There are supposedly only 155 more people coming into Sanders County, and most will be bussed throughout the mine road system. (S4832)(S4833)*

Response: The Socioeconomic section of the final EIS has been completely revised and rewritten making substantial changes relating to these points and questions. Please note, however, that the material presented in the Summary section and in Chapter 2 is only intended to very briefly summarize information presented in the corresponding sections of Chapters 3 and 4. Please see those chapters for information on how these summary conclusions were reached.

*10. As these areas grow, or if the mine were permitted and new residents move in, how will the communities deal with water treatment and supply issues? How will new or expanded discharges to the River be accommodated for Thompson Falls, Noxon & Heron? Who will pay for these improvements? How can ASARCO be given the right to shut out any future development on the lower River? Why isn't this environmental impact analyzed? Why does the SDEIS inaccurately state on page 2-125 that ASARCO's Hard Rock Impact Plan would provide relief needed to mitigate the fiscal impact to direct local government services, when in fact the Hard Rock Impact Plan specifically does not analyze or deal with the sewage treatment or water supply issues whatsoever. We brought this very issue up at the last Hard Rock Impact Plan Board meeting where the Rock Creek plan was approved; all Board members, including ASARCO, unequivocally stated that this was an environmental impact issue not an issue covered by the Hard Rock Impact Plan. This issue needs to be disclosed and analyzed in the EIS. (S6312)*

Response: The fact that these existing systems are at or near capacity is disclosed in the Socioeconomics section in Chapter 3 and the impacts are included in Chapter 4. The communities where these public waste water treatment systems are located could use monies allocated to it under the Hard Rock Impact Plan for the mine if the expansions were necessary due to impacts from the proposed mine. However, if the system is privately owned, then the owners would have to pay for any expansions. While the EIS acknowledges that some of these facilities would need to be expanded, there are no plans available to analyze what specific impact those expansions might have on Clark Fork River water quality.

Expansion of existing or development of new waste water treatment systems would have to be evaluated on their own merits and impacts when their expansions are proposed. The environmental analysis would have to take into account cumulative impacts, including those from the proposed mine water discharge. Just as the proposed Rock Creek project must take into account existing water quality that is affected by pre-existing and permitted users, future dischargers would need to take into account all pre-existing and permitted discharges, including the Rock Creek project if permitted, that would affect Clark Fork River water quality.

**ECON-1403 Landuse and Ownership***1. Land values will also be affected negatively. (S390 1)*

Response: It is possible that the value of some specific parcels or types of properties could be affected negatively for some periods during mine development, operation, and closure. But, other parcels or property types are likely to increase in value. Projections for increased housing demand during mine development and operation suggest that most property values would increase. Mine closure could then produce a drop in values, if there was a significant exodus of workers from the area. These adjustments are expected to be most evident in the communities located within a few miles of the mine site. Beyond that range, broader regional market factors are expected to remain the primary determinants of property values.

*2. Page 126, paragraph 1 – Need to cross check the analysis or assumptions that result in the statement that 150 acres would be converted to residential and commercial development. Page 4-132 indicates 127 acres, but does not mention that the number of in-migrating workers is expected to be 84 not the 112 used in assumption. (S5)*

Response: The EIS socioeconomic analysis has been revised and rewritten. The acreage estimates questioned are no longer included.

*3. What effect would the boom bust cycle that traditionally follows mining have on long-range land use and community planning? (S6739)*

Response: Attempting to predict the long-range effects of any particular activity on land use and community planning in an area is difficult because many unrelated, and unpredictable, factors are involved. Mine development is expected to increase demand in the communities close to the mine for residences and residential parcels suited to the needs of mine employees and their families. Some commercial development oriented toward meeting the needs of employees is also to be expected. The land use patterns that emerge over the life of the mine and following its closure would depend to a large extent on the planning and land use management actions that the communities undertake. Development of the Hard-Rock Mining Impact Plan for the project, completed in 1997, encouraged units of local government to plan for the impacts of mine startup by providing them with information regarding the demands on their services and the revenue flow that they should expect from development of the mine. Under the terms of the Impact Plan, grants and prepaid taxes would be available to mitigate the fiscal effects on local government of mine development.

*4. Page 4-140, paragraph 5 – This indicates that the tailings impoundment would be unsuitable for residential or commercial uses. Please explain. (S5)*

*“Mine permitting would make mineral operations the primary use of the 2400 acre permit area” for how long? After reclamation and closure are complete, these lands will be available for other uses, even the impoundment/tailings area. These uses might well be very different from current uses but one cannot assume they will be useless. To assume they will have little economic as well as ecological/environmental value is invalid. Their value, extrinsic as well as intrinsic, will change. But so will the these values of many other parts of NW Montana.*

*If I interpret the several topographic maps which show land ownership within the study area (S-12, 2-18, 2-46, 2-47), ASARCO owns the “About 400 acres of private lands...in the proposed impoundment area would be restricted from other uses...”. In other words, ownership of those private lands is readily apparent, and the text should so indicate. There is no question other uses will be restricted during the life of the mine, including the period of reclamation and closure, because of the nature of that use. “[Following project shutdown...,” however, uses will change. In 40 to 70 years from now who knows what uses will be important. I feel very strongly that terms like “restricted” serve no useful purpose, except the author’s, because it focuses on one’s perception that today’s values*

*and land uses will not change in the future; and if we have learned anything over the past several decades, our values have changed in ways unimaginable in the past.*

*Land Use (p 4-132) As I read the second paragraph of this section, I refer back to Figure 4-2 (p 4-127) and study the Baseline/Alternative I projection versus the Action Alternatives Trend. Increased residential and commercial development will happen whether the mine operates or not. By 2020 the demand without the mine will exceed that with the mine. To place the burden of development and the negatives that infers on the mine is extremely biased and undeserved. (S4592)*

Response: The EIS socioeconomic analysis has been revised and rewritten. The questioned statements are no longer included, because documentation for these statements was lacking.

*5. Lastly, we would like the NEPA document to present a more detailed discussion on how nutrients in the mine's discharge will limit growth in the future. Page 3-83 of the SDEIS states that "the extent of future developments are expected to become restricted as area water quality reaches the limits of Montana and Idaho water quality standards." Discharges from the mine will certainly use up some of the river's assimilative capacity, as will the approximately 300 new residences that will be needed to house the mine workers and their families. Those impacts must be disclosed. (S6318)*

Response: Of the projected 300 new residences, most would either utilize existing community water and waste water systems or be built on lots approved for subdivision using individual systems. At the time these subdivisions were approved, they were required to be designed in a manner which ensures nondegradation standards are met. Any future subdivision proposals would also be reviewed to ensure nondegradation standards continued to be met.

**ECON-1404 Population and Demographics**

1. *The socioeconomic analysis, in putting forth a boom and bust scenario, does not address the possibility of additional mines in the future. With three major deposits now known in the area, it is safer to assume that one or two more will be found than not. (S1285)*

*Alt. II Mine Closure, If only 227 people move in and only one half leave when the mine closes, how do you come up with 462? (S3974)*

*Page 4-157, paragraph 2 – Population growth is attributed to the mine and still not put in perspective of continued growth. (S5)*

*Do the secondary population projections take into account the construction workforce that may be needed to meet the additional public facility and housing needs resulting from the mine? (S6759)*

**Response:** The EIS analysis of population effects of the project has been completely revised and rewritten based on the development of additional information and documentation. Please see the Chapter 3 socioeconomics section for a discussion of past population trends in the area and the Chapter 4 section for projections of population trends and changes expected to occur both with and without mine development.

2. *If certain types of employment (service) are delayed until other types of employment (mine and service) have run their course, is this detrimental or beneficial to an area that, as the DEIS suggests, needs to sustain its natural amenities as a significant factor in its economic base? Beyond a certain point, the community might fare better with employment opportunities that develop sequentially rather than with those that develop simultaneously, because overcrowding might not be desirable. The DEIS addresses the impacts on three populations: existing residents, mine-related in-migrants, and those people who might have moved to the area if it were not for the mine. The effects on existing residents and the effects on the in-migrating mine-related population might be measured, or evaluated, against what the community knows and values now or against what the in-migrating mine-related population is likely to want or need, based on experiences elsewhere. However, it may be harder to evaluate the mine's effects on the third population, those persons who might have moved there were it not for the mine. Page 4-128; Page 4-131. The DEIS projects that approximately half of the mine employees and their families will leave and about half are expected to remain in the area following mine closure, causing an out-migration of 462 local persons. Page 4-128. In the context of the DEIS, this statement seems to carry with it three implications: that without the mine the out-migrating mine workers would have found employment within the County for those same years and that it would have been employment in sustainable occupations; that employment within the County will be available for those who remain following the closure of the mine (possibly in the delayed service jobs alluded to previously); and that those mine workers who leave following the closure of the mine will find employment elsewhere, unless they are leaving for other reasons, such as retirement or college. The first is possible, but not assured and not consistent with the implication that the prospect of mine employment would hold people in the county who might have left to further their education elsewhere. Page 4-131. The second implies that different types of employment are likely to occur in sequence, as suggested in item 1 above. The third appears to contradict the DEIS's assertion that one effect of the mining project will be to lock residents into untransferable sets of skills. Page 4-131, emphasis added. (S6759)*

**Response:** As a result of the many comments received relating to the population and employment discussions presented in the draft and supplemental EISs, the analysis of these topics in the final EIS has been completely revised and rewritten. Please see the Chapter 3 socioeconomics section for a discussion of past population and employment trends in the area and the Chapter 4 section for projections of trends and changes expected to occur both with and without mine development.

3. *Page 2-125, Housing. The DEIS anticipates that "After mining operations cease, there might be a surplus of houses in the area." The availability of housing might, then, act as a positive incentive to encourage an in-migration of service providers. The discussion concerns population, nothing on demographics. How has the age structure of the population changed? How has the difference between wage/salary earners and retirees who rely on annuities, social security and/or investments for their income and the un- and under- employed shifted over the years? How has the demand on social services changed? (S6759)(S4592)*

Response: The EIS analysis of socioeconomic effects of the project has been completely revised and rewritten with an expanded discussion of both past and projected demographic trends. Please see the Chapter 3 socioeconomics section for a discussion of past population and social trends in the area and the Chapter 4 section for projections of trends and changes expected to occur both with and without mine development.

4. *Alternative I (p 4-126) Figure 4-2 of historic and projected population growth in Sanders County shows a sharp increase in growth in the 1970s. What caused this? For the three preceding decades the population stayed nearly static. In the 1980s growth leveled off, but overall since the 1970s growth has shown a steady increase. (S4592)*

Response: Sanders County population growth during the 1970s was associated with the immigration of retirees and others able to be flexible in their choice of where to live. During that decade almost all of the county growth in employment came in the trade and service sectors. High interest and mortgage rates during the 1980s greatly slowed this immigration, which has resumed with the lower rates of recent years.