

**Borell Consulting Services LLC**  
6420 Rockridge Drive  
Anchorage, Ak 99516

March 26, 2013

Mr. Don Kuhle  
Regulatory Division  
U.S. Army Corps of Engineers  
P.O. Box 6898  
Joint Base Elmendorf Richardson, AK 99506-0898

[comments@DonlinGoldEIS.com](mailto:comments@DonlinGoldEIS.com)



RE: Donlin Gold EIS

Dear Mr. Kuhle,

I am writing to comment on items that I feel should be addressed in the EIS for the Donlin Gold project.

Much of rural Alaska has very few skilled, high-quality, year-around jobs. This is especially true for the middle-Kuskokwim where the Donlin Project is located. It is essential that the EIS address the benefits and accurately define the positive impacts that this major mine would have on this economically depressed region of the state. This should include both the general economic impacts and the specific personal economic impacts.

Specifically, the economic and other benefits of the EIS should address:

- 1) What is the payroll from the project and the expected distribution of that money throughout the region. One way to measure this would be to assume a similar distribution of workers to the distribution of workers employed during the exploration phase. At one point there were persons working on the project that lived in 35 of the 50+ villages in the region.
- 2) Another way to measure this would be to use the Red Dog Mine history as a guide to how the impacts of quality jobs will affect this region.
- 3) The collateral benefits should also be considered – for example, in the Northwest Arctic Borough the fact that Red Dog provides a stable, long term property tax base has allowed bonding so the Borough and its villages could construct six new modern schools in the local villages.
- 4) The EIS should address the beneficial impact that having a good job has on the self-worth and pride of the people that get such jobs.
- 5) The EIS should estimate the other local business opportunities that will be created by the mine and the business opportunities that will be created in the rest of Alaska.
- 6) The EIS should estimate what new businesses and services the mine will draw to Alaska. For example, if electric wire rope shovels are used there are no such machines here now.
- 7) The EIS should evaluate the spin-off of jobs that the mine would provide.
- 8) The EIS should estimate the cumulative benefits to the overall region and to the state.
- 9) The cumulative benefits will include the fact that when there is a higher demand for some commodity, as in repair parts, the existing supply vendors will be able to stock more product on their shelves, thus improving equipment operating availability for all users of

those parts. Those same vendors will have to hire more people and because of improved business confidence they will be able to provide better benefits for all their employees.

- 10) The cumulative benefits should also evaluate the dynamic of job progression that is created when very skilled, high-quality jobs are created. These include the low skill entry level jobs in service, tourism, etc. as well as totally unskilled positions. When an equipment operator or a plant operator steps up to a high skill job in a mine, it leaves an opening for someone else to improve their life and fill the job that equipment operator left at possibly a construction company or power plant. When that opening is filled with a lower skilled person, this too creates an opportunity for someone else to improve their life by leaving their semi-skilled service or tourism job to take the construction job. That then leaves another opening. The key to all this is of course the skilled, highly technical, quality, year-around job that is created when a major mine is developed.
- 11) The benefits should also be documented that will accrue to local communities and Alaska in general due to approximately 1000 mine workers that will have advanced health and safety training. All miners not only have this training, they also go through an annual eight hour refresher training to ensure that their skills are current. National statistics show that although a miner receives health and safety training for work, a miner is far more likely to use the first aid and other safety training with his family and neighbors than at work.

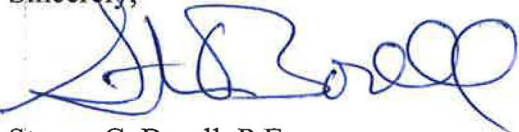
For the economic questions above I recommend that the Corps contract with one of Alaska's various economics consulting firms to do much of the evaluation I have outlined above. This kind of economic evaluation is a highly technical, specialized expertise that cannot be done by just any Corps staff. Several Alaska companies, including the McDowell Group, Northern Economics, etc. have this expertise and have an excellent track record of doing this kind of work. These companies know the data that will be required, where to find that data, how to fill gaps where little data exists, and how to interpret the results. It is essential that a firm be used that has a detailed track record of such studies in Alaska because the economic dynamics of the families and the culture are different than those in other rural settings.

For the social issues listed above a separate consulting firm will likely be needed. This is for issues like the change and benefits of improved self-worth that result when people have a job that can provide for their families, rather than to rely on some form of government handout.

Regarding the benefit of 1000 more people with advanced health and safety training you will likely have to utilize a third consulting firm because this too is a distinct field of expertise of its own and a firm with knowledge of mining health and safety issues will be needed.

Thank you for the opportunity to comment on this EIS. Please add me to the distribution list to receive updates as the EIS is developed.

Sincerely,



Steven C. Borell, P.E.  
Principal