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November 27, 2018

Superintendent Molly Stein  
Soda Springs Joint District #150  
250 East 2<sup>nd</sup> South  
Soda Springs, ID 83276

*Re: Caldwell Canyon Mine Expansion*

Dear Dr. Stein,

The Draft Environmental Impact Statement for the Caldwell Canyon Reclamation Plan is now available for review on the BLM's website. It can be found when you search "Caldwell Canyon Mine" on your browser, click the link beginning with "Idaho -- Pocatello FO," and select "Documents" on the left-side menu. The Draft EIS is found at the bottom.


The 45-day comment period will probably start on about December 1<sup>st</sup>, 2018 when the Environmental Protection agency issues a notice of availability in the Federal Register.

I'm enclosing in this letter a copy of the Social Economic Conditions which is a component which I think that stakeholders would want to comment on.

There may be other areas that you would like to address which I'd be happy to include in any letter which we send to the BLM regarding this project.

I'll be in touch within the next couple of weeks regarding proposed letters in support of the mine.

Very Truly Yours,



David H. Maguire  
MAGUIRE LAW



Current regulations regarding water quality are intended to assure that recently approved and reasonably foreseeable mining would not be permitted unless it is demonstrated that water quality standards would be met and water quality is protected. Legacy mines are being remediated and water quality in the cumulative effects analysis area would likely improve; new mining operations would be designed to meet water beneficial uses.

Consultation between the BLM and the Shoshone-Bannock Tribes is ongoing and will include discussions of ways to minimize future impacts and reduce effects from past activities.

### 3.13.4.2 No Action Alternative

As there would be no direct or indirect effects on the Shoshone-Bannock Tribes tribal treaty rights from the No Action Alternative, there would be no cumulative effects.

## 3.14 Social and Economic Conditions

### 3.14.1 Analysis Area

The social and economic analysis area is Caribou, Bear Lake, and Bannock counties, Idaho. The impacts in these counties from the Caldwell Canyon Project on employment and tax revenue would result from extending the mining and operations for about 40 years.

### 3.14.2 Affected Environment

#### Employment and Income

P4 Production employs 185 people in the mining operations (Leatherman, 2017). In 2014, the Soda Springs operation's (including the processing plant) payroll and benefits was approximately \$43.7 million and the average pay for P4 Production employees is \$64,330 annually (P4 Production, 2017). Employees reside in Caribou County (51 percent), Bannock County (28 percent), Bear Lake County (15 percent), and Franklin County (4 percent) (Monsanto, 2018).

The U.S. Census Bureau conducts a complete census survey every ten years and projects the changes in employment, income, and earnings in the Annual Community Survey. Based on the 2010 census and the Annual Community Survey, the U.S. Census Bureau estimated 2016 Caribou, Bannock, and Bear Lake county employment and income levels listed in **Table 32**.

**Table 32. 2016 County Employment and Income**

Metric	Caribou	Bear Lake	Bannock
Number employed more than 35 hours per week (full time) <sup>1</sup>	2,332	1,759	27,614
Number employed 15 to 34 hours per week (part time) <sup>1</sup>	613	644	10,459
Median Household Income <sup>2</sup>	\$57,957	\$46,863	\$45,216
Average Household Earnings* <sup>3</sup>	\$69,916	\$55,003	\$60,015

Source (Headwaters Economics, 2018a)

<sup>1</sup> Labor Participation Characteristics, 2016\* table.

<sup>2</sup> Household income Distributions, 2016. The amount where half the households have more income and half have less.

<sup>3</sup> Mean Annual Household Earnings by Source, 2017 (2016\$)

\* Earned through paid labor, excludes Social Security, retirement, Supplemental Security Income, and public assistance.

#### Property Taxes

P4 Production paid property taxes to Caribou County of approximately \$1.6 million in 2014 and \$1.4 million in 2016 (Monsanto, 2018) and approximately \$572,000 for annual licenses and permits.

Payments to Idaho vendors in 2014 were approximately \$73 million (P4 Production, 2017). P4 Production does not own property in Bannock or Bear Lake counties. Counties receive revenue from property taxes, fees, and permits. Employees and contractors who reside in Caribou, Bear Lake, and Bannock counties also pay property taxes on their properties in these counties. Secondly, counties receive revenue from employees who pay property taxes on their real estate and personal property.

### **Production Royalties**

Production royalties are paid each month for minerals that are removed from the leased land, based on a percent of the value of the production. P4 Production paid \$3.1 million in royalties in 2016 to federal and state governments. All of the phosphate mines in Idaho together paid \$10.1 million in 2016, which is down from \$10.4 million paid in 2015 (ONRR, 2017). Per the Idaho Mine License Tax, phosphate mines pay tax to the State of Idaho at a rate of one percent of the value (royalty) received from mining.

The federal government returns about 50 percent of the royalties collected to the state, who distributes them to the counties. Production royalties paid to the State of Idaho from state phosphate leases are returned to the endowment fund or the general fund, depending on the land leased.

### **Grazing**

There are two BLM grazing allotments that contain a portion of the Caldwell Canyon Lease Boundary and a portion of the requested lease modification parcels. There are two grazing leases on the two allotments that are within the project ground disturbance area. P4 Production holds both grazing leases. One lease allows 34 Animal Unit Months (AUM) and the other 44 AUM. Both are allocated by BLM for custodial use which means they occur on public land that is intermingled with other private land.

## **3.14.3 Direct and Indirect Effects**

### **3.14.3.1 Proposed Action and Alternative 1**

#### **Employment and Income**

Approximately 185 direct and contract employees would continue to work at the mine for the 40+-year mine life. The Soda Springs processing plant would continue to employ 585 workers for at least the duration of the mine. Miners would move from current mining operations at Blackfoot Bridge Mine as operations cease and mining progresses at Caldwell Canyon. Minor, temporary (up to one year) increases in employment may occur as Caldwell Canyon infrastructure is developed.

Employment and income would taper off as reclamation and closure activities are completed at about 42 years.

Indirectly, an unquantified portion of the phosphate ore produced by P4 Production would be used at other phosphate processing plants which would support employment at those plant(s) and subsequent income.

Impacts from the continued employment and income would be positive, regional, short-term and moderate.

## Property Taxes

P4 Production would continue to pay property taxes to Caribou County at a rate similar to the recent past (\$1.4 in 2016) for a total of approximately \$59 million over the 42-year life (initiation through closure) of the Caldwell Canyon Project (not counting any increases from increased property value assessment or levies). Employees would retain ownership of their homes and personal property, maintaining the property taxes at approximately the current level to the counties where they reside.

At closure, property taxes would continue to be paid and would taper off as facilities are removed and the area is reclaimed. Eventually the property tax would stabilize.

Impacts from the continued payment of property taxes, would be positive, regional, short-term and moderate.

## Production Royalties

The Caldwell Canyon Project would extend the overall production, but not increase the annual rate of production. Therefore, P4 Production would continue to pay royalties in approximately the same amount as the recent past (about \$2 million to \$3 million per year) (P4 Production, 2017). Over the 40 years of projected production, a total of about \$80 million to \$120 million would be paid to the state and federal government in royalties. Royalties would cease once mining concludes.

The Idaho Mine License Tax paid to the State of Idaho, based on one percent of the royalty paid to the federal government, would be \$800,000 to \$1.20 million per year.

Impacts from the continued payment of production royalties would be positive, regional, short-term and moderate.

## Grazing

For both action alternatives, short-term grazing availability on public land would be affected in phase 6, 7, and 8 by expansion of mine facilities onto grazing leases held by P4 Production. This would cause short-term minor to moderate reductions of 78 allocated AUMs for the leases proportionate to the land area affected. P4 Production would not likely request a reallocation. Impacts on grazing would be negligible, localized, and short-term.

### 3.14.3.2 No Action Alternative

#### *Employment and Income*

Future employment of approximately 185 employees and contractors would cease when current mining operations at the Blackfoot Bridge Mine are completed starting in 2022, as would their associated income. The loss of 185 full-time and part-time employees and the percentage of the total employment in 2016 is shown in **Table 33**. Within the three-county analysis area, this amounts to less than 1/2 percent of the total employment, a long-term, moderate impact. When considering the populations of just Caribou and Bear Lake counties, where 96 percent of the mine employees reside, the 146 P4 Production employees lost would be close to 3 percent of the population. Many may leave the area, reducing employment in these counties.

**Table 33. 2016 Employment and Income, Caribou, Bear Lake, and Bannock Counties**

Metric	Caribou 2016	Bear Lake 2016	Bannock 2016
Number employed more at least 15 hours per week (Table 32)	2,945	2,403	38,163
Share of P4 Production Employees by County	51%	28%	4%
Estimated Number of P4 Production employees in mining based on percentage of total (Monsanto, 2018)	94	52	7
Percent of Total Employees by County (15 hours per week or more)	3%	1%	>1%

Sources (Headwaters Economics, 2018a; Monsanto, 2018)

### ***Property Taxes***

The majority of the property taxes P4 Production pays are for the Soda Springs processing plant. Under the No Action Alternative, for P4 Production to continue operation of the plant, phosphate ore would need to be acquired from another mine, or other external ore source. For the foreseeable future, the Soda Springs processing plant could remain operational and property taxes would continue to be paid at current rates.

Not mining the Caldwell Canyon lease would have no direct impacts on the acres of public land and no impact on the payment in lieu of taxes.

Other mining and processing plant operations in the area are fully staffed, indicating that the loss of jobs for mining would require employees to find employment outside the phosphate industry. If these employees leave the area, the property taxes paid to the counties may be reduced if the migration results in reduced property values. This would result in a long-term, moderate impact.

### ***Production Royalties***

No production royalties or Idaho Mine License Tax would be paid to the federal government or the State of Idaho. This loss would be short-term and moderate.

### ***Grazing***

There would be no changes to the current grazing allocations and no reduction in AUMs resulting in no impacts to the economic benefits of the grazing allotments.

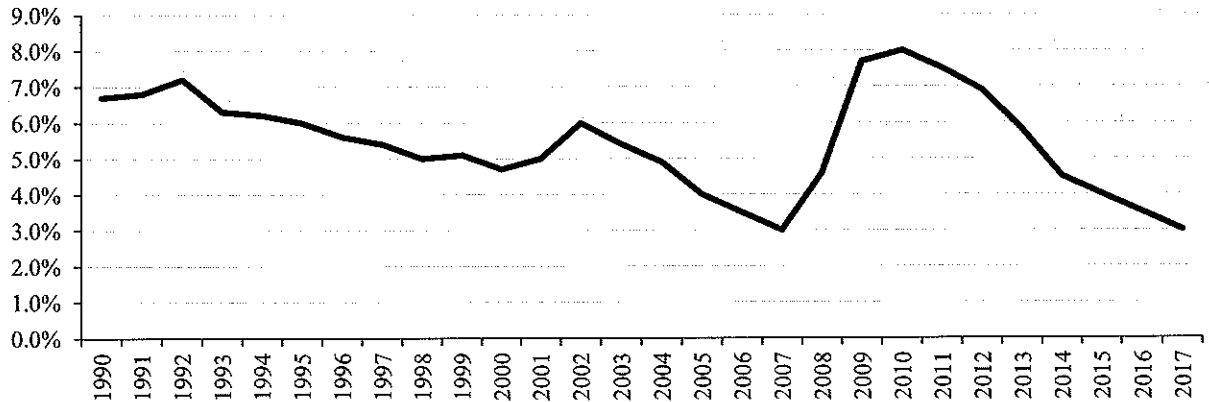
## **3.14.4 Cumulative Effects**

The analysis area for cumulative effects on social and economic conditions is the same as the direct and indirect effects analysis area. While past action in Caribou, Bannock, and Bear Lake counties established the current conditions, projects that are completed are not contributing cumulative effects any longer. Actions that are occurring now are contributing to the employment, income, and tax revenue in the county.

### **3.14.4.1 Proposed Action and Alternative 1**

Unemployment in the three-county region has varied over time and has been decreasing since 2011 (Figure 34).

**Figure 34. Average Annual Unemployment Trend in Combined Caribou, Bear Lake, and Bannock Counties**



Source: (Headwaters Economics, 2018b)

Present and reasonably foreseeable mining actions (if approved) are designed and scheduled to maintain the operations of the phosphate processing plants in Soda Springs and Pocatello. Therefore, the cumulative effects would be to maintain the employment and income, property taxes paid to the counties, and royalties paid by all phosphate mines in the state of Idaho, as described in the Affected Environment, Section 3.14.2.

#### **3.14.4.2 No Action Alternative**

Compared to the unemployment trend (**Figure 34**), the change would represent a loss of about less than 1/2 percent, which is within the range of variation that the area has experienced in the last 30 years. There would be no direct and minimal indirect impacts on property taxes or royalties and there would not be any cumulative effects.

