



***NEWS
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United States
Department of Agriculture

Forest Service
Salmon - Challis National
Forest
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Forest Service on Schedule with Salmon-Cobalt Project NEPA

The Salmon-Challis National Forest released a Draft Environmental Impact Statement (DEIS) in February of 2007 for the Idaho Cobalt Project. At the request of members of the public, the Forest extended the comment period to May 2007. While the project continues to stay on schedule and receive full support from members of the community, federal, state and local congressional staff, the agency has the responsibility to fulfill the National Environmental Policy Act (NEPA) process.

To date the Environmental Protection Agency and the Forest Service have received extensive comments from attorneys representing their respective clients. A number of issues raised during the comment period were resolved during this timeframe which has resulted in Formation Capital Corporation (FCC) making a decision in November of 2007 to apply for a mixing zone to the Idaho Department of Environmental Quality and to revise their National Pollution Discharge Elimination System (NPDES) permit in January of 2008. This information was necessary to complete a Biological Assessment for submission to the United States Fish and Wildlife Service and the National Marine Fisheries Service to initiate consultation under the Endangered Species Act.

The Schedule of Proposed Actions issued by the Forest Service in January of 2008 indicates July of 2008 for the signing of a Record of Decision (ROD), which requires a Biological Opinion from the consultation agencies prior to issuing the ROD. The Final Environmental Impact Statement (FEIS) will have a 45 day appeal period, followed by a 45 day appeal resolution period which is anticipated to be completed in November of 2008. In addition to the ROD and FEIS documents released from the Forest Service, the Environmental Protection Agency will need to issue a ROD for the NPDES Permit, which is anticipated 45 days after the issuance of the FEIS.

Based on the extensive comments received on the Draft Environmental Impact Statement (DEIS) we are expecting at least one appeal of the Idaho Cobalt Project and all agencies (EPA, Forest Service, NOAA and USF&WLS), are preparing extensive records in preparation for protest to the project once the appeal process has been completed.

Salmon-Cobalt District Ranger Kimberly Nelson notes: “Members of our staff are actively engaged with FCC in assisting them in the development of a plan of operations reflecting the agencies decision and long term financial assurance for the project which must be in place prior to any surface disturbing activities”.

The Company is also actively pursuing a 404 permit from the Corps of Engineers, preparing engineering designs and other plans required for agency approval including initiating discussions with the Blackbird Mine Site Group (BMSG) to obtain required agreements. In response to comments from the City of Salmon, Lemhi County, School District and Shoshone Bannock Tribes FCC has agreed to develop *Good Neighbor Agreements* with these entities to address their concerns.

Forest Supervisor Bill Wood stated that “This project continues to be very important to the Salmon-Challis National Forest, Formation Capital Corporation, and to the community of Salmon. Leadership on the Forest fully recognizes the potential for economic improvement in the local economy, and they are doing what they can to move the project through the NEPA process. We also recognize that financial stability of FCC is largely dependent on this project. However, there is a lot of work to be done prior to putting the first shovel in the ground at the site. Our project leader continues to work closely with staff of FCC to make sure all the necessary steps are complete.”

The Forest Service is on schedule with the process and anticipates releasing a Record of Decision and Final Environmental Impact Statement to the public by the third quarter of this year.

For further information please contact the Project Coordinator, Ray Henderson at 208-756-5231. Please mail responses to Ray Henderson, Salmon-Challis NF, 1206 Challis St., Salmon, Idaho, 83467.

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