MEMORANDUM

Date: September 24, 2010

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Rosemont Mine Air Quality Permit Application**

On September 23, 2010, the Pima County Department of Environmental Quality (PDEQ) issued the attached incomplete determination for the Rosemont Copper Mine's (RCM) air quality permit application. RCM now has 60 days from receipt of the letter to submit the requested information.

The two key issues that led to the incompleteness determination are as follows:

1. The application omitted information regarding the National Environmental Policy Act (NEPA). In order to determine the relationship between the NEPA process and the air quality permit application, RCM must provide additional information explaining the relationship and any proposed air quality mitigation measures.

2. RCM did not provide the required Potential to Emit (PTE) calculations. In order to determine the appropriate source category for the proposed mine, PTE calculations based on maximum design capacity must be provided.

Upon receipt of the information, PDEQ will continue to process the information as required under Pima County Code Title 17.

As you know, recent radio advertisements have encouraged listeners to contact the Board of Supervisors to "protest Pima County officials' deliberate delay in issuing a permit for the Rosemont Mine." We will be contacting all individuals who left messages with contact information in response to these advertisements and informing them of the determination regarding the permit.

PDEQ posts all relevant information regarding RCM's permit application on their website at www.deq.pima.gov. RCM's response to the PDEQ's incompleteness determination will also be posted as soon as it is available.

CHH/mjk
Attachment

c: John Bernal, Deputy County Administrator for Public Works
Ursula Kramer, Director, Environmental Quality

DEPARTMENT OF ENVIRONMENTAL QUALITY
33 N. Stone Avenue, Suite 700
Tucson, Arizona 85701-1317
Visit our website at: www.deq.pima.gov

Ursula Kramer, P.E.
Director

(520) 243-7400
FAX (520) 243-7370

September 23, 2010

BY CERTIFIED MAIL

Mr. Jamie Sturgess
Vice President, Sustainable Development
Rosemont Copper Company
P.O. Box 35130
Tucson, AZ 85740-5130

Re: Air Quality Permit Application received July 20, 2010 (Permit # 6112)

Dear Mr. Sturgess:

Pima County Department of Environmental Quality (PDEQ) staff has completed its review of Rosemont Copper Mine's (RCM) application for a new mine to be located in Pima County, southeast of Tucson in southeastern Arizona. This application is incomplete pursuant to Pima County Code (PCC) 17.12.165.B & 17.12.165.E. Pursuant to PCC 17.04.340.A.52, the application does not contain all information necessary for processing the application. The additional information necessary for the application to be complete is provided in the attachment "Necessary Additional Information for the Rosemont Copper Mine Air Quality Permit Application".

The required information shall be provided to PDEQ within 60 days of your receipt of this letter. Pursuant to PCC 17.12.165.E.5, failure to submit the requested information may result in the application being rejected.

If you have any questions, comments or additions to the application, please call Mukonde Chama, Air Permits Supervisor at (520) 243-7400.

Sincerely,

Ursula Kramer

Ursula Kramer, P.E.
Control Officer, Pima County Department of Environmental Quality

cc: C. H. Huckelberry, Pima County Administrator

Necessary Additional Information
for the Rosemont Copper Mine (RCM)
Air Quality Permit Application

I. Pima County Department of Environmental Quality (PDEQ) issues permits based upon sufficient evidence that the source will be designed and controlled such that it may be expected to operate in compliance with all applicable requirements. This ensures that the final permit incorporates any and all enforceable emission limitations and standards, including operational requirements and limitations that assure compliance at the time of permit issuance. PDEQ understands that part of the proposed mine operations will be located on federal lands and that Rosemont Copper Mine (RCM) is undergoing an evaluation process required by the National Environmental Policy Act (NEPA). As part of that process, an Environmental Impact Statement (EIS) is required for the evaluation of the RCM mine proposal and will include other alternatives. The RCM air quality permit application omitted information pertaining to the NEPA process. To determine the relationship between the NEPA process and the RCM air quality permit application, RCM must:

A. Identify which parts of the proposed RCM mine will be on private and federal lands;

B. Discuss the NEPA process including the EIS and Record of Decision to be issued by the U.S. Forest Service with respect to the alternatives being considered. Discuss the impact these alternatives will have on the design and configuration of the proposed mine including what effect each alternative will have on the mine operations, maximum capacities and location of the mine tailings;

C. Discuss the relationship between the alternatives being considered by the U.S. Forest Service as well as the applicability and compliance with all applicable air quality requirements; and

D. Discuss and include in the application any proposed mitigation measures that were provided to the U.S. Forest Service that were based upon the air quality modeling completed by the applicant. Provide the air quality modeling and results.

II. RCM did not provide necessary information to determine if the source is a Class I, Class II, or synthetic minor Class II source. The application presents "worst case" process rates. The application did not provide Potential to Emit (PTE) calculations as defined in PCC 17.04.340.A.175. A source's PTE is based on its maximum design capacities and not a combination of operations, processes and equipment that would cause the "worst case" emissions. Provide the PTE and all supporting calculations and assumptions used to determine the permit class of the source.

III. Since the application did not provide PTE calculations, PDEQ cannot determine the basis for the voluntarily accepted emission limitations and emissions reductions for those processes identified in Section 4, Appendix D, and Appendix E of the application. Provide supporting documentation and calculations showing the emissions prior to voluntarily accepted emission limitations. Provide supporting documentation and calculations on the resulting emission reductions from the voluntarily accepted emission limitations and the necessary information for PCC 17.12.190 that demonstrates the reductions are permanent, quantifiable, and otherwise enforceable as a practicable manner.

IV. The application identifies the primary crusher as subject to the standards under PCC 17.16.360, Standards of Performance for Nonferrous Metals Industry Sources and not subject to 40 CFR 60, Subpart LL Standards of Performance for Metallic Mineral Processing Plants without providing an applicability determination. Provide an applicability determination with supporting documentation to demonstrate the primary crusher is not subject to 40 CFR Subpart LL.

V. The application states that the portable generators are non-road engines and therefore not subject to 40 CFR 60, Subpart IIII Standards of Performance for Stationary Compression Ignition Internal Combustion Engines. Provide an applicability determination with supporting documentation demonstrating that the portable generators are not subject to 40 CFR 60, Subpart IIII.

VI. RCM has identified in its application that the emergency generators are subject to 40 CFR 60, Subpart IIII Standards of Performance for Stationary Compression Ignition Internal Combustion Engines and will operate at 500 hours per year for maintenance and testing. In accordance with 40 CFR 60.4211 generators operating at 500 hours per year cannot be classified as emergency generators. The application must be revised to correctly reflect the type of generators that will be at the source consistent with 40 CFR 60, Subpart IIII.