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Subcommittee on Water Resources and Environment  
Hearing on “The Pebble Mine Project: Process and Potential Impacts”  
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Chairman DeFazio and Chairwoman Napolitano, Ranking Members Graves and Westerman, and Members of the Committee, my name is Anisa Kamadoli Costa and I am the Chief Sustainability Officer at Tiffany & Co.

I would like to thank you all for holding this important hearing related to the Bristol Bay Region of Alaska and the proposed Pebble Mine. It is an honor for me to testify here today to express Tiffany & Co.’s longstanding opposition to the proposed Pebble Mine and to ask for rigorous environmental review of the mine’s proposal.

Since our inception, Tiffany & Co. has looked to the beauty of the natural world for design inspiration. We also rely on the bounty of this world for the precious materials that bring our designers’ creations to life. In other words, nature’s abundance is integral to the success of our company, given the precious materials that are mined to be utilized in our products. As such, we believe we have a business imperative to operate our company and source our materials in a responsible manner that protects the planet and supports communities.

Tiffany was founded in 1837 in New York City and has since grown into a global luxury house at the forefront of jewelry design and expert craftsmanship. The company has retail and manufacturing operations in 29 states and D.C., and we employ approximately 5,900 people across the United States. We manufacture the majority of our jewelry domestically and source the majority of our precious metals from mines and recycled sources in the U.S. Whether here or elsewhere in the world, we take great pride in upholding exemplary standards for environmental and social responsibility at every step in our supply chain.

After more than 180 years of experience in sourcing precious metals and gemstones, we have learned there are certain places where mining simply must not occur. We risk too much in altering timeless, treasured landscapes in pursuit of short-term financial gain. In Bristol Bay, we believe mining would ultimately destroy the lands and the watershed, causing irreparable harm to the communities who depend on this majestic place. It is our view that sourcing from mines that destroy economies and ecosystems

are not good for our bottom line or our country. For these reasons, we have publicly opposed the proposed Pebble Mine for more than a decade.

In 2008, we were one of the first jewelers to sign the Bristol Bay Protection Pledge and declare that should the proposed Pebble Mine be developed, we would not source gold from it. Since signing the pledge, Tiffany & Co. has proactively raised awareness about the danger of mining in such a pristine place, first within the jewelry industry and then among the broader public. We have voiced our positions in *National Jeweler*, *National Geographic*, *The Washington Post*, *San Francisco Chronicle* and *The Seattle Times*.

We continue to stand by the Bristol Bay Protection Pledge today, alongside 100 of our colleagues in the jewelry industry and other sectors who have since signed onto the pledge. Indeed, Tiffany & Co. is far from alone in our opposition to Pebble Mine. A diverse coalition—including recreational and commercial fishing companies, restaurateurs, conservationists and Alaska Natives—has raised a unified voice in opposition to the proposed mine. The list of those who believe this proposed mine should not be built has continued to grow in recent years and now includes mining companies who previously planned to develop the deposit. All of us concluded long ago, that this mine represents a risk of the highest order. We all agree Pebble is the wrong mine in the wrong place and should not be permitted.

We know from experience that when consumers view mining as irresponsible and harmful, it does not blemish the jewelry industry alone. All industries reliant on mined materials are impacted negatively, from technology and renewable energy, to automotive companies and the construction sector. Today's corporate stakeholders, including our valued customers, expect business to be done without destroying the country's natural treasures, including Bristol Bay.

In light of the potentially harmful environmental, social and economic consequences which could result from the construction of Pebble Mine, we commend the Committee for holding this important hearing to examine the process and potential impacts of the mine proposal. It is especially critical at this moment in time, as the U.S. Army Corps of Engineers (Army Corps) is continuing to move forward with permitting the mine without considering the extensive scientific data that have clearly projected devastating consequences resulting from the mine's development.

In particular, the Army Corps' Draft Environmental Impact Statement (DEIS) fails to consider the findings of the Environmental Protection Agency's (EPA) 2014 Watershed Assessment of the Bristol Bay region. Given the Committee's jurisdiction over both the Army Corps and the EPA on matters related to clean water, wetlands, watershed health, and clean-up and remediation of environmental catastrophes, we respectfully urge you to push for answers to the questions posed by the EPA on these topics. By driving the discussion, this Committee can help ensure that the highly predictable and catastrophic impacts of mining in the Bristol Bay ecosystem are avoided.

As a company, we provided comments on the Army Corps' DEIS earlier this year, highlighting various gaps in the assessment. We believe these gaps must be addressed and that the Army Corps must disclose

the direct, indirect and cumulative effects of the proposed Pebble Mine, given it would be built in one of the most significant, precious and pristine ecosystems in the world.

Our recent comments focused on five major deficiencies: (i) the limited scope of the DEIS, (ii) long-term water management, (iii) water quality, (iv) biodiversity matters and (v) post-mining reclamation.

- (i) In terms of scope, the current application is to mine 1.4 billion tons of mineralized ore. However, the Pebble deposit is reported as at least a 10-billion-ton mineral resource. It is reasonable to predict that mine proponents would seek to exploit the entire mineral resource. Therefore, any review of the proposed mine should assess the impacts of mining the entire resource.

Additionally, the Army Corps only evaluates the potential for risks and failures over a 20-year timeline. However, this estimated timeframe is likely far shorter than the life of the mine would be. A 100-year timeline, or even longer, would be more appropriate for proper evaluation. The long-term pollution issues associated with abandoned mines throughout the United States underlines the importance of looking beyond a 20-year horizon.

- (ii) Regarding water management, the proposed Pebble Mine is located within the reaches of three separate stream systems and would have potentially devastating consequences for both water quantity and quality in each drainage. The Army Corps should require a water management plan that evaluates the potential impacts on water in these drainages and outlines proposed mitigation. The current application is inadequate in this regard, as a detailed water management plan has not been submitted. It is impossible to evaluate the direct, indirect and cumulative impacts to these watersheds until such a plan has been completed.

Further, in order to characterize the impacts of mining on the Bristol Bay region, the Army Corps should explicitly consider the management of groundwater and surface water as a coupled system using an integrated hydrologic model. Hydrologists know that pumping substantial volumes of groundwater will adversely affect surface water and permanently degrade or destroy the effected streams. The Army Corps should evaluate groundwater and surface water flow modeling predictions.

- (iii) From a water quality perspective, we expect there will be both short- and long-term degradation from the mine site water impoundments and open pit mining activities. The use of petroleum products, large quantities of chemicals for milling processes and erosion from heavy equipment operations degrade water quality. There is high potential for pollution from waste rock, tailings and pit wall leaching. A large open pit and dewatering will have negative impacts on nearby streams and lakes. A mine waste management plan should be included in the water management plan to account for groundwater pollution from the proposed mine.

- (iv) Though the Army Corps is currently considering a permit for a mine at a smaller scale than originally proposed, a smaller mine would still eliminate, block or dewater over 80 miles of streams and nearly 3,500 acres of wetlands. The loss of such habitat would significantly impact biodiversity, as these streams are critical for the spawning and rearing of salmon. Even with a smaller footprint—which, it is reasonably foreseeable would expand significantly—this proposed loss is considerably above the advised miles and acreage outlined in the EPA’s 2014 watershed assessment. We continue to urge the Army Corps to reconcile the differences between its analysis and the EPA’s 2014 analysis.

Further, it is critical to consider the potential for a tailings dam failure as none of the dams and tailing storage facilities would ever be removed. Such a failure would bury many miles of streams and salmon habitats with fine sediment, destroying the possibility of spawning and rearing. The impact this would have not only on the ecosystem’s biodiversity, but on the Alaskan communities and economies who depend on a productive salmon fishery, is unacceptable.

- (v) Finally, in relation to closure, the Army Corps does not analyze possible future impacts of a catastrophic failure of the tailings dam on the surrounding environment and fish and wildlife, nor does it provide a sophisticated geochemical analysis of a tailings dump. The Army Corps needs to evaluate all possible outcomes and should widen its scope of risk impacts to include catastrophic dam failure. It must also recognize a tailings dump is a permanent waste pile and will not be removed when the mine closes. The long-term impact of a tailings dump on water quality in the region should be carefully evaluated.

We urge the Committee to consider the many omissions in the Army Corps’ DEIS and demand they be fully addressed. The communities of Bristol Bay and the diverse coalition that opposes the mine deserve nothing less.

We at Tiffany & Co. look forward to continuing to source materials and manufacture products in the United States. However, we can promise we will never use gold from the Pebble Mine should it be developed. The long-term threats to the Bristol Bay region far outweigh the short-term value of any precious metals which might be extracted there.

For this generation and all those to follow, this majestic landscape simply must be protected. We know there are other copper and gold mines to develop, but there will never be another place so abundant and productive as Bristol Bay.

Thank you for your time. I will be happy to answer questions at the appropriate time.