U.S. DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT FINDING OF NO SIGNIFICANT IMPACT Hurricane Creek Mine #2 (Permit 3341) Mining Plan Proposal

A. Introduction

Hurricane Creek Mining, LLC (HCM) proposes to surface mine an area in east Tennessee by auger, highwall, and contour methods. They propose to recover coal from the Poplar Lick, Sterling, and Stray seams (which correlate with the Pioneer and possibly Craig seams used by the Tennessee Geological Survey for other portions of the coalfield) located on Bryson Mountain, approximately 5.0 miles southeast from the junction of Valley Creek Road with TN Route 90. The Latitude is 36° 32' 18"N and the Longitude is 83° 50' 48"W. The thickness and number of potential mineable seams varies significantly across the permit area. There is a total of up to 6 Stray seams, 2 Sterling seams, and 2 Poplar Lick seams located throughout the permit area, ranging in thickness from less than 12 inches to over 48 inches. Auger or thin seam mining would occur on any seams that are thick enough to support the operation. The proposed permit boundary would be 635.17 acres. Approximately 454 acres of coal would be removed by using contour surface mining techniques. Up to an additional 555 acres of coal could potentially be recovered using auger or thin-seam mining techniques, which does not create additional surface disturbances. Approximately 346.5 acres was previously disturbed by earlier coal mining activities and would be reclaimed as required by the Surface Mining Control and Reclamation Act of 1977 (SMCRA) as part of this proposed operation.

Pursuant to SMCRA, HCM must obtain a permit from the Office of Surface Mining Reclamation and Enforcement (OSMRE), which is the regulatory authority for the Tennessee Federal Program, before conducting surface coal mining and reclamation operations. An application for the proposed permit was submitted for review by HCM on February 27, 2023. The application was determined to be technically complete on November 13, 2024. The proposed operation, including reclamation and bond release, is anticipated to last 10 years with an estimated annual production of 360,000 tons of coal and a total production of 1.8 million tons. The landowner has requested that the site be reclaimed to undeveloped forest land and wildlife habitat, all ponds be reclaimed to wetland areas, and roadways be retained as permanent facilities for access and for wildlife enhancement efforts. The land use would be obtained by the planting of vegetative species conducive for food sources and protective cover.

In accordance with the National Environmental Policy Act (NEPA), an environmental assessment (EA) was prepared by OSMRE's Lexington Field Office, Knoxville Office and is incorporated by reference. OSMRE developed the EA using the Department of the Interior's (DOI) alternative arrangements for NEPA compliance amid the national energy emergency to analyze the potential impacts of the proposed surface coal mining and auger operation and reclamation plan and assist in the agency decision-making process.

The undersigned has determined that per NEPA, DOI regulations and guidance, and the SMCRA permitting process, the public involvement requirements have been met. OSMRE conducted public outreach from August 9, 2023, through August 30, 2023 (Claiborne Progress: 08/09/23, 08/16/23, 08/23/23, 08/30/23). No comments or requests for a public site visit were received.

The Tennessee Department of Environment and Conservation's Public Hearing on the proposed issuance of the National Pollution Discharge Elimination System permit and proposed Aquatic Resource Alteration Permit occurred January 9, 2024, at Cove Lake State Park in Caryville, Tennessee. Public comments were addressed separately by Tennessee Department of Environment and Conservation but were also considered in the development of the EA and in reaching this Finding of No Significant Impact (FONSI). All comments received about the proposed operation and reclamation plan were given serious consideration during the technical review process.

B. Statement of Environmental Significance of the Proposed Action

OSMRE is recommending selection and approval of the proposed action (see Chapter 2 of EA). The undersigned person has determined that approval of a permit authorizing mining and reclamation operations for approximately 5 years (with the right of a renewal, if authorized under SMCRA, to complete operations) and surface disturbance of approximately 635.17 acres to recover coal would not have a significant impact on the quality of the human environment under section 102(2)(C) of the NEPA, 42 USC 4332(2)(C); therefore, an Environmental Impact Statement is not required.

C. Reasons for a Finding of No Significant Impact

As stated in the certification included in the EA, OSMRE considered the factors mandated by NEPA amid the national energy emergency. The EA represents OSMRE's good-faith effort to prioritize its analysis to cover the most important considerations required by NEPA within the congressionally mandated page and time limits. This prioritization reflects OSMRE's expert judgment, and any effects addressed briefly or left unaddressed in the EA were, in OSMRE's judgment, not of a substantive nature and would not meaningfully inform the consideration of environmental effects and the resulting decisions on how to proceed. The EA considers the proposed action and a reasonable range of alternatives to the proposed action, discloses the sufficient evidence and support for this FONSI. The breadth and depth of the analysis in the EA was tailored to ensure that the environmental analysis did not exceed 75 pages and was completed within the timeframe mandated by Congress.

In determining that the proposed action will not have a significant impact on the human environment, OSMRE considered both short- and long-term effects and whether those effects would have a beneficial or adverse effect on the environment. OSMRE has not identified significant effects that would result from the proposed action. Additionally, the proposed action includes design features that if the action is approved, will be incorporated into the permit and will reduce or eliminate potential adverse impacts to the environment.

In addition to considering the effects outlined in Chapter 4 of the EA, this FONSI considers the following factors in evaluating the significance of the proposed action.

1. The degree to which the proposed action affects public health, safety, or quality of life of the American people.

The EA project area is located entirely on private lands. Public access to the area affected by the proposed mining is strictly controlled by the mine operator and the landowner. All mining activities with potential public exposure would also be subject to all state regulatory approvals

and review by the Mine Safety and Health Administration, which include safety standards. Precautions for public health and safety would also be implemented during transport of equipment along public roads to and from the EA's project area. Emissions and effluent limits are within approved standards, as required by federal and state permits. Noise levels at the nearest residences would be well below levels that would affect human health. According to EA sections 3.1.5, potential risks to public health and safety would be negligible and would occur over limited, brief periods. After full reclamation has occurred, no public health or safety concerns are expected, and the postmining land use would return to undeveloped with forestry and wildlife habitat benefits. Danger to public safety would also be reduced as remining will either eliminate or greatly reduce exposed highwalls left by pre-law mining activities. Reclamation would also benefit the scenic and aesthetic values of the area once reclamation and reforestation are completed. Coal mining is part of the culture in this part of Claiborne County and coal is valuable and versatile in use to meet needs for steel making and generating electricity.

2. The degree to which the action may adversely affect unique characteristics of the geographic area such as historic or cultural resources, parks, Tribal sacred sites, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

As discussed in the EA in Chapter 1.4, there are no historic or cultural resources, parks, prime farmlands, wild and scenic rivers or ecologically critical areas. The Tennessee Historical Commission's State Historic Preservation Office (SHPO) was consulted for this project. The Advisory Council on Historic Preservation has codified procedures for carrying out section 106 of the National Historic Preservation Act review in 36 CFR Part 800. In a letter dated June 6, 2023, SHPO concluded that there are no National Register nor Historic Places listed or eligible properties affected by the proposed project. Additionally, the Cherokee Nation, Coushatta Tribe of Louisiana, Eastern Band of Cherokee Indians, the Muscogee (Creek) Nation. Shawnee Tribe, Eastern Shawnee Tribe of Oklahoma, and the Absentee-Shawnee Tribe of Indians in Oklahoma were contacted. No comments were provided.

The proposed activity is in Claiborne County and would include the installation of 21 crossings on 8 streams, and 3 wet weather conveyances, as well as 2.34 acres of wetland alterations. The wet weather conveyances are considered jurisdictional waters of the U.S. under LRN-2009-00479. Mitigation credits were previously purchased to offset the proposed wetland impacts by the previous permitted facility and have been transferred to HCM. The affected streams have been previously altered by pre-SMCRA surface mining and have channels that range from relatively stable to severely degraded geomorphologically. The applicant's proposed activities would include the removal of all culverts postmining, and the establishment of rocked stable channels during reclamation phase II bond release of the SMCRA permit. Based on the existing condition of the waters to be altered, avoidance, minimization, and mitigation of impacts, the Tennessee Department of Environment and Conservation has made a final determination that the proposed activity would not result in significant degradation or an appreciable permanent loss of resource values.

The 2.34 acres of wetlands to be affected by the proposed mining are incidental to pre-SMCRA mining related activities. Due to the location and conditions in which these features formed, they are considered of low resource value. Therefore, 2.5 compensatory mitigation credits were

purchased from the Tennessee Wildlife Federation - Tennessee Mitigation Fund to offset any losses (ARAP NR23MS.010).

3. The degree to which the effects on the quality of the human environment are likely to be highly controversial.

Approvals of permits have been made in the area for several decades. The environmental design features and reclamation plan would reduce the effects on the environment; or, in some cases, would improve the current condition (e.g., soils, vegetation, water quality, and wildlife habitat (EA Chapter 3)). No other anticipated effects have been identified that are scientifically controversial.

4. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

As discussed above, there are no effects on the human environment under the proposed action that are highly uncertain or involve unique or unknown risks. OSMRE has experience in implementing similar actions in similar areas while eliminating significant impacts.

5. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. This decision is not precedent setting. The issues considered in the EA were developed by OSMRE within the context of past, present, and reasonably foreseeable actions. Significant cumulative impacts are not anticipated.

6. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. As discussed in 2, Tennessee's SHPO was consulted for this project and concluded that there are no National Register of Historic Places listed or eligible properties affected by the proposed project. Because of this, OSMRE concluded that there would be no effects to historic or cultural resources from the proposed action. If, during the surface mining operation, previously unidentified cultural resources are discovered, the permittee would ensure that the site(s) is/are not disturbed and would notify OSMRE's Knoxville Office. After notification, OSMRE would consult with the SHPO and signatory agreement parties, if any, and would inform the permittee of the required actions to be taken to prevent and minimize adverse impacts.

Additionally, the Cherokee Nation, Coushatta Tribe of Louisiana, Eastern Band of Cherokee Indians, the Muscogee (Creek) Nation. Shawnee Tribe, Eastern Shawnee Tribe of Oklahoma, and the Absentee-Shawnee Tribe of Indians in Oklahoma were contacted. No comments were provided. Tribal stakeholders that have been identified in Tennessee were notified of this project. No concerns were raised regarding any specific religious site, sacred site, or traditional cultural property.

7. The degree to which the action may adversely affect a threatened or endangered (T &E) species or its habitat that has been determined to be critical under the Endangered Species Act of 1973 (ESA).

OSMRE formally consulted with the U.S. Fish and Wildlife Service (USFWS) under the provisions of section 7(a)(2) of the Endangered Species Act of 1973 (ESA) for the proposed action. During preparation of the environmental analysis, information provided by the USFWS, Cookeville Ecological Services Field Office and/or obtained through the <u>USFWS IPaC database</u> identified records of 6 species of concern that are federally listed as threatened (T) or endangered (E). Those species are gray bat (*Myotis grisescens*)(E), Indiana bat (*Myotis sodalis*)(E), northern long-eared bat (*Myotis septentrionalis*)(E), whooping crane (*Grus americana*)(EXPN), monarch butterfly (*Danaus Plexippus*)(C), and blackside dace (*Phoxinus cumberlandensis*). Although not on the official species list, the tricolored bat (*Perimyotis subflavus*) was also considered due to the proposal to list the tricolored bat as endangered.

The entirety of this permit was previously analyzed. In July 2014, an EA and FONSI were completed. Formal consultation occurred twice for this permit with the later Biological Opinion completed on September 1, 2016 (FWS Log #04ET1000-2016-F-0143). Also see sections 3.1.4 and 4.4 for more information about Protection and Enhancement Plan measures.

On November 13, 2024, OSMRE requested formal consultation under ESA section 7 regulations and a Biological Assessment was complete and submitted to USFWS. USFWS responded on May 2, 2025, with a Biological Opinion/Conference Opinion (<u>FWS ECOSphere Project Code</u>: 2024-0148993). The Biological Opinion and the Conference Opinion addressed the effects to the federally threatened blackside dace, endangered northern long-eared bat, and proposed endangered tricolored bat. It also included an Incidental Take Statement, conservation measures to avoid and minimize impacts to the three species and to promote their recovery, and notification procedures for situations that may require follow-up responses. These conservation and minimization measures would become part of the permit, if the proposed action is approved.

8. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation, or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements.

As described in Chapters 1.4 and 1.5 of the EA, the proposed action is in compliance with applicable federal, state, local, or tribal laws or requirements imposed for the protection of the environment. During the public and agency involvement for this EA, state, local, and tribal interests were given the opportunity to participate in the EA process. The proposed action is consistent with applicable plans, policies, and programs.

9. The degree to which the action has significant short- and long-term effects.

Mining under the proposed action can result in a reduction in air and water quality during active operations, which will gradually diminish once the operation is completed. Once vegetation has been reestablished, air quality should return to background conditions. Water quality effects will be a long-term change that will continue to improve as spoils weather and reclamation matures. Noise from blasting, equipment, and vehicular traffic would be short term and end once mining and reclamation activities are completed. Reforestation of the area to a mature forest would be considered a long-term effect.

10. The degree to which the action has significant beneficial and adverse effects.

Under the proposed action, mining would result in economic benefits to the area through direct employment and indirect benefits associated supply purchases and support industries. The reclamation will result in a higher quality land use including improved forestry and recreational activities. However, during active mining, there will be visual impacts to the current landscape along with limited access to the area.

11. The degree to which the proposed action affects the economy.

The proposed permit will become the only active coal mining operation in Tennessee and would be in an area of high unemployment. A significant portion of the population of Claiborne County lives in a household with a household income below the poverty level. Approval of this alternative may allow for financial benefits to families through direct employment and secondary economic benefits through the purchases of local goods and services which would not be available without the operation of this mine. However, such economic increases would have relatively short to medium term benefits.

Adam G. Suess Acting Assistant Secretary Lands and Minerals Management Date