

# The Critical Value of Environmental Data (Newsletter)\*

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Every project in the mining and energy industries exists only as long as it has valid environmental permits. No project can begin, operate, expand, close, be reclaimed, or be decommissioned without required environmental permits. This makes environmental data – correctly analyzed, interpreted, and clearly communicated – as important as commodity prices or energy demand data to regulators, senior corporate executives, bankers, and equity investors. This is particularly true when commodity prices are in a trough and energy prices are in flux.

"Time is money" applies to all businesses. The time from application acceptance to permit issuance (or Record of Decision for NEPA documents) is the most critical time for project financiers, corporate executives, environmental staff, and regulators. Arguably, extended permitting time is the major risk faced by everyone involved in the process.

Lenders and equity investors consider the lengths of time to recover their initial investment and to achieve their profit objectives when making investment decisions. The time to obtain necessary permits is an important risk factor. Correct analyses of environmental data that adequately address concerns about potential undesired environmental change, and sound interpretation of those results, clearly and effectively communicated to regulatory and non-technical decision-makers often shortens the time for permit issuance. The clearly communicated interpretation of project environmental data allows everyone to better understand the project's relationship with the natural environment in which it is located.

Regulators are required by statute to assess the potential of a project to degrade surface and ground waters and to adversely effect plants and animals (among other concerns). Environmental statutes are based on generalizations (e.g., the same maximum concentration level of a chemical constituent regardless of location or designated beneficial use). Those generalizations are the defaults when regulators are not provided with technically sound and legally defensible project-specific knowledge they are comfortable using to justify permit issuance. (For NEPA documents the decision is which alternative is preferred.)

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The more technically sound – and clearly communicated – are analyses and interpretation of environmental data the shorter the time between application acceptance and permit issuance.

Environmental department managers and staff have direct and constant responsibility for permit application preparation and compliance monitoring. The better their understanding of the environmental processes involved and the significance of the observed and measured values the more productive they are. Adherence to the company's environmental management system is increased when staff are trained to appreciate the value of the data they collect. Training in preparation of permit applications and compliance monitoring reports adds value to the company by increasing staff retention.

Consultants and attorneys assisting clients in development and growth of projects are more effective when they, too, understand the relationship of the project to the natural ecosystem in which it is located.

Other stake holders and the public might better understand the project relative to their vested interests when they are presented with analyses demonstrating the inherent variability of the natural ecosystem and where the project's data falls within that range.

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