Appendix - A



Brian Schweitzer, Governor

July 2, 2012

Faye L. Krueger **Regional Forester USDA** Forest Service Northern Region, Regional Office Federal Building 200 East Broadway Missoula, MT 59807

Re: DEQ Concurrence in Forest Service Action Memorandum Amendment

Dear Ms. Krueger:

DEQ concurs in Amendment 1 to the July 2007 Action Memorandum for the Mike Horse Dam and Impounded Tailings, Lower Mike Horse Creek, Beartrap Creek, and the Upper Blackfoot River Floodplain Removal Areas, Upper Blackfoot Mining Complex (UBMC) Site. This is a very important project, and properly addressing the Mike Horse dam and tailings is an urgent priority for the UBMC cleanup.

We have long agreed with your decision in the 2007 Action Memorandum to remove the Mike Horse dam and impounded tailings to a protective repository. When the designlevel investigations for the Paymaster repository identified geotechnical and geochemical concerns resulting in design constraints and space limitations for that location, we agreed it was appropriate to take a step back and reevaluate the repository alternatives.

Amendment 1 is issued under the Forest Service's authority under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC § 9601 et seq. The Amendment selects Section 35 as the alternative that best meets the selection criteria under CERCLA and the National Contingency Plan (NCP), 40 CFR Part 300. As the support agency under CERCLA and the NCP, DEQ concurs in the analysis set forth in Amendment 1. We believe it properly relies on the engineering expertise provided by Pioneer Technical Services, Inc., in the Repository Siting Study, in addition to the expertise and experience of the agency personnel involved. Along with you, we have considered the public comments received and join in the responses to those comments as set forth in Appendix C of Amendment 1.

Under the Watershed Restoration Agreement between the State of Montana and the Forest Service, DEQ is responsible for implementing the CERCLA response actions

Ms. Krueger July 2, 2012 Page 2 of 2

selected in the 2007 Action Memorandum. DEQ agrees that it will implement the 2007 Action Memorandum as amended by Amendment 1, and the Watershed Restoration Agreement is now effectively modified by the incorporation of Amendment 1.

We at DEQ appreciate the constructive and professional approach taken by all of the Forest Service personnel with whom we have worked on this project, and we recognize the level of effort required of all of the staff involved. Thank you for your efforts to protect and improve Montana's environment.

Sincerely,

Timer SHO

Richard H. Opper Director