



C. L. "BUTCH" OTTER
GOVERNOR

August 4, 2008

Bill Wood
Supervisor
Salmon-Challis National Forest
50 Highway 93 South
Salmon, ID 83467

Dear Bill,

Mining has played an important historical role in Idaho. The industry not only has helped to shape our economy, it also has been woven into the fabric of our society and remains strong today. Estimates indicate the Idaho Cobalt Project would create almost 200 jobs providing good incomes in Lemhi and Shoshone counties while generating almost half a million dollars a year in local taxes, \$1.8 million in state taxes and \$5.8 million in federal taxes – jobs and revenues that Idaho welcomes.

I recognize that mining today is much different from days past, and the Idaho Cobalt Project is an example of how far modern mining has progressed. For example, the project was designed from finish to start, with emphasis placed on reclamation and closure before operations, and with environmental protection paramount at every step.

The production of cobalt is critical for numerous industrial purposes, including several that benefit our environment. Oil refineries use cobalt as a catalyst to remove sulfur from gasoline, diesel and jet fuel, and cobalt is an essential metal in batteries for hybrid cars. Given the environmental history of the area, I believe this project will be a good example of modern mining.

I acknowledge this project will be our nation's only primary cobalt mine. Back in 2001, as a member of Congress, I joined the Idaho delegation in writing a similar letter of support for the Idaho Cobalt Project. Our letter noted that the U.S. government has deemed cobalt a strategic metal, and added that "we encourage the development of a cobalt mine which would allow (the United States) to obtain domestically produced cobalt instead of relying solely on foreign sources."

I reiterate that statement, and also reaffirm that “We encourage the development of Idaho’s mineral resources, as long as mining operations abide by state and federal environmental laws and regulations.”

I look forward to continuing to work with you in your efforts to create good jobs and improve Idaho’s tax base with this facility.

As Always – Idaho, “Esto Perpetua”

A handwritten signature in dark ink, appearing to read "C.L. 'Butch' Otter". The signature is stylized with a large, looped initial "C" and a prominent "O" at the end.

CLO/mw

C.L. “Butch” Otter
Governor of Idaho

Cc: Toni Hardesty, IDEQ