



Manuel E. Ramos
CEO

Sent Via Facsimile and First Class Mail

Honorable Janice K. Brewer
Governor of the State of Arizona
1700 West Washington Street
Phoenix, Arizona 85007
Fax: 602-542-7602

RE: Recommendation to the EPA on the 2008 Revised Lead NAAQS Attainment Status of an Area around Hayden, Arizona

Dear Governor Brewer:

On behalf of ASARCO LLC ("Asarco"), I am writing to you concerning the recommendation you are due shortly to make to the United States Environmental Protection Agency ("EPA") concerning the attainment status of an area around Hayden, Arizona ("the Area") in relation to the 2008 revised National Ambient Air Quality Standard ("NAAQS") for lead. Asarco would very much like to thank Messrs. Mike Anable and Richard Bark of your office, Director Benjamin Grumbles of the Arizona Department of Environmental Quality ("ADEQ"), ADEQ Deputy Director Patrick Cunningham, ADEQ Air Quality Division ("AQD") Deputy Director Ira Domsy and the AQD staff for their efforts in achieving the understanding underlying this letter. Based on these efforts, it is our understanding that:

- (1) You will recommend to the EPA that it use its statutory discretion to refrain from promulgating a premature designation under 42 U.S.C. § 7407(d)(1)(B) for the Area, pending the generation of additional air quality monitoring data for the Area;
- (2) If based on the additional data there are no rolling three-month mean concentrations in excess of the NAAQS for lead for the averaging periods ending March 2010 through October 2010, and in the meantime Asarco agrees with the ADEQ to identify and implement measures required to control lead emissions from the Hayden Operations as part of the ongoing permit renewal proceeding for the Operations, then Arizona's recommendation to the EPA is that the EPA not promulgate a designation for the area until October 2011 and base the promulgation on all data gathered through October 2011;
- (3) If based on the additional data there are rolling three-month mean concentrations in excess of the NAAQS for lead for the averaging periods ending March 2010 through October 2010, or Asarco fails to agree to an enforceable Title V air quality permit that ensures emissions from the Operations (including the smelter and concentrator) are limited sufficiently to achieve attainment of the NAAQS for lead, then Arizona's recommendation to the EPA is that the EPA promulgate a designation of nonattainment of the lead standard for the Area;

- (4) In calculating three-month mean concentrations for purposes related to the designation, data generated using the existing monitors including the "Hayden" and "Winkelman" monitors will be used, as well as data generated using a State and Local Air Monitoring Station ("SLAMS") that is scheduled to be installed in the Area pursuant to the State of Arizona Air Monitoring Network Plan; and
- (5) Asarco will have the opportunity to participate in the siting of the SLAMS and review all data and calculations used for purposes of the designation.

Based on the foregoing, Asarco agrees to enter into a renewed air quality permit for the Hayden Operations that ensures emissions from the Operations (including the smelter and concentrator) are limited sufficiently to achieve attainment of the NAAQS for lead. Asarco commits to work closely with the ADEQ in the context of the ongoing air quality permit renewal proceeding for the Hayden Operations and the laws governing technologies and other applicable requirements to identify the measures required to further reduce lead emissions from the Operations and to the extent possible under applicable licensing timeframes incorporate those measures in Asarco's permit renewal application and implement those measures at the Hayden Operations.

Asarco does not waive any right to challenge any administrative decision in the permit renewal proceeding and Asarco does not waive any right to challenge the EPA's designation promulgation for any reason.

We once again thank you and your staff and the ADEQ for their work toward the development of your recommendation and your involvement of Asarco in its formulation. If you have any questions regarding this letter, please do not hesitate to let us know.

Sincerely yours,



Manuel E. Ramos
Chief Executive Officer, ASARCO LLC

cc: Benjamin Grumbles, Director, ADEQ
Patrick Cunningham, Deputy Director, ADEQ
Douglas McAllister, Executive Vice-President, General Counsel & Secretary, ASARCO LLC
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