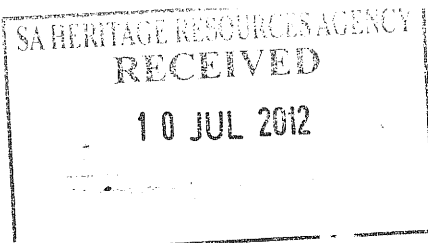


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ID 868



Public Process Consultants
Environmental Impact Assessment and
Public Participation Management

27 June 2012

Ms Mariagrazia Galimberti
SAHRA
PO Box 4637
Cape Town
8000

5, 8, 9, 11, 13

Dear Ms Galimberti

RE: Notice of Draft Scoping Report Comment Period for the Joint Scoping and EIA, Atmospheric Emissions Licence and Waste Licence for the Proposed Manganese Export Facility and Associated Infrastructure in the Coega Industrial Development Zone, Port of Ngqura and Tankatara Area, Nelson Mandela Bay Municipality (DEA EIA Ref No: 14/12/16/3/3/2/3/19 and NEAS Ref No: DEA/EIA/0001141/2012; DEA Waste Licence Ref No: 12/9/11/L920/1).

As a registered interested and affected party on the database for the above project you are hereby notified of the 40 day comment period for the Draft Scoping Report which will extend from the **27 June 2012 to the 6 August 2012**. All comments on the Draft Scoping report are to be submitted to the Public Participation Consultant, contact details above, by no later than the **6 August 2012**.

Please also note that the scope of the proposed project has been expanded and includes the doubling of the railway line between the existing marshalling yard within the Coega IDZ and the proposed compilation yard. A new application has been submitted to national DEA to include the latter change.

Report Availability

Copies of the Draft Scoping Report are available for public viewing at the **Govan Mbeki Avenue Main Library** as well as the **Motherwell Library** and can be downloaded from the website www.publicprocess.co.za

Public Meeting

To assist in the review of the Draft Scoping Report all I&APs are invited to attend the following Public Meeting where an overview of the Draft Scoping Report will be given and an opportunity will be provided for comments/queries to be raised. Representatives from the CSIR, the Environmental Consultants for the Project, as well as, Transnet SOC Ltd, the Project Applicant, will be present to engage with members of the public.

DATE	TIME	VENUE
10 July 2012	12 Noon	The Grand Hotel, Terrace Room, cnr of Belmont Terrace and Whites Road, Central

The purpose of the Public Meeting is to provide you with an overview of the findings of the Draft Scoping Report and obtain your comment and input for consideration in the finalisation of the Scoping Report, prior to submission to the National Department of Environmental Affairs for their decision making. Public input forms an important part of the Scoping Process and assists in determining the scope and terms of reference for specialist studies to be undertaken in the EIA Phase of the Assessment.

To assist you with the submission of your comments we have included with this correspondence an Executive Summary of the Draft Scoping Report as well as a comment form.

Should you have any comments or queries please do not hesitate to contact Sandy Wren, Paul Steyn or Wandile Junundu at the contact details above. We look forward to your participation in this stage of the process.

Yours sincerely

SANDY WREN

DRAFT SCOPING REPORT COMMENT FORM

JOINT SCOPING AND ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

Project Applicant: Transnet SOC Ltd

Transnet SOC Ltd is proposing to develop a Manganese Export Facility and Associated Infrastructure in the Coega Industrial Development Zone, Port of Ngqura and Tankatara Area, Nelson Mandela Bay Municipality, Eastern Cape Province.

NEMA EIA 2010 Primary Listed Activity: GN R545 Activity 15.

NEM:AQA Listed Activities: Category 5: Subcategory 5.1

NEM: WA Listed Activities: Category A: 2, 11 and 18.

DEA Ref No: 14/12/16/3/3/2/319 and NEAS Ref No: DEA/EIA/0001141/2012; DEA Waste Licence Ref No: 12/9/11/L920/1

Return Completed Reply Form to:

Public Process Consultants, PO Box 27688, Greenacres 6057

Phone: 041 – 374 8426 or Fax 041-373 2002 or Email sandy@publicprocess.co.za

Complete all Relevant Sections Below & Return By: **6 August 2012**

FIRST NAME:

SURNAME:

COMPANY:

POSITION:

POSTAL ADDRESS:

CODE:

PHONE:

FAX:

CELL:

EMAIL:

Clearly state any interest you may have in the project and list any issues, concerns or questions you may have (use additional pages if required)

Project Overview

Transnet SOC Ltd is a state owned company in South Africa, which strives to deliver integrated, efficient services to promote economic growth within the country. Transnet is solely owned by the South African government; however it operates as a corporate entity. Transnet, operating as an integrated freight transport company, contains five divisions namely, Transnet Freight Rail (TFR), Transnet Rail Engineering (TRE), Transnet National Ports Authority (TNPA), Transnet Port Terminals (TPT), and Transnet Pipelines. These divisions focus on the operational aspects of Transnet's business, while Transnet Capital Projects (TCP) undertakes the development of new infrastructure.

In line with this, Transnet SOC Ltd proposes to construct and operate a highly efficient, Manganese Export Facility in the Coega Industrial Development Zone (IDZ) and on the adjacent property (Remainder of Farm Tankatara Trust 643), located approximately 15 km north-east of Port Elizabeth within the Nelson Mandela Bay Municipality (NMBM) in the Eastern Cape Province. The proposed project will consist of a Manganese stockyard and handling facility in Zones 8 and 9 of the Coega IDZ, which includes the Port of Ngqura. In addition, the proposed project will comprise the construction of a rail compilation yard in Zones 11 and 13 of the Coega IDZ and on the adjacent Tankatara property located north-east of the Coega IDZ (i.e. Remainder Farm Tankatara Trust 643), as well as the doubling of the railway line between the proposed compilation yard and the existing rail marshalling yard Zones 13 and 5.

The proposed Manganese Export Facility will be designed to handle a throughput capacity of 16 million tons per annum (Mtpa) of manganese ore, and will receive manganese from the existing rail link between Hotazel (in the Northern Cape Province) and Coega, via Postmasburg. Upon arrival at the proposed terminal site, the manganese ore will be offloaded and stockpiled in the proposed stockyard, reclaimed and finally transported via a proposed conveyor system to the existing Berths C100 and C101 in the Port of Ngqura, for exporting via ship.

Objective of the Project

Manganese is classed as the twelfth most abundant element in the Earth's crust (Geoscience Australia, 2012) and in terms of tonnage, Manganese is the fourth most used metal after iron, aluminum and copper (International Manganese Institute, 2012). Manganese is predominantly utilized in the production of iron and steel (Geoscience Australia, 2012; United States Geological Survey (USGS), 2012).

South Africa holds more than 80% of known world resources for Ore with Manganese content greater than 34%. In South Africa, the Kalahari Manganese Basin contains a high concentration of Manganese mines producing predominantly higher grade ores, whilst smaller mining operations are dispersed around the Lohatla region, which contains outcrops of lower grade Manganese reserves. Based on the quality of reserves, the South African Manganese Industry is therefore considered to be uniquely positioned in order to capitalize on the projected growth in the Manganese sector (TCP, pers comm., 2012). According to Transnet SOC Ltd, the South African Manganese Industry is anticipated to experience a strong growth in export demand in the future. When considering global supply characteristics and long term price forecasts, a stable demand for approximately 16 Mtpa of Manganese Ore does exist.

In line with the global uses, needs and demands for Manganese, the proposed Manganese Export Facility at the Port of Ngqura and Coega IDZ has been conceptualized based on the need to secure and enhance the Manganese export potential and concurrent supply to the international market. The proposed project is required to service the Manganese Mining Sector in South Africa in terms of exporting and future development, as well as to provide new mining companies with access to an efficient exporting facility. In line with this, the overarching objective of the proposed project is to increase the export volumes of Manganese Ore currently exported via the existing facility at the Port Elizabeth Harbour, which is capable of holding a maximum capacity of approximately 5.5 Mtpa. After making a commitment in Parliament in 2009, Transnet is planning to decommission the existing Manganese Facility at the Port Elizabeth Harbour once the proposed new Manganese Facility at the Port of Ngqura is ready to operate. This impending decommissioning also forms motivation towards the construction of the new Manganese Export Facility.

Project Description

The key components of the project are:

- **Manganese Export Terminal:** The construction and operation of a bulk terminal for handling Manganese Ore, including a stockyard, conveyor systems linking the stockyard to the tippler and ship loader, as well as the associated infrastructure such as a tippler, stackers, reclaimers, ship loaders, surge bins, office buildings, bulk services infrastructure and additional rail infrastructure from the existing marshalling yard linking into the tippler.

The stockyard will cover an area of approximately 40 hectares in Zone 9 of the Coega IDZ and will hold a volume of approximately 1.6 to 2 million tons of Manganese Ore.

The tippler (dual rotary car) will have a capacity of 4 600 tons/hour, with a peak capacity of 5 100 tons/hour, and will feed Manganese Ore onto the conveyors leading to the stockyard. The stockyard will include three stackers mounted on rails to carry out the stacking at a capacity of 5 000 tons/hour. The reclamation process will be carried out by two luffing and slewing bucket wheel reclaimers, which will feed the overland conveyor system at a rate of approximately 5 400 tons/hour.

A double overland conveyor system will link the stockyard to the ship loaders on the existing Berths C100 and C101 via a surge bin located at the quay. The conveyor system will be covered to reduce windblown dust being emitted from the conveyor. It is proposed that the ship loaders will be designed to load Panamax vessels at a rate of 3 000 tons/hour.

Rail Compilation Yard and Doubling of Railway Line: The rail compilation yard will comprise five yard lines to allow for the consolidation and de-consolidation of four 200 wagon trains per day. A triangle will also be included to allow for the locomotives to turn around. The complete rail yard will also include back roads to access the locomotive and wagon maintenance workshops, the diesel locomotive refuelling station (2 self contained aboveground storage tanks with a total capacity of approximately 150 m³), a locomotive sanding facility and wash bay. Electrical locomotives will be used to haul the 200 wagon trains on the mainline from Hotazel to the compilation yard. From the compilation yard, diesel locomotives will haul the 100 wagon sets to and from the tippler. A security building, two shunter cabins, a Transnet Freight Rail operations building, and three signalling relay rooms are planned to be constructed at the rail compilation yard.

The proposed railway is planned to be fenced and will be provided with lattice bridge structures over watercourses in the Coega Open Space System (OSS). This will also allow for a continuity of the OSS corridor and for small animals to cross the railway line.

The railway line between the proposed Coega compilation and the existing marshalling yard in Zone 9 of the Coega IDZ is planned to be doubled. This will serve as a dedicated railway line to allow for the transportation of the rakes between the proposed Coega compilation yard and the tippler. This new dedicated line is required given the use of the existing rail line for freight and other purposes. This second railway line will be constructed within the existing servitude, however additional rail servitude will be required to ensure that the servitude width is sufficient.

- **Additional Infrastructure and Services:** A stormwater retention dam will be constructed at the stockyard with a storage capacity of approximately 50 MI (megalitres) and will be constructed to accommodate a 1:100 year flood. The main function of the stormwater retention dam will be to collect stormwater runoff from the stockyard and the tippler sump, which will be re-used in the dust suppression system at the stockyard. In addition, an attenuation pond will be constructed at the rail compilation yard to collect all stormwater runoff from this area and will have a storage capacity of approximately 18 MI.

The proposed project will also include the construction of access roads at the stockyard area and the proposed compilation yard as well as necessary crossings and rail bridges. In addition, a service road will be constructed along the proposed rail loop and rail link at the compilation yard.

Need for an EIA

In terms of the Environmental Impact Assessment Regulations (EIA) promulgated under Chapter 5 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA) published in GN R543, 544, 545 and 546 on 18 June 2010 and enforced on 2 August 2010, a full Scoping and EIA process is required for the proposed project. The need for the full Scoping and EIA is triggered by, amongst others, the inclusion of the following activity listed in GN R545 (Listing Notice 2):

1. "Physical alteration of undeveloped, vacant or derelict land for residential, retail, commercial, recreational, industrial or institutional use where the total area to be transformed is 20 hectares or more."

The purpose of the EIA process is to identify, assess and report on any potential impacts (both positive and negative) the proposed project, if implemented, may have on the receiving environment. The environmental assessment therefore needs to provide the competent authority, the National Department of Environmental Affairs (DEA) with sufficient information regarding the potential biophysical and socio-economic impacts to make an informed decision. Furthermore the assessment will serve to propose how potential impacts can be enhanced or mitigated and managed.

In addition, the proposed project may result in the release of atmospheric emissions through its operations, thus requiring application for an Atmospheric Emission Licence (AEL) to be completed and submitted to the relevant AEL Authority, which in this case is the NMBM. The requirement of an AEL Application arises from conducting a listed activity in terms of Section 21 of the National Environment Management: Air Quality Act (NEM: AQA) (Act 39 of 2004).

The proposed project will also trigger certain listed waste management activities that have, or are likely to have, a detrimental effect on the environment in terms of the National Environmental Management: Waste Act (NEM: WA) (Act 59 of 2008). Based on this, an application for a Waste Licence is required for submission to the relevant Authority, which in this case is the National DEA.

In addition to the above, a Water Use Licence (WUL) may also be required in terms of the proposed project. An application for the WUL will be submitted to the National DEA as the competent Authority, in terms of the National Water Act (Act 36 of 1998). Chapter 4 includes more detail on the applications for the AEL, Waste Licence and WUL, as well as the listed activities which may be applicable to the proposed project in terms of these applications.

Purpose of the Scoping Report

The purpose of the Scoping phase of the EIA is to identify issues which would require assessment during the EIA process, to inform stakeholders about the proposed development, and to present an opportunity for public participation to occur at an early stage, allowing for a transparent and inclusive process. It is anticipated that the outcome of the Scoping phase would provide sufficient information to enable the authorities to reach a decision regarding the scope of issues to be addressed in the EIA phase.

Within this context, the objectives of this Scoping process are to:

- Identify and inform a broad range of stakeholders about the proposed development;
- Clarify the scope and nature of the proposed activities and the alternatives being considered;
- Conduct an open, participatory and transparent approach and facilitate the inclusion of stakeholder issues in the decision-making process;
- Identify and document the key issues to be addressed in the forthcoming EIA phase, through a process of broad-based consultation with stakeholders;
- Ensure due consideration of alternative options in regard to the proposed development, including the "No development" option.

Review of the Draft Scoping Report

This EIA process is currently at the stage where the Draft Scoping Report is being released for a 40-day public review period from 27 June 2012 until 07 August 2012. Comments need to be submitted to the

public participation consultant, Ms Sandy Wren from Public Process Consultants. The Draft Scoping Report will be placed in the Motherwell Library and Govan Mbeki Avenue Main Library and on the project website at www.publicprocess.co.za. The Final Scoping Report will include and address all the comments received.

Identification of Issues

The Draft Scoping Report includes the issues identified thus far in the Scoping process. The project and EIA process were advertised in two regional newspapers, The Herald, and Die Burger Oos-Kaap (both were advertised on 8 May 2012 – Refer to Appendix E). In addition to the newspaper advertisements, letters with personal notification regarding the EIA process were mailed to all pre-identified key stakeholders on the database, which at the time consisted of 135 I&APs (Letter 1 – refer to Appendix F). I&APs were provided a 30-day period within which to raise issues and/or register their interest on the project database, this period extended from the 8 May 2012 to the 6 June 2012.

A synthesis of these issues is provided in the Issues & Response Trail (Chapter 5 of the Draft Scoping Report), which includes an explanation of how the issues will be addressed through the EIA process.

In summary, the following issues have been identified (number in brackets indicates the number of issues raised):

1. Potential Air Quality Impacts (36)
2. Potential Impacts on Fauna (2)
3. Potential Impacts on Avifauna (2)
4. Potential Impacts on Vegetation (3)
5. Potential Visual Impacts (2)
6. Traffic and Access Issues of Concern (2)
7. Potential Impacts on Ground and Surface water (5)
8. Potential Health and Safety Impacts (2)
9. Potential Impacts on the Marine Environment (6)
10. Potential Noise Impacts (2)
11. Potential Socio-Economic Impacts (2)
12. Assessment of Alternatives (4)
13. Project Detail (15)
14. EIA and Public Participation (12)
15. General and Project Motivation (2)

The draft Plan of Study for EIA (Chapter 6 of the Draft Scoping Report) presents the approach to the forthcoming EIA phase. This includes the Terms of Reference for the various specialist studies that are proposed to address the issues raised, where necessary. The section below summarises the main issues to be addressed in the specialist studies. These studies will consider the construction, operation and decommissioning phases of the project.

The anticipated key issues identified by the specialists are as follows:

Vegetation

- Habitat loss (direct loss and temporary loss during construction phase) and fragmentation.
- Fragmentation of the ecological corridor on the banks of the Coega River located north of the N2 (identified as a critical component of the Open Space Management Plan).
- Disruption of the linkages to the Nelson Mandela Bay Municipality Conservation Assessment and Plan (NMB CAP) designated ecological process areas outside of the IDZ.
- Impact on Critical Biodiversity Areas designated in the NMB CAP
- Loss of species of special concern.
- Cumulative impacts on the Coega open space system.
- Nuisances/adverse effects due to the deposition of manganese dust on the surrounding vegetation.
- Introduction of alien species during construction activities, leading to invasion of indigenous habitats by exotic species.
- Erosion associated with construction activities on steep slopes.
- Indirect ecological impacts during the construction and operational phases (e.g. introduction of invasive alien ants and plants as a product of the habitat disturbance required).

Fauna and avifauna

- Impact on fauna due to habitat loss and fragmentation.
- Threat to the large birds due to overhead power lines servicing locomotives and any additional electricity supplies.
- Nuisances/adverse effects due to fugitive manganese dust entering the Coega River and Estuary and the deposition of manganese dust on the surrounding vegetation.
- Indirect impacts during the construction and operational phases (e.g. creation of barriers to animal movement; poaching).

Marine Environment

- Risks generated by ballast water exchanges in the port.
- Effects of accidental spillage of manganese ore/contaminate runoff/stormwater on marine ecology (during loading of ships).
- Effects of manganese ore dust deposition.
- Implications for compliance to the London convention requirements.
- Impacts of increased shipping on marine ecology (e.g. oil/fuel spills and disturbance of whales and dolphins).

Air quality

- Impacts and effects associated with the generation of dust (e.g. accumulation on materials and vegetation (including at the adjacent saltworks) through fallout or deposition).
- Health implications if the fine respirable fraction PM10 (< 10 µm) exceeds health based standards in the ambient environment, i.e. beyond the facility fence line.
- Potential nuisance/health risks associated with the generation of volatile organic compounds (VOCs) such as benzene, toluene, ethylbenzene and xylene (BTEX) from activities at the compilation yard.
- Ineffective control of dust that may be generated from the facility due to the location of the proposed project in an area of frequent and strong westerly winds.

The storage and handling of ore (i.e. manganese ore) is a Listed Activity in terms of Government Notice 248 of 2010 as contemplated in Section 21 of the National Environmental Management: Air Quality Act (Act No. 39 of 2004), with emphasis on controlling dust so that limit values are not exceeded in areas adjacent to the facility.

Groundwater

- Impact of manganese spills (due to manganese handling, conveyors, rail cars) and dust fall-out from manganese stockpiles on groundwater. The impact assessment will include results from the atmospheric modelling study, which will identify potential fall-out of pollutants and dust onto surface water bodies, leading to potential infiltration to groundwater.
- Impact of leachate from stockpiles on groundwater.
- Downstream impact of stormwater run-off from the various areas of the proposed terminal on groundwater (if any).
- Implications for groundwater usage (if any) in the locally affected area.

Surface water

- The potential loss of wetland and/or riverine habitat (physical destruction).
- Sedimentation and erosion.
- Potential changes to the hydrological regime (impeding or diverting flow).
- Potential impact on water quality and risk to the riverine and estuarine environment.
- Loss of ecosystem services.
- Aquatic habitat fragmentation.
- Potential loss of aquatic Species of Special Concern.

Integrated water management

- Potential for water use (during construction and operation of the terminal) to exceed current spare capacity of existing water treatment facilities.
- Potential for water use (during construction and operation of the terminal) to exceed or stresses current water resources availability in the specified area.

- Risk that domestic wastewater (sewage) discharged exceeds current spare capacity of existing wastewater treatment facilities.
- Impact of discharged domestic wastewater (sewage) on the environment.
- Risk that process wastewater is not disposed of/discharged appropriately.
- Risk that oil/chemical wastes are not disposed of appropriately and are discharged which negatively impacts on the environment.
- Discharge of contaminated stormwater due to on-site activities.

Visual

- Change in the rural character of the surrounding countryside and sense of place of the landscape.
- The cumulative visual impact with other approved projects (e.g. wind farms in the area, proposed manganese smelter, etc.).

Noise

- Noise from the establishment of site construction areas and temporary workshops / storage areas.
- Construction equipment and vehicle noise.
- Noise from the operation of the following equipment:
 - o Train and wagon shunting, coupling and de-coupling
 - o Conveyors
 - o Tippler, stacker and re-claimer
- Workshops.
- Staff vehicles.

The above noise sources could impact on the local residents outside the study area, tenants within the Coega IDZ as well as persons within the facility. The noise will include audible, low frequency and infra sound. The impact noise from the tensioning of the couplings between rail cars could be a significant noise source.

Heritage

- Potential impacts of excavations on paleontological features (e.g. fossils).
- Potential impacts of construction activities on archaeological features (e.g. stone-age artefacts, shell middens), as well as graveyards.
- Impact on the cultural landscape (to be addressed under visual specialist study).

Waste

- The mud from the stormwater retention pond will settle out with time and will be collected once or twice a year. Depending on the composition of the mud, it will either be put back onto the stockpiles, stored in a designated area in the stockyard as used as a sacrificial layer, or would be discarded to an approved disposal facility. Clarification on the classification on manganese mud that accumulate in the stormwater retention pond at the stockyard, in terms of SA waste legislation, and identify good management practices accordingly.