



TWO NEW BILLS IN CONGRESS will Protect Water & Public Lands

Two new bills in Congress could, if they become law, pave the way to protect clean water, public lands and communities from some of the devastating impacts of hardrock mines.

The first bill is the "Abandoned Hardrock Mines Reclamation Act of 2002," introduced in March by Representative Mark Udall (D-CO). Hardrock mining over the last century and a half has left behind a legacy of 200,000 to 500,000 abandoned mines, which have scarred landscapes and

poisoned waters throughout the West. Communities across the region suffer from damage as they pay more to treat their water, deal with chronic health problems associated with past mining pollution and live with safety risks from dangerous abandoned mine shafts. This problem also threatens many areas dependent on recreation opportunities. To fully clean these sites would take at least \$32 billion. Congressman Udall's bill is the first comprehensive attempt to address these long-standing problems.

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Lexi Shultz, MPC Legislative Director and Representative Shays (R-CT) celebrate the introduction of a new bill that will require land managers to weigh mine proposals against other potential land uses such as recreation, community use and wildlife habitat.

The Abandoned Hardrock Mines Reclamation Act of 2002 will:

- **REDUCE** the taxpayer burden to clean up these mines by creating an Abandoned Mine Land Fund, to be paid for by a fee on hardrock mineral producers.
- **ADDRESS** environmental and public health threats from these mine sites and restore polluted lands and waters, by creating an abandoned mine reclamation permit program, with specific standards for cleanup, public input and EPA oversight.
- **ENCOURAGE** cleanup of these sites by providing state governments financial incentives to inventory all abandoned hardrock mines and identify priority sites, while supplying state, local and tribal governments legal incentives to conduct the cleanups.

Letter From the President

No community should be forced to live with toxic, polluted water. Nor should rivers that once ran blue, run red—polluted by acid that has leaked from mines for decades.

For years MPC has been campaigning to cleanup the toxic legacy of abandoned mines that threaten clean water and pristine streams. This is a problem in need of an urgent fix. Things are getting worse, not better.

There is hope on the horizon. Congressman Mark Udall (D-CO) has introduced a bill that seeks to address the pollution legacy from abandoned mines by setting up a fee mechanism on today's mine operations. Thus, today's industry helps begin to pay for the cleanup of yesterday's mine pollution.

But there is also a major, new problem brewing. Many of today's mines are on the verge of becoming tomorrow's pollution legacy.

Why? The problem has the same root cause as the Enron and WorldCom scandals, too little public disclosure and projections that are either wrong or naively optimistic. The core of the problem is that mining companies are under-predicting the environmental impact of modern operations and the costs of cleanup and closure. Too often mines are permitted on the basis of what turn out to be rosy predictions.

These mine pollution problems then lead to a dramatic increase in the cost of cleanup and closure. They can also lead to massive environmental and financial liabilities that have a bottom-line impact on the health of companies and potentially the state and federal treasury. In other words, both investors and citizens need to be wary and vigilant.

In the state of Montana, the Montana Environmental Information Center, MPC and others just won an important case in state court that simply requires the mining company, Placer Dome, to cleanup the mess it created.

This is a cleanup responsibility that Placer Dome should have accepted, rather than fighting in court and through efforts in the state legislature to weaken the states reclamation laws.

While vigilance will be necessary to enforce and require companies to cleanup the mess they make, what's needed is an investigation into why these mines are being permitted in the first place.

Why are regulators continuing to permit new mines and mine expansions based upon predictions and models that are wrong? What role are consultants, paid by the industry, playing in all of this? It's time for the consultants and regulators in this industry to stand up and be counted, before any more polluting mines are permitted on their watch.

Here at MPC we are committed to the idea that today's mining companies should be required to pay, in full, to cleanup the messes that they are making. We also believe that the remedy to this problem is more sunshine—full public disclosure of all the information that goes into mine permitting and planning, mine prediction, and planning for mine closure. After all, there should be nothing to hide.



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A handwritten signature in black ink, appearing to read "Stephen D'Esposito". The signature is fluid and cursive, written over a light background.



COVER STORY

CONTINUED FROM PAGE 1

The second bill is the “Mineral Exploration and Development Act of 2002,” introduced in May by Representatives Rahall (D-WV), Shays (R-CT) and Inslee (D-WA).

This bipartisan bill would overhaul the antiquated 1872 Mining Law – a dinosaur of a law that was written to encourage the giveaway of public land and mineral resources and to settle the West, but which unfortunately is still the law governing hardrock mining on lands owned by the American public.

Under this antiquated law, private mining companies can take valuable minerals from public lands without paying any royalties and purchase public land at the 1872 price of less than \$5.00 an acre. What’s more, because the 130-year-old law contains no environmental provisions, hardrock mining has wreaked havoc on communities and ecosystems. For example, according to the EPA, hardrock mining has polluted 40% of Western waterways and was the nation’s largest toxic polluter in 2000, releasing poisons like cyanide and arsenic into the land and waters. Finally, because the 1872 Mining Law treats mining as the most important use of public lands, even special places such as Wilderness Areas are put at risk from mines.

The bill was introduced at a Capitol Hill news conference organized by the Mineral Policy Center. Representatives Rahall, Shays and Inslee all spoke at the event, as did MPC’s Legislative Director, Lexi Shultz, and spokespeople from Taxpayers for Common Sense and Trout Unlimited.

Also featured at the event were citizens from Sandpoint, Idaho who are battling the proposed Rock Creek silver and copper mine in nearby northwest Montana. The mine would tunnel under a Wilderness Area, threaten one of the last remaining grizzly bear populations in the Lower 48 states, and pollute rivers, lakes, and drink-



Tom Suttmeier, a County Commissioner for Bonner County, Idaho, noted that the Rock Creek Mine is a classic example of why the new mining reform bill is needed, asking, “Why should our community risk its livelihood for a mining venture that will pollute its watershed forever?”

ing water supplies such as the famed Clark Fork River and Lake Pend Oreille.

Both the Udall bill and the Rahall/Shays/Inslee bill face a difficult political climate in the current House of Representatives, because of pro-industry members of Congress that sit on the key congressional committees. Nevertheless, these bills

will be a rallying point that will allow us to educate Congress about the severe environmental and taxpayer impacts from modern hardrock mining and the need to fix the problems. We intend to do a major public education campaign on these bills and ultimately expect to gain considerable support for them from Representatives and the public. 

Specifically, the Rahall/Shays/Inslee bill would:

- **PUT** special lands like Wilderness areas off-limits to mining;
- **ALLOW** federal land managers to weigh other public land values, such as community use, recreation, water resources, sacred sites and wildlife habitat in determining whether land is suitable for mining, and give those managers the authority to deny unsuitable mines;
- **CREATE** environmental standards specific to mining in order to protect ground and surface waters, fish and wildlife, and the surrounding land;
- **REQUIRE** mining companies to pay a fair royalty for the minerals they take from public lands;
- **END** the practice of selling off public lands for rock-bottom prices;
- **ENSURE** that mining companies clean up their mess when they are through mining by establishing strong cleanup standards and making companies post financial assurances ahead of time to show they can pay for cleanups.

Idaho/Montana Forest Service Forced to Yank Rock Creek Mine Permit

Score one for the home team! In March 2002, the U.S. Fish and Wildlife Service withdrew the biological opinion it issued for the proposed Rock Creek Mine, forcing the U.S. Forest Service to withdraw its approval as well.

In Dec. 2000, the U.S. Fish and Wildlife Service first released its biological opinion for the Rock Creek Mine, giving the proposed project a thumbs-up despite the agency's determination that the mine is "likely to jeopardize" the grizzly bear population in the Cabinet Mountains. The Cabinet-Yaak grizzly population, which numbers an estimated 11-30 bears, is one of only 5 grizzly bear populations remaining in the lower 48 states. If developed, the proposed mine would bisect the bear's remaining habitat, pushing this fragile population over the edge.

The Rock Creek Alliance, Cabinet Resource Group, Mineral Policy Center and others filed suit against the Fish and Wildlife Service, challenging the agency's

"This mine will kill grizzly bears, ruin critical fish habitat, degrade drinking water, and compromise tens of millions of dollars of abandoned mine restoration work on the downstream Clark Fork River," said Mary Mitchell of the Rock Creek Alliance, an Idaho and Montana organization working to stop the mine at a rally last April. Mary is featured here with MPC Board Member Chris Wood (Trout Unlimited).



Open-pits and rock faces at the Golden Sunlight Mine are not exempt from reclamation despite mining company Placer Domes attempts to circumvent state law.



mitigation measures as inadequate, and the biological opinion as unscientific and fatally flawed. Despite the pending lawsuit, the Forest Service plunged ahead with mine approval, signing the record of decision in December 2001.

Just three months later, the Fish and Wildlife Service pulled the rug out from under the Forest Service when it decided to withdraw its biological opinion in light of the groups' litigation.

Unfortunately, the withdrawal is only temporary. The Fish and Wildlife Service contends that its opinion is not flawed. "We have no additional information to suggest we have to go back and start from scratch. We're going to clarify some of the issues and provide clear justification for our rationale," said Anne Vandehey, a Fish and Wildlife biologist in Helena. The agency claims it will issue a revised opinion in the near future.

Despite the agency's assertion that its position towards the mine will remain unchanged, the Rock Creek Alliance, Mineral Policy Center and others are confident of success in the end. "We've said all along that this mine cannot be built without pushing the Cabinet's fragile grizzly bear population and bull trout in Rock Creek to extinction. No amount of word-smithing will change that. We will prevail in court," said Mary Mitchell, executive director of the Rock Creek Alliance.

*For additional information contact:
Mary Mitchell/Rock Creek Alliance at
208-265-8272*

Montana Landmark Court Decision Forces Reclamation

March 25th was a big day for mining activists in Montana. In a landmark ruling, Montana District Court Judge Honzel declared unconstitutional a Montana law that exempts open-pits and rock faces from reclamation. In his ruling, Judge Honzel said the law flies in the face of the Montana Constitution, "which requires that all lands that have been disturbed by the extraction of natural resources be reclaimed."

The battle began more than a decade ago when Placer Dome first applied for a permit to increase the size of the Golden Sunlight open pit gold mine. When the reclamation plan was developed, the State concluded that backfilling the pit was technically feasible and would significantly reduce the amount of acid mine drainage. However, the State rejected the backfill alternative because the agency determined it was uneconomical for the company.

The Montana Environmental Information Center, National Wildlife Federation and others filed suit challenging the agency's decision. Last February, the Court ruled in the groups' favor, stating that there was nothing in the Montana constitution or state law which allowed a reclamation decision to be based on whether a mine operator would make a profit.

Undeterred, the company went to the legislature, which amended state law on behalf of the company to categorically

exempt open pits and rock faces from reclamation. Once again, mining activists, including the Mineral Policy Center, challenged the new law in court. And, once again the judge ruled in the groups' favor, tossing out the amended state law and the reclamation plan as unconstitutional.

Upon hearing the court's decision, Jim Jensen, of the Montana Environmental Information Center remarked, "This is a landmark ruling in mining reclamation law and constitutional law – no question about that!"

For additional information contact: Jim Jensen, Montana Environmental Information Center at 406-443-2520

New Mexico: A Mine Cleanup Precedent

In early June, the New Mexico Mining and Minerals Division approved a close-out plan for this mine near Questa. The plan is the result of a multi-year effort by a group of organizations, led by Amigos Bravos. Some highlights of the plan are: the removal of 2,247 acres from future mining; reclamation must begin this summer, with a minimum of \$3 million a year to be spent on improvements; and a record setting bond of \$134 million must be posted for the site. While numerous issues are left unresolved, including large areas of subsidence caused by underground mining, the plan represents a major achievement by the organizations working to protect New Mexico's land and water.

For additional information contact: www.amigosbravos.org

Phelps Dodge's Clean Water Dodge

Phelps Dodge, the worlds second largest copper mining company, wants to use 15,500 acre-feet of precious groundwater to dilute water polluted by its Chino copper mine near Silver City. So far, the state government appears to be supporting this faulty plan. Activists have been

pressuring the state and company to find a better solution.

However, at the nearby Tyrone copper mine, Phelps Dodge is planning on using filtration to remove the pollutants from the contaminated water, allowing clean water to be released. A group of organizations, lead by Gila Resources Information Project, has been pressuring the state and company to use filtration for Chino as well.

For additional information contact: Gila Resource Information Project at 505-538-8078 or www.zianet.com/getagrip

Nevada: Pollution Rises at Phoenix Mine and Others

The proposed Phoenix Project, near Battle Mountain, would create one of the worst acid mine drainage sites in the country, and yet the BLM looks poised to allow this mine to move forward. Further east, on the Carlin Trend, mine expansions are predicted to lower water levels for the region's small perennial streams and the regions sole river. Again, the BLM continues to act as if there is nothing to worry about, despite evidence to the contrary. In the Crescent Valley of northeast Nevada, a new mine on Mount Tenabo, called the Pediment Project, would destroy an area that has been used for thousands of years by the Western Shoshone people for cultural and subsistence purposes.

Questa Mine



Great Basin Mine Watch Staff: Tom Myers and Christie Whiteside

In response to these many assaults, there is a growing effort in Nevada to bring the mining industry into better balance with the current and future needs of the state. Great Basin Mine Watch, a non-profit organization based in Reno, is leading numerous challenges to the state and federal agencies. They are working in collaboration with the Western Shoshone Defense Project, the Reno-Sparks Indian Colony, and MPC among others.

Local Activists Make Gains to Stop Kitty Litter Mine

Just on the outskirts of Reno, there is a proposal for a clay mine, which would turn a suburban area into an industrial one. Last February 2002, Washoe County denied a special use permit sought by the Oil-Dri corporation to begin mining clay to be used for kitty litter. The county now faces legal action by the company. Oil-Dri claims that the 1872 mining law gives them the right to mine despite community opposition. Luckily, just last month, the district court ruled that it would hear arguments from Great Basin Mine Watch supporting the counties right to deny a mine on public lands. The judge in this decision has allowed local groups to argue that local regulations and requirements take precedence over the mining law.

For additional information contact: Great Basin Mine Watch at 775-348-1986 or www.greatbasinminewatch.org

Global Mining Campaign Update

The Global Mining Campaign (GMC) is a network of NGOs, community-based organizations and activists from around the world working together through collaborative initiatives and individual actions to hold mining companies accountable for their performance on environmental, human rights, cultural rights, economic and social issues. The GMC network was established last November during a meeting hosted by MPC.

This year members of the Global Mining Campaign have been making great strides. In response to industry's preparation for the World Summit on Sustainable Development (WSSD), some members of the Global Mining Campaign, including Mineral Policy Center, have released **"Digging for Change: Towards a Responsible Minerals Future – an NGO and Community Perspective."** This report outlines the minimum criteria the mining industry must meet to avoid irresponsible mining practices.

A second report entitled **"Digging Deep, Is Modern Mining Sustainable?"** profiles ten community case studies from around that world that expose the impacts of modern mining on communities and the environment.

Network participants at PrepCom 4 in Indonesia. Left to Right: Manny Pino, Matthews Hlabane, Payal Sampat, Alan Lassey, Clare Stark



Both reports and international media coverage are available online: www.globalminingcampaign.org/theminingnews.html.

These reports were distributed by MPC at the International Mining Workshop held in Bali, Indonesia (May 24-26) and at the Fourth United Nations Preparatory Meeting for the World Summit on Sustainable Development, also held in Bali, Indonesia from May 27th-June 7th.

The Industry Responds

Sponsored by 28 of the largest mining companies in the world, the Global Mining Initiative Conference that took place in Toronto, Canada was industry's attempt to introduce its version of the issues surrounding sustainable development and mining. Their study, **Breaking New Ground: Mining, Minerals and Sustainable Development**, contains some fairly progressive recommendations. Unfortunately, industry's new interest in sustainability stands in stark contrast to the on-the-ground impacts of many of today's mines.

MPC President Steve D'Esposito gave a plenary speech at the industry sponsored conference during which he called on the industry to act on such issues as community consent, banning worst practices and less extraction and more recycling. The text of his speech can be found at <http://www.globalminingcampaign.org/theminingnews.html>. His speech can be seen on video at the GMI website: www.gmiconference.com.

The industry Final Report can be downloaded from the MMSD website: www.ied.org/mmsd/finalreport.

Peru Citizens of Tambogrande DO NOT Want a Gold Mine in Their Town

Community organizing to stop a proposed gold mine in Tambogrande, a town in



Town of Tambogrande votes **NO** to Gold Mine.

northern Peru, could become a precedent setting case for the way in which mining companies should do business. On June 2, Tambogrande residents voted overwhelmingly, 98 percent, against the construction of a \$125-million open pit gold mine by Canadian-based Manhattan Minerals Corp.

If built, the mine would require the relocation of half the town's population (8,000 people) and threaten their agricultural livelihood with pollution from the minesite.

A company official claimed that the mining project will offer great opportunities to "develop a poor area of Peru". However, the San Lorenzo valley, where Tambogrande is located, is the country's largest exporter of limes and mangoes and the people are not inclined to relocate and pursue an alternative livelihood.

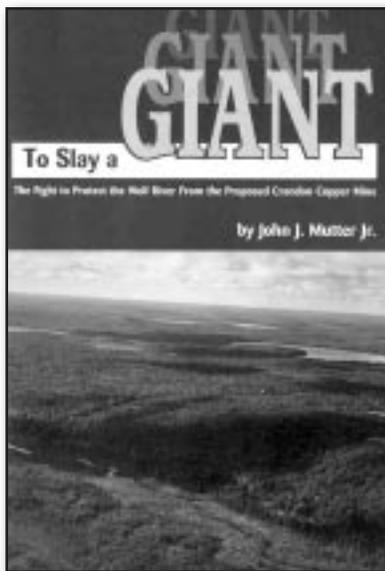
The challenge for this community is not over. The referendum, which was organized by the Tambogrande municipal government, was declared illegal by the central government, and officials said it will have no impact on the project. Coincidentally, Centromin Peru SA, Peru's federal mining agency, would own 25 per cent of the project.

Mining companies, including Manhattan Minerals, should abide by the communities' will, as expressed in the June referendum. This would set an important precedent for responsible corporate behavior.

More information is available online at: www.oxfamamerica.org (keyword: tambogrande) and www.globalminingcampaign.org/theminingnews.html

To Slay A Giant

MPC member, John Mutter Jr., recently authored a book that chronicles the two year battle to pass Wisconsin's Sulfide Mining Moratorium Bill. This law requires that mine operators show proof that a similar mine has operated safely elsewhere before one could be established in Wisconsin—ultimately saving the scenic Wolf River! The book provides a historical account of how local NGOs, tribes and concerned community members joined forces to block the proposed Crandon Mine. Their efforts to “slay a giant” named Exxon are proof that a diverse group of concerned citizens can make a difference.



To Order the Book Contact:

John Mutter • Burstone, LLC • PO Box 15 • Shawano, WI 54166 • Tele (715) 526-9277



Eye ON INDUSTRY

✘ This summer gold prices climbed to their highest level in more than two years.

✘ Newmont Mining Corp. has reported a 24,000-gallon spill of a cyanide solution that occurred at its Pinion mill facility. State regulators did not inspect the site until a day after the spill actually occurred, which given the highly toxic nature of cyanide, it was definitely a day too late.

✘ A final reclamation plan was put forth for the Zortman and Landusky gold mines in north central Montana and it is required that the government (aka taxpayers) come up with \$33.5 million to carry out the cleanup.

✘ Robert Friedland, the mining promoter, famous for environmental disasters like the

Summitville mine in Colorado, is at it again, now in the remote Gobi Desert of Mongolia. Based upon exploration findings, Friedland claims the potential mineral wealth for a proposed gold and copper mine could be as much as \$1 billion - the actual value of Mongolia's entire economy. Stakes are high for this impoverished country but a key problem lies in the fact that China could be set to one day take ownership of the proposed mine, which would add to the political strife that already exists between to the two countries.

✘ A coalition of environmental organizations call for an independent safety audit of the troubled Kumtor Gold Mine after a fatal pit wall collapse kills a worker in July. This latest incident follows three chemical spills at the mine that resulted in fatalities and illness.

Reform Barometer

ON TARGET



Bill HR4078 is introduced that will require that mining companies pay into a fund that will be used to clean up abandoned mines.



On May 8, the newly elected President, Dr. Abel Pacheco de la Espriella, declared (de facto) Costa Rica as a country free of oil exploration and open pit mining.



Bill HR4748 is introduced that will overhaul antiquated 1872 Mining Law.

NEUTRAL



Water quality of the Alamosa River valley shows lowest quantities of heavy-metal contamination in the last decade. This can probably be attributed to the lack of snowmelt in the Summitville Mine Superfund Site.

NEEDS FIXIN



1872 Mining Law celebrates 130th Birthday this summer.



The Bush administration plans to recommend that nine million acres of the Tongass National Forest in Alaska be opened for mining.



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Aimee Boulanger (former MPC Field Director) and Chris Woods (MPC Board Member) participate in a rally to protect Montana's Cabinet Wilderness from a proposed gold mine.



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