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Mine under fire over environmental laws

Critics say state failed to enforce rules for planned Kennecott site

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The Detroit News

With work beginning as early as this spring on the first new mine in Michigan in a half-century, critics are saying the state has failed to implement laws passed in 2004 to guarantee the safety of the environment in favor of bringing in new jobs.

Four years and several lengthy court battles after Kennecott Eagle Minerals first filed permit applications to mine near Marquette, the Department of Environmental Quality (now the Michigan Department of Natural Resources and the Environment) gave its final permit approval Jan. 14.

Opponents of the \$300 million Kennecott Eagle Project contend state officials paid only lip service to enforcing the new mining laws -- known as Part 632 -- and have created a bad precedent for future mining operations.

"The system absolutely did not work the way it was supposed to," said Michelle Halley, senior manager for Lake Superior Protection and Restoration with the National Wildlife Federation. "There were procedural failures and legal failures. And there is also a long list of technical failures where the (Department of Natural Resources and the Environment) just does not and has not understood the problems with the plan."

Representatives of the mining industry have a starkly contrasting view of how Part 632 was implemented. Officials at Kennecott, a subsidiary of global mining company Rio Tinto, said they are pleased with the approval process and are investigating additional projects in the Upper Peninsula.

"To the extent that the process was lengthy, that it was highly scrutinized, that the state incorporated some of the world's most capable technical experts ... all speaks very well of the state and the process," said Deborah Muchmore, a spokeswoman for Rio Tinto/Kennecott Eagle Minerals Co.

"We started out with a very good project in design, and this process made it that much better."

Project gains attention

In 2004, Gov. Jennifer Granholm hailed the laws governing sulfide mining as a balance between economic and environmental interests.

"We are committed to busting down the old paradigm that says if you want economic development, you must ravage the environment. And if you want to save the environment, you can't create jobs," Granholm said at the time. "That is a ridiculous zero-sum paradigm."

Economically speaking, Kennecott's Eagle Project is probably what the governor had in mind. If it clears the remaining legal challenges, the project is expected to generate:

- 500 jobs for construction of the mine and the redevelopment of a mill site in Humboldt.

- As many as 200 full-time jobs once the mine and mill are running.
- Tax boosts for local governments, the local school district and more than \$100 million in revenue for the state.

As Kennecott's project has moved through the approval process, other mineral companies have been paying close attention.

And nothing they have seen has dissuaded them from pursuing their own projects.

Bill Williams, vice president of corporate development for Toronto-based Orvana Minerals Corp., said his company will likely complete sampling work this year on a potential copper and silver mine named Copperwood in Gogebic County, near the Michigan-Wisconsin border. Orvana could file for mining permits early next year.

"Michigan's mining laws are transparent and clear," Williams said.

"The time frames are fixed and they are very easily read. You understand exactly what you have to do."

Officials at Aquila Resources Inc. are investigating the potential for their Back Forty project -- a zinc-copper deposit in Menominee County. Like Williams, Aquila President Thomas Quigley watched Kennecott's Eagle project.

"Michigan's laws are very comprehensive, and the standards could be difficult to meet," he said. "But if we have the opportunity and the will to do it, I think it's a good thing. It's comprehensive and it protects the environment."

Designs must deliver

Many who oppose the Eagle project said it's not the laws that failed, but the way they were applied by state officials.

Jack Parker, a mining engineer and longtime critic of the Eagle project's design, said Part 632 requires companies to prove their mine designs are sound and demonstrate they will work as planned.

Parker said that never happened during the approval process for Eagle.

"I would say that Part 632 has had no effect -- zero," he said. "That's because Kennecott ignored it, the DEQ ignored it. The judge ignored it. They paid no attention to it whatsoever."

Robert McCann, spokesman for the Department of Natural Resources and the Environment, disputed the allegation, saying: "It's simply not true. We've had outside, independent people in to do a review of our review, and they found we administered everything absolutely correctly."

Environmental groups worry most over the potential for acid mine drainage -- sulfuric acid created by digging for metals that works its way into local waters -- if the designs do not deliver as promised.

Halley, who plans at least two more legal challenges to the Kennecott permits, puts it in terms that are even more blunt.

"The roof is going to fall in," she said.

"Water is going to come gushing into that mine. The on-site wastewater treatment plant won't work properly."

As for whether the state's approach to enforcing its new mining laws will mean a glut of new mineral projects, Parker said he is not certain. But he said he is not comfortable with the precedent that has been set.

"They have made it so easy for Kennecott, it would seem they'd have to do the same for everybody else," he said. "I believe we'll see a half-dozen or so mines show up."

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