

MARCH 2001

New 3809 Rules Lead Babbitt's Parade of Midnight Regulations

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A string of nearly 100 regulations that were rushed through during the closing days of the Clinton administration have been undergoing careful scrutiny since January 20, 2001. Though some were soundly based on legal statutory authority and good science, it is becoming increasingly clear to the Bush administration that many were not. From new EPA water quality standards for arsenic, to OSHA's ergonomic rules, to a host of actions undertaken at the Forest Service, such as the so-called Roadless Rule, both the new administration and the Congress are acting decisively and in the best interest of the American people.

It is widely expected that the majority of the rules in question will be revamped, rather than repealed, to be consistent with supportable technical evidence already on the record. Nowhere is this trend more evident than with the house of cards built by former Interior Secretary Bruce Babbitt and his rogue solicitor John Leshy.

Approximately 12 hours before George W. Bush took the oath of office on Saturday, January 20, 2001, Babbitt's and Leshy's efforts to administratively reform the Mining Law culminated in the new 43 CFR 3809 Surface Management Regulations taking effect. The radical provisions virtually ignored the landmark National Research Council Study on federal mine regulations and the comments of the Western Governor's Association (WGA). Furthermore, the final rules ignore two congressional directives that prohibited Interior from amending the 43 CFR 3809 regulations except to the extent to which any final rules "are not inconsistent with" the recommendations contained in the NRC report, provided that such regulations are also not inconsistent with existing statutory authorities. Undeterred by congressional prohibitions, or the continuing objections by the WGA, and contrary to the NRC report's conclusions, Secretary Babbitt culminated a four-year effort to administratively amend the Mining Law by publishing final 3809 rules on November 21, 2000, and making them effective January 20, 2001.

The new 3809 regulations substantially redefine "unnecessary or undue degradation" to mean basically anything a BLM district or area manager wants it to mean. Thus, it allows a *de facto* Mine Veto Provision. (See *Glamis* and *Interior Reimbursement* articles on page 13 for a description of the more onerous provisions of the new regulations.)

Industry queues up to set aside the new 3809 rules

The National Mining Association moved first by filing a complaint for declaratory and injunctive relief in the United States District Court for the District of Columbia on December 15, 2000. They sought a declaration that the new 3809 rules are invalid and asked the court to enjoin implementation of and vacate the regulations. The NMA complaint alleges that the BLM has exceeded its statutory authority under the Federal Land Policy and Management Act of 1976 (FLPMA), the General Mining Laws of the United States, and that the final rules are arbitrary, capricious and inconsistent with existing laws, and were promulgated in violation of the Administrative Procedure Act, the Small Business Regulatory Flexibility Act, and the National Environmental Policy Act.

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President's Corner ...

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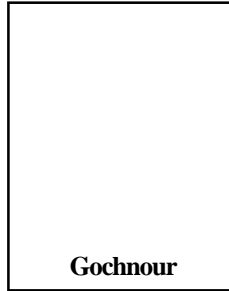
Message and Goals for 2001

It is a privilege and an honor to represent the **Northwest Mining Association** in the year 2001.

During NWMA's 107 years of existence, we have experienced a tremendous amount of change in the ways that we explore and develop mineral deposits, their locations, and the economic and environmental conditions in which they are developed. For the most part, we have been very successful in adapting to these constant changes. Our ability to adapt by utilizing science and technology has been unparalleled. However, we have entered an era where competing interests are forcing us to address and adapt to social issues with new stakeholders. If we do not address these issues, we run the risk of becoming a fragmented group of individuals and companies who expend tremendous amounts of resources just to survive, rather than developing ways to coexist and mutually benefit from the valuable resources we have to offer and the population consumes.

The Association's goals for the coming year to address these issues and continue to provide quality service to our members are as follows:

The Association — **The Northwest Mining Association** will maintain and continue to develop the efficient, effective, and ethical management of the Association's business. We will manage the Association's finances with the highest level of fiscal responsibility. These efforts can only be accomplished by welcoming input from all members and by encouraging participation through the formulation and development of the Association's positions and activities.



RODNEY D. KNUTSON

Membership — **The Northwest Mining Association** will maintain and increase both corporate and individual membership, and develop new ideas to expand its membership base. This will be done by continuing to respond to needs of its corporate and individual members, promptly discovering and disseminating information that can have an impact on our industry and its members, maintaining an advocacy role on critical issues affecting our industry, offering and holding a premium Annual Meeting/Exposition, and continuously working to enhance the public's knowledge and perception of our industry.

Annual Meeting — **The Northwest Mining Association** will offer an Annual Meeting/Exposition that educates and brings people and information together in an environment that fosters comradery, lasting friendships, and business relationships.

Communications, Education, and Outreach — **The Northwest Mining Association** will provide members with timely information about Association activities and issues. This will be done through the following resources and tools: continued publication of the NWMA Bulletin; and Action Alerts, notices in NWMA's Web Site, and other appropriate forums. In addition, the Association will continue to utilize and make available to members its Public Education and Outreach Program to continue the education of students, teachers, legislators, and the public about the practices, accomplishments, and benefits of the modern and environmentally responsible mining industry.

Governmental Affairs — **The Northwest Mining Association** will continue its proactive role on behalf of its members at the local, regional, national, and international levels. Our Association will coordinate with other state and national organizations, and will do its best to fill the voids created with the contraction of industry in states where the industry does not have formal coordinated representation. We will continue our efforts to build alliances with organizations involved with natural resource and public land issues.

Environmental Principles and Sustainability — In October 1998, the Association adopted a set of Environmental Principles that "embody the protection of human health, the natural environment, and a prosperous economy." These principles are to reflect our "current philosophy" and practices of our industry. In order to *sustain* this philosophy, we must support education and research in order to provide new ways of thinking and new insights. In the coming year, we must embrace the concept of sustainability as it should apply to mining and the environment. This is a natural outgrowth of our members' strong commitment to exploring and developing our resources in a responsible manner. All of us must embrace and support all facets of the mining universe if we are to sustain our industry. Sustainability is reviewing our past, assessing our successes and failures, and applying these lessons to the needs of tomorrow.

Moving forward, the Association's "Strategic Plan" presented at this year's convention will be the vehicle and guidance for reaching these goals. NWMA remains your Association. We, the Trustees, Officers, and Staff welcome your support and ask that you continue to make a positive difference for our industry and the world consumers of our products and services. *

Sustainable Development: A Key Issue at NWMA's 106th Annual Meeting

Getting the word out is of prime importance to the mining industry, say key industry leaders

The concept of *Sustainable Development* is emerging as a driving force of the coming decade. Thus, the question being pondered by mining companies worldwide is “How can we reconcile the dual image of being a provider of important, civilization-sustaining mineral wealth and a depleter of natural resources?”

At the Keynote Session held on the opening afternoon of NWMA's 106th Annual Meeting & Exposition in Spokane last December, a panel of industry experts agreed that mining's story hasn't been told completely, especially its social and environmental stewardship programs of recent decades. Panelists also agreed that the industry must take steps to make the public more aware that the mining community accepts the sustainable development paradigm.

Joe Danni, Vice President of **Placer Dome America, Inc.** and Keynote Session chair, said, “Mining does its business in rural areas, those parts of the country that are culturally polarized from the major population centers.” Danni added that mining has to educate those living in urban areas as to what the mining industry is doing, and that it is doing it in an environmentally and socially responsible manner.

David Humphreys, Chief Economist for Rio Tinto, Ltd., said the industry needs to take into account social and environmental impacts, to work with communities, and respond to the public if it is to be seen as viable. “How do we get the public to see mining as a legitimate and desirable activity?” he asked. Horswill said the answer is that mining must make the transition from purely a producer of natural resources to a partner in the protection of the environment and advocate of broad benefits for the community affected by mining. “And the perception of this transition, a transition that is well underway today, must be made clear to the public. Mining cannot be justified any longer merely by its material contribution to a consumer-oriented society; its responsive stewardship of everything affected by the operation also must be demonstrated.”

Dennis Wheeler, CEO of **Coeur, The Precious Metals Company**, extolled the philosophy of *En Libra*, a policy adopted by the Western Governors' Conference to bring natural resource producers and local communities together. “We need local cooperation to solve difficult issues. I believe that a consensus that respects local culture and the environment can be achieved between the local community and the mining company in every step of the mine's development.” Wheeler added that sustainable development is what mining is all about today, and once that fact is demonstrated, the public will realize “... that we all rely on the land for our livelihood, either directly or indirectly.”

Dorothy Kosich, Sustainability Consultant for **AngloGold, Ltd.**, said, “Sustainable development is the participation in the social, economic and institutional development of communities and to mitigate adverse effects in those communities.”

Kosich explained that large mining companies in the world's poorest countries are already providing the necessary infrastructure to help communities sustain themselves after mining ends, including basic skills such as reading, business education, health care, roads, electricity and water purification. “You're already sustainable and you don't even know it,” she said to the panel members, “and you've been that ways for years, even before the

term ‘sustainable’ became fashionable. If you've built a football field or helped construct a hospital in your community, you're practicing sustainable social development. And it's time for mining to get the word out concerning its efforts regarding sustainability.”

While showing slides of impoverished South African children, Kosich said, “You don't see the Mineral Policy Center trying to save them, and you don't hear the Sierra Club talking about them, and you don't see the World Wildlife Federation trying to raise funds for them. But AngloGold, a company who mines in the area, is educating and feeding these kids, but AngloGold's generosity goes unreported. Yet, that is what sustainability is all about: enhancing the quality of life for future generations.

“And don't forget that mining companies teach skill development programs to ensure a qualified pool of local employees,” Kosich continued. “This not only allows workers to gain employment at the mine site, but also allows communities to expand their entrepreneurial horizons outside their communities by encouraging basic educational and training programs.”

Kosich added that mining companies should work in partnership with nongovernmental organizations and institutional agencies when they focus on sustainable development. “Don't try to do it yourselves,” she said. “Form local foundations to help administer the sustainability programs. Local agencies really know what the concerns of the local communities are, and mitigating the effects of mining on primitive societies are very important. To them, cultural preservation is paramount.”

Doug Horswill, Vice President-Environmental and Corporate Affairs for **Cominco, Ltd.**, said “... the mining industry needs to adopt sound environmental practices and export them around the world. We must be accountable for our past and present mistakes, and we must reestablish our trust with the public.”

Horswill added that Cominco has adopted practices over the past decades that actually can be viewed as “sustainable” by helping communities upgrade themselves by providing necessary social infrastructure. “But the real problem in today's world is extreme poverty and its consequences. Poverty is the single greatest threat to the health of people and the environment. And our industry has played a major role worldwide in bringing people out of poverty. This effort, to bring people out of poverty, fits right in with the our concept of sustainable development.”

Concerning environmental stewardship, Horswill pointed to the remote Red Dog Mine in Alaska as a good example of how mining can actually help the environment. “Today, the water in the creek (once a ‘dead’ creek due to natural runoff) that runs through the largest zinc deposit in the world, is actually cleaner than it was before mining began. Now there are fish out to the toe of the tailings.”

Horswill added that the use of zinc in steel production cuts down on the greenhouse gases that are produced from that process, and that zinc is used in air fuel cells as a potential replacement for the internal combustion engine. “This also is sustainable development: the use of mined products to protect the environment.”

Horswill concluded by saying that the mining industry must engage its critics and to listen to their concerns. “We have to get the message of sustainable development out there. Only then will we start to regain the trust of the public. We will go from

dumb, dirty and dangerous to clean, clever and caring — but only if we get the word out.”

Peter Shadie, Programme Officer with the International Union for the Conservation of Nature’s (IUCN) Programme on Protected Areas, based in Gland, Switzerland, said, “I represent the view of a group that has the responsibility to deliver to society the concepts of biodiversity, while the mining industry has the responsibility to deliver natural resources. We need biodiversity experts, mining experts and indigenous culture experts to participate in a discussion of the issues of sustainability.”

The session clearly demonstrated that society now expects more from the mining industry because society’s environmental and cultural standards have changed. And mining, along with all natural resource industries, must keep this in mind. Whether it be a sand and gravel quarry at the edge of a town, or a major precious metals mine in a remote rain forest, mining’s impacts and, therefore, its necessary stewardship, must be taken into consideration.

The idea of *sustainable development* demands a sensitivity to everything that is impacted by the operation — environmental and cultural — from the very beginning of exploration, through construction and operation, to final reclamation and long-term ecological monitoring.

It’s not simply a task of justifying mining’s contributions to society any longer; what matters today is how it’s done and what remains behind after operations cease.

“The public’s attitudes have changed, and our industry needs new approaches and new solutions if we are going to have a viable North American mining industry in the 21st century,” concluded **Laura Skaer**, Executive Director of the **Northwest Mining Association**.

Sustainability Session Compliments Keynote Remarks

The purpose of the technical session, *Sustainability – Our Challenge and our Opportunity*, at **NWMA’s 106th Annual Meeting & Exposition**, was to establish a broader base of how things are changing for the minerals industry. As a technical organization, **NWMA** also has to be an effective political voice.

“As we enter a period of globalization, not only does **NWMA** need to deliver a solid technical premise for the mining industry, but we also need to know how our role and responsibilities as geoscientists in society remains relevant,” said **Leigh Freeman**, session chairman and Principal of of Golden, Colorado. “Sustainability is really a throwback to the early days of minerals exploration when geologists not only described the economic mineral potential of a region, but also its flora, fauna and local culture. In recent years, however, geologists only concerned themselves with science; nowadays, however, a geologist’s skills must again take into account everything that gets impacted by the presence of the mining industry. The process of sustainability, from exploration through reclamation, must be considered as paramount.”

Freeman added that we are watching a domestic transformation from a rural culture, focused on developing mining, ranching, logging, farming, to a wealthy urban culture seeking leisure activities, such as skiing, hiking, fishing and general touring, and the clamor for the expansion of areas set aside for recre-

ational use can be heard across the United States. “This means we are using third-world countries as economic colonies, and we need the broad skills to handle those responsibilities concerning sustainability. We cannot only look at raising the economic standards of indigenous peoples without concerning ourselves with ‘doing no harm’ to their social and cultural standards. But a problem arises when we try to create an economic culture based on mining in Lincoln, Montana, while other forces are trying to create a recreational culture in the same place.”

Another problem for mining, said Freeman, is that the public perception of our industry isn’t determined on the basis of our best sustainability work, but on the basis of the weakest link in our industry. “How do we police that?” asked Freeman. “As an industry, we have to create the realistic perception of the reality of our sustainability delivery system. The media must be made aware of what we’re doing and how successful we are. We have to manage the perception of our industry to the public.”

The perspective of the speakers at the session ranged from a theoretical to a more detailed view of successful projects.

Rio Tinto’s David Humphreys, also a speaker at the Keynote Session, voiced concerns about the economic cost of sustainability to mining companies. “If profits in the mining industry are down, what have we left to share with the local populations and still satisfy our shareholders?” asked Humphreys. “The answer to that question is ‘We don’t have a choice.’ Sustainability is a necessity and must be considered from the beginning of any project. However, it may very well mean that only well-funded companies, companies that show a commitment to sustainability, will be able to develop an ore body.”

Ian Thompson, a Principal of Ian Thompson Consulting in Vancouver, B.C., and one of the world’s leading exploration geochemists, spoke about the responsibilities and difficulties that minerals exploration companies encounter when dealing with remote populations that are not within the regular flow of a greater national or global economy. According to Thompson, mining companies are able to manage the economic and environmental impacts of our activities in rural communities. These are tangible, quantifiable issues that lend themselves to technical solutions. “Our challenge in the future will to manage the less tangible impacts, the social and cultural impacts. Major companies may be establishing global policies, but the actual impressions being made on remote communities are being done by exploration geologists with junior companies,” said Thompson. “Therefore, those junior companies need to be included in the larger planning process because it is they who are in contact with these indigenous populations during the first three or four years of a project, and because they are the ones who initially introduce mining to the these populations.”

Peter Dolph of Geo-Con, Inc., in Denver, a co-chair of the session and an expert business professional in the mining industry, explained how certain business management tools measure progress on sustainability issues on a value-based program when specific quantitative methods are not possible. “It is easy to measure how much money is being spent and how many children attend a specific school that the mining company helped build, but the real question is how to measure the quality of progress relative to the responsibilities a company has to that

Continued on page 12 ...

A Closer Look at NWMA's Officers for 2001

The **Association** is fortunate to once again have a highly capable group serving as its officers this year. These individuals also form the Executive Committee that acts on behalf of the Board of Trustees between scheduled meetings.

Here is a brief introduction to these key people.

President: **L. Pat Gochnour** is the Principal of **Gochnour & Associates**, and has provided effective mine environmental and permitting service to the mining industry since 1981. Prior to forming Gochnour & Associates in 1994, Pat was Vice President-Environmental Services for Pincock, Allen & Holt, Inc. He also has served as Corporate Environmental Manager for St. Joe Minerals, Bond International Gold, LAC Minerals, and Min Ven Gold Corp. Pat's areas of expertise include environmental audits and permitting programs, and he provides support to a wide range of domestic and international clients. A past Trustee (1993-95), Pat was NWMA's 1st Vice President in 2000. Pat looks forward to a great year for the Association.

1st Vice President: **Richard J. Hall** is President & CEO of **Metallica Resources** and has 25 years experience in the minerals industry in the areas of exploration, development, permitting, reserve estimates, economic evaluations, acquisitions, corporate finance, investor relations, and strategic planning. Ritch is a past Trustee of NWMA (1988-90, 1998-2000), and he is a past Section and Program Chairman of the Columbia Section of AIME. Ritch holds an undergraduate degree in geology and an MBA in finance from Eastern Washington University.

2nd Vice President: **Gregory A. Hahn** is President of **Summo USA Corporation**. He has 23 years experience in the mining industry in exploration, mine development, operations, and acquisitions with companies such as Anaconda, U.S. Steel, Noranda, CoCa Mines and St. Mary Minerals. Greg joined Summo in 1995 to oversee the pre-development and permitting of the Lisbon Valley Copper Project in eastern Utah. He holds an undergraduate degree in earth sciences from Dartmouth College and a Master's degree in geology and geological engineering from Michigan Tech. Greg was elected to NWMA's Board of Trustees in 1998, he served as the Annual Meeting Co-Chair in 1999, and was the Chairman of the 2000 Annual Meeting, considered to have presented the best technical program in the last 10 years.

Secretary: **Reese P. Hastings** is a Senior Associate with **Pincock, Allen & Holt, Inc.** Prior to assuming his present position in 1994, Hastings was an associate counsel and Manager of Environmental Affairs for Asamera Minerals (US) Inc., where he developed, and still manages, the reclamation and redevelopment programs at the Cannon Mine in central Washington, an operation that received NWMA's *Environmental Excellence in Mining Award* last year. Reese served as a Trustee in 1994, and from 1997-99, and has been the Association's Secretary since 1998. In 1994, Reese received the Association's *Starters Award* for his development of the Washington Issues Committee, which he chaired in 1998. While on the Environmental Issues Committee, Reese contributed technical analysis to NWMA on key mining issues. He holds an undergraduate degree in geology from Portland State University and a law degree from Lewis and Clark College's Northwest School of Law.

Treasurer: **James D. Frank** is Vice President-Business Development for **Summo Minerals Corp.** Jim is responsible for Summo's

cash management, expenditures for construction of the Lisbon Valley Copper Project, and business development opportunities. He has 25 years accounting and business experience with major mining companies, including Consolidated Nevada Goldfields and Sunshine Mining & Refining Co. *

NWMA's Officers, Executive Committee and New Trustees for 2001

OFFICERS

President: **L. Pat Gochnour**, Principal,
Gochnour & Associates Inc., Parker, Colo.
1st Vice President: **Richard J. Hall**, President & CEO,
Metallica Resources Inc., Littleton, Colo.
2nd Vice President: **Gregory A. Hahn**, President,
Summo USA Corporation, Denver, Colo.
Secretary: **Reese P. Hastings**, Senior Associate,
Pincock, Allen & Holt Inc., Seattle, Wash.
Treasurer: **James D. Frank**, VP-Business Development,
Summo USA Corporation, Denver, Colo.
Executive Director: **Laura E. Skaer**, Spokane, Wash.

EXECUTIVE COMMITTEE

L. Pat Gochnour
Gregory A. Hahn
Richard J. Hall
Reese P. Hastings
James D. Frank
Paul C. Jones (Immediate past president)

NEW TRUSTEES FOR 2001

(Three-year term ending 2003)

Mark E. Blakely, Director-Business Development,
Washington Group International, Boise, Idaho
George P. Cole, Vice President-Exploration,
Cominco American Inc., Spokane, Washington
Jerry W. Danni, Vice President-Environmental Affairs,
Kinross Gold Corporation, Salt Lake City, Utah
Stanley Dempsey, President & CEO,
Royal Gold Inc., Denver, Colorado
Christopher E. Herald, President & CEO,
Crown Resources Corp., Denver, Colorado
Mike Heywood, Advertising Representative,
The Northern Miner, Lakewood, Colorado
Charles A. Jeannes, Senior Vice President,
Glamis Gold Inc., Reno, Nevada
Paul C. Jones, President,
Royal Victoria Minerals Ltd., Golden, Colorado
Raymond E. Krauss, Resource Management Specialist,
Santa Rosa, California
David A. Litvin, Director-Public & Government Affairs,
Kennecott Minerals Co., Salt Lake City, Utah

Striving for Balance Means Accuracy and Fairness in Reporting

The Journalist's Forum on Mining's Public Image at NWMA's 106th Annual Meeting resulted in a genuine dialogue among thoughtful media commentators with divergent viewpoints. It was a historic first attempt to erase the schism between the mining industry and the media.

A panel of four newspaper and radio news editors stated their cases on media efforts to report fairly on mining issues. There were calls for an end to adversarial stereotyping, the education of reporters on mining technology, and the need for accuracy and fairness.

And, by the time the question and answer session ended, erstwhile adversaries had become mutual advocates of balanced reporting, and several mining companies even offered to take the media representatives on mine tours.

Jim Fisher, an editorial writer and columnist for the *Lewiston (Idaho) Morning Tribune*, stressed the need for stereotypes on both sides to be dissolved. "We won't prejudge you, according to what anyone in the same line of work has done before, and we'd like you to return the favor," said Fisher. "We won't assume that you are all wonton polluters whose only values appear below the bottom line, if you don't assume we are all reckless headline hunters with no regard for fairness or truth," added Fisher.

With his statements, Fisher truly set the stage for a meaningful session.

Doug Nadvornick, news editor for *Spokane Public Radio*, said the main problem he sees for mining is not dissimilar to the general split in the country. "That is, the growing 'urban-rural

divide.' Urban types don't understand how important natural resources are to us all. The media has not done a good job of explaining the importance of the natural resources industries to people who are not attuned to that importance."

Nadvornick mentioned that he'd been coming to NWMA's Annual Meetings for 11 years, and he'd still not become as familiar with the mining industry as he would like. "I guarantee that that situation will change," he assured the audience.

Lorrie Baumann, editor of the *Battle Mountain (Nev.) Bugle*, underscored the need for reporters to be knowledgeable of the subjects about which they write, and for mining companies to provide its employees with the information they need to be articulate advocates for the industry. "It's not something they can leave only to the company's top executives and public relations types."

"The mining industry needs a human face, with a full range of emotions," said Peggy Kuhr, managing editor of the *Spokesman-Review* in Spokane, Washington. "This will allow the public to see who it is that produces natural resources for them; only then will the public understand that the miner is also part of the public. Humanizing a story always makes for a better read - it creates a link, a relationship, between the reader and the subject."

Kuhr added that it is very important for those in the mining industry to have an 'open door policy' with reporters in order to strengthen their relationships. "Not being open sometimes may harden what may have been preconceived attitudes ... on both sides," said Kuhr. "Openness leads to a balanced story and trust."

Audience reaction to the session generally was favorable. **Greg Hahn**, President of **Summo USA Corporation**, said he was looking forward to having the Journalist's Forum again at next year's convention. "This session was an important step in allowing the mining industry to regain a favorable footing in the public eye," Hahn said.

"It was important to get a dialogue started. Hopefully, some good relationships will come out of this idea of balanced and fair reporting," added Hahn.

Otto Schumacher, President of **Western Mine Engineering, Inc.**, said, "Listening to these journalists made me realize they have a lot in common with us miners. They are very dedicated to their professions, and like us they will stay with it even when sometimes they can barely make a living at it. And they take a lot of guff from the public.

"I particularly appreciated the candid discussion of their realization that complete objectivity is impossible to achieve, while balance is attainable," added Schumacher.

Ann Walsh, Director of Communications and Public Affairs for **Coeur, The Precious Metals Company**, said, "It was good to hear the various points of view of the media, which allows us to more effectively approach them.

"And reaching out to them not only shows the public the positive benefits mining has to offer specific communities, but it is also relevant with mining's effort to publicize the philosophy of 'sustainable development.' The more the public knows about sustainable development, the more accepting they'll be to future mining operations," said Walsh. *

homestake ad

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NWMA Presents Annual Awards

At NWMA's Annual Meeting, those individuals and companies who have contributed their time and effort over the years to further the interests of the Association and the mining industry were honored. The award recipients for 2000 were:

Honorary Life Member, NWMA's highest individual award, was presented to **Lyle Taylor**, President and CEO of **Geotemps** in Reno, Nevada, and **Jami Paul Fernette**, Land Manager for **Cominco American Inc.**, in Spokane, Washington.

Lyle, a 30-year veteran of the mining industry, has promoted mining through lobbying, donations and personal service, in addition to providing career opportunities for mining professionals. He served on NWMA's Board of Trustees from 1997-99. In 1998, Geotemps received NWMA's Platinum Award for Corporate excellence.

A geologist by training, Jami has been responsible for the land management activities at Cominco American Inc. since 1991. She served on NWMA's Board of Trustees for six years and was its president in 1996. In 1998, Jami received NWMA's President's Award for her work in formulating the Association's "*Statement of Environmental Principles*."

This year's recipient of NWMA's **President's Award**, bestowed for important contributions to the Association, was **Jim Duff**, Vice President-Business Development for **Coeur, The Precious Metals Company** of Coeur d'Alene, Idaho.

Jim has served NWMA as Chairman and Co-Chairman of the Annual meeting, a Trustee (since 1996), and as President in 1999. In 1999, Jim appointed a planning committee to develop the recently-approved Strategic Plan for the Association.

The Starter's Award, given in recognition for starting an innovative new project for the Association, was presented to **Otto Schumacher**, president of **Western Mine Engineering** of Spokane, for his role in creating the Energizers Committee to support the Annual Meeting & Exposition.

Otto served on NWMA's Board of trustees for six years and was the Association's president in 1997.

Two inaugural awards for **Environmental Excellence In Mining** were presented to the Asamera Minerals' Cannon Mine at Wenatchee, Washington, and the Nevada Abandoned Mine Backfill Program. The Cannon Mine's selection was in recognition for its progressive approach in gaining community and regulatory support, addressing sensitive environmental issues, and performing state-of-the-art reclamation that exceeded regulatory requirements.

The Nevada Abandoned Mine Land Backfill Program was recognized not only for beginning a program that eventually will close more than 1,400 abandoned mine openings in Clark County that pose a risk to public safety, but also for developing a program that brought together mining industry and governmental agencies to promote the protection of the public in a timely and environmentally acceptable manner.

NWMA also presented **Distinguished Service** awards to Congressman Helen Chenoweth-Hage (R-ID) and Senator Slade Gorton (R-WA) in recognition of their leadership in Congress and years of support to the domestic minerals industry.

Gorton was recognized for his diligent work over three terms to protect the rights of miners, and Chenoweth-Hage was lauded for her tireless work on behalf of the men and women in the mining industry. *

kennecott

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AMA's New Book Reveals ANILCA's Broken Promises

The Alaska Miners Association (AMA) has released a new book that reveals the cavalier manner in which the U.S. Government treated Alaska's citizen's rights under the Alaska National Interest Lands Conservation Act (ANILCA), from 1980 to the present.

The book, *d(2), Part 2: A Report to the People of Alaska on the Land Promises Made in ANILCA — 20 Years Later*, edited by J.P. Tangen, discloses how many of the key promises made in ANILCA by the U.S. Congress have systematically been broken and how the safeguards to preserve the Alaskan way of life have been sidestepped.

In 1980, ANILCA placed more than 104 million acres of federal land in Alaska into national parks, preserves, refuges, monuments and wild and scenic rivers, more than half of which were designated "wilderness." The Act was a massive compromise between strident environmental groups and Alaskans who, for decades, derived their livelihoods and recreation from the public lands. The state government, Alaska native tribes, resource-dependent industries and communities, and half a million average Alaskans all made concessions to arrive at the final Act.

In the book's preface, U.S. Senator Ted Stevens of Alaska says, "Alaskans have continued to fight for what was agreed to in the Act. From the Arctic National Wildlife Refuge to Kantishna to Glacier Bay, wave after wave of assaults [by the federal bureaucracy] on the Act's protections have challenged the agreement."

Contributing writer Steve Borell writes, "This Act contained all manner of promises ... for access and continued use of valid existing rights, lands and resources. However, just as the federal government broke and abused the promises and treaties it made with Native Americans all across the lower 48 states, the federal government is breaking the promises made in ANILCA."

The genesis of this act began in 1978, when President Jimmy Carter, using a once-obscure law known as the Antiquities Act of 1906, administratively declared much of Alaska a national monument, thereby severely limiting Alaskan's access to their land.

Between 1978 and 1980, natural resource industries were told to define the areas of highest potential for development, and these areas would be excluded from the areas to be withheld from public use, to become known as Conservation System Units (CSU). However, each time mining interests described potential areas to be held out of CSUs, the federal government changed the boundary lines to include high mineral potential areas within the boundaries of the CSUs because of their recreational value. That pattern has continued through to the present day.

The promises made in ANILCA can be grouped into four general categories," Borell explains. "The first promise was for the protection of valid existing rights where lands containing such rights were being withdrawn and placed in CSUs. In other words, activities [including mining] previously allowed would be allowed to continue." The second promise was that access to private lands inside the CSUs, and across CSUs, would be guaranteed.

The book cites many instances of these promises being broken, to the detriment of miners by the National Park Service.

The third promise, funding for the continued assessment of

Alaska's mineral resources, has dwindled since 1980 to such an extent that it does not even appear in the present budget for the U.S. Geological Survey.

The fourth promise, called the "no more" clause, stated that Alaska has given its share of land for federal CSUs and that the need for more parks, preserves, monuments and wild and scenic rivers has been met.

Then, to further safeguard the fourth promise, ANILCA provided that in the case of future administrative closures of land parcels for CSUs of more than 5,000 acres, "Such withdrawals shall terminate unless Congress passes a joint resolution of approval within one year after the notice of such withdrawal has been submitted to Congress."

Additionally, no further studies of federal lands in Alaska for the "single purpose of considering the establishment of a CSU, national recreation area, national recreation area, or for related or similar purposes, shall be conducted unless authorized by this Act or further act of Congress."

Prior to the Clinton-Gore administration coming to power, the Bureau of Land Management (BLM) adhered to the "no more" clause. However, since 1993, the BLM has disregarded the "no more" clause altogether. Indeed, the U.S. Forest Service has interpreted the term "single purpose of considering" as its basis for continuing to propose more areas in Alaska for special restrictions because it says USFS' evaluations are "multipurpose."

It would appear that U.S. Senator Mike Gravel of Alaska was correct in his statements in 1980 when he assessed ANILCA. He said, "While we in Congress may be reading the provisions one way now, the language ambiguities and regulatory tools are all laid out in the bill [ANILCA] to give rise to a future bureaucratic nightmare for the people of Alaska. We do not know what future administrations will do with the bill ... but frankly, I am expecting the worst ... The 'worst,' as I see it, is the use of the massive conservation system [CSU] designations to block any further exploration or development (including substantial recreational developments) of these lands, and on non-federal adjacent lands. I see our state throttled down economically over the next decade ... This legislation goes far beyond what is appropriate and proper to ensure this protection [of the land]. It is a question of balance. This bill does not achieve that balance ... I feel we are doing the State of Alaska a great injustice, and ultimately we are doing the nation a great injustice, by not permitting the other resource contributions which Alaska lands could make in meeting the full spectrum of desires and demands of human existence."

To order *d(2), Part 2: A Report to the People of Alaska on the Land Promises Made in ANILCA — 20 Years Later*, edited by J.P. Tangen, call AMA at 907/563-9229, or you may Email shorell@alaska.net. *

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Who's Hot and Who's Not

According to Fraser, Nevada Leads the Way Again in Minerals Exploration Attractiveness

Following its fourth annual survey of mining companies, the Fraser Institute, a Vancouver-based economic, social research and educational organization, ranked Nevada as being number one in overall investment attractiveness for mineral investment worldwide for the second year in a row.

Nevada scored a 95 out of a possible 100 points as a result of its public policy toward mining and latent mineral potential. Chile is the second most attractive jurisdiction with a score of 91, according to Fraser. "Nevada and Chile performed well because they are rich in resources and realize that resource development is economically important to them," said Laura Jones, Survey Coordinator and Director of the Fraser Institute's Centre for Studies in Risk and Regulation.

Rounding out the top ten are Ontario (86), Peru (82), Mexico (77), Australia (75), Brazil and Alaska (74 each), Quebec (73), and Arizona (60). The ten least attractive areas for new mining investment, based on their poor ratings in both public policy and mineral potential are Newfoundland (40), Montana (35), Wyoming and Colorado (35 each), California (32), South Dakota and Washington (27 each), Nova Scotia (26), Minnesota (24), Wisconsin (16).

The results of the survey, *2000/2001 Annual Survey of Mining Companies*, were used to create several indices. The mineral potential index rates a region's attractiveness for new investment based on its geology.

The policy potential index is a composite index that measures the effects of government policies such as regulation and land use on attracting new exploration. An overall investment attractiveness index considers both mineral potential and policy factors.

"While many jurisdictions have favourable geology that could easily compete with other regions around the world to attract investment, unfavourable policies increasingly threaten new exploration," said Jones.

The results of the survey reveal that as exploration opportunities increase, attractive geology is no longer enough to ensure a healthy future for the mining industry. "Governments who want to keep mining in their jurisdictions must compete to have favourable policy climates that encourage investment," added Jones.

The fall of 1996

The idea to survey mining companies about how policies and mineral potential affect new exploration investment came from a Fraser Institute conference on mining held in Vancouver in the fall of 1996.

At that conference, many industry representatives who had been critical of how government policy was deterring investment in the mineral-rich province of British Columbia were reluctant to express those same views publicly. Companies believed that any public criticism of government policy

may have negative effects on projects already under way. As a result, governments remain largely unaccountable for the impact of their actions, which can encourage, discourage, or in some cases virtually eliminate new exploration. But the effects of stricter regulations, uncertainty about land use, and higher levels of taxation are far more likely to have exploration expenditure rather than existing operations.

In order to address this problem and assess how various public policy factors influence companies' decisions to invest in different regions, the Fraser Institute began conducting an anonymous survey of senior and junior mining companies in 1997 to judge the key issues of increasing regulation, uncertainty about land use, and higher levels of taxation. With the protection of anonymity, 157 companies were willing to participate.

The survey included 132 junior mining companies and 25 seniors, representing almost 50% of the total mineral exploration expenditure in Canada, and more than 40% of the exploration expenditures in the United States.

This year's survey includes all Canadian provinces and territories (except Prince Edward Island), 14 U.S. states, Australia, Argentina, Brazil, Chile, Mexico, Peru, Indonesia, Papua New Guinea, and South Africa. *

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STATE AND PROVINCIAL REPORTS

ALASKA

Babbitt Rescinds Directive on Alaska Land

In one of his many parting shots aimed at the natural resource industries, former Interior Secretary Bruce Babbitt rescinded a 19-year-old directive that prevented the Bureau of Land Management from considering any of the agency's 80 million acres they manage in Alaska for designation as wilderness. The move would only allow the BLM to review and consider recommending that some of the land it manages in Alaska be included in the National Wilderness Preservation System.

"It is not surprising that on his way out the door, without public comment or state consultation, that Secretary Babbitt would attempt to overturn what had been settled department policy for nearly two decades," said Senator Frank Murkowski. *

BRITISH COLUMBIA

Tulsequah Cessation Urged

Shortly after the new year, Canadian and American environmentalists began urging the U.S. government to pressure Canada to halt a mining project they say will harm a river flowing from British Columbia into Alaska. In a lengthy letter to the then-Secretary of the Interior Bruce Babbitt, a dozen environmental groups asked for a review of the Tulsequah Chief gold-copper mine in northwest B.C. They also asked Babbitt to invoke the 1971 Pelly Amendment to invoke sanctions which would empower the government to protect endangered species. The letter also warned against harm to caribou, grizzly bears and salmon.

Terry Chandler, President of Redfern Resources Ltd., called the letter an attempt to "... get another huge part of Canada closed to development." The mine is located on the Tulsequah River near its confluence with the Taku River, which then flows into southern Alaska.

B.C. authorities approved the Tulsequah Chief project after a series of environmental impact studies. But the major Indian tribe in the area — the Taku River Tlingit First Nation — won a court ruling last June that invalidated the Environmental Assessment Review of the mine and the planned 95-mile-long access road because it failed to address tribal concerns. *

COLORADO

Discharge Permit Granted

The Colorado Water Quality Control Division (WQCD) has issued a discharge permit to Battle Mountain Gold Co. for an abandoned gold mining operation at its site north of San Luis in the southern part of the state.

Local groups filed suit against the state health department in October, claiming the agency hasn't adequately penalized BMG for illegal water discharges. Residents said that discharge from the mine's pit had contaminated the water supply with heavy metals.

The WQCD said it would hold an informal meeting to review the permit conditions and explain how it will be administered. The agency sets the discharge points from the wastewater treatment system, the amount of discharge and the standards of the discharge.

Summitville Settlement

A settlement was recently reached in a lawsuit concerning the Summitville mine site in southern Colorado, whereby Robert Friedland of Galactic Resources Ltd., the owner of the mine, will contribute about \$28 million over 10 years toward the cost of cleaning up the site and restoring the Alamosa River watershed. Friedland is estimated to have spent between \$10 and \$20 million so far in legal fees.

Far better to spend the money on the environment than on continuing court fees — something Friedland has been saying for some time now. The payment will more than cover Colorado's share of cleanup costs, according to the state's Attorney General Ken Salazar, money that otherwise would have been paid by the taxpayers. But the litigation in the case is not yet over. Other defendants in the lawsuit should maximize the state's recovery costs for cleanup at the site, said Salazar.

Of the Summitville situation, **Paul Jones**, past president of NWMA said, "[since 1992, when Galactic abandoned the mine] ... the federal government, through the auspices of the EPA, has spent a considerable portion of the \$150 million spent to date, seeking out 'scapegoats' to blame for the situation and publicizing a 'worst case' scenario of what occurred at the site. It is truly unfortunate that those funds could not have been spent by the State of Colorado implementing a scientifically sound, technically feasible closure effort at the site — a sum which would have been considerably less than that spent to date by the EPA. In 1994, Friedland offered to fund a portion of the cleanup, but because of the litigious nature of the Superfund process, it was six long years, and several tens of millions of dollars, later, before the 'system' allowed him to fulfill his offer." *

IDAHO

Sunshine Mine Closes

The 117-year-old Sunshine silver-copper-lead mine near Big Creek, Idaho, closed Feb. 16. The closure of **Asarco's** smelter in East Helena, Mont., which stopped accepting shipments of Sunshine ore early in February, was the final blow for the struggling underground mine, owned and operated by Sunshine Mining and Refining Co. Low prices and recent emergence from bankruptcy also were cited as reasons for the closure. Altogether, about 170 workers will be laid off at the facility.

Since its opening in 1884, the Sunshine Mine produced more than 350 million ounces of silver, 50% more than the famed Comstock Lode in Nevada. Company geologists believe there is a major silver deposit east of the Sunshine Mine, but with silver prices below \$5 an ounce, financing for its development would be hard to come by.

EPA Charged in Lawsuit

A lawsuit was filed recently in an Washington, D.C. federal court contending that the United States Environmental Protection Agency (EPA) took private property without just compensation at the Bunker Hill Mine in North Idaho. The complaint alleges that on July 30, 1999, the EPA ordered New Bunker Hill to

Continued on page 12 ...

... 3809 — continued from page 1

On January 3, 2001, the NMA filed a motion for a preliminary injunction to stay the effective date of the regulations pending judicial review. The Mineral Policy Center intervened in the action and oral arguments were held on January 19, 2001. The court refused to stay implementation of the new regulations, ruling that NMA's showing of general economic harm did not satisfy the criteria for a showing of irreparable harm that was necessary in order to obtain a stay. The government's responses to the NMA complaint is due at the end of April.

Newmont, Nevada and AMA also challenge regulations

Newmont Mining Corporation filed a second lawsuit challenging the 3809 rules on January 5, 2001. Their case has been assigned to the same judge as NMA's. The Newmont complaint challenges the new regulations on the grounds that they were promulgated in violation of the Administrative Procedure Act, the National Environmental Policy Act, and exceeded the Secretary of Interior's authority under FLPMA and the Mining Law.

Then, on January 19, 2001, the State of Nevada filed suit against the Department of Interior and the BLM seeking injunctive and declaratory release. However, the Nevada complaint did not seek to vacate all the new regulations, it only sought to have certain parts declared invalid.

The primary focus of the complaint is on the new definition of "unnecessary or undue degradation," which is the basis of the mine veto provision. The complaint also seeks to have any regulations deemed not consistent with the National Research Council (NRC) report declared invalid, as Congress intended.

And last, but not least, the Alaska Miners Association announced its intent to challenge the regulations by suing the Department of Interior to set aside the 43 CFR 3809 regulations designed to drive the mining industry out of business in Alaska, according to an AMA press release. The AMA will file suit opposing the new regulations that specify how exploration and mining on federal lands must be conducted.

"The Department of Interior has unconscionably exceeded the limits of the law in numerous areas," said Jerry Birch, AMA's Vice President. "Interior did not provide fair opportunity for the public to comment on these regulations and they did not follow Congress' specific direction," Birch added.

The primary concern of Steve Borell, AMA's Executive Director, involves "outrageous" changes to the bonding requirements. Borell said AMA does not oppose bonding, but it does oppose the way the new bonding regulations are written — regulations that will virtually eliminate the state's bonding pool. He said that since 1992, when the state bonding pool was created to protect the environment, there has not been a single default anywhere in the state.

As a result, the Bureau of Land Management published a proposal in the Federal Register on Friday, March 23, 2001, to suspend the agency's recently adopted 3809 surface management regulations, and to begin a 45-day comment period. If adopted as a final rule, the proposal would suspend the current regulations governing surface management of hardrock operations on public lands, which became effective on January 20. It would also temporarily reinstate the previous regulations until a

revised rule that is consistent with federal statute could be promulgated.

The current rule, which became effective January 20, will continue in effect at least until a final suspension rule is published. BLM cited an Administrative Procedures Act provision allowing for new rules that are being challenged in the court to be suspended pending review and revision to correct possible legal deficiencies.

But the new 3809 regulations weren't the only mining industry precedent Secretary Babbitt left in his wake. On January 17, 2001, Secretary Babbitt signed the Record of Decision disapproving the Plan of Operations for the Glamis Imperial Project on the grounds that the project would cause significant irreparable harm to significant cultural resources that could not be effectively mitigated.

Thus, the Glamis Imperial Project becomes the first mining project hit with the new 3809 mine veto provision. This gives one an idea of how an unreformed Interior Department will interpret the new 3809 regulations.

Additionally, on January 18, 2001, Interior Solicitor John Lesly issued Opinion M37004, entitled *Use of Mining Claims for Purposes Ancillary to Mineral Extraction*. This opinion attempts to limit the use of load claims for ancillary facilities, raises questions of claim validity and complicates review and approval of Plans of Operations. Also on January 18, 2001, Solicitor Lesly issued memorandum opinion 37001, emphasizing that IBLA must follow the solicitor's opinions.

BLM instructional memoranda IM2001-077, interpreted the millsite appropriations rider in the narrowest possible fashion. Any relocation of claims triggers a Plan of Operations modification and a millsite ratio review. Furthermore, IM2001-076, the Solicitor's Opinion regarding legal limitation on millsite acreage and Plans of Operation implements the Millsite Opinion in review and approval of Plans of Operations. This IM directs BLM to disapprove plans with excess millsites and unacceptable resource conflicts. And finally, the national management strategy for off-highway, motorized vehicle use was issued on January 19, 2001, and could result in restricted access for mining exploration, including claim staking and/or maintenance activities.

The moral to this story is that all rules and regulations must be consistent with the authorizing statutes passed by Congress and based on sound science, not radical ideologies and political science. A well-reasoned regulatory program will not be vulnerable to heavy scrutiny and probable revision every time the administration changes in Washington D.C. Though the rhetoric espoused by Babbitt and Lesly were quick to characterize the former 3809 rule as weak and outmoded, the fact is that an impartial review by the NRC found that the rule was, indeed, quite sound in its fundamentals.

This is why a regulation developed by former Interior Secretary Cecil Andrus during the Carter administration went untouched when James Watt subsequently took the helm at Interior, and continued intact under two Republican administrations. In fact, the NRC found that the effectiveness of the 3809 program suffered mostly from poor administration.

It is worth remembering that the rather scathing verdict of the NRC was delivered in the seventh year of Babbitt's reign at the helm of the department directly responsible for BLM activities. *

NWMA's 2001 Committee Chairs

Abandoned Mined Lands Committee

Llee Chapman, Knight Piesold & Co.
303/629-8788. Email: lchapman@knightpiesold.com.

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Annual Meeting Committee

Anne Hite, East Asia Gold Corp.
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Jim Duff, Coeur, The Precious Metals Co.
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SHORT COURSES SUBCOMMITTEE

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208/667-6000. Email: orvana@dmi.net

Awards Committee

Tom Fudge, Hecla Mining Co.
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Environmental Issues Committee

Jerry Danni (Co-Chair), Kinross Gold Corp.
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Luke Russell, (Co-Chair), Coeur
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Health & Safety Committee

Ms. Michael Coffey, Montana Tech
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Membership Committee

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Mining Law Committee

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Technical Review Committee

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... *State/Prov Reports* — continued from page 10

permit the EPA to have perpetual access onto the mine's private property under the threat of \$27,500 per day in fines. Under the order, the EPA constructed a massive concrete overflow spillway, about 2,300 feet long, occupying nearly 35,000 square feet of private property. The structure forms an impassible barrier completely dividing a large portion of the property. Also under the order, the EPA demolished historic mine structures, moved a private road and removed about 40,000 tons of stockpiled ore.

The EPA's conduct was made public in the recent investigations by former Congress member Helen Chenoweth-Hage and the EPA's Ombudsman's office. During these investigations, Hugh Kaufman, Chief Investigator of the EPA's Internal Ombudsman's office, stated that the EPA's conduct epitomized the agency's arrogance. "The Superfund law was my idea in 1976, and I can tell you that it was never designed to torture Americans like it has in some cases over the years," said Kaufman. "... they [EPA] are lying to the press and they have not been telling the truth to Congress either."

According to Robert Hopper, the mine's owner since 1991, "... under the guise of protecting the environment, the EPA is, in fact, well down the road to destroying the philosophical, moral and legal foundation of this nation."

In the lawsuit, Hopper asks the court to award it just compensation for the property taken and for the damage done to his remaining property by the EPA's structure. *

... *Sustainability* — continued from page 4

community," said Dolph. "These are some things that need to be measured qualitatively in order for the population to see that they are being treated fairly. We can't just throw money at a problem and think that's all that needs to be done. We must be accountable to the people for our efforts. A successful program is a necessity, not just a program."

Bill Upton, Manager for Environmental Affairs with **Placer Dome America** in Beowawe, Nevada, addressed how Placer Dome America is including sustainability as a fundamental issue in the company's future. "Sustainability certainly comes in to play when dealing with permitting and closing a mine in the United States, and we take from other experiences we've had in other parts of the world to help us at home. Being conscious of the concerns of the local population, and involving them in the process of sustainability, is extremely important. And showing a commitment to doing it right does have to be a burdensome expense." *

COMMITTEE REPORTS

PUBLIC LANDS

Chair: Chuck Jeannes, *Glamis Gold Inc.*
775/827-4600

Babbitt Takes Parting Shot at Glamis

Before he left office, former Interior Secretary Bruce Babbitt took one more shot at the mining industry by signing a Record of Decision that blocked the development of the proposed Imperial Project, an environmentally-responsible, heap-leach gold mining project located on federal land in the southern California desert. Mining advocates expressed outrage, and the owner of the property, **Glamis Gold, Ltd.**, will fight it in court.

Babbitt asserted that the decision was based on the BLM's September 2000 Final Environmental Impact Statement (FEIS), and blocked Glamis from beginning construction on the 1,571-acre mine site. It was the first mine rejection under a 1976 mining law that allows denial of mining permits for potential "undue and unnecessary degradation" of the environment. The Imperial Project would have developed the fourth significant gold mine in the county, providing 120 jobs and millions of dollars in tax revenues to an economically depressed area.

The FEIS, which recommended a No Action Alternative as the Preferred Alternative, rather than a Proposed Action Alternative, which would have allowed the mine to be developed, cited that "significant unavoidable impacts" to cultural, religious and visual resources would result if the mine was not stopped. However, the FEIS departs from the long-standing practice and interpretations of federal law that allows lands not designated as wilderness to be developed under the principles of multiple use and sustained yield, which clearly allow mineral development subject to reasonable regulation. Furthermore, Congress has not granted to the Interior Department, nor the BLM, the discretionary veto authority over plans of operations that the FEIS accepts as binding agency policy.

In 1993, former Secretary Babbitt sought to administratively change the General Mining Law of 1872 to create a process for determining that mining activity should not occur on lands that have value for other uses. Congress, however, rejected Babbitt's initial proposals to curtail mining activity in America because they were too radical. Then in 1999, Babbitt, through an Interior Department's solicitor's opinion, attempted to change the law himself by administratively creating a new review standard that cites a revisionist interpretation of "undue and unnecessary degradation" to the land as reason to deny the permitting of mining operations. It was Solicitor John Leshy's 1999 opinion that eventually directed the BLM to issue an unfavorable recommendation for the Imperial Project in its FEIS. Babbitt's Imperial Project Record of Decision denying the mine set a precedent for the entire country.

However, Glamis is prepared to move against Interior's Bureau of Land Management. Glamis filed a lawsuit in federal court last year in Reno over the ruling by then-Interior Solicitor Leshy, that gave the BLM the right to deny the project under the "undue and unnecessary degradation" clause on a site-by-site basis.

The lawsuit was then moved to California and the court there dismissed the suit because the BLM had not acted on the project at that time. Then, this past fall, the BLM took action, through

the FEIS, to withdraw 9,360 acres of land in and around the Imperial site from future mining. Babbitt's decision means that any appeal would now go directly to federal court rather than to the Federal Board of Land Appeals.

Nevada Congressman Introduces Interior Reimbursement Bill

Congressman Jim Gibbons (R-NV) has introduced HR 447 to require the Secretary of Interior to make reimbursement for certain damages incurred as a result of the illegal bonding regulations adopted by BLM on February 28, 1997, and subsequently determined to be in violation of federal law by Judge June Green in *Northwest Mining Association v. Babbitt, et al.* This bill was originally introduced in March 1999. It provides that any private or public entity may submit a claim for such damages for reimbursement. If you, or if you know of anyone, who incurred damages as a result of the illegal bonding rules, please contact Representative Gibbons' office by calling (202) 225-6155. We are aware of some NWMA members who had difficulty obtaining release of their bonds after the court ruling. HR 447 represents an opportunity to recover your losses.

TECHNICAL REVIEW

Chair: Bob Lambeth, *MAXIM Technologies*
509/465-2188

Credible Data and Scientific Support Available

NWMA's Technical Review Committee was formed in 1997 to review environmental reports of government agencies and private organizations to determine the validity of their scientific approach, verify analytical results, examine conclusions, and test for impartiality. The Committee would then present **any** NWMA concerns to regulatory agencies in a strong, concise and defensible manner. Also, they would voice our issues in the public arena through any and all media and during meetings of appropriate citizen's committees and public interest groups.

Most of the Committee's focus has been related to Coeur d'Alene River Basin issues, but we are well aware that the mining industry faces analogous problems elsewhere. The Committee is open to requests for involvement in any area where industry needs scientific, and is actively soliciting participants in this effort to be new Committee members.

Interested parties should call **Bob Lambeth** at 509/467-4081. *



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NWMA Members in the News

AMA's Borell Recovering Nicely

Steve Borell, Executive Director of the Alaska Miners Association, is recovering nicely from a stroke he suffered Feb. 24. Steve was released from the hospital in Anchorage March 5. He is showing remarkable improvement and is working through a vigorous outpatient therapy program. We wish him a speedy recovery *

MineDepot, Coeur Make Deal

Chicago-based **MineDepot Inc.**, a leading online resource designed specifically for the mining industry, and **Coeur, The Precious Metals Company**, have announced an agreement for a guaranteed minimum amount of transaction volume for mining supplies, services and equipment on MineDepot's online marketplace over a three-year period. Coeur's Chairman, President and CEO, **Dennis Wheeler**, said his company is committed to pursuing every available opportunity to become more efficient and reduce costs. "MineDepot represents an opportunity to do this without incurring any up front costs."

MineDepot's website is www.minedepot.com. *

Newmont Buys BMG, Promotes Murdy

Newmont Mining Corp., America's largest gold producer, has acquired **Battle Mountain Gold Co.**, the nation's fourth-largest gold producer, for \$670 million in stock and assumed debt. The purchase raises Newmont's gold reserves by 17% to 66.5 million

ounces, and will generate savings of \$30 million a year in operating costs. The main attraction for Newmont was BMG's Phoenix Mine Project in northern Nevada.

Newmont already had significant operations in Nevada — 13 mines and 17 processing facilities — but the Phoenix property alone increases its gold reserves in the state by 20%.

In other Newmont news, Wayne W. Murdy was elected the company's CEO effective Jan. 1, 2001. Murdy was elected President in July 1999, and to the Board of Directors shortly thereafter.

Murdy replaced a retiring **Ronald C. Cambre**, who had served as Newmont's CEO since 1993. *

AngloGold Makes Micsak Enviro Chief, Sets Up Pilot Healthcare Facility

South African-based **AngloGold**, the world's largest gold producer, has promoted **Bob Micsak** to the position of Executive Office for the Environment. The company's Chairman and CEO, Bobby Godsell, said, "Bob's appointment reflects the continued dedication and an increased focus on the part of AngloGold to the highest quality management of environmental, community and sustainable mining issues."

Micsak previously served as vice president, general counsel and chief environmental officer of AngloGold's North American operations.

In other AngloGold news, the company has opened a pilot healthcare facility in Lusikisiki, South Africa, to bring basic medical care to miners and their families. If the project is successful, AngloGold intends to establish similar medical facilities in other rural areas. This is a good example of "sustainable development" at work. *

Jami and Greg in Saudi Arabia

Jami and Greg Fernette, and their two cats, have moved to Saudi Arabia and are now working for Petro-Hunt Middle East, Ltd. They can be reached at:

Rawdah Compound, Villa #9
Al-Hasan Ibn Mousa Street (122)
Al-Rawdah District/1
Jeddah, Saudi Arabia
Tel: +966 (2) 660-6122

Email: GLF@saudi.net.sa and JPF@saudi.net.sa

Drop them a line and let them know you miss them!

Asarco Now Part of AMG

Asarco Inc.'s parent company, Grupo Mexico, has announced it has completed the organization of a new, U.S.-based mining and minerals subsidiary which will operate under the name of Americas Mining Group (AMG).

AMG also includes Grupo Mexico's interests in Asarco, Southern Peru Copper Corp. and Grupo Minero Mexico. AMG has major copper mines and processing plants in Arizona (Ray/Hayden, Mission, Silver Bell), Texas (Amarillo and El Paso), and Cananea and La Caridad in northern Mexico.

AMG also operates a specialty metals plant in Colorado, and lead, zinc and silver mines and processing plants in central Mexico. The new subsidiary will be headquartered in Phoenix and staffed by personnel from existing Grupo Mexico units. *

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Environmental Geochemistry of Ore Deposits and Mining Activities Short Course, April 16-20, Silver City, N.M. Sponsored by SARB Consulting. Call Dr. Ingar Walder at 505/293-5945 for details. Or you may Email: sarb4you@aol.com. Website: www.sarb.net.

The MinE-com 2001 Conferences on the E-Commercialization of Mining, April 18 in Toronto, and April 20 in Vancouver. Call CAMESE at 905/513-0046, website is www.camese.org/MinE-com2001.htm.

The 2001 Annual Conference of the Gold & Silver Institutes, April 22-23, Scottsdale, Arizona. Call 202/835-0185 for details.

Mining and Oil & Gas Law in Latin America, April 23-24, Santiago, Chile. Call 303/321-8100. Email: info@rmmf.org.
Integrated Mining and Land Reclamation Planning, April 23-27, Reno, Nevada. Call 925/757-7547 for details.

The 2nd International Congress of Prospectors and Explorers, April 24-27, Lima, Peru. Website is www.iimp.org.pe.

The Brazilian Mining Fair: Expositram 2001, April 24-27, Belo Horizonte, Brazil. Mauricio Vasconcelos at (55-31)213-1573 for details. Or check out this website: www.focusbrazil.org.br.

ProEXPLO 2001: The 2nd International Congress of Prospectors and Explorationists, April 24-27, Lima, Peru. Website: www.proexplo.com.

The Canadian Mining & Industrial Expo 2001, April 26-27 in Sudbury, Ontario. Call 705/673-5588 for more information; website is www.dacshows.com.

Gold & Mineral Show 2001, sponsored by the Washington Prospectors Mining Association, April 28-29, Monroe, Washington. Call 425/743-6499 for details.

Expo Arminera, Argentina's Mining Trade Show, May 7-10, Buenos Aires. Fax 703/527-8007 for details.

California Mining: 2001, California Mining Association's Annual Meeting, May 23-25 at the Doubletree Hotel & Monterey Conference Center. Call 916/447-1977.

6th Southern Hemisphere Meeting on Minerals Technology, May 27-31, Rio De Janeiro, Brazil. For details contact Roberto Emery Trindade at +55 (021) 560-7222; their website is www.cetem.gov.br/shmmt.html.

6th International Symposium on Mining in the Arctic, May 28-31, Nuuk, Greenland. Website: www.bmp.gl.

Northeast Investment in Mining Conference, May 30-31, New York City. Call 305/669-1963 for details.

International Conference on Modern Management of Mine Producing, Geology and Environmental Protection, June 3-9, Varna, Bulgaria. The conference website is www.stef92.com.

*NWMA's 107th Annual Meeting
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