Some good news from Alaska. The Center has received a grant from the True North Foundation and the Alaska Conservation Foundation to support general mining work in Alaska for 1998. This will allow the Center to continue with its work on mining projects like the permitting of the Kensington Mine, and the closure of the A-J Mine in Juneau. It will also allow CSP 2 to become re-engaged with placer mining issues in the interior, water quality problems at the Red Dog Mine in northwest Alaska, and the numerous new mine projects in the Fairbanks area. At the present time there is no group taking a comprehensive look at the environmental effects of mining in Alaska.

In its Alaska work it will be the intent of the Center to give Alaska groups support on their mining issues, while providing statewide continuity on mining issues in general that is missing at present.

The settlement agreement that the Center helped negotiate between Coeur d’Alene Mines, the operator of the Kensington Mine, and a coalition of environmental groups in the Juneau area has not been signed. Several of the environmental groups in the coalition decided not to sign the agreement, primarily because they did not want to be on record as showing any support for the development of the Kensington Mine. Two local environmental groups and two fishing groups did agree to sign the settlement agreement, but Coeur d’Alene Mines has not yet announced whether it will sign the agreement since several of the major environmental groups in Juneau opted not to sign.

The recent precipitous drop in the gold price has put a great deal of pressure on most gold mining companies. This economic pressure had a great deal to do with Echo Bay Mine’s decision to drop its A-J project in Juneau.

Even though the permitting process for the Kensington Mine is rapidly drawing to a close, Coeur d’Alene Mines recently announced that it will begin redesigning the mine. Coeur will begin major changes in the mine’s design to cut operating costs so that it will not have to wait for higher gold prices to open the mine. The mine was originally designed to operate with gold prices at $400/oz. Coeur is now attempting to redesign the mine to operate at $300/oz gold.

Coeur also announced that it would wait until after receiving its permits to submit the mine-design changes to the permitting agencies.

The Kensington Mine, north of Juneau, Alaska. In the lower – left foreground are settling ponds for the mine drainage from the exploration tunnel. All the waste rock in the picture came from the tunnel, which goes back into Lion’s Head mountain almost 2 miles.

While the design changes could result in negative impacts to the environment, they may not be judged ‘significant’ enough to trigger permit changes. If this were to happen, the public might be excluded from the review process. In addition, once the mine has received its permits, much of the visibility from the process will have gone from the process, and it is typically easier for a mine to make changes to its operating procedure.

The settlement agreement, if it is signed, will strengthen public oversight of the mine.
Since the last newsletter two significant events have transpired at the Zortman-Landusky Mine, located near the Fort Belknap Reservation in north central Montana.

Pegasus Gold, the parent company of Zortman Mining Inc., has become the first major gold company to declare bankruptcy since the precipitous drop in gold prices began last year. CSP 2 has analyzed the bonds for the mine’s reclamation and water treatment, and although the bonds are considerably larger than those at most Montana mines, there is still concern that the funds would be inadequate if the State had to assume management responsibilities for the reclamation. It appears the cost-basis of the bonds assumed that Pegasus would conduct the reclamation activities itself, using on-site personnel and equipment.

The bankruptcy has also stopped work that Pegasus was performing for the Fort Belknap Tribes on a survey to analyze groundwater flow in the mine area; a health study to determine if contamination from the mine has affected the health of residents of the reservation downstream from the mine; and, a project to provide reservation residents in the mountains with improved drinking water.

The second major announcement from Pegasus was that they have decided not proceed with the expansion project for the mines, which was hotly contested by the Fort Belknap tribal government.

The expansion plan was a casualty of declining gold prices and the Pegasus bankruptcy.

The Zortman and Landusky mines will now be reclaimed, although even this is problematic due to existing acid mine drainage. The reclamation could be further complicated if Pegasus is forced to go from Chapter 11 to Chapter 7 bankruptcy in the future.

Thanks to your support, the Center for Science in Public Participation is growing. This support has come from several foundations who have been generous enough to make major grants to the Center. Support has also come from a number of private donors who have made individual contributions – each of which makes a difference. And, support has come from our increasing list of clients, most of whom have contributed financial support for the services the Center has provided.

The Center is also growing in terms of its ability to provide more assistance, to more clients, in a greater range of technical areas. We have taken the first step in this direction by contracting for the services of Jim Kuipers, a mining engineer, who has extensive experience in the industry, and more recently has worked as a private consultant to environmental groups. Jim’s skills compliment my experience to give the Center an increased capability to analyze mine plans and water treatment proposals.

Finally, the Center is also expanding its board of directors. Glenn Miller, a professor of geochemistry at the University of Nevada at Reno, has agreed to join the board. Glenn lends us his considerable experience with the geochemistry of mine discharges and pit lakes, and in his long involvement with the environmental problems with mining in the state of Nevada. Welcome Glenn.

Sincerely;
James R. Kuipers, a mining engineer based in Butte, Montana, has agreed to work with the Center for Science in Public Participation.

Jim has already contributed to the Center’s capabilities by bringing his skills in project cost estimation to bear by analyzing the financial impacts of backfilling a series of open pits proposed for the Imperial Project, a proposed open pit, heap leach gold mine in the Chocolate Mountains, Imperial County, in the California Desert Conservation Area. This mine would be located adjacent to the Indian Pass and Picacho Peak Wilderness Areas.

Because of the sensitive nature of the mine’s location, several environmental groups would like the Bureau of Land Management, the public land manager, to require that the pits be backfilled in order to lessen the long term visual impact to the area.

Jim did an economic analysis and estimated the financial impact of backfilling on the project.

Jim has also assisted with a review of the solid waste permit application, to the state of Alaska, for the Kensington Mine.

Jim is a graduate of the Montana College of Mineral Science and Technology in Butte, and worked in the mining industry for 15 years in mineral and environmental process research and development, engineering design, cost estimation, and on project feasibility evaluations.

Jim also has a background in contaminated site cleanup (e.g. the Anaconda/ARCO Butte superfund site), and will be representing CSP ² as a technical analyst to the Clark Fork Technical Assistance Committee. This committee is funded with an Superfund Technical Assistance Grant to provide public comment and oversight of the cleanup of mining contamination on the Clark Fork River.

Jim will be reviewing the technical reports issued by ARCO contractors and the EPA, and then assist the committee members, and the general public, to understand the implications of these reports.

This is a new area of work for the Center, but clearly fits the Center’s goal of providing technical assistance to public interest groups on mining issues.

Jim is working half time with the Center, and will devote the remaining time to his private consulting.

This is probably a model that the Center will use in the future in acquiring and utilizing the talents that are needed in order to provide the highly specialized skills and experience needed to analyze mining related issues.

People with this level of skill and experience are almost always well established professionals, and most often have other interests and commitments that will prevent them from working full time with the Center. This type of relationship allows the Center to obtain the skills and the definite commitment of time that it needs, while allowing the individual the freedom they need to pursue their outside interests.

Dave Chambers has been working with the Environmental Mining Council of British Columbia on behalf of local citizens of Chetwynd, a town in the Peace River District of northeastern British Columbia, to provide technical comments on the Willow Creek Coal Project.

Pine Valley Coal Ltd., the project proponent, has long standing coal leases in this area. The project is grandfathered under the older, less comprehensive, British Columbia environmental review procedures.

There are potential problems with the siting of the settling ponds for the mine, which are now to be located in the 100 year floodplain of the river. The Center is assisting with comments to the BC Environmental Assessment Office to insure that the settling pond, water treatment, and other issues are not overlooked in the permitting process.

Jim Kuipers is providing comments for the Canadian Earthcare Society on design and permitting issues with a water treatment plant for the Brenda Mine, a lead-zinc operation that is being reclaimed near Peachland, B.C.

Jim is also working on comments for a group in Hedley, British Columbia, on a proposal to convert a reclaimed heap leach pad into a low level contaminated waste storage facility.
THANKS the Following Donors for Their Support!!!

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• We realize that there are a lot of good causes, and that everyone is asking for your support.

• A donation of $25, or more, would help our efforts in furthering rational debate on natural resource issues.

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