

MINEWIRE is published periodically by **Mineral Policy Center** to provide members of the Mining Activist Working Group with information they need to build successful campaigns.

In This Issue

- UPDATE: Anti-Environmental Mining Rider
- UPDATE: 3809 Public Hearing in Washington D.C.
- Cyanide Octopus -- Summary of a Book by Sefa Taskin, Mayor of Bergama, Turkey
- Community Nuggets
 - ASIA - China
 - Chinese Gold Mine Explosion
 - ASIA - Indonesia
 - Freeport Allowed to Raise Grasberg Output
 - AUSTRALIA
 - Aboriginal Campaigners Win Environmental Award
 - EUROPE - Spain
 - Los Frailes to Reopen
 - EUROPE - Switzerland
 - Swiss Vote to Sell Gold Reserves
 - NORTH AMERICA - Alberta
 - Jasper Mine Defeated
 - NORTH AMERICA - Arizona
 - Withdrawal of Public Lands for Expansion of Lake Pleasant
 - NORTH AMERICA - Colorado
 - Caribou Mine Touts Earth-Friendly Plan
 - NORTH AMERICA -New Mexico
 - Proposed Land Withdrawal in Eddy County
 - NORTH AMERICA - West Virginia
 - Mountaintop Permit Issued Despite Courts
 - NORTH AMERICA - Wisconsin
 - Town of Nashville Says No to Nicolet Minerals
- Mining in the Media
 1. Genetically Altered Algae Extract Metals - AP, April 13, 1999
 2. PLACER DOME - Placer Dome's Dirty Sore Keeps Festering
 3. ASARCO - Asarco to Pay \$5.5 Million in EPA settlement
- Environmental Mining Resources
 1. American Rivers Report on America's Most Endangered Rivers
 2. Project Underground's Fool's Gold Factsheet
 3. POGO Report on Atlas Corp. Uranium Mill Tailings Site
 4. Website to Watch: Global Forest Watch
- Waste Rock & Gems

UPDATE: Anti-Environmental Mining Rider

The Senate and House have both returned from Easter break. A conference committee has been appointed that will decide the fate of the Disaster Relief Emergency Supplemental Appropriations bill. The House version of the bill contains no riders. The Senate version of the bill contains the anti-environmental mining rider. The rider would require could delay the release of revised environmental mining regulations (*43 CFR 3809*) for a year or more. This is the latest in a series of delays that are intended to prevent new, stronger regulations from being issued during the Clinton Administration.

If signed into law, the bill would bar the Clinton Administration from spending previously approved funds for this environmental protection effort. The language blocks the Administration from spending funds to seek public input on its new draft regulations until at least 120 days after the National Academy of Sciences issues a study examining the adequacy of the existing patchwork of federal and state mining rules.

The House conferees are:

Sonny Callahan (R-AL), Norman Dicks (D-WA), David Hobson (R-OH), Steny Hoyer (D-MD), Marcy Kaptur (D-OH), Jim Kolbe (R-AZ), Jerry Lewis (R-CA), Alan Mollohan (D-WV), John Murtha (D-PA), David Obey (R-WI), Ron Packard (R-CA), Ed Pastor (D-AZ), Nancy Pelosi (D-CA), John Porter (R-IL), Ralph Regula (R-OH), Harold Rogers (R-KY), Martin Sabo (D-MN), Jose Serrano (D-NY), Joe Skeen (R-NM), Charles Taylor (R-NC), James Walsh (R-NY), Frank Wolf (R-VA), Bill Young (R-FL).

The Senate conferees are:

Robert Bennett, (R-Utah), Christopher S. Bond, (R-Missouri), Conrad Burns, (R-Montana), Robert Byrd, (D-West Virginia), Ben Nighthorse Campbell, (R-Colorado), Thad Cochran, (R-Mississippi), Larry Craig, (R-Idaho), Pete V. Domenici, (R-New Mexico), Byron Dorgan, (D-North Dakota), Richard Durbin, (D-Illinois), Dianne Feinstein, (D-California), Slade Gorton, (R-Washington), Judd Gregg, (R-New Hampshire), Tom Harkin, (D-Iowa), Ernest F. Hollings, (D-South Carolina), Kay Bailey Hutchison, (R-Texas), Daniel K. Inouye, (D-Hawaii), Herb Kohl, (D-Wisconsin), Jon Kyl, (R-Arizona), Frank R. Lautenberg, (D-New Jersey), Patrick J. Leahy, (D-Vermont), Mitch McConnell, (R-Kentucky), Barbara A. Mikulski, (D-Maryland), Patty Murray, (D-Washington), Harry Reid, (D-Nevada), Richard C. Shelby, (R-Alabama), Arlen Specter, (R-Pennsylvania), Ted Stevens, (R-Alaska)

We and our allies on Capitol Hill and in the Clinton administration are pressuring the conference committee to keep the mining rider off the final version of the bill. The Clinton administration is very dissatisfied with the current version of the bill, due to the rider as well as other issues, and has threatened a veto. However, if funding for Kosovo is attached to the bill, it will become extremely difficult to veto. Either way, though, bills often change quite substantially while in conference committee --- for better and for worse. Stay tuned.

UPDATE: 3809 Public Hearing in Washington, D.C.

A variety of non-profit groups, including Grassroots Environmental Effectiveness Network (GREEN), Mineral Policy Center (MPC), the Project on Government Oversight (POGO), U.S. Public Interest Research Group (PIRG), and the Western Organization of Resource Councils (WORC), testified at the Washington D.C. public hearing held by the Bureau of Land Management (BLM) on reform of their "3809" regs on April 14, 1999. An appearance was also made by George Lea, the President of the Public Lands Foundation, who testified in favor of the BLM's draft rule.

Ink flowed from the BLM camp (altogether there were 6 BLM staff in attendance) as Stephen D'Esposito, President of MPC, enumerated the weaknesses and inadequacies of the existing "3809" regs. He concluded his testimony by stating: "... in case-after-case, the current "3809" regulations (43CFR3809) have fallen short of adequate environmental protection standards. There is an urgent need for better environmental safeguards. On public lands, mining companies should be accountable to regulators who act on behalf of the public interest, the interest of

citizens and taxpayers. Too often today this is not the case. Too often today, regulators simply do not have the appropriate tools at their disposal or do not have the will to use these tools."

Alan Septoff of MPC listed specific issues about the BLM's February draft rule that need strengthening in his testimony. Katherine Carlton, also of MPC, spoke on behalf of concerned citizens who live daily with the inadequacies of the current "3809" regs. In an attention-grabbing testimony, Lexi Schultz of U.S. PIRG spoke for the need for reform of the "3809" regs from the point of view of taxpayers. She noted the timeliness of the Washington D.C. public hearing when citizens are preparing tax forms, since some of their money is going to subsidize mining companies.

Testimony from the mining industry against reform of the "3809" regs stuck to two main points: (1) The Department of Interior has not answered the question as to what the deficiencies in the current rule are that require a rewrite of "3809"-- a ridiculous argument, given the industry's abominable environmental track record over the past 17 years; (2) The BLM should extend the comment period on the draft "3809" rule 120 days after the publication of the NAS report -- a rather suspicious argument, given the industry track record ... perhaps they want to wait because they know the NAS panel is stacked with industry sympathizers?

Mineral Policy Center would like to extend heartfelt thanks to all the citizens and groups who are attending the public hearings nationwide and who are sending us copies of their comments. Please keep those comments coming. A digital sample comment letter to the BLM is available on our website at <http://www.mineralpolicy.org/reform/rightingregs.html>. At the same address is also a more in-depth organizing guide covering 3809 comments, and Righting the Regs -- a case study analysis of what is wrong with the current 3809 regulations.

CYANIDE OCTOPUS -- Summary

Sefa Taskin, the mayor of Bergama, Turkey, the town that fought a long, hard and ultimately successful battle against the opening of a cyanide gold mine by Eurogold, has written a book called *Cyanide Octopus*. The book is in Turkish and, unfortunately, as yet there are no English translations.

The author uses the allegory of an octopus to represent financial institutions that fund mining companies as having their tentacles all over the world, exploiting the local riches without regard to human and environmental considerations. Written with a sense of humor, he apologizes at the outset to octopi for using this allegory.

The author raises fears that Turkey is the newest target for cyanide heap leach gold mining with applications for permits in 560 different locations. The most ominous company of them all, he says, Eurogold, attempted to enter Turkey through Bergama. In simple, clear and fluid language the author recounts the saga of the arrival of Eurogold to Bergama in 1989, and analyzes in extensive detail the international financial connections behind Eurogold.

As to the damages caused by these companies, he covers a wide range from the definition of cyanide to the environmental damages of cyanide leaching in many locations around the globe.

He also states that gold mining by cyanide leaching is a sector that runs banks, insurance companies, gold mines, chemical factories, nuclear power stations, politicians, and so-called scientists. According to him, the most powerful means to protect his country (Turkey) from the tentacles of the "cyanide octopus" is knowledge. The book thus attempts to empower people with knowledge by recounting the "adventures" of cyanide gold mining companies and the institutions that fund them.

Mr. Taskin concludes his book with the statement: "The prime condition of happiness is to live in harmony with nature. Man exists with the environment in which he lives. After centuries of ignorance of the importance of his

environment he now realizes the gradual disappearance of his own future. The 'cyanide octopus' is one of the major culprits of this doomsday. The human race should be able to say no to this octopus".

On the last page, among the thanks given for the preparation of the book, the author mentions Mineral Policy Center for its "considerable contribution in collecting the information" contained in the book.

A special thanks to Metin Camcigil for this summarized translation of the book.

Community Nuggets

Community Nuggets provides a snapshot of mining impacts at the grassroots level in North America and around the world. We publish information sent to us by environmental groups or concerned citizens about environmental protection and mining's impacts.

To get an update published in MineWire, send it to MPC (email: mpc@mineralpolicy.org; fax: 202-887-1875; snail mail: 1612 K St., NW, Suite 808, Washington, DC, 20006) at MineWire - Community Nuggets. Updates may be edited following submission and MPC may not choose to publish all submissions.

ASIA - China

Chinese Gold Mine Explosion. A blast at a gold mine in China's Diaobazi gold-mining area killed 31 miners on March 2, according to the Chinese newspaper Southern Weekend. Investigations are continuing into the cause of the incident. (Source: Mining Journal, 4/9/99)

ASIA - Indonesia

Freeport Allowed to Raise Grasberg Output. Approval was given on March 12 for PT Freeport Indonesia to increase output at its huge Grasberg gold-copper mine in Irian Jaya. Plans to increase royalties from the operation were recently announced by the Indonesian Government. (Source: Mining Journal, 4/9/99)

AUSTRALIA

Aboriginal Campaigners Win Environmental Award. The Goldman Fund announced the recipients for its 1999 Goldman Environmental Prize, these awards are given annually to an environmental hero for each of the planet's six inhabited regions. Winners included Jacqui Katona and Yvonne Magarula for Australia. These Aboriginal women have been leading a campaign to prevent a uranium mine in Jabiluka, on land surrounded by the country's largest national park, Kakadu, a World Heritage site known both for its cultural significance and biodiversity. (Source: Advertisement in The Washington Post, April 21, 1999)

EUROPE - Spain

Los Frailes to Reopen. Boliden's Los Frailes zinc mine was scheduled to open at the beginning of April after a catastrophic tailings dam failure caused tailings to flow into surrounding rivers. Clean-up of the mess is estimated to have cost over US \$100 million. Boliden intends to use an exhausted open pit as a storage site for the tailings from the restarted operation, but the company is permitted to use this method only until the level of tailings reaches sea level. This would give a mine-life of around 3 years. (Source: Mining Journal, 4/9/99)

EUROPE - Switzerland

Swiss Vote to Sell Gold Reserves. Swiss voters this week approved a new constitution that, among other things, eliminates the traditional requirement for the country's currency to be backed by gold. In related developments, the Swiss also voted to sell over half their gold reserves starting next year. (Sources: Washington Post, 19990419; newsroom@bulltrout.org)

NORTH AMERICA - Alberta

Jasper Mine Defeated. The Canadian Parks and Wilderness Society announced 4/9 a Canadian court ruled against a proposed open-pit coal mine adjacent to Jasper National Park. The court ruled the federal- provincial

environmental review failed to comply with environmental laws including the Migratory Bird Convention Act. The mine plan now goes back for more hearings on the proposal's failings, after which the federal government must decide whether to approve the project. Cliff Wallis of the Alberta Wilderness Association said, "Their initial report was based on a seriously incomplete picture. Now we hope the government will do the environmentally acceptable thing..." For more information see <http://www.parksandwilderness.org/cheviot>. (Source: GreenLines Issue #855, 4/12/99)

NORTH AMERICA - Arizona

Withdrawal of Public Lands for Expansion of Lake Pleasant. A public land order, effective April 20, 1999, withdraws 1,988 acres of public lands from surface entry and mining for a period of 20 years to protect the Bureau of Reclamation's Lake Pleasant expansion area. The lands have been and will remain open to mineral leasing. For further information contact: Jim Andersen, BLM Phoenix Field Office, 2015 West Deer Valley Road, Phoenix, Arizona 85027, 602-580-5570. (Source: Federal Register, April 20, 1999 (Volume 64, Number 75))

NORTH AMERICA - Colorado

Caribou Mine Touts Earth-Friendly Plan. The owner of the old Caribou silver mine is working with Calais Resources Inc. of Vancouver to make the mine a major gold mining operation, which will be up and running in about 5 years. However, since the owner is somewhat of a conservationist, he is proposing mining gold through underground tunnels, not open pits. He claims that there would be no pollution, no tailings piles, minimal truck traffic and respect for the mountains around him. "I just believe mining and the environment can coexist," he said. (Source: The Denver Post)

NORTH AMERICA - New Mexico

Proposed Land Withdrawal in Eddy County. The Secretary of the Interior proposes to withdraw approximately 8,470 acres of Federal surface and minerals and 480 acres of Federal minerals underlying private surface to protect the identified area from activities that might threaten possible cave resources in the area. The proposal, if finalized, would expand the existing "cave protection area". The Federal Register notice segregates the lands for up to 2 years from settlement, location, sale or entry under the general land laws, including the mining laws, and from mineral leasing. For further information contact: Clarence Houglund, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115, 505-438-7593. (Source: Federal Register, April 16, 1999 (Volume 64, Number 73))

NORTH AMERICA - West Virginia

Mountaintop Permit Issued Despite Courts. The EPA and the Corps of Engineers last week issued a permit necessary for a mountaintop mining project in West Virginia, says the 4/16 Charleston Gazette. The agencies issued the permit after members of the state's US congressional delegation demanded action. However, the permits were issued in violation of an earlier court settlement requiring mining proposals with large valley fills be approved under more rigorous environmental review. Cindy Rank of the West Virginia Highlands Conservancy said, "I think it was wrong for them to issue the permit without considering the cumulative impacts...." (Source: GreenLines Issue #861, 4/20/99)

NORTH AMERICA - Wisconsin

Town of Nashville Says No to Nicolet Minerals. The town of Nashville has effectively said no to Nicolet Minerals Company by electing a Nashville Town Board last month that is solidly opposed to the company's proposed Crandon mine. "The people of Nashville have spoken. We don't want a mine and we don't want a mining company interfering with our elections," said Chuck Sleeter, re-elected Chairman of the Town of Nashville. (Source: Press Release, Town of Nashville, April 6, 1999)

Mining In The Media

1. GENETICALLY ALTERED ALGAE EXTRACT METALS

April 13, 1999 Web posted at: 5:17 p.m. EDT (2117 GMT)

WASHINGTON (AP) -- Algae that make metal-grabbing protein show promise for cleaning up toxic sediments, researchers said Monday.

Batches of the single-celled "Chlamydomonas reinhardtii" are being grown and genetically altered at Ohio State University, where scientists have successfully extracted copper, zinc, lead, cadmium, mercury, nickel and other metals from contaminated water.

At another laboratory in Thunder Bay, Ontario, research is under way into methods for encapsulating the engineered algae for use in larger-scale tests and in gold mining.

"I don't want to give anybody the idea that we're ready to go out and clean everything up. ... The feasibility in the real world has not been proven yet," said Richard Sayre, the lead researcher. "Practical application is probably a year away."

'The cockroach of the algae world'

The algae at center stage in the research is cheap and common, Sayre said. "It's everywhere. It grows in Antarctica, it grows in the ocean. It naturally grows in soils in the back yard. It's called the cockroach of the algae world."

Sayre's team, using funding from the Ohio Sea Grant marine research program, found that the genetically altered algae could be turned into heavy metal sponges, either living or freeze-dried.

The research, under way for the past three years, indicates that some metals bind to the altered algae, while other nontoxic metals remain in the water.

"The material will sequester 20 percent of its weight as metal, and there's very little interference by nontoxic metals," Sayre said. In particular, the studies found that calcium and potassium, which scientists want to remain in any cleaned-up waters, did not interfere with attempts to get cadmium to bind to the algae.

Biomining?

What might make the whole process more attractive in the marketplace is an ability to reverse the process. Sayre and his team changed the acidity level of the medium holding metal-laden algae, and the metal came off.

That would make recycling possible for metals now considered contaminants suitable only for disposal. It also could offer a new way to get at desirable metals.

"We have had some discussions with gold mining companies for biomining gold out of ore," Sayre said.

One of his collaborators, Lada Malek of Lakehead University in Ontario, has been working on the algae's prospects for the mining industry and testing whether the devices designed to move the algae through sediments have any impact on metal-binding capacity.

2. PLACER DOME'S DIRTY SORE KEEPS FESTERING

SOURCE: Drillbits and Tailings, Vol.4, No.6 (4/19/99)

Placer Dome continues to own the Marcopper mine, responsible for the infamous Boac river spill and other environmental travesties on Marinduque Island in the Philippines. Despite previous denials, The National Post of Canada reported that Philippine court documents show on December 31, 1997 Placer Dome became the sole owner of the Marcopper mine through an "indirect wholly-owned subsidiary" called MR Holdings "a foreign corporation organized and existing under the laws of the Cayman Islands."

Placer Dome has not disclosed this to its shareholders, seemingly because there is a trail of debt and liabilities accrued by Marcopper. These stem from previous mismanagement and because of the spill that occurred in March of 1996, when a drainage tunnel failed at the mine, burping millions of tons of copper-contaminated mine waste into the Boac River.

The disaster killed fish, damaged local crops and isolated 600 families. Over US\$80 million has been spent by Placer cleaning up the river and compensating the local community since the mine has been shut down. Criminal charges are pending in the Philippines against three past Marcopper employees, including John Loney, President of Placer Pacific Asia.

Placer Dome remains responsible for the expensive natural rehabilitation efforts and more problems are emerging as long-term damage to wildlife and the ecosystem become apparent. A rise in sickness amongst local residents is another growing concern.

Placer has taken losses in the area of US\$100 million in connection with the spill in 1996, and has many outstanding compensation claims, as well as business debts, which banks are keen to call in given Placer's shaky performance in the Philippines. Canadian-based ScotiaBank is trying to re-coup loans and the local sheriff has received court orders to auction equipment to repay the debt.

In a January 8 ruling, where Placer's continued ownership first came to light, the company was also accused of "willful and deliberate forum shopping" in order to find an agreeable Philippine court that would quash the pending auction. "It is very obvious that (MR Holdings, along with Placer Dome and Marcopper), had the unmistakable intention to continue the operations of Marcopper and shield its properties and assets from the reach of legitimate creditors," said Justice Demetria.

There are many sites impacted by Marcopper around the island, such as the Mogpog River which has suffered spills of toxic waste since 1992, affecting 27 villages downstream. On March 5, 1998 the then-President Ramos proclaimed a "state of calamity for health reasons" in Calancan Bay an area of coral reefs and important fisheries devastated by offshore tailings disposal from 1975 till 1991. Over 80 square kilometers of sea grass and coral are smothered there.

Since the adverse publicity around the Boac River disaster, Placer Dome has rhetorically committed to be open about all affairs affecting its stakeholders, especially in its new "Sustainability Policy". And yet since March of 1997, when Placer claimed to divest its share in Marcopper, they have constantly denied any relation to the mine. At last year's April 15 annual meeting, Chief Executive John Wilson responded to critical questions about clean up of Calancan Bay, "we are no longer a party in any sense. Whatever is left there is Marcopper Mining Corp's and not our business."

Meanwhile, and somewhat contrarily, MR Holdings have filed a motion for reconsideration in the Philippine courts claiming that MR Holdings is indeed a "subsidiary of Placer Dome" but the link between Marcopper and MR Holdings was "cut off" when Placer Dome divested of its interest two years ago. A ruling is pending. To date Placer has said little about the paper trail linking them, through MR Holdings, to Marcopper Mining Corp in the Philippines. They claim only that they sold MR Holdings to another company, but refuse to identify this buyer.

3. ASARCO TO PAY \$5.5 MILLION IN EPA SETTLEMENT

Thursday April 15, 12:19 pm Eastern Time

NEW YORK, April 15 (Reuters) - Asarco Inc has agreed to pay \$5.5 million in penalties, under the terms of an agreement with the Environmental Protection Agency, which resolves most outstanding environmental issues at all of the company's operations, the company said.

Asarco also agreed to spend \$2.2 million at its Corpus Christi Encycle/Texas operation, its El Paso, Texas, copper smelter and the company's Tennessee zinc mining operations on ``supplemental environmental projects."

The agreement was forged ``without any concession of wrongdoing" by Asarco, the company said in a statement. Asarco's existing environmental cash reserves are adequate to cover the cost of the penalty and supplemental environmental projects, it noted.

In January 1998, the company agreed to pay \$6.4 million in penalties and spend \$61.5 million in capital expenditures to improve the company's Ray copper operations in Arizona.

The agreement is subject to approval by the U.S. District Court in Houston.

According to Asarco, the only remaining environmental issue is an EPA allegation of water discharges at the company's East Helena, Montana, lead smelter to local publicly owned sewage treatment plants.

``The matter relates only to past practice as Asarco ceased all discharges to the treatment works in November 1997," the company said in a statement. ``The EPA and the company are each seeking a ruling from federal district court in Montana to resolve this matter."

As part of the agreement, Encycle will expand its operations to implement a refining technology that would recover nickel, copper, chrome and tin from metal-bearing waste materials.

Environmental Mining Resources

1. **American Rivers America's Most Endangered Rivers Report.** On 4/11/99 American Rivers released its 14th annual list of the nation's most endangered rivers. On the list is the largest mountaintop mine in West Virginia that threatens the Coal River. Other threats cited include urban sprawl, dams, riverbank manipulation, excessive water withdrawals and pollution. To download this report, point your browser to <http://www.amrivers.org/99endangered.html>.
2. **Project Underground's Fools Gold Factsheet.** Fool's Gold is a new factsheet from Project Underground explaining the top ten problems with gold mining as well as possible solutions. Copies can be ordered by email from project_underground@moles.org or by phone at (510) 705-8981.
3. **POGO Report on Atlas Corp. Uranium Mill Tailings Site.** On March 23, 1999, Project on Government Oversight released its 230 page report: Nuclear Regulatory Commission Sells Environment Down the River: Radiation Flows Unchecked Into Colorado River. According to the report, polluter greed is prevailing over the health of millions of Americans exposed to radiation leeching from a uranium mill tailings site into the Colorado River. The report confirms that AtlasCorp., who owns the site, has bullied the NRC into accepting a clean-up plan that will save the company money but falls far short of government and public safety standards. To find out how to order the report from POGO, point your browser to <http://www.pogo.org> or contact them at (202) 466-5539.

- 4. Website to Watch: Global Forest Watch.** This site is designed to provide accurate, timely and comprehensive information on logging, mining and other forest development activities taking place within and around frontier forests as or before it happens. Point your browser to <http://www.igc.org/wri/gfw/index.html>.

Waste Rock & Gems

"The Bureau of Land Management is responsible for stewardship of our public lands. The BLM is committed to manage, protect and improve these lands in a manner that serves the needs of the American people. Management is based upon the principles of multiple use and sustained yield of our nation's resources within the framework of environmental responsibility and scientific technology. These resources include recreation, rangeland, timber, minerals, watersheds, fish and wildlife habitat, wilderness, air and scenic quality, as well as scientific and cultural values." (Source: BLM Mission Statement "Successes and Challenges" Elko Field Office)

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