

Milwaukee Journal Sentinel February 23, 1997

pt 26

A woodland winter of discontent

Crandon Mine proposal sparks new battles in north

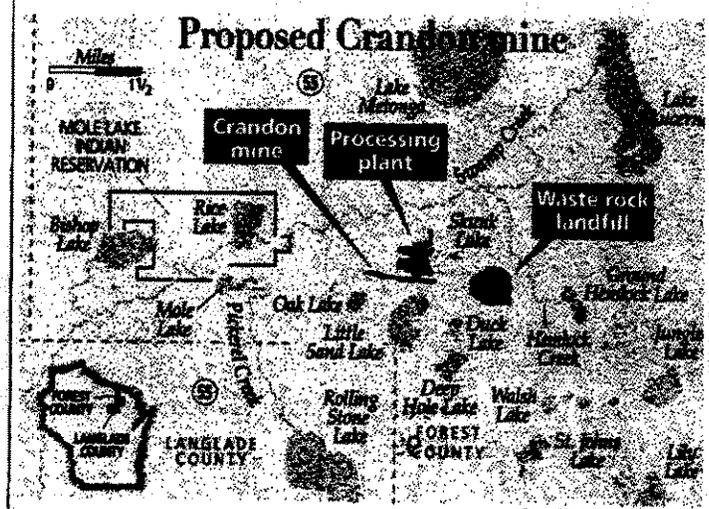
By DON BEHM
of the Journal Sentinel staff

Crandon — This city of fewer than 2,000 people — picturesque and snow-covered — has one main street, several blocks long. The Forest County Courthouse looms in the town square above the squat taverns, one restaurant, a bank, federal agricultural office and smattering of retail stores.

This is the setting for the

more than decade-long squabble over a proposed high-tech hole in the ground just south of the small county seat: the Crandon Mine.

Crandon Mining Co., a Wisconsin partnership formed by Exxon Coal and Minerals Co. of Houston and Rio Algom Ltd. of Toronto, last week took one more step toward its goal of opening an underground zinc mine in Wisconsin's North Woods



JOHN PINCHARD/Journal Senti

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Cindy Emmons, a mine consultant from Salt Lake City, said Wisconsin has the most comprehensive mine review process in the country. The engineering behind the proposed Crandon Mine, she said, is unlike anything that has gone before it.

"We used the latest technologies, including technologies that are not normally used in mines," she said.

Mine opponents have challenged the mine company to point to one hardrock sulfide mine that has not caused water pollution, and they have often quoted a mine official to the effect that no modern mine has existed long enough to pass this test.

Supporters of the moratorium, which would put the mine on hold until such a mine could be examined, see it as a necessary delay to avoiding environmental catastrophe.

"What is 20 years in the millennium of time?" asked Robert Reenes of the Federation of Fly Fishers. "It's insignificant. Weigh that against the generations that would have to live with our mistakes, as we have lived with the mistakes of generations before us."

Mine officials produced a study, commissioned by the mine company, that cites six examples of exemplary mines, including the Flambean Mine in ~~Wisconsin~~ ~~Michigan~~.

Shibilski asked supporters why they fear the moratorium if there are examples of mines that would meet the bill's requirements and allow mining to proceed.

The moratorium is unreasonable, argued mine officials, because its standards - as in requiring the model mine to be in "a similar sulfide ore body" - are too vague and meaningless, an open invitation to

"You have some of the toughest environmental laws, if not the toughest, in the country."

**DALE ALBERTS,
Crandon Mine Co.**

legal wrangling.

Howard Druckenmiller, administrator of the DNR division of land, said the agency opposes the moratorium.

"You are asking us to apply very vague criteria," he testified, "and we are saying this doesn't make much sense to us."

Although the bill would apply to all hardrock mines, it is clearly aimed at the only hardrock mine on the drawing table in Wisconsin.

Crandon Mining Co. - a partnership formed by Exxon Coal and Minerals Co. of Houston and Rio Algom Ltd. of Toronto - is seeking federal, state and local permits to remove 55 tons of ore rich in zinc and copper from a 550-acre site five miles south of Crandon and two miles east of the Mole Lake Chippewa Reservation.

The company has conducted years of research, costing millions, and is about three-fifths of the way through a five-year state and federal permitting process. In order to mine, it needs approval from the state Department of Natural Resources and the U.S. Army Corps of Engineers. Both agencies are preparing environmental impact statements to be released later this year.

Alberts said Monday that the people of Wisconsin should have faith in that permitting process.

"You have some of the toughest environmental laws, if not the toughest, in the country," he testified. "We will, if our proposal is allowed to be judged ... by objective scientists ... be successful in the permitting process."

But opponents of the mine made it clear Monday that they don't have faith in the process. Dozens of mine opponents referred to Gov. Tommy Thompson's elimination of the office of the Public Intervenor in the state Justice Department, a state-funded DNR watchdog, and to the governor's successful bid two years ago to make the secretary of the DNR a cabinet officer who serves at the wish of the governor.

"This is a politicized agency," said Carl Zichella of the Sierra Club. "The public intervenors office has been abolished."

Both sides marshaled their forces for the only public hearing the senate will hold on the bill.

Alice Clausing, D-Menomonie, the chairman of the senate's Agriculture and Environmental Resource Committee, heard non-stop testimony for more than six hours. The hearing had been scheduled to run for five, but she promised to listen to everyone who came to speak.

Other committee members were not as resolute. Shibilski, Robert Wirch, Alan Lasee and David Zien all left long before the hearing ended.

In the end - after the television cameras were gone and the high-profile speakers finished - it was Clausing alone, flanked by the committee's attorney and clerk, who took testimony.

The clerk, Randy Romanski, estimated that testimony was running five or six to one in favor of the moratorium.

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Population falls at boys' lockups

State plans to convert 2 other juvenile facilities into prisons for men

By SAM MARTINO AND RICHARD P. JONES of the Journal Sentinel staff

There has been a dramatic drop in the number of residents at the state's two lockups for boys as the state tries to turn two facilities planned for juveniles into prisons for men, officials said Monday.

A change in state law requiring 17-year-olds to be tried as adults is the reason for the decline, according to Silvia Jackson, assistant administrator of juvenile institutions for the Department of Corrections.

ment of Corrections.

The change, which took effect in January 1996, resulted in a drop of more than 150 admissions to Ethan Allen School in the Town of Delafield and Lincoln Hills School near Wausau in 1996.

Eighteen months ago, the population at Ethan Allen had climbed to 525 juveniles. But Superintendent Jean Schneider said Monday that since the new law took effect, the population there had dropped to 389 residents.

At Lincoln Hills, the resident population was 422 a year ago. Now the population is 399 residents, said Jerry Westerhouse, business administrator at the fa-

tility.

"It has been lower consistently through this year," he added.

Gov. Tommy Thompson has proposed using the former Martin Luther prep school at Prairie du Chien for adult inmates. He has also proposed converting the 500-bed juvenile institution in Racine to an adult prison to help relieve crowding.

A Thompson aide said Monday that if Racine and Prairie du Chien accepted the proposals, the state would use the prisons only for offenders aged 17 to 23.

At a cost of \$13 million, the state converted the former prep school into a secure 138-bed juvenile institution due to open July 1. The purpose was to relieve crowding at Ethan Allen.

The \$25 million Racine facility, due to open in January, would become a permanent institution for inmates aged 17 to 23. The Prairie du Chien institution, however, would be used for young adult criminals only for fiscal year 1998.

"The governor's approach to putting a correctional facility in any community is based on that community being supportive of it," said Thompson's chief of staff, John Matthews. "The bottom line is, the governor won't force anything on these communities."

"We're in discussions with both communities, and the leaders of Prairie du Chien and Racine have been good partners. We have a little time, and we're going to work it out."

Corrections Secretary Michael Sullivan is scheduled to meet Thursday evening with Racine residents who are against the proposal there.

Racine community leaders and activists said Monday that the state was breaking two promises it made initially in selling Racine on the inner-city project: that it would serve only juveniles aged 15 to 17, and that 25% of the jobs would go to nearby residents.

Opponents recently enlisted activist Elizabeth Erven, who last year led the successful campaign to recall Sen. George Petak (R-Racine). She said she had begun circulating petitions against the proposal.

"If it were up to me, I would ask the attorney general if it's possible to sue the state for a bait-and-switch," Erven said.

Sen. Kim Plache (D-Racine)

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Milwaukee Journal Sentinel February 19, 1997

Benefits of mining touted inside while protesters march outside

By DON BEHM
of the Journal Sentinel staff

Flambeau Mining Co.'s open pit copper mine in Rusk County became "the most significant event for Ladysmith in the 20th century," Don Rubow, a retired Ladysmith High School principal, told mining industry representatives Tuesday at a conference in Milwaukee.

Rubow, a County Board member, spoke at the final day

of an "Environmentally Responsible Mining" conference, sponsored by the Wisconsin Mining Association and its industry members, including Crandon Mining Co. and Wisconsin Manufacturers & Commerce. The meeting was held at the Grand Milwaukee Hotel.

Rubow said the mine, which started excavation in 1993, helped turn around more than two decades of high unemployment and losses of oth-

er industrial employers, while tax payments brought needed revenues to county coffers.

"For the residents, the real impact of this mine is just beginning to surface," he said, citing an estimate of \$10 million in various taxes the county and other municipalities will receive from the venture.

In contrast to Rubow's glowing description of Ladysmith's experience, a few doz-

en mining opponents walked a peaceful picket line outside the hotel.

Most of the protesters were teenage students from Spotted Eagle High School, 3134 W. State St. The school, on the campus of the Indian Community School, is operated by the Forest County Potawatomi tribe, an opponent of Crandon Mining Co.'s proposed underground zinc and copper mine south of Crandon in Forest County.

"Get Out of Town, Crandon Mining Co.," read the sign held by Danny John, 16. Danny, a member of the Oneida tribe, stood with more than a dozen other classmates on a hotel sidewalk facing southbound motorists on Howell Ave.

Crandon Mining Co. is a Wisconsin partnership formed by Exxon Coal and Minerals Co. of Houston and Rio Algom Ltd. of Toronto. The company is seeking federal, state and local permits to

remove 55 million tons of ore from its deposit two miles east of the Mole Lake Chippewa Reservation.

Asked why he walked in protest of the proposal, Dan Trem-pala, 16, said: "Mining is killing the earth."

Inside the hotel, however, conference participants from throughout the U.S. were hearing a different message from Pat Magee, a resident of Wenatchee, Wash., and a neighbor of the now-closed Cannon gold mine.

Magee described the mine as "urban," because it sits on the south boundary of Wenatchee, an agricultural community of 20,000 residents known as "the apple capital of the world."

The mine operated down the street from Magee's home for nine years. Today, there is no trace of its production facilities, he said. Schools have converted other corporate buildings into offices and an equipment maintenance shop.

The conference was held in

Milwaukee during the state Legislature's current floor session. One goal of meeting organizers was to reduce public support for a metal mining moratorium bill proposed by Democrats in the Assembly and Senate.

The bill, if adopted by the Legislature and signed by Gov. Tommy Thompson, would prohibit the state from permitting any new metallic mineral mine unless environmental regulators could meet two criteria.

The bill would require regulators to find a mine in a similar ore body of some other state or Canada that had operated for 10 years without polluting water resources and find such a mine that had been closed for 10 years without contaminating water resources.

More than 275 people — most of them opponents of the Crandon Mine — attended a state Senate hearing Monday in Green Bay on the proposed moratorium.

Appleton Post-Crescent February 18, 1997

Hearing gives a voice to both sides of Crandon mining debate

MINE TALK

Opponents of the proposed mine outnumber supporters six to one

By Ed Culhane
Post-Crescent staff writer

GREEN BAY - More than 200 people packed a state senate hearing room Monday as advocates and opponents of hardrock mining in northern Wisconsin faced off for six hours of sometimes emotional public testimony.

At issue is whether the state legislature should adopt a moratorium on hardrock mining until the industry can show examples of mines, similar to the one proposed near Crandon, that have been operated and then closed for at least 10 years without causing environmental damage.

State Sen. Kevin Shibilski, D-Amherst Junction, author of the senate version, said the bill is not anti-mining. He said the state should undertake a hard-headed analysis of risks and benefits before allowing more hardrock mining to proceed in northern Wisconsin.

Tourism in the northwoods, based on the region's clean-water lakes and streams, generates more than \$5 billion in economic activity each year, Shibilski said, and is a sustainable industry based on a renewable resource.

He said the Crandon Mining Co. is pro-

posing to build a 355-acre tailings holding pond, filled with what he called toxic wastes, that would be perpetually dangerous to the environment. The gamble, he said, is whether the tailings landfill will work and work for hundreds and thousands of years.

"That's a lot to be asked to ante up," Shibilski said. "Before we enter that poker game, we should know what's at risk."

Proponents of mining said the Crandon mine proposal has been the subject of a massive misinformation campaign by environmentalists who characterize all hardrock mining as environmentally dangerous.

"Mining can be and is being done all over this country in an environmentally safe way," said Dale Alberts, public affairs manager for the Crandon Mine Co.

They argued that Senate Bill 3 is a vague, unreasonable, emotionally based ban on mining, an industry which makes modern living possible.

"Mining is absolutely necessary," testified Kathleen Benedetto, a mining exploration geologist from Billings, Mont. "It is not a discretionary activity."



ALBERTS

MINE FACTS

■ The hard rock mine proposed by Crandon Mining Co. would remove 55 million tons of sulfide ore from an underground deposit during its 30-year life.

■ The ore body is about 100 feet wide, 4,900 feet long and about 2,000 feet deep. It begins 200 feet below the surface.

■ More than 400 jobs would be created by the mine. State and local taxes during its lifetime would approach \$200 million.

■ Mine waste tailings containing sulfur and heavy metals would be segregated from the environment in a landfill with a liner composed in part from layers of clay and a heavy-duty plastic membrane. The waste site would be the largest in the state, covering an area of 350 acres to a depth of 90 feet.

■ Treated wastewater from the mine would be discharged into the Wisconsin River through a 35-mile pipeline.

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Advocates fight back with 'mining success' examples

By Ron Seely

Environment reporter

MILWAUKEE — Consultants hired by Crandon Mining Co. released a report here Monday that detailed several "mining success stories" in response to efforts by mining opponents to impose a legislative moratorium on mines until they can be proved safe.

The consultants — mining environmental experts Jeffrey Todd and Debra Struhsacker — conducted more than 150 interviews and visited 14 mines to put together a list of hard rock mines with good environmental records.

They include mines in Colorado, California, Washington, Missouri and Montana. Also on the list is the Flambeau Mine, an open pit copper mine near Ladysmith in northwestern Wisconsin that is scheduled to close next year.

Struhsacker presented the results of the survey at a two-day meeting here called "Environ-

mentally Responsible Mining," put on by the Wisconsin Mining Association, the National Mining Association, Wisconsin Manufacturers & Commerce and several other pro-mining groups.

"Environmentally responsible mining is the norm across the

'Environmentally responsible mining is the norm across the country.'

Debra Struhsacker
mining environmental expert

country," Struhsacker said. "It's not an aberration."

Crandon Mining Co. is a partnership formed by Exxon and Rio Algom. The companies want to build a 2,000-foot underground zinc and copper mine in northeastern Wisconsin near the headwaters of the Wolf River. The state Department of Natural Resources is studying the permit request and

a final decision is still more than a year away.

But opponents have spearheaded a drive to pass legislation that would forbid mining in the state until a mining company has cited a hard rock mine that operated safely for 10 years, then was shut down and reclaimed over a 10-year period without polluting surrounding waters. A hearing on that proposed bill was held Monday in Green Bay.

Despite the extensive nationwide search, the Crandon Mining consultants were unable to find a mine in the country that meets both requirements of the proposed law.

Struhsacker, who has worked 20 years as a geologist and has also consulted for Noranda Minerals, another mining company exploring in Wisconsin, said several

mines have been reclaimed using modern technology but added that none of them has been shut down for 10 years.

"We fully expect that at 10 years, they will meet the criteria," she said.

But Struhsacker went on to criticize the criteria in the proposed mining moratorium. She said the tests outlined in the proposed bill — including that a mine be successfully reclaimed for 10 years before being offered as proof of new technologies — are "arbitrary, meaningless and irrelevant."

Judging the safety of new mines by using old mines that didn't use modern technologies, Struhsacker said, is like evaluating the safety of a new car by comparing it to a Model T.

Among the mines cited in the study are: the Henderson Mine

and Mill near Denver, which has operated without environmental problems since it opened in 1978; the McLaughlin Mine near San Francisco that opened in 1985; and the Stillwater Mine in Montana in the Beartooth Mountains, which has operated 30 miles from Yellowstone National Park since 1967.

Struhsacker said such modern mines have excellent water treatment systems, extensive monitoring systems and are subject to strict bonding programs that make companies responsible for cleanup far into the future. These are the kinds of programs and technologies on which mines should be judged, Struhsacker said.

"By putting on that 10-year closure period, you're eliminating a number of exemplary mines," Struhsacker said. "We don't feel that's a meaningful milestone."

Wisconsin State Journal February 18, 1997

Sheboygan Press February 14, 1997

Critics: New techniques for safe mining untested

By Ron Seely

Environment reporter

Mining opponents Monday said a proposed mining moratorium is necessary in Wisconsin to protect against environmental disaster.

A hearing on the proposed moratorium, which would require mining companies to give an example of a mine that has been safely closed for 10 years, was held in Green Bay before the state Senate's Environment and Agriculture Committee.

Exxon and Rio Algom have formed a partnership called Crandon Mining Company to seek permits that would allow the companies to mine 55 million tons of copper and zinc from an underground mine on the headwaters of the Wolf River just south of Crandon in northeastern Wisconsin.

But opponents on Monday said technology to protect groundwater from acid mining wastes remains untested over a long period of time.

"The tailings from these mines remains dangerous forever," said Carl Zichella, midwest regional director for the Sierra Club. "We can't afford to risk our state's rivers, lakes, and drinking water

until the technology is proven. That's why we need the mining moratorium bill."

Proponents of the mine argue the moratorium is unnecessary because of Wisconsin's mining laws. And on Monday, a consultant hired by Crandon Mining presented a report at a meeting in Milwaukee that criticized the proposed moratorium as "arbitrary, meaningless, and irrelevant." It's unfair, the consultant said, to use old mines to evaluate the environmental safety of new mines.

Critics who testified at the Green Bay hearing also cited Exxon's handling of the Exxon Valdez oil spill in Alaska as reason for skepticism about the company's promises to run a clean mine.

David Blouin, with the Mining Impact Coalition, said Exxon has appealed a \$5-million punitive damages judgment that came in the wake of the spill. He criticized the company for paying millions to "silk stocking lawyers" instead of compensating victims of the spill.

"We shouldn't trust companies like Exxon or Rio Algom to take care of our lakes and rivers," Blouin said.

OUR VIEW

PRESS EDITORIALS

'Tough' mining stance difficult to believe

Did Gov. Tommy Thompson "get religion" on the environment — and specifically on the proposed Crandon mine in northeast Wisconsin?

We're skeptical.

Yes, the governor did insert proposals in his 1997-99 state budget that he says "get tough" on mining companies. But they fail to fully address the problem, fail to undo the grave harm done to environmental protection by his 1995-97 budget, and fall far short of comprehensive mining laws proposed last year by state Rep. Spencer Black, D-Madison.

The budget Thompson presented Wednesday would require mining companies to identify and use existing technology to make sure any discharges comply with state groundwater and surface water pollution rules.

That sounds good.

But as a result of its effective lobbying efforts, the state's mining industry is subject to less restrictive standards on groundwater than other industries.

Further, the governor's 1995-97 budget interfered with the state's ability to protect the environment from the effects of mining.

That budget bill politicized the state Department of Natural Resources by making the agency's secretary an appointee of the governor. It also emasculated the public intervenor's office, an environmental watchdog agency that had enjoyed bipartisan support since the 1960s, by moving it to the DNR from the Department of Justice and eliminating its power to sue the state on behalf of the public.

The Crandon mine threatens two of our largest rivers, the Wolf and the Wisconsin.

The Crandon Mining Co. proposes to extract 55 million tons of zinc and copper from a metallic-sulfide mine. The waste from the operation, which can form sulfuric acid in the presence of water, would be stored in what would become the state's largest landfill, near the Wolf's headwaters.

The mine wastewater cannot be released into the Wolf, a National Wild and Scenic River, so the company would pump it 38 miles and dump it in the Wisconsin River.

Last year, DNR researchers found that all 20,000 metallic-sulfide mines in North America have caused significant water pollution.

Instead of allowing the Crandon Mining Co. to use Wisconsin as a test for new technology it thinks would protect resources, the state should approve a mining moratorium.

A moratorium, proposed by Black and others last year, would delay any mining permits until mining companies provide an example of a metallic-sulfide mine that operated for 10 years without polluting surrounding waters.

We would have more faith in the governor's "tough" stance on mines if he would support Black's proposal to lift all mining company exemptions from state groundwater laws, ban mining in state parks, and bar from operating in this state mining companies that have violated environmental laws.

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dustry is communicating the message," said James Chavis, regional manager of public affairs for Placer Dome U.S. Inc., a mining interest in Elko, Nev. "And Wisconsin is a very difficult environment economically and politically to get the message out."

Tom Myatt, general manager of the Flambeau Mining Co. in Ladysmith, said mining opponents tend to "aggravate, inflame and cause emotional reaction as opposed to looking at

Carl Zichella, Sierra Club:

"There is no such thing as a safe sulfide mine."

facts." Crandon Mining has advertised extensively on television, with messages about its attention to environmental impact and the economic benefits.

Norquist: A 'Net Negative'

Norquist criticized both the conference and the Crandon mining proposal. He said in a letter that he believed the mining venture "is likely to end up as a net negative for Wisconsin" and that he doubted it could be done without damaging watersheds, wildlife, forests and tourism.

"Flushing and diverting mine wastes to our rivers might seem like a good idea to someone on Wall Street, but not to people who enjoy canoeing and fishing on the Wisconsin and Wolf rivers," he said.

He said he was concerned whether the conference in Milwaukee, sponsored by the Wisconsin Mining Association, was intended "to explore the issue or to continue the pro-mining public relations campaign already under way on television across the state."

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Indians: Companies 'Pimps'

At the press conference at Spotted Eagle High School, 3134 W. State St., Menominee tribal chair Apesanahkwat condemned politicians and corporate executives who support the new mine.

He called operating the mine a "rape of Mother Earth." He said: "These politicians have prostituted our mother... These corporations are no more than pimps."

Talking about the companies backing the Crandon mine, he said: "The money these people have can buy anything. They've bought politicians; they've bought whole townships."

Rick Whaley, a member of the Milwaukee Area Greens, an environmental group, also spoke, contrasting what he described as the realities of the Crandon mine proposal with what he called the "Lassie Come Home version" shown in television ads.

Opponents of the mine announced they would conduct informational picketing outside the industry conference at The Grand Milwaukee Hotel at 12:30 p.m. today.

This story was reported by Don Behm, Alan Borsuk and Lee Hawkins of the Journal Sentinel staff.

Mining conference airs views

The Wisconsin Mining Association is holding a two-day seminar in hopes of convincing public officials mining will not hurt the environment.

Reasons for the conference

- To air views of the mining industry and environmental groups opposed.
- To discuss a proposed moratorium on mining permits.

WHAT THE MORATORIUM WOULD DO

- Prohibit the DNR from issuing permits to Crandon Mining Co. until:
 - DNR determines a similar sulfide mine has operated for at least 10 years without polluting ground water or surface water.
 - DNR determines a similar sulfide mine has been closed for at least 10 years without polluting ground water or surface water.

Key arguments

PRO Wisconsin Mining Assn.

- A geologic study of North American mines that found numerous facilities that do not pollute water or land resources.
 - Example 1: The Flambeau Mining Co.'s open pit copper mine south of Ladysmith.
 - Example 2: An underground platinum mine 30 miles north of Yellowstone National Park.
- Argues that the mining industry is heavily regulated and monitored so that the best engineering methods are used.

CON Environmental groups

- Argues that when bedrock containing sulfide ores is exposed to air and water, sulfuric acids could form and seep into the environment.

JOHN PINCHARD/Journal Sentinel

Milwaukee Journal Sentinel February 18, 1997

Jackson County official seeks zoning rule to regulate mining

He says countywide policy needed because many towns have no protection.

By JULIAN EMERSON
Special to the Journal Sentinel

Black River Falls — People signing exploratory mineral lease agreements in Jackson County may soon face a stricter set of regulations.

Jackson County Board Chairman Steve Dickinsen is proposing a zoning ordinance to help regulate future mining.

"It's in the works now," he said. "Right now the county doesn't have any authority over those agreements. The townships are the ones with the real power to enact environmental protections, but I feel there should be some kind of regulatory measures at the county level as well."

Although some Jackson County towns have adopted ordinances to regulate mining and mineral exploration, Dickinsen says a countywide policy is needed because just eight of the 21 towns in the county are zoned.

Towns that aren't zoned have no mining regulations, he said.

"I have some real concerns about mining safety. Once you let other mining companies get in here, and they invest money in this, it makes it that much more difficult down the road to say no to it," he said.

Terry Schmidt, Jackson County zoning administrator, said he favors a county ordinance regulating mining. The potential environmental damage from mining is often bypassed in favor of economic benefits, he said.

"This is something that is of concern to us, especially in the towns that aren't zoned," he said. "We would have to be care-

ful to word this so that the towns not zoned would be covered by this."

Dickinsen said the County Board may adopt an ordinance similar to the one in the Jackson County town of Cleveland and may use a proposed ordinance from Trempealeau County as a model.

In June, the Cleveland Town Board adopted an ordinance providing safe drinking water standards. Mining waste and refinement sites cannot be located in the town, the ordinance states.

The proposed ordinance in Trempealeau County places a number of restrictions on exploration, prospecting and mining.

The Jackson County Zoning Commission is working on a proposed ordinance and will hold a public hearing on the matter in coming months. A proposed ordinance will then go before the County Board, perhaps by summer, Dickinsen said.

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Mining proposal gets cold reception across state

In Green Bay, Milwaukee, foes say mine could harm environment

Advocates of a major new mine proposed near Crandon tried to put their best environmental foot forward Monday, but they were met on several fronts with reactions ranging from skepticism to outright hostility.

By the end of the day, it was unclear whether the proposal to build the large underground zinc and copper mine in Forest County had moved forward or backward, but it was certainly clearer how each side felt about the environmental impact of the plan.

A conference of mining indus-

try officials at The Grand Milwaukee Hotel was highlighted by the release of a study that said well-operated mines do not damage the environment.

But that notion got a cold reception from the overwhelming majority of the more than 275 people who attended a public hearing in Green Bay on a legislative proposal that would put a moratorium on new metals mining in the state until long-term environmental safety was demonstrated.

On a third front, those who favor the mine were described in harsh terms at a press conference by Indian and environmental groups in Milwaukee.

And joining the fray Monday was Milwaukee Mayor John

Norquist, who was invited to say welcoming remarks to conference-goers but instead released a letter saying he was quite sure that the mine would be bad for Wisconsin.

Summaries of Monday's debate follow:

Green Bay: Stop Mines?

A classroom at the Northeast Wisconsin Technical College in Green Bay was filled beyond its capacity at the start of the 3 p.m. hearing. State Sen. Alice Clausen (D-Menomonee), chairman of the Senate Agriculture and Environmental Resource Committee, announced that more than 75 people had registered to speak



MIKE ROEMER

Opponents of a proposed zinc and copper mine in Forest County make their views known with a sign outside Northeast Wisconsin Technical College, where a hearing was held Monday on a mining moratorium.

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on the moratorium plan and asked the audience to withhold applause and other signs of support for speakers.

But several mining opponents received loud ovations early in the session, and Clausen repeatedly stopped the proceeding to ask the audience to respect all views.

Among the many northeastern Wisconsin residents critical of state mining regulations was Robert Schmitz, resident of White Lake in Langlade County and president of the Wolf River Watershed, an organization of lake associations, tribal groups and fishing clubs. He thanked the committee for "coming up somewhere near the scene of the crime," referring to the proposed Crandon mine.

Crandon Mining Co., a Wisconsin partnership formed by Exxon Coal and Minerals Co. of Houston and Rio Algom Ltd. of Toronto, has proposed excavating 55 million tons of zinc and copper ore from an underground mine south of Crandon in Forest County. The mine and a 220-acre waste rock disposal area, the biggest landfill ever built in Wisconsin if permitted, would be in the Town of Lincoln.

Crandon Mining proposes filling the landfill with nearly 20.5 million cubic yards of tailings, the fine, sand-like particles of crushed rock that remain after the ore is processed.

Schmitz claimed mine wastes would degrade water quality in the entire river basin because state laws and regulations governing metal mining are too lax.

Schmitz and several other speakers voiced their support for the moratorium for just that reason.

"There is no such thing as a safe sulfide mine," said Carl Zichella, Midwest regional director for the Sierra Club.

Crandon Mining Co. invited several environmental consultants to defend the company's project. Cindy Emmons, a private consultant with Emmons & Associates in Salt Lake City, had helped the Flambeau Mining Co. receive state permits for its open pit copper mine near Ladysmith in Rusk County.

Metal mining opponents say mines of the kind planned in Crandon, sulfide ore mines, always damage the environment. When that type of bedrock is exposed to air and water, sulfuric acid could form and seep into ground water or nearby lakes and streams, they say.

But Crandon Mining Co. officials and their consultants say waste rock would be mixed with lime, a buffering compound, so it does not become acidic.

A series of other pollution controls, including landfill liners and caps, also would be installed to prevent acids from leaking from the landfill and accumulating to high levels in ground water, the company has said.

"Wisconsin has the most comprehensive project review of any state," Emmons said.

Emmons and Dale Alberts, manager of government relations for Crandon Mining, repeated a plea common to industry supporters who spoke at the hearing: Allow objective scientists to decide the merits of the proposal.

"Your laws would not allow an environmentally unsafe mine," Alberts said.

However, state Sen. Kevin Shibilski (D-Amherst), a co-sponsor of the proposed moratorium, described the proposed

ban as a "common sense" step. "The North Woods tourism industry generates \$5 billion to \$6 billion in revenues each year," Shibilski said. "Those are renewable jobs, but we're asked to risk all of this for short-term economic gain."

One of the few non-industry voices of support for the mine was Kenneth Dantoin Sr. of Green Bay. Dantoin, who owns property in Forest County, reminded the audience of society's dependence on metals.

"There has to be a mine somewhere, someplace," he said. "We can't have the civilization we have today without mining," Dantoin said. "It's time to get on with this project."

Milwaukee: Tough Audience

Two consultants hired by Crandon Mining Co. presented their study of the environmental aspects of 14 mines nationwide at the industry-oriented conference at The Grand Milwaukee Hotel, near Mitchell International Airport.

The consultants, Debra Struhsacker, an environmental and government relations consultant, and Jeff Todd, senior project manager for S.M. Stoller Corp., concluded that each mine examined was environmentally responsible.

They said new mines cannot be judged by evaluating old mines where there were environmental problems and added that mines of the type planned for Forest County have been in operation for more than 10 years without causing surface or ground water pollution.

Speakers on a panel chaired by former Wisconsin Gov. Tony Earl said Wisconsin is a tough place to argue the positive side of mining's environmental impact. "A real problem in the in-

...cont. next page

DNR official criticizes mining bill

Agency representative draws sharp reaction from some gathered at hearing

By JULIAN EMERSON
Special to the Journal Sentinel

Ladysmith — A proposed moratorium on mining in Wisconsin is unnecessary in light of existing state and federal mining laws, a Department of Natural Resources official said Monday.

Stan Druckenmiller, executive assistant to the state DNR secretary, told more than 300 people at a state Assembly public hearing Monday that the mining moratorium bill of state Rep. Sigmond Black (D-Madison) is based on old mining "horror stories" and not current mining facts.

"We think that his proposal adds nothing to the environmental protection in this state,"

Druckenmiller said. "There are regulations currently in place to make sure mining companies act responsibly."

In a heated exchange, Black responded to Druckenmiller by accusing the DNR of violating public trust on mining. The DNR has become too political and no longer bases its decisions solely on the environment, Black insisted.

"DNR has violated the sense of fair play," the legislator said. "I don't think the DNR should use Wisconsin as an experiment."

The Assembly Environment Committee held the hearing on the Senate-passed bill, which would require mining companies to prove that no similar sulfide mine in the world had caused pollution for a 10-year period after it closed.

One committee member, Rep. Lorraine Seratti (R-Florence), reprimanded Druckenmiller for not making the DNR's position

on the bill clearer before the hearing. She said she was "dis-mayed" at the position taken by the department.

Mining supporters listed state and federal laws they said safeguard the environment. Several metallic sulfide mines in the country have been safely re-claimed after their closure, said Joan Hansen of Wisconsin Manufacturers & Commerce, the state's largest business group.

Wisconsin has some of the most strict mining laws in the country, and efforts to discredit mining are based on falsehoods, she added.

"You can really capitalize on people's fears," she said. "But most of what is said against mining isn't true. It's absolutely a bunch of rhetoric and misinformation."

Menomonic Indian Tribal Chairman Apesanahkwat expressed "alarm and fear" at Druckenmiller's statements and said he is saddened to see a lack of impartiality on the mining is-

sue.

DNR officials are ignoring a number of potential problems associated with dumping processed sulfide waste in the Wolf River near the Crandon mine, Apesanahkwat said.

Those problems, including the potential lowering of the water table surrounding the river area and a high level of mercury present in the ground, may lead to serious environmental problems, he said.

Some in the audience carried anti-mining signs and booed pro-mining speakers, while others said mining provides economic benefits too good to ignore.

"A lot of farmers tell me darning is on the way out," Ladysmith Mayor Ron Moore said. "We have to have something to replace that with."

An open-pit mine south of Ladysmith, which Moore said has caused an economic boom in the area, is being closed by the Flambeau Mining Co.

Milwaukee Journal Sentinel May 13, 1997

Milwaukee Journal Sentinel May 13, 1997

Elections Board wins fight over recall drive

Judge says anti-abortion group must abide by rules on campaign finance

By KEVIN MURPHY
Special to the Journal Sentinel

Madison — A federal judge Monday refused to stop the state Elections Board from enforcing state campaign-finance laws against an anti-abortion group that wants to help in the recall petition drive against Wisconsin's two U.S. senators.

U.S. District Judge Barbara Crabb dismissed the argument of Wisconsin Right to Life, which called illegally broad or unconstitutional a requirement that any group that spends more than \$25 must register with the state.

Wisconsin Right to Life has a registered political action committee, but asked Crabb to issue an injunction that would tell the state to not regulate other activities of the 52,000-member organization in the drive to recall Democratic Sens. Russ Feingold and Herb Kohl.

Wisconsin Right to Life acted because of a letter from the Elections Board and three decisions by state judges prohibiting organizations from running "express advocacy" ads that urge the support or defeat of a particular candidate. Organizations that ran the ads claimed that they only advocated issues, a position or philosophy, and not a particular candidate.

James Bopp, the anti-abortion group's attorney, said the letter and court rulings have unconstitutionally "chilled" the group's free-speech rights in the recall attempt.

If required to register with the state, the non-profit organization would be subject to the corporate ban on contributions to candidates or political parties to fund express advocacy, said Bopp.

Although qualifying non-profit groups can contribute less than 20% of their gross expenditures for express advocacy, Wisconsin Right to Life, which has a budget of more than \$1 million, will not spend that much on the recall, Bopp said.

"This is a classic situation in which their activities have been chilled, so they have refused to do any issue advocacy," Bopp said.

But, after Assistant Attorney General Alan Lee argued that there was no reason to issue an order against the Elections Board, Crabb ruled that any such order would be premature, because Wisconsin courts can properly resolve the question.

Crabb also said Bopp had failed to show the board would violate the group's constitutional rights.

Wisconsin Right to Life was afraid that what it wants to do in connection with the recall will be be wrongly interpreted by state officials as express advocacy, said its president, Barbara Lyons.

Another group, First Breath Alliance, has said it will spend up to \$150,000 on petition drives to recall Kohl and Feingold for their votes on whether to ban a method of late-term abortion.

The group has until June 6 to gather 390,959 signatures to force a recall election.

Exxon copper, zinc mine under attack

By TIM CUPRIS
Of the Press-Gazette

CRANDON — Nearly every aspect of Exxon's proposed copper and zinc mine in the Crandon area was attacked Tuesday night in a public hearing at the Forest County Courthouse.

About 150 persons crowded into a third-floor courtroom to air their questions and grievances about the project. They criticized everything from water pollution to the danger of radiation from the mines.

The mine is still at least eight years away from operation, with several years remaining before environmental impact statements are completed. These documents are necessary before a mining permit can be granted.

The state Department of Natural Resources conducted the hearings as part of the process for eventually granting the permit.

James P. Ludwig of Iron River, Mich., a biologist who works with mine companies, opened the public testimony by blasting Exxon for abandoning a plan to test mine the area.

Exxon suspended plans to take a 10,000-ton bulk sample from the site because of cost and suspected attempts by environmentalists to postpone the test drilling.

"This means there is a higher chance of costly mistakes," Ludwig said.

He said there was no detailed information on the volume of water in the site of the future mine and the DNR cannot write a comprehensive environmental impact statement without that information.

The biggest potential health hazard from the mine would be waste tailings of iron pyrite. When mixed with air and water, the pyrites form sulphuric acid.

Exxon has pledged to prevent the tailings from getting into area waterways, but some groups have their doubts.

Joseph Reed, director of tribal planning for the Menominee Indians, urged the DNR not to allow Exxon to mine the deposit "without absolute guarantees" that wastes from the site will not pollute the area.

Some tribal members live in the Crandon area.

A Wausau man charged that Exxon was considering Green Bay as the location for a

refinery of the ore taken from the mine. Mitchell Gordon Bent quoted a company official as saying two years ago that Green Bay was a possible site.

Louis Blair, an Exxon senior environmental engineer, denied that he made that statement. He said that no Wisconsin site is under consideration for a refinery.

Al Gedicks, director of the Center for Alternative Mining Development Policy in

"The problems have to be magnified by the number of mines in operation."

Mining agency director

Madison, asked the DNR to study the impact on northern Wisconsin of a number of possible mining operations, rather than just one.

The present process is to obtain environmental impact information on each individual mine. Gedicks said the effects of all the mines would combine to devastate the northern half of the state.

"The problems have to be magnified by the number of mines in operation."

Nearly 20 mining companies are exploring for various ores in the state.

He also said that Exxon may be concealing the discovery of other marketable minerals in the mine. "There may be uranium deposits in that ore body," he said.

Gedicks said no separate Environmental Impact Statement would be needed if uranium was mined as a by-product of the main minerals. To back up his claim that uranium is present at the Crandon site, Gedicks said that Exxon has signed a second lease on the property with the Chicago & North Western Transportation Company.

The second lease spells out royalties due the railroad if uranium is mined there.

Although Crandon residents were in the minority at the hearing, a few did air their concerns.

But Herbert Cundiff, chairman of the Forest County Mining Committee, said the benefits of the project will outweigh the problems. "We need the jobs up here. We don't want to be your poor country cousin."

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Public access to mining firm files sought by state official

RHINELANDER (AP) — The public's access to mine company files was a major topic Tuesday during the second day of a forum on mining, with Peter Peshek, a state public intervenor, pointing especially to Exxon USA, which is considering sinking a mine into a Forrest County zinc and copper deposit.

CAPTIVES
The operation's environmental and

mining impact statements may not be ready for public hearings before 1985, but municipalities which would be affected by the operation deserve to be given all preliminary data, Peshek said.

JAN 14 1981

Industrialists are challenging state mine laws which are designed to help predict a mine's influence on water tables, wells and water supplies.

Kevin Lyons, an attorney for the town in which Exxon's mine could be opened, made a similar open-records plea to the forum Monday.

Lyons said mining corporations should not be allowed to withhold information under the guise of its being data they should not have to share with competitors.

The subject is being influenced by a ruling a few weeks ago by a Circuit Court judge who decided that a company with a copper discovery near Rhineland has a right to keep trade secrets locked up.

Exxon mining plan under fire

JAN 15 1981 By ROCKY BARKER
Special to The Sentinel MIL SEN

Crandon — A mining specialist said the decision by Exxon USA to cancel the prospecting program at its Crandon copper-zinc deposit increases the threat of environmental damage.

James Ludwig, president of Ecological Research Services Inc., Iron River, Mich., a mining consulting firm, spoke at a Department of Natural Resources hearing held to gather comments about the DNR monitoring and verification program at the site.

Ludwig said the prospecting program, which called for sinking a test shaft and collecting about 10,000 tons of ore, would have provided important environmental data and helped in the design of the mine.

Without the program, he said, Exxon cannot provide DNR with vital information about tailings composition, water volume and water movement.

He said there also is a higher probability of environmental damage because of mistakes in the mine design.

"There are more arguments for a test mine than against it," he said. "This particular team of highly qualified personnel has never actually developed a new mine."

Robert Russell, Exxon project manager at Crandon, said there was little chance the company would change its decision to cancel prospecting unless the project timetable were delayed.

When he announced cancellation of the program

in September, Russell said local staff engineers had argued against the decision. However, he said, sufficient environmental data was collected during the company's 6-inch drilling (exploration) project.

Robert Poppe, a mining consultant who has studied the Exxon project for local towns and environmental groups, said much of the data could be collected elsewhere.

Barry Hansen, Exxon technical services manager, said three sites have been chosen from more than 50 studied for tailings ponds. He said the Exxon environmental impact report should be completed by the spring of 1982, almost six months later than had been expected.

Hansen denied at the Tuesday night meeting that above normal levels of uranium were present in the deposit and said Exxon has no interest in uranium exploration in Wisconsin.

Much of the testimony involved the possibility of seepage of acid and heavy metal pollutants from the tailings ponds.

"Every possible precaution has to be taken so that the Wolf River is not ruined by this mine," said Lee Dinsmore, a Langlade County supervisor from Post Lake. "When push comes to shove in this part of Wisconsin, the people love the land more than jobs."

Joe Reed, chief planner for the Menominee Indian Reservation, said the Wolf River is the "most prized natural asset of the Indian tribe" and he demanded that no permits be issued unless Exxon and the DNR "absolutely guarantee the river would not be polluted."

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Mine questions outnumber answers

RHINELANDER — Judging by last week's conference on the impact of mining in Wisconsin, there are many more questions than solid answers on the issue.

JAN 16 1981

The two-day meeting brought about 100 experts and laymen concerned about the growth of mining in Wisconsin to Nicolet College in Rhinelander to share their ideas.

Although only one metallic ore mine now operates in the state, supporters and opponents of mining in Wisconsin have already drawn the battle lines for what may prove to be a long struggle between environmental and economic concerns.

Representatives of Exxon and Kennecott, two corporations involved in potential mining operations in northern Wisconsin, spoke of hundreds of new jobs and millions of dollars of income generated by mining operations.

Meanwhile, environmentalists painted a gloomy picture of polluted rivers, spoiled forests and boom towns.

At a proposed open pit iron and zinc mine in the town of Grant in Rusk County, Kennecott plans a 1,000-ton-

a-day zinc and copper mine within two years. The highly-mechanized complex will require only about 100 workers.

Farther in the future is mining from the Crandon deposit in Forest County.

Opponents say that iron pyrite waste rock from both mines could pollute the water supplies around the mines. **GREEN BAY PR. GAZ.**

The mine companies say the waste will be isolated from streams and rivers.

Environmentalists charge that wilderness areas will be ruined by the mining.

Company officials say that state conservation laws require reclamation of all mined lands and point to the success at an iron mine in Jackson County.

The Black River Falls mine, the only operating mine in the state, has had 10 years of experience and has shown progress in reclaiming areas around the mine.

Opponents of mining use the ghost towns of the Upper Peninsula and the west to show the effects of mining on the environment.

Exxon says that up to 750 new jobs, many of them for local residents, will result from the Crandon project. That does not include the "ripple" effect to the economy from increased sales to local businesses caused by a rapid influx of money into the region.

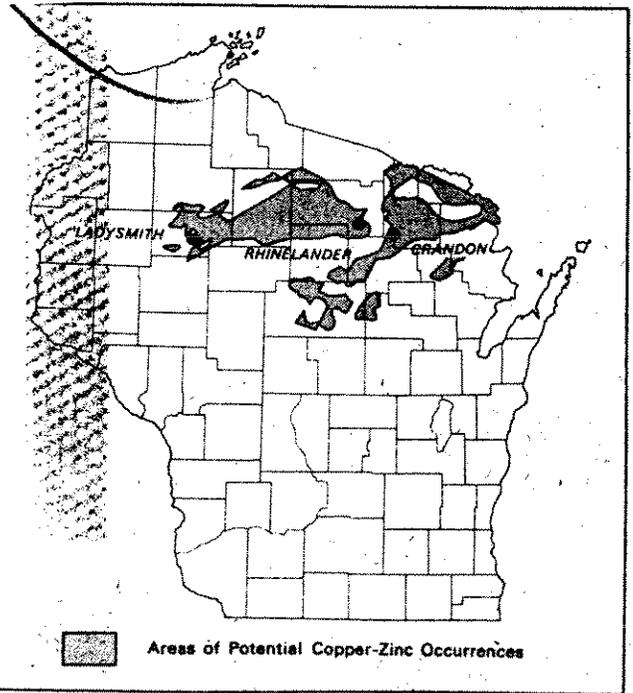
Information published by the University of Wisconsin-Extension Geological and Natural History Survey shows that much of northern Wisconsin from Marinette to Rusk counties have the proper geological conditions to produce zinc and copper.

To escalate the war over ore, mine companies are exploring for possible deposits of uranium in Wisconsin.

Although no marketable uranium ore has been found, environmentalists say that prospecting for the nuclear fuel could have harmful effects. The Department of Natural Resources has been monitoring exploration sites and says that no harmful radiation has been found at test drill sites.

But no uranium has been found either.

So the fight goes on with no cease-fire in sight.



Special to the Press-Gazette
This map from the University of Wisconsin-Extension Geological and Natural History Survey shows a wide area of northern Wisconsin which may contain zinc and copper deposits.

Proposed Crandon mine faces many barriers

By TIM CUPRISIN

of the GREENBAY PR. GAZ.

CRANDON — It has been seven years since Exxon first discovered a "sizable" deposit of zinc, copper and lead in the gently rolling countryside five miles south of this small Forest County city.

The only ore ever pulled out of the ground at the Crandon Deposit came from about 200 test drillings at the site between 1975 and 1978.

That exploration dis-

closed a 5,000-foot long by 125-foot wide deposit that lies about 2,330 feet beneath the surface. The 83-million-ton deposit is about 5 percent zinc, 1.1 percent copper and 0.4 percent lead.

How much closer is the day when the Crandon site will live up to its billing as one of the largest sulfide metal deposits in North America?

At this point, it is uncertain whether Exxon will ever mine the deposit.

Environmental concerns

have multiplied as plans for the deposit have advanced. Fear of wastes from the mine ravishing the wilderness of Forest County has led to protests against the project.

Even the company expresses reservations about the underground mine because it says the state's mining tax is too high to justify the multi-million dollar project.

Despite the problems, Exxon is continuing with its planning. At same time, environmentalists are stepping

up the fight to have the state deny a mining permit to Exxon.

The most optimistic Exxon officials predict that mining will not be under way until nearly the end of the 1980s even if no new roadblocks are thrown in front of the project.

During a Tuesday night hearing on the project in the Forest County Courthouse in Crandon, Barry Hansen, the project's technical director, said it would be 2½ years at the very least before

a permit is granted to Exxon.

Before the permit is granted, the state Department of Natural Resources must issue an environmental impact statement based on information from Exxon. That information must be verified by the DNR to make sure that it is accurate.

A preliminary description of the Crandon Project was submitted to the DNR last fall. That report, though lengthy, has been criticized by environmentalists as not

detailing the dangers to area waterways from the mine.

The biggest danger from a sulfide metal mine is the iron pyrite waste left over after the marketable minerals are removed from the ore. Iron pyrite, a sulfide rock also known as "Fools Gold," produces sulfuric acid when exposed to the air and water.

Exxon says the waste pyrites, as well as other nonsulfide waste rock, will be stored under water in disposal ponds to minimize oxidation of the sulfide mater-

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ials and reduce fugitive dust."

The project description estimates that about 1,500 tons of sulfide tailings will be produced every day. About 10,000 tons of ore will be mined daily.

But some people are not satisfied with Exxon's proposed handling of the waste.

"This report tells the public that perhaps there is going to be some danger in mining," said S. Stephen Chapman, director of the Clear Air, Clear Water Inc., a Minnesota environmental group. "But it doesn't tell us a thing about how to avoid these dangers."

Joseph Reed, planning director for the Menominee Indians who live in the area, said that "without absolute guarantees" that the mine would not pollute the Wolf River or its tributary streams it was impossible for the tribe to support the project.

Another environmental problem is waste water from the mine.

The project description said that treated processing water and sanitary sewage treatment water could be discharged. The report claims that "all regulatory limitations" will be met.

An environmental expert criticized Exxon at the hearing for lacking comprehensive data on the potential for water in the mine. James Ludwig, president of Ecological Research Services Inc. of Iron River, Mich., said plans by the company to cancel test-mining 10,000 tons of ore increased the

chance of of miscalculations

Exxon canceled the test mining because of cost and opposition from environmentalists.

Just as important as environmental problems caused by the mine are the social and economic impacts. Upper Peninsula ghost towns are examples of what some Wisconsin residents want to avoid for the Crandon area when the company completes the 30-year mining operation.

"Just as certain as death, and taxes, any boom town will certainly bust," said Robert Kennedy, a socioeconomic researcher who works with the Menominees at Mole Lake, near the site.

The project description does not discuss the post-mining situation in Crandon.

Exxon plans to hire as many local residents as possible to fill the 775 jobs needed when the mine gets into operation. "Because of the anticipated shortage of needed skills in the local population, Exxon will provide comprehensive training programs to supply such job skills," according to the project description.

The jobs that come along with the mine make area residents the biggest supporters of the project.

Herbert Cundiff, the chairman of the Forest County Mining Impact Committee, praised the mine for bringing needed jobs to "Wisconsin's smallest and poorest county."

"We need the jobs up here. We don't want to be your poor country cousin."

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Oneida County cool to suitors

RACINE JR.

RHINELANDER (AP) — The wooing of Oneida County by prospecting corporations resumes this week, and officials show no special enthusiasm for the latest on a long list of suitors.

Rick Rollman, assistant county forest administrator, says the county's reluctance to sign away mineral rights is based on the uncertainty over what the rights may be worth.

Kerr-McGee Corp. is to meet Tuesday with the Forestry Committee of the county's Board of Supervisors to review the county's lease policies.

Rollman said eight mineral exploration companies have requested leases in the last 10 years,

beginning with Humble Oil & Refining Co. in 1970. Then came Getty, Noranda, National Lead, American Copper & Nickel, Great Lakes Exploration, Exxon and Kerr-McGee.

APR 13 1981

Tony Lorbetske, chairman of the county board, said the county is not entirely certain it owns all the mineral rights on county property.

There have been attorney general opinions that a county owns subterranean mineral rights in proportion to surface rights. That includes transferring mineral rights to the county when land is acquired through tax delinquency.

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Exxon studying effects of mining

It's the year 2014 and the zinc and copper mine south of the Forest County city of Crandon has just closed down after providing 85 million tons of ore during 25 years of operation.

What is the area like now that that Exxon has pulled up stakes and gone?

That's what the company would like to find out.

Before the Crandon Deposit even begins producing ore, the area surrounding it will become one of the most intensively studied in the nation.

As part of its operation in Crandon, the Exxon Minerals Co. is conducting a detailed sociological study of the area that will be affected by the mine when it gets into full swing — and after it closes.

The study began as an attempt to comply with state regulations ordering mining companies to provide details on the effects of their operations.

It has grown into an intensive look at the areas of Forest, Langlade and Oneida counties considered to be in the affected areas. Economic, geographic, geological, transportation and educational data are all being collected for the report.

The monumental task of supervising this project has been given to Dan Derfus, a jack-of-all-trades for Exxon, who has been involved in everything from employee relations to community planning.

He describes the study as

AUG 9 1981
an important way for both the company and the surrounding communities to plan for the by-products, good and bad, of the mine.

To do that, the area's future without the mine must be predicted using computer models. Then predictions are made based on the assumption that the mine is in operation.

The difference between what the future will look like in 25 years with and without the mine show the effects of the development on the area.

Before making any predictions, however, an intensive study of the area is necessary. Area residents will be polled on various topics to create a detailed look at the area.

Another part of the study is an examination of two rural communities that have experienced a similarly rapid growth like that result from the Exxon mine.

"We can discover the responses of industry and local government to rural industrialization as it has occurred in other places," Derfus said.

"In other words, we can learn by other people's mistakes and their successes."

The only major roadblock has been refusal by officials of the Forest County Potawatomi and Mole Lake Chippewa Indian tribes to cooperate with the study.

But Derfus said that individual members of those tribes will be able to provide them with necessary information.

In my opinion

Surface information doesn't tell mining story

AUG 12 1981

By WESLEY WHITE

A RECENT ARTICLE in The Journal dealt with the failure to find any valuable minerals during mining exploration in Wisconsin. I write because that information, by itself, was misleading.

The article, while basically correct, leads away from some, to my mind, larger facts. In order:

1) Mining companies, by virtue of Wisconsin Statutes 107.15 (4) (c) and (f), are not required to tell all about their exploratory drillings. This for



—Journal Sketch

Wesley White

the reason that their competitors might find out what minerals have been found where and how in. So while the State Geological and Natural History Survey may report that there have been no valuable minerals found, their information is completely dependent on whether they have been told the whole truth by companies whose best interests is not served if they divulge all the information of their explorations. The best that can be said is that the companies did not report finding valuable minerals.

2) With no required reporting system, 98 drill holes is a rather meaningless figure. How is it, in the face of such a large expenditure with no positive results, that over the last three years, according to a UW Extension report, nearly 150,000 acres in Wisconsin have been leased by mining concerns? There must be something more than 98 non-valuable drillings to justify mining companies' increasing their leases in northern Wisconsin. Perhaps there is something in the unreported data

from those 98 holes that intrigues them.

MIL JOUR **Could contaminate water**

3) Exploratory "holes as much as 5,000 feet below ground's surface" not only represents a great deal of investment, but undoubtedly also means that various levels of ground water are being intersected and interconnected. Considering this in a reasonable manner, there is room for legitimate concern about possible contamination of these aquifers. In fact, there is already concern about possible radioactive contamination of aquifers because of exploratory drilling. If a drill hole goes through uranium and continues on to a source of someone's well water, the figure of 5,000 feet is not just a source of technological pride but a potential problem.

No required monitoring

4) While Kerr-McGee Corporation did agree to have two of their uranium exploratory drillings monitored, they have since stopped that voluntary practice. There is proposed legislation to require a minimum amount of monitoring of every exploratory drilling for uranium or other minerals. However, at present, it remains up to the company whether it will be monitored and, except for the two Kerr-McGee drillings in the past, no more monitoring is occurring. An article that reports what has happened but leaves out what is recently happening tells only one part of the story.

A year ago, in appreciation of the authority in the title of State Geological and Natural History Survey and the technology of 98 holes, 5,000 feet and monitoring, all this would have slipped past me. In the past year, though, the Rusk County Citizen's Action Group has helped me see that there are facts behind "mining" facts that need to be taken into consideration.

I hope The Journal will become more sensitive about getting the facts behind the apparent facts straight. Otherwise mining company information will be at the expense of local communities.

Wesley White lives in Ladysmith.

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the quality of groundwater near mines.

Roger Churchill of Ladysmith said authors of the Natural Resources Department rules should avoid yielding to attorneys and lobbyists representing special interests.

The DNR is considering regulations to safeguard streams, lakes and water tables against contamination from waste seepage from mine shafts, open-pit mines and piles of tailings.

Methods of surveillance include drilling wells at the perimeter of a mining activity. One of the big questions facing the writers of the rules is: How far from the mine should the perimeter be drawn?

AUG 27 1981

Churchill told a board meeting that quality standards should apply to a mine's entire area, not to just the areas of the tailing and sludge ponds.

Carroll Besadny, DNR secretary, observed that the issue of tailings is to be discussed at hearings Sept. 14 in Ladysmith and Sept. 15 in Crandon.

Churchill said the DNR should try to find a commercial use for pyrite, a mining waste known as "fool's gold" and a source of sulphuric acid. It would be better to market the golden metal than to leave it as a source of pollution, Churchill said.

Sandy Barrus of Springbrook, representing the Northern Alliance, said her environmental group favors full protection of groundwater rather than simply setting standards that

apply at the perimeter.

During the Wednesday session, the Board was cautioned against premature enactment of rules for protecting

Mining-water rules argued

By Richard Eggleston
Associated Press

Rules to protect ground water from the effects of mining in Wisconsin are generating unprecedented dissension among environmentalists on the eve of public hearings around the state.

Opponents of the rules not only say they don't go far enough to protect rural drinking water supplies from nearby mining operations, but they are attacking the consensus process that produced them.

"I don't think it's a democratic process," Sandy Barrus of Spring Brook, a member of the Northern Alliance, said. "These are the loosest environmental standards in the world."

Backers say the rules would effectively protect everyone's water supplies, that they were developed in an open, public process, and would be the toughest in the country, much tougher than rules on mining in any other state or those on any other Wisconsin industry.

Opponents, the backers say, either don't know what they are talking about or are seizing on the emotional issue of ground water because they oppose mining no matter what the environmental safeguards.

James G. Derouin of Madison, attorney for Exxon Minerals Co. and the Wisconsin Association of Manufactur-

ers and Commerce, said he has been involved in negotiations on every major environmental issue in Wisconsin since 1973.

"Never have I given up more in the negotiating process than in the mining-related issues," Derouin said.

Negotiations over mining rules and legislation began in 1977, and included representatives of mining companies, communities and Indian tribes potentially affected by mining, the public intervenor's office and Wisconsin's Environmental Decade.

Other groups have been welcome to participate, but have not chosen to, Derouin said.

"There's been a lot more input from the mining companies than from the rest of us," Roscoe Churchill of rural Ladysmith, an early supporter of the consensus process, said. "I'm not going to support the consensus anymore, and I'm not alone in this. The whole northwest is upset."

Derouin said the sudden criticism makes him feel like the character in "Butch Cassidy and the Sundance Kid" who is relentlessly pursued across a desert by a mysterious posse, and asks, "Who are these guys, anyway?"

"Out in the bushes, there are all these people who haven't even read what we have done, and they say, 'By God, it is bad because these people are talking to each other,'" he said.

"We have assured people that their

drinking water is going to remain drinkable and no use of it that exists is going to be impaired by a mining facility," Derouin said. "I don't know how much more you can ask."

Peter Peshak, a public intervenor for the Justice Department who is seldom accused of being a patsey on environmental protection, agrees with that assessment.

Ms. Barrus, however, contends that the rules could mean "no muskies, no tourism" for northern Wisconsin if ground water contamination spread to surface waters.

Churchill and Ms. Barrus, who say they have read the rules, object to the use of minimum federal drinking water standards as the level of permissible ground water contamination. "If it's any worse than that, you can't drink it," Churchill said.

Ms. Barrus said there should be no effect on ground water at all outside a 600-foot line around a mining operation.

Derouin said the federal standards are set at 1 percent of the level at which the health of the most sensitive individuals in society would be affected, and if there was a hazard to anyone's water near the 1,200-foot line, the Department of Natural Resources could make the requirement stricter after holding a hearing on a permit for a specific mine.

"Sandy Barrus can get 600 feet, but she has got to show up and provide some evidence, not just emotional rhetoric," Derouin said.

The thing that mining companies gain from the proposed rule is not the right to pollute but the ability to design a mining operation to meet specific standards, even if that adds millions of dollars to their cost, Derouin said.

Kathleen Falk, attorney for the Environmental Decade and a participant in the consensus process, said she believes the dissension over the ground water rules is being overemphasized because the process has been so open.

"We agree to those sets of standards because they are the best scientifically and politically that we are able to get for the state," she said.

"It's easy to sit back and say something is awful," Ms. Falk said. "It's a whole lot harder to work to get something better in place."

DNR hearings on the ground water rule, and other changes in state mining rules, are scheduled for Monday in Ladysmith, Tuesday in Crandon and next Thursday in Madison.

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Dreyfus OKs mining tax cut, environmental safeguards

NOV 19 1981

By RICHARD EGGLESTON
The Associated Press

CAPTIVES

Gov. Lee Dreyfus signed into law today a bill cutting Wisconsin's mining tax and establishing greater environmental safeguards for mining development.

Dreyfus said the new law will foster new jobs in northern Wisconsin while protecting groundwater supplies on which many people depend for drinking water.

The bill both reduces the rates of the net proceeds tax enacted in 1977 and creates new deductions for such mining costs as ore handling, processing and smelting.

The top tax rate under the law will fall from 20 percent to 15 percent. The total taxes on a mine similar in size to the one Exxon Minerals Co. is considering developing near Crandon will fall from about \$30 million a year to \$15 million.

Exxon and other mining companies complained that the old tax was too high, and precluded any mining development in the state.

So far not a penny has been collected under the existing tax law, although a taconite mine owned by Inland Steel Co. has been operating near Black River Falls.

Under the new law, as under present law, 60 percent of mining tax revenue will be distributed to local communities by the Mining Investment and Local Impact Fund Board. Forty percent will go to the state.

The new law, however, establishes a Badger Fund to hold the state's share of the money in trust for the citizens of Wisconsin. Half the interest on the state's portion will be spent on schools and half on recreation projects.

The new law also holds mining companies responsible for waste disposal sites for 30 years after a mine closes.

Other solid waste site operators have the option to care for a site for 20 years rather than 30.

The law also increases possible damage payments to private well owners for mining pollution from \$25,000 to \$75,000; eliminates the rights of mining firms to condemn property, and strengthens Department of Natural Resources enforcement powers over mining companies. The DNR will be allowed to issue special rules for radioactive wastes and regulations to encourage depositing mining wastes underground or marketing of waste material.

"I think we can mine the elements we need from the earth, and I think we can do it without adverse effects on the environment," Dreyfus said.

The governor made several technical item vetoes to the bill. In one veto with potential political ramifications, he eliminated a "sunset" date for the deduction for royalties paid to landowners.

The bill's drafters set an expiration date on the deduction, in an effort to get the Legislature to enact a special tax on royalties received by individuals and corporations. The tax would have compensated for the revenue the state will lose when mining companies deduct their royalties.

Politically influential forest products firms and railroads hold large blocks of mineral rights, and could be subject to a tax on royalties received by landowners.

ties by the Mining Investment and Local Impact Fund Board and 40 percent will go to the state.

The new law establishes a Badger Fund to hold the state's share of the money in trust for the citizens of Wisconsin, with half the interest going to the school fund and half to recreation projects.

WIS ST JR

The new law also makes mining companies responsible for the care of waste disposal sites for 30 years after a mine closes. Other solid waste site operators have the option to care for a site for 20 years rather than 30.

It increases possible damage payments to private well owners from mining pollution from \$25,000 to \$75,000, eliminates rights of mining firms to condemn property, strengthens Department of Natural Resources enforcement powers over mining companies, and allows the DNR to issue special rules for regulating radioactive wastes, for encouraging deposit of mining wastes underground and for controlling the marketing of waste material.

The governor also signed bills to:

• Allow the La Crosse Queen and other tour boats operating in Wisconsin waters to sell beer and liquor on board.

NOV 20 1987

• Require health insurers to provide coverage for insulin infusion pumps.

• Require the state to accept foreign court orders involving Wisconsin families who adopt foreign children.

• Make it illegal to sell "look-alike" drugs.

• Allow courts to assess triple damages against arsonists.

• Revise the definition of "sexual contact" to eliminate problems in the prosecution of sexual assault cases.

• Establish minimum levels of coverage for Medicare supplement insurance policies marketed to the elderly.

The governor, who signed a number of bills before leaving Nov. 28 on a trade mission to mainland China, signed legislation reducing Wisconsin's mining tax and creating stronger environmental safeguards for mining development.

The top tax rate will fall from 20 percent to 15 percent. Total taxes on a mine the size of one Exxon Minerals Co. is considering near Crandon will fall from about \$30 million to \$15 million per year under the bill.

Exxon and other mining companies had said the old tax rate prevented mine development in the state.

Under the new law, as had been the case under current law, 60 percent of mining tax will go to local communi-

Crandon area fine for mine — study

By LARRY DEC 9 1981
VAN GOETHEM
Special to the Press-Gazette

CRANDON — A study commissioned by Exxon Minerals Co. U.S.A. paints a grim portrait of three northern Wisconsin counties surrounding the firm's zinc-copper ore discovery near Mole Lake. But the study says the area should absorb a large mine without undue stress.

Among other points, the two-inch thick socio-economic study by RPC, Inc. of Austin, Texas, makes these observations:

- Population losses of recent decades have been reversed only as elderly retirees moving to the region have made up for losses of young persons leaving the area.

The young people are leaving for urban areas after completing school because of a lack of economic opportunity in the area.

The retirees make up an economy that draws its income mainly from retirement and disability payments, benefits and government pensions.

GREEN BAY PR. GAZ.
This has led to a strong service and retail structure that is abetted by substantial trade in recreation and tourism, which is a low-wage, seasonal industry.

- All three counties have a lower per capita income and higher unemployment rate than the rest of Wisconsin.

- All three counties have crime rates roughly comparable with the state's, but Forest County has a high rate of violent crime.

- Stable employment is provided by forest industries and some smaller firms in Antigo in Langlade County and Rhinelander in Oneida County, but the overall area shows little sign of picking up growth industries.

A key conclusion by RPC was that mining in the area does not have to trigger the kind of boomtown development criticized by many observers in western states.

"Having examined the rather massive amount of data in the body of this report, we can now say that current conditions in the local area are very unlike the other Midwestern states.

predevelopment conditions which resulted in boomtowns," said the study.

"The local study area (the three counties) has a diverse and well established economic base. It has a mature labor market, a variety of skilled trades represented and a substantial labor surplus," the report continued.

"This is in marked contrast to the simple ranching economies in sparsely settled western areas."

According to the report, the three-county area has a "well developed system of public facilities and services which, in the opinion of a majority of permanent residents, are considered good or very good."

It added the local schools can absorb more students, the area doesn't lack fresh water or sewage treatment facilities and there is much land with good water where septic tanks can be used.

"From a socio-economic standpoint, the ... area has a decade of experience in absorbing immigration from southern Wisconsin and other Midwestern states.

Further, the population of the local study area is sufficiently large that new population should not disturb a sense of community. We are dealing with a social system which has over 50,000 members," it said.

The report outlined in detail the social and economic history and fabric of two Indian communities in Forest County, the Sokao-

son Chippewa at Mole Lake and the Stone Lake Potawatomi of Wabeno and Stone Lake.

The study concluded Indian tribes are hampered by dependence on government programs without the ability to tax members to raise revenue. It refers to the annual Blue Grass Festival at Mole Lake as a successful attempt to earn money.

In my opinion

Right questions debated in wrong order

DEC 16 1981

MIL JOUR

By WALTER BRESSETTE

THERE MUST BE some things that are beyond manipulation; sacred, if you will: Nuclear power and wastes, acid rain, uranium mining, groundwater regulations. Project ELF and other environmental issues seem tolerable except to seemingly small, vocal groups. And now they're talking about pipelining water out of the Great Lakes.

This latest pipedream, predictable decades ago but spoken of only in hushed tones, is now a matter of public discussion. Neo-water sheiks like Gov. Dreyfus are lofting trial balloons to assess "public" reaction, probably so that damage-control strategies can be developed once they open the valves.

Undoubtedly this suggestion will be argued heatedly by entrenched sides. Unfortunately, such debates, like environmental impact statements, become one more obstacle to overcome rather than an opportunity to review and assess the merits of a given project or proposal.

Recent debates over mining — especially the Crandon deposit, mining taxes and groundwater regulations foreshadow other debates that lie ahead. But it seems that all sides may be more interested in their ecosystems than in the ecosystems affected.

Accept one solution

Exxon and others have pointed to the economic boom that mining operations bring to an area. The feds, under the stewardship of James Watt, religiously defend and support energy developers. Wisconsin government, having failed for years to address Northern Wisconsin economic instability, has breathed a sigh of relief as it turns the future of Northern Wisconsin over to the multinationals. And political activists have abrogated their responsibility by not offering alternative solutions to our economic problems.

What should have happened (and still can) is for Wisconsin's citizens, public and private, to thank Exxon for doing an economic needs assessment and, armed with statistics that illustrate the economic plight of this region, gone on to explore solutions. Understandably, mining could be part of stabilizing the economy. What are some other solutions?

Wisconsin's second largest industry is tourism. Are we willing to ignore that fact? Shouldn't we upgrade and support the tourist industry? Are we willing to change bumper stickers to read "Escape from Wisconsin," as we seek natural and pristine areas in which to spend our mining and water dollars?

Shall we change the theme from

dairy state to some other? If we have an unhealthy economic condition, shouldn't we first seek to upgrade our present industries, such as agriculture, rather than create new ones that threaten arable land? It's time we sought out and supported industries that are compatible with our land and people.

Political activists argue that mining, and especially uranium mining, is totally unacceptable. This contributes to a statewide polarity that focuses incorrectly on mining rather than on the real issue of economic need.

I too am against mining, especially mining that contributes to an already out-of-control nuclear cycle. But given the choice of not working or working at a mine, I'd probably choose mining. I would not consider this a pro-mining stance but an economic action forced on me by not really having a choice. The point is whether people have the right to choose how they make their living. I think the choices offered by Exxon, Wisconsin's elected officials, and the anti-mining lobby are far too limited.

Ask right questions

The present debate regarding mining and other environmental issues will resurface when we are in the shadows of pipelines. To be fruitful, discussion needs to be consistent with goals set by Wisconsin citizens. To set goals, all sides need to ask serious questions, such as:

What kind of economy do we want? What standard of living do we want and for whom? What types of industries are compatible with our people and resources? What responsibilities do elected officials have? And what responsibilities do citizens have in determining the future of the state as well as the ecosystem within its borders?

In the end we see that it is neither a "hot" issue like mining nor a complex issue of economics that we are discussing. It is an issue of identity and allegiance to that identity.

By allowing multinationals who pledge allegiance to profit and growth, regardless of national or state borders, to control solutions, all of us abrogate our rights as citizens. And we can expect continued environmental degradation, political misrepresentation, PR packets, and maybe short term economic prosperity — followed by cultural, ecological and spiritual poverty.

Walter Bresette of Ashland is a free-lance writer, artist and photographer. He is a lake Superior Ojibway (Chippewa) from the Red Cliff Reservation and former information officer of the Great Lakes Inter-Tribal Council.

Mining has strong potential in Wisconsin

JAN 31, 1982

While everyone else is talking about a financial slump, the people in the mining industry are talking about the boom — the boom they say will come in the 1990s.

That, the mining people say, is when mining metals will again become an important part of the state's economy.

WIS ST JR

Today in Wisconsin there is only one operating mine, the Jackson County Iron Co. near Black River Falls. This is ironic for a state that has a miner on its state seal.

There are, however, as many as 15 companies exploring the state for mineral deposits, according to James Klauser, mining consultant to the Wisconsin Association of Manufacturers and Commerce (WMC). And these companies are not letting the current economic picture cloud what looks like a promising future.

"Wisconsin has substantial potential," Klauser said. "These people are looking at markets in the 1990s and the year 2,000. They're looking at world markets that down the road."

Meredith E. Ostrom, head of the Wisconsin Geological and Natural History Survey, said Wisconsin is on the threshold of its third mineral frontier, the first two being discovery of lead ore in southwestern Wisconsin in the early 1900s and the discovery of iron ore in the Cobble Hill area in northern Wisconsin.

In a recent report to the WMC, Klauser said Wisconsin has the potential for six to 10 years of metallic mining operations. He said that the major deposits have been found in a copper belt that runs through the state.

in Wisconsin, Klauser said. Exploration was encouraged further last summer when the Wisconsin Legislature passed a law easing the tax burden on mining companies in the state.

While mining in the state may still be a few years away, Klauser said exploration and development is pumping much-needed money into the economically depressed northwoods.

Klauser, who is also a consultant to Exxon, said Exxon's payroll during the development of its Crandon mine is about \$1 million each year. There are 30 people working there, Klauser said.

The potential of the Crandon mine is a good example of what mining can do for the northwood's economy, Klauser said. He cited the following statistics from Research and Planning Consultants, a consulting firm hired by Exxon:

- Construction is scheduled to start in 1985 and will take four to five years. During construction, Exxon will spend \$92.3 million. Of that amount, 88 percent or \$89 million could be spent in Wisconsin.
- Almost 1,000 people would be hired for construction jobs with a total construction payroll of \$265 million.
- When the mine goes into operation (probably in 1990 or 1991) there will be 870 jobs at the Crandon site and 2,000 additional jobs in other parts of the state. Total personal income generated would be \$13.4 billion. Seventy billion dollars of gross sales would translate into Wisconsin business volume increase of \$127.4 billion.
- The mine would operate for about 25 years and produce 3.5 million tons a year.

—By Ron S. ...



James Klauser

Kennecott, a zinc-copper deposit referred to as "The Pelican River Deposit" discovered by Noranda, and a zinc-copper deposit near Crandon discovered by Exxon Minerals Company.

The recession is not discouraging companies from developing their funds

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DNR staff split over mining-water rules

Wis State Journal
By David Stoeffler
Environmental reporter 2-25-82

Proposed rules affecting groundwater protection around mining waste sites have apparently split the Department of Natural Resources staff almost as much as the public, who turned out in force to testify on the rules Wednesday.

Although the official staff position supports the rules to be voted on today by the DNR board, water quality experts at the DNR say the regulations may establish a precedent to allow pollution of state groundwater.

Linda Bochert, assistant to DNR

Secretary C.D. Besadny, said the rules are "a very effective and comprehensive product." Although some impact on groundwater is allowed, she said the rules do "not allow unrestricted degradation." In most cases, standards set are likely to be lower than established state or national drinking water standards, she said.

However, Carl Blabaum, director of the DNR bureau of wastewater management, and Kevin Kessler, chief of the private water supply section, expressed concern that the rules will lead other industries in the state to seek the same types of water-quality regulations being proposed for the mining industry.

Kessler and Blabaum said their objections had been expressed to the board and that it was the board's and Besadny's role to make policy and their duty to carry it out.

The rules, if approved by the board and eventually the Legislature, will regulate location, design, operation and closing of sites to store and dispose of metallic mining and prospecting wastes.

Protection of groundwater has been the key point of controversy.

After reviewing a company's request for a permit to open a mine, the DNR will propose groundwater quality standards and a boundary for the

site. Outside of the boundary, quality standards must not be exceeded.

Standards and boundaries will be set after public hearings.

The standards will follow the established state or national drinking water standards for about 20 substances — chemicals, pesticides, bacteria and radioactivity — believed to be harmful to the environment.

The DNR may set more stringent levels, but those levels must be achievable by the company and must allow room for error in calculations.

Of 34 people testifying during more than four hours of hearings Wednesday, about 20 opposed the groundwa-

ter protection provisions.

Kessler and Blabaum did not testify. However, their concerns were similar to those expressed by the public, many of whom came from northern Wisconsin (where most new mining is expected to occur) for a chance to speak just five minutes to the seven-member board.

Blabaum said the drinking water standards were not designed to be used in connection with groundwater. He said groundwater in many areas of the state was purer than almost anywhere else in the nation.

Both said the rules place too heavy a burden on the DNR to prove strict

water quality standards should be set. "The state's fiscal resources are not as readily available" as those of industry in hiring experts for court hearings, Kessler said.

Mining interests support the rules, touting them as the most environmentally strict rules in the world. Also supporting the regulations are Public Intervenor Peter Peshek and Wisconsin's Environmental Decade. Each played a role in drafting the proposals.

Other environmental groups, along with water well drillers, spoke against the rules. Representatives of town governments expected to be hosts of mines generally spoke in favor

Decision on mining rules postponed

By RICHARD HEGGLESTON
The Associated Press

The State Natural Resources Board today delayed for a month action on proposed new state mining rules after hearing testimony Wednesday on the regulations' possible effect on Wisconsin's underground water resources. Board member Daniel Trainer of Stevens Point said he was concerned about the legality of the rules, and the possible pollution of well water supplies by heavy metals.

The board voted 5-2 to table the matter until its next monthly meeting. Wednesday, the board heard more than 30 citizens express divergent opinions on the rules, mostly on whether they would adequately protect ground water from contamination from runoff from mine waste disposal areas.

Although spokesmen for industry described the rules as the most stringent in the world, some environmentalists and opponents of mining in northern Wisconsin characterized them as a license to pollute that could

jeopardize tourism and pose health hazards to future generations.

At the center of the controversy is a provision that would establish the "maximum contaminant levels" for various substances contained in state and national drinking water standards as the normally permissible levels of groundwater pollution 1,200 feet from a mine waste site.

The rules would provide for more stringent standards to be imposed on mining companies if necessary to protect the public health, safety or welfare, said Linda Bochart, executive assistant to Department of Natural Resources Secretary Carroll Besadny.

She said mining companies could well be required to meet "a considerably more stringent level" of pollution, and in some cases, they could be required not to add anything whatsoever to the naturally occurring levels of a substance in the underground water supply.

"This is very close to what we had used in the past as the 'no detrimental effect' standard," she said. "Sub-

stances will never be authorized at levels that will result in groundwater being undrinkable."

James Derouin of Madison, an industry attorney who helped draft most of the environmental laws enacted in Wisconsin in the last decade, said the proposed rules were the "toughest and most comprehensive in the entire world."

"We believe that the rules are excessive," said Gerald Schurtz of Salt Lake City, representing Kennecott Minerals Co. "They require more effort . . . than is necessary to meet goals of environmental protection."

Barry Hansen, technical services manager of Exxon's Crandon project, said the rules would add tens of millions of dollars to the cost of the firm's proposed zinc and copper mine in Forest County, but that Exxon supports them because it wants to mine in an environmentally responsible fashion.

The Town of Grant in Rusk County where Kennecott's deposit is located and the Towns of Nashville and Lincoln in Forest County, where the Exxon operation would occur, also supported the rules, although attorneys for the towns and town officials made it clear they were not endorsing mining itself without further study.

Other witnesses were uncomfortable about the state accepting any level of pollution whatsoever of well water resources. Although supporters of the rules said mining was a unique enterprise, critics warned that other industries would try to take advantage of the maximum contaminant level (MCL) approach.

"I do not think maximum contaminant levels are at all adequate to protect the groundwater of Wisconsin," said Roscoe Churchill of rural Ladysmith, a neighbor of the Kennecott deposit. "There are way too many loopholes in these rules."

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Battle looms over controls on disposal of mine wastes

MIL SEN **By Quincy Dadisman**
Sentinel staff writer 8 1982

Background of the news

Madison — A major environmental battle is shaping up over new proposals for how mining and its impact on ground water will be controlled in Wisconsin.

New Department of Natural Resources rules covering mining permits and waste disposal were sent last September to public hearings by the State Natural Resources Board.

Revisions based on the hearings were tabled last month by the board after Daniel Trainer, a member from Stevens Point, said he needed more time before he could accept or reject the proposal. The proposed rules — nearly 200 pages of typed material — are scheduled to come before the board again later this month.

Most of the controversy centers on a proposal that would set a "compliance boundary" around mining waste disposal sites that environmentalists see as a way to allow "just a little contamination" of underground water.

Both sides view the generally unpolluted ground water that underlies most of Wisconsin as one of the state's greatest assets. But they have differences about how best to protect ground water.

The DNR has not had a specific policy on ground-water protection, but has relied on an unwritten "no detrimental effect" standard against which it measures development proposals. In effect, the rule forbids developments that would degrade ground-water quality.

However, ground-water pollution has turned up in the Wausau area, where a waste dump led to the destruction of some wells. The area includes the intensively farmed Central Sands area, where pesticides and nitrates have been found in underground water supplies. Also, waste whey from a cheese factory has damaged householders' water supplies in the Brownsville area.

Mining poses special problems in any plan to protect ground-water quality. The desired mineral forms only a small part — often less than 1% —

of an ore body. What remains after the mineral is extracted from the ore is waste.

Recent discoveries of copper and zinc ore in Wisconsin have revealed wanted metals — copper, zinc, gold, silver and vanadium — tied up in rock formed primarily of iron sulfide.

Since mining is the process of digging the ore and concentrating the metal, in this case the residue would be a huge pile of iron sulfide.

A problem here is that in processing this ore, the material would be ground to the texture of fine sand, allowing water to penetrate. The water would dissolve the iron sulfide, combine with the sulfur and form dilute sulfuric acid, a pollutant, which could be expected to seep through the waste.

The proposed rules handle that situation by forcing mine operators to make their waste piles as waterproof as possible, building them atop clay, which should prevent seepage. But leaks could develop and the "compliance boundary," an imaginary line drawn on a map around a mining waste disposal site, is intended to mark a limit beyond which seepage would not be permitted in the ground water.

Critics say the proposed rules are too weak because DNR budgets do not provide enough funds to hire the water scientists needed to keep track of mining; there's too little known about how ground water travels and no one knows which chemicals now considered benign might someday be found to be a hazard to health or wildlife.

Behind much of the dispute is the fact that Wisconsin's tourist industry — now dominant in the area where mining is likely — is dependent on clean water. Critics of the proposals say mining has a limited life in northern Wisconsin, while the area's outdoor attractions can be expected to go on forever.

VOLUME 20, NUMBER 4

NEWS OF THE SIERRA CLUB IN WISCONSIN

The Fair View

APRIL 1982

Mining and the Care of Our Mother, Earth

By DIANNE BADY
and DR. RICHARD BADY

Northern Wisconsin is a sparsely populated area of forests, rivers, lakes and marshes. While there is some farming, the primary industries are tourism and logging. Our pristine national environment draws fishermen, hunters, and nature-seekers from all over the country. Our forests and marshes are home to many species of wildlife rarely seen elsewhere. Many a visitor to our beautiful Northwoods leaves with food for the spirit as well as food for the body.

Northern Wisconsin's days as a relatively pure wilderness area appear to be numbered. "Wisconsin has world-class mining potential," stated James Klausner, attorney for the Wisconsin Manufacturers and Commerce Association. Klausner has claimed that it "would be as large as any in the world. It's really hard to appreciate the 'mammothness' and the potential impact of this industry."

While industry and state officials look with optimism at northern Wisconsin's potential for twenty-five or more mines, local officials from northwestern Wisconsin point to the economic benefits of what we already have, and of what we stand to lose. Bill Simpson of Barron County argues that renewable forests are a tremendous economic asset, as they can be increasingly managed to produce wood products. Our



forests would be more of a benefit to society in this way than if ripped down to produce minerals such as copper and uranium.

which currently face a glutted market. Al Reinemann, town of Round Lake supervisor, points out that Sawyer County's

many lakes draw sports fishermen from all over the country. Reinemann fears that
continued on page 2

More News of Northland Mining

Theresa L. Wood

April 1982

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After a public hearing on the matter on February 24, the Wisconsin Department of Natural Resources Board decided to put off action until the Board's March 24 meeting on proposed new state mining rules. Concern was expressed by environmentalists that implementation of the proposed new rules would result in heavy-metal pollution of ground water.

The dispute over mining rules arose in 1976 when Kennecott Copper Company, having discovered significant deposits of copper and zinc near Ladysmith, and Exxon, which located similar mineral deposits near Crandon in Forest County, approached the DNR for mining permits.

As a result of heightened environmental awareness during the 70s, groups of environmentalists, notably Wisconsin's Environmental Decade and Peter Peschek, the Public Intervenor, interrupted the permit process, maintaining that DNR and industry analyses of the mining operations did not sufficiently consider the issue and that existing laws and regulations were inadequate for regulating large-scale mining operations. Environmental impact statements were requested and public hearings were held on the mining operations.

Since 1976, a number of important concepts have been accepted by the mining industry. Among these were rules to require monitoring of sites before, during and after mining; to require operators to be financially responsible for closure and care of mining sites for 30 years after mining ceases; to require the operator to plan for returning the land to its original state; to stipulate that the effects of any mine on wetlands be studied and that DNR have authority to stop mining prospecting or operations if the activity threatens the environment or public health and safety. Some environmentalists have not been impressed with these pronouncements and the issue of ground water remained unresolved.

At the February 24 public hearing, approximately 30 citizens expressed concerns, largely on whether the rules would adequately protect ground water, which is now very nearly pure, from contamination by runoff from mine waste operations.

A provision of the proposed rules establishes permissible levels of contaminants in ground water 1,200 feet from the mine waste sites. The levels are within parameters set by state and national water standards. Some persons in DNR maintain that more

stringent standards could be set and that mining companies could be required to not add anything whatsoever to the naturally-occurring levels of substances in the underground water supply. DNR experts expressed concern that the new rules would set a precedent to allow pollution of the state's ground water.

Industry representatives stated that the proposed new rules are among the most stringent in the world and "excessive, requiring more effort . . . than is necessary to meet goals of environmental protection."

One witness at the hearing stated that "I do not think maximum contaminant levels are at all adequate to protect the ground water of Wisconsin. There are way too many loopholes in these rules."

Meanwhile, in another part of the forest . . .

In a news release dated March 3, 1982, DNR-Rhineland reported that Exxon was seeking a permit to drill core samples through the bed of Little Sand Lake near its Crandon mining site. The news release requested that comments from the public be made to DNR-Rhineland by March 17. Archie Wilson, a mine specialist with DNR, commented that the drilling could begin as early as March 18, depending on the outcome of the comment period.

Wilson reported that the purpose of the drilling will be to determine how well the lake can retain its water if mine shafts were to penetrate water tables in the area. Wilson explains that the lake sits above the level of the local water tables and it is not understood why. In an effort to determine the nature of the soils in the lake bed, a two-inch diameter sampler will be drilled through the ice and to a depth of about 30 feet into the lake bed in six locations.

Local residents are concerned that the drilling is intended to determine if there are ore deposits under the lake.

APR 25 1982

MIL JOUR

Reserve case closes quietly

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Duluth, Minn. —AP— After 12 years of controversial, six-court maneuvering in seven cities, one of the nation's foremost environmental cases ended last week with a whimper.

In a quiet, 20-minute hearing attended by seven attorneys and a few clerks, United States of America vs. Reserve Mining Company was closed in St. Paul by Federal Judge Donald Alsop.

In its heyday, when colorful Judge Miles Lord was running the show, the courtroom was packed with spectators and dozens of reporters.

The defendants were Reserve and its parent companies, Armco and Republic Steel Corporations of Ohio, aligned with 11 local governments and business groups in northeastern Minnesota.

Plaintiffs were the federal government, the states of Minnesota, Wisconsin and Michigan and the Minnesota Pollution Control Agency, aligned with the cities of Duluth, Superior, Wis., and seven environmental groups.

Payment approved

An agreement requiring Reserve to pay nearly \$2 million in reimbursements for water filtration costs to four North Shore communities was approved by Alsop.

In 1955, Reserve began dumping 67,000 tons of sand-like ore wastes daily into Lake Superior from its taconite processing plant in Silver Bay, Minn., 60 miles up the shore of Lake Superior from Duluth.

Duluth and other communities along the North Shore continued to draw unfiltered drinking water from Lake Superior. In 1969, the battle began when the Sierra Club sued the State of Minnesota to compel it to conduct hearings on permits issued to Reserve in 1947.

The Sierra Club contended that Reserve was violating permit requirements that the wastes not harm aquatic life or water supplies.

Lord ruled that the asbestos fibers in Reserve's ore wastes were contaminating drinking water along the North Shore and four communities built new filtration plants.

On April 20, 1974, Lord shut down Reserve.

But three federal appellate court judges put the case on their dinner menu 48 hours later at a Missouri motel. The trio, attending a conference in Springfield, heard arguments at a dinner table and threw over Lord's order shutting down Reserve.

Douglas dissented

The US Supreme Court later denied Minnesota's request to reinstate Lord's shutdown order, with Justice William O. Douglas dissenting vigorously.

"Our guiding principle should be Mr. Justice Holmes' dictum that our waterways, great and small, are treasures, not garbage dumps or cesspools," he fumed.

More than three dozen jurists heard portions of the case, including William Webster, now director of the FBI.

Lord was removed from case when an appeals court found he was biased against Reserve. Another federal judge, Edward Devitt, removed himself

from the case when his daughter was appointed to head a state agency that was suing Reserve.

Minnesota will receive \$1.1 million in reimbursement for nearly \$3 million in grants to the four communities for filtration costs. Duluth will net a reimbursement of \$740,000. The federal government did not seek reimbursement from Reserve for the \$4 million tab it paid for the Duluth plant.

\$1 million in fines

Reserve has paid about \$1 million in fines and penalties for violating anti-pollution laws, and its inland disposal system near Silver Bay cost more than \$370 million.

More than 25,000 pages of testimony in the case are headed for the federal archives, and 1,200 exhibits in a storage room in the federal courthouse will be cleared out.

Meanwhile, all is quiet on the North Shore. Taconite pellets are not in demand this year from the steel industry, and Reserve shut down for two months on March 7.

GREEN B/Y PR. 042 Mining concerns

Because of the current controversy about mining and mineral exploration in Wisconsin, it is believed that excerpts from two letters I recently received might be interesting to the general public.

Quote from letter dated March 17, 1982, from Jack V. Everett, consulting mining geologist, Duluth, Minn.:

"Actually, things haven't improved very much in Wisconsin. I've been talking to many companies, and they don't want to have anything to do with the state. I can't interest anyone in one anomaly that is already under lease, to myself.

"The Wisconsin Attorney General recently said that exploration companies with foreign interests couldn't hold more than 640 acres for mineral purposes. That eliminates many of the companies active in the U.S. AMAX was in joint venture in Wisconsin with a French company, Aquitaine, for whom I've consulted. I obtained some Wisconsin holdings for Ferret Exploration, but their funds come from Germany, so they pulled out.

"The drilling in Price and Forest counties by Lehmann & Associates, involves a partnership with Denison, a Canadian company. Also, two other companies I worked for, Noranda and Salsco, are Canadian. The company owning most of the work near your holdings in Florence Co., Minnatombe, is French.

"Environmental groups are still

trying to stop drilling for uranium, which is really no different than drilling for base metals, because they have found mines in Canada near EM conductors. The change of the tax law hasn't really increased Exxon's activity, but it is a step in the right direction. State lands have never been made available and several counties are still holding back, especially Oneida, Forest and Marinette.

"I wish I could be more optimistic, but things don't really look very good for the mineral industries right now, and the first thing they always do is cut back on exploration, everywhere.

"Michigan and Minnesota are both expected to offer state land this year, which has stimulated some new interest.

"The most helpful thing in Wisconsin would be to get rid of (Atty.

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Gen. Bronson) LaFollette and Sen. (Timothy) Cullen and some of the U. of W. professors, like John Strasma (who teaches economics and life sciences), also a few of the DNR people who are opposed to mining, as is the Public Defender, and many activist environmental groups. Someday maybe things will change when they realize our standard of living depends upon development of our natural resources and nuclear power."

The Director of Mineral Exploration for a well-known mining company expressed his reaction to a copy of Everett's letter as follows:

"I certainly agree 100 percent with Jack's letter and I think a letter like this should be made public.

"Undoubtedly, Wisconsin citizens are not aware of all the restrictions that are placed on exploration in Wis-

consin by the Wisconsin government. They should also be aware that the damaging legislation and rules are spearheaded by people like LaFollette, Cullen, Strasma, and (DNR int-ervenor Peter) Peshek."

The Wisconsin statute referred to regarding mineral exploration rights held by non-resident aliens is section 710.02.

State Representative Cletus Vanderperren has offered Amendment 1, to 1981 Assembly Bill 141 to contain several exemptions including mining interests.

He recently stated that Bill 141, Alien Land Bill, is dead, but that the legislative council will create a committee of citizens and legislators to try to work out a bill for January 1983, with a possibility of being drafted in 1982.

Rep. Gary Dilweg stated recently that he would be inclined to support in general such an exemption.

I believe those views should be shared with the public. — David M. Murray, 2010 Woodrow Way, Green Bay, Wis.

622.1 / 20/2

Session with La Follette sought in mine rules rift

Special to The Sentinel and United Press International

Madison — Environmentalists and mining community leaders, upset with Public Intervenor Peter Peshek, asked Tuesday to meet with Atty. Gen. Bronson La Follette to discuss Peshek's role in drafting mining rules.

JUN 16 1982

The leaders of northern environmental groups and three mining impact committees charged Peshek no longer is representing the environmental concerns of northern citizens.

"Peter Peshek has become our own James Watt," said Dianne Bady, comparing Peshek with President Reagan's secretary of interior.

Bady is president of the Rusk County Citizens Action Group.

Peshek was not in Madison, but

Thomas Dawson, who with Peshek acts as public intervenor, rejected the complaints as unfounded.

"Peter Peshek has done as much for the northern Wisconsin environment and for ground water protection this year as his accusers have done in the last five years," Dawson said.

MIL SEN

"They have chosen to accuse Peter of selling out. Don't they realize that the (public intervenor's) Advisory Committee has been responsible for setting the policy that Peter and I follow? They should also come after me and the committee, for we've been part and parcel of what's been done.

"We would not have a ground water pollution (control) policy in the state were it not for the hard work and tenacity of Peter Peshek."

Other officials disagreed with those statements.

"For the past three years, it seems to me that he's been more interested in helping the mining industry get started than in protecting the ground water here in the north," said Roscoe Churchill, chairman of the Impact Committee in Rusk County, where Kennecott Corp. controls three mineral deposits.

Al Reinemann, chairman of the Round Lake Committee, said dozens of firms interested in mining uranium were either holding leases or exploring northern Wisconsin, yet Peshek never acknowledged the possibility of a major uranium complex.

Paul Prevanas, a Badger Safe Energy Alliance and Wisconsin Environmental Agenda director, said a reduction in the mining tax and adoption of inadequate ground water protection rules had Peshek's approval.

Other groups contacting La Follette were the Town of Doyle Mining Committee, Chippewa Valley Friends of the Earth, Northwoods Alliance, Northern Thunder, League Against Nuclear Danger and Citizens for Tomorrow.

Dawson said neither he nor Arlyn Christenson, University of Wisconsin Law School professor who heads the Advisory Committee, had seen the letter that the environmentalists said they had written to La Follette.

ECONOMIC ISSUES

June 1982
Number 69

Department of Agricultural Economics
College of Agricultural and Life Sciences
University of Wisconsin-Madison

JUL 1 1982

LEGISLATIVE REFERENCE
SERIES

Metallic-Mining Prospects and Policy in Wisconsin

Duncan A. Harkin*

By geologic fortune, northern Wisconsin overlies some very promising deposits of metallic minerals, a fact that has not gone overlooked by many mining and exploration firms. Two companies, Kennecott Copper Co. and Exxon, USA, have made significant discoveries of metallic ore and are proceeding to plan for production. Although not definitely certain, mining at Kennecott's site near Ladysmith and at Exxon's site near Crandon will probably begin before the end of this century.

Wisconsin is no stranger to metallic mining. Production of lead, and later zinc, began in southwestern Wisconsin in 1827. When the last mine in the area closed in 1979, this mining district had the longest record of continuous production of any in the United States. Iron ore was also produced in Dodge and Sauk Counties during the mid-nineteenth century and in the Gogebic Range near Hurley from 1885 to 1963. In 1969, the Jackson County Iron Co. began extracting taconite, a low-grade iron ore, from its mine near Black River Falls. Taconite production continues today, with the company employing 300 workers at an annual average wage of \$23,000 (1980).

It was not until 1966, however, when renewed exploration for minerals began in earnest, that state government officials began to respond to the potential for mining development in Wisconsin. Since then, the Legislature has developed new policies for environmental protection, taxation, damage liability of mining firms, and assisting local communities in preparing for the economic and social impacts of mining.

In this report, Harkin reviews the events that have unfolded since 1966 on Wisconsin's metallic mining scene, in terms of both governmental policies and the prospects for mineral development.

Exploration: 1966 to Present

A band of volcanic rock, stretching, roughly, from Ladysmith in Rusk County to Crandon in Forest County and resembling the geology of the Ontario, Canada, mining district, has attracted most of the mineral exploration in Wisconsin. Exploration for copper, zinc, lead, gold, silver, molybdenum and uranium might have begun earlier had it not been for the 100-foot-thick cover of glacial till on top of the bedrock. It was not until advances in aerial analysis during the 1950s that geologists were able to "see through" the glacial overburden and identify anomalies in gravitational magnetic fields that suggest promising areas for ground-level evaluations.

Since exploration began in earnest during the mid-1960s, four mineral discoveries have been reported, but only two appear to be economically significant. The first discovery—by a subsidiary of the Kennecott Copper Co.—was a small but high-grade copper deposit, just south of the Flambeau River near Ladysmith. Kennecott has reported another discovery, on the Thornapple River six miles north of Ladysmith, but has not disclosed the size and grade of the deposit. According to Kennecott's plans, ore, graded at 4.5 percent copper with traces of gold and silver, at the Flambeau site will be extracted through open-pit mining during the first 11 years of production. Then, if costs and

copper prices are favorable, the company plans another 11 years of production through underground mining. The anticipated payroll at the Flambeau site is 78 employees.

The other significant discovery of metallic ore occurred in 1976, just a few miles south of Crandon. Exxon, USA, the discovering firm, has reported that the deposit contains an impressive 83 million tons of average-grade ore. The ore grades 5 percent zinc, 1.1 percent copper, 0.4 percent lead, and undisclosed, but smaller, amounts of uranium, gold and silver. Exxon has proceeded with site planning and collecting information for the environmental impact statement, but it has not made a decision to mine the site. There is little doubt, however, that the site will be developed, but probably not for a few years, given the current economic recession and depressed metal prices.

At present, Exxon intends to develop the site as an underground mine allowing it to dispose of much, but not all, of the tailings from the milling process in the worked-out mine shafts. About 1,200 acres of the site will be used for surface disposal of tailings. Production of 10,000 tons of ore per day over 30 years or more is anticipated, requiring 850 workers. Construction at the site will require an additional 750 workers. If the company decides to locate a zinc refinery near the mine, more jobs would be created, but Exxon is considering a multi-state region for the location of the refinery.

If the amount of land leased or purchased by mining companies is any indication, northern Wisconsin remains a "hot spot"

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for mineral exploration. Since April 1978, terms of leases and sales of mineral rights have been recorded in a minerals register separate from the record of deeds, as required by state law. Table 1, which is based on information in the minerals register, indicates interest in minerals exploration has increased between April 1978 and Feb. 1981. The number of "target" acres purchased or leased by mining companies increased in each successive one-year period. As a matter of convenience and economy, mining companies often contract more acreage than merits exploration because it is easier to acquire large tracts in a single transaction. The "target" acreage total generally does not include tracts that are 1,000 acres or larger.

The Policy Response

Environmental Regulations. State government first turned its attention to the environmental effects of mining during the early 1960s, but officials were concerned mainly with the impacts of mining sand, gravel and stone—still the state's most important mineral industry as measured in terms of land area affected, gross value of product or volume of production. After a lengthy period of deliberation, the Legislature passed the Mine Reclamation Act of 1972, with the standards established applying only to the mining of metallic minerals.

Discoveries of ore deposits by Kennecott and, later, by Exxon, raised concerns over the adequacy of the Mine Reclamation Act of 1972 to address the broad range of environmental impacts that can result from mining—from the exploration stage through reclamation of a closed mine. Consequently, the Legislature greatly revised the 1972 act, giving rise to a four-year period of rule-making that is now nearing completion. If the rules are adopted into the state administrative code, they may well comprise the most stringent mining regulations of any state in the nation. Nonetheless, the rules, the product of the efforts of a committee of representatives from the mining industry, local communities and state agencies, have drawn opposition, especially in regard to groundwater protection.

Opponents believe the rules do not provide adequate protection against groundwater degradation. In addition, there are fears about the long-term toxic effects of mine wastes, the subject of very little research. Further, the proposed rules do

Table 1. Acreage Taken Under Contract by Mining Firms

Time Period	April '78 to Feb. '79	Feb. '79 to Feb. '80	Feb. '80 to Feb. '81
Total Acres	81,596	16,417	51,211
"Target" Acres	7,631	11,237	22,160

not address the potential radiation hazards of uranium mining. Federal standards do exist for uranium mining, but they may or may not be adequate for conditions in Wisconsin. Additional research is needed to determine if the federal rules should be modified to insure the safety of uranium mining within the state, should such mining be undertaken.

Mine Taxation. As with regulations concerning the environmental impacts of mining, Wisconsin had no comprehensive rules governing the taxation of all metallic minerals that could be extracted within the state, having taxes specified for zinc and iron but not for copper. In 1977, the Legislature responded with a mining proceeds tax, which was based upon a simplified measure of net income and progressive tax rate. Mines earning less than \$100,000 per year in net income were exempt from taxes. Above this minimum, there were five net income brackets, each with a progressively higher tax rate. At the highest bracket—mines with an annual net income of \$30 million or more—the tax rate was 20 percent.

In 1980, the findings of a study sponsored by the Wisconsin Association of Manufacturers and Commerce (WAMC) prompted lawmakers to reconsider the mining tax established in 1977. The study found the Wisconsin mining tax to be substantially higher than the taxes of 12 other states used for comparison. It also found that the Wisconsin tax would take a greater percentage of net profits from small mines (3,000 tons per day) than it would from large mines (10,000 tons per day).

Following a major lobbying effort by the WAMC, the legislature reduced the tax rates for all net-income brackets. Although it retained a progressive tax rate, the rate for the top income bracket was reduced from 20 percent to 15 percent. Further, deductions allowable for computing net proceeds were increased, and new allowable deductions were established.

To measure the impact of changes in the tax law, the State Department of Revenue created a financial model of a mine that closely resembled the potential Exxon mine at Crandon. According to the model,

the revisions would reduce the annual tax on such a mine from \$19.3 million to \$9.3 million. Perhaps this \$10 million concession will prove to be a major incentive for Exxon to begin mining operations at Crandon, but it is unlikely that we will ever know whether the original tax law would have deterred mining this deposit.

Liability of Mining Companies. In 1980, the Legislature established conditions for liability for damages that apply directly to metallic mining firms. Under the law, the parent company of the mining firm is liable for mine-related damages, and this responsibility does not shift in the event of reorganization or liquidation of the mining firm. If, for example, a conglomerate bought out a mining firm, the conglomerate must also assume responsibility for damages resulting from the mining firm's activities. If, however, an individual, such as a farmer or recreational landowner, buys land containing mining wastes, the mining firm, regardless of its subsequent organization, retains responsibility for mine-related damages.

The 1980 law also established a statute of limitations which recognizes that mine-related damages may not become apparent for some years after mining has ceased. The time limit for filing for damages is within three years after the damages have been discovered, or should have been discovered. This liability applies only to metallic mining, including uranium, and pertains to all phases of the mining operation—from exploration through mining, concentrating, and includes smelting and refining.

Community Impacts. Without doubt, mining will be a stimulus to the economies of nearby communities. Probably less apparent are the potential economic and social side effects that can accompany this development. For example, mining operations may create new, high-paying jobs for local workers, but existing businesses may find themselves unable to compete for workers in the local labor market. An influx of new workers could create a housing shortage if not anticipated well in advance of their arrival. Similarly, a swelling local population could strain the capacity of public services, and a community may be forced to expand

existing services and, perhaps, introduce new ones. Further, a substantial number of newcomers could alter the social climate within a community.

There is also the question of what mining development—and the property speculation that precedes it—will have on property-tax rates. A recent study, using the anticipated Exxon mine at Crandon as a model, estimated that mining development would result in a hike of 1.1 to 2.8 mills in the Crandon property-tax rate, an increase of 30 to 75 percent. This estimate is based on two projections of the number of newcomers—303 and 605 persons—that the mine might attract to the community, a number that is unknown and that could be influenced by zoning and other policies. According to the model, property-tax rates peak during the construction phase and then decline somewhat when production begins. The study found that mining development would have little effect on local school taxes because of compensation through the state school aids formula.

To help communities adjust to these potential economic and social changes, the State Legislature established the Mine Impact Fund in the mine tax law of 1977. Through the impact fund, the state provides formula payments to counties, towns, villages and cities in which ore is mined, and to any Native American community within a municipality in which ore is mined. At its discretion, the state can also make payments to communities that can show they have incurred increased costs due to mining or the potential for mining. In addition, communities are partially reimbursed for lawyer fees resulting from their involvement in mine-related issues. Finally, the fund is also being used for planning for local facilities and land use.

Mineral Rights. In general, the whole area of mineral rights is in considerable disarray. Mineral rights on many public and private tracts of land have been separated from surface ownership. Although information on severed mineral rights is fragmented, surveys indicate, for example, mineral rights for 70 percent of the land in Iowa County, 30 percent in Vilas County, 22 percent in Rusk County and 44 percent in the state's two national forests have been severed from surface ownership. Because the owners of mineral rights are often difficult to locate, it would seem a system requiring periodic re-registration of mineral rights would

clarify ownership and reduce the costs of mineral exploration. In situations in which the owner or all of the co-owners cannot be found, it may be advisable for the state to set up an escrow system which would allow development to proceed and payments to be made on the owners' behalf.

Wisconsin did have a law requiring registration of severed mineral rights, but the 1972 law was ruled unconstitutional in *Pederson v. CNW* (Chicago and Northwestern Transportation Co.) In Minnesota, a similar law has been upheld by the courts.

Although there have been four opinions of attorneys general that seem to suggest the opposite, the ruling in *Pederson v. CNW* has been interpreted to mean that county ownership of tax-delinquent lands does not necessarily reunite surface and mineral rights that were once separated. Florence County has circumvented this nebulous legal area by specifying in a lease that if it is found that the county does not own the mineral rights, then half the royalty is for rights of access to the surface, which the county clearly owns.

A 1980 opinion of the attorney general has made the issue of mineral-rights ownership even more complicated, having raised serious questions about the legality of railroad-company claims of mineral ownership.

Several Wisconsin legislators have expressed interest in enacting a law modeled after Indiana's Dormant Mineral Interest Act, which the U.S. Supreme Court ruled as constitutional earlier this year. Under the Indiana law, mineral rights on lands that have not been mined for 20 years elapse and revert to the current surface owner unless the holder of the severed rights files a new statement of claim in the county records office before the 20-year period expires (or, for older claims, within two years of the effective date of the law).

Public Lands. In northern Wisconsin, one-fourth of the land is publicly owned. Because mineral deposits probably underlie at least some of these lands, there are questions about whether these lands should be mined and, if so, under what conditions.

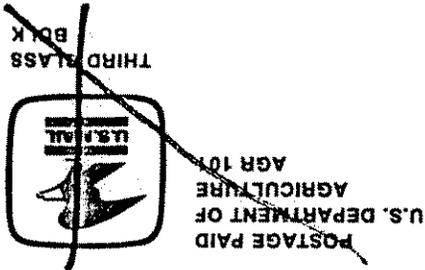
Most of the public lands in the region are held by counties, and since the 1960s, quite a few counties have leased land to mining firms. In contrast to sales of timber that are valued at \$1,000 or more, counties are not required to lease mineral

rights according to a competitive process, with virtually all opting for negotiations with a single firm. Limited experience under Minnesota's competitive system of leasing state and county lands suggests Wisconsin counties are shortchanging themselves in these two-party negotiations. In Minnesota, the competitive process has increased the royalty rate by at least one half, and on some tracts the rate has almost tripled.

Similar policy questions surround the leasing of state lands for mining development, although counties own most of the public lands in the exploration area. Thus far, no state lands have been leased, but the Board of Commissioners of Public Lands, which administers trust lands, has had several offers from mining firms, and it clearly has the legal authority to enter into such agreements. The other major holder of state lands, the Department of Natural Resources, can lease mineral rights under navigable waters, and it can lease state forestlands for exploration but not for mining, according to legal interpretations. Because lands underlying navigable waters are difficult to explore and because they are environmentally fragile, such lands have received little consideration for mining development. State forestlands are also not very attractive to mining firms because they are not likely to explore an area without being assured of the right to mine.

An interagency committee, at the request of the Board of Commissioners of Public Lands and the Wisconsin County Minerals Resource Association, devised a competitive system for leasing mineral rights on state and county lands. Under the proposed system, the lease would go to the bidder offering the highest royalty rate. The committee also suggested levels of rent to be paid on land under exploration and drew up a model lease to implement the concepts of the proposals.

The Board of Commissioners has made no effort to adopt the competitive leasing system. Rather, the board, comprised of elected officials, seems wary of the public criticism that might greet leasing of the trust lands for mineral development. One county, Langlade County, has moved cautiously toward adopting a competitive leasing system, but public criticism and misunderstanding of the proposal has stalled adoption.



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This is a periodical on public policy issues. The views expressed are those of the author. We welcome your comments. We would appreciate your response if you get duplicate copies, need an address correction, or wish to be removed from the mailing list. Send the mailing panel to Prof. Daniel Bromley, Department of Agricultural Economics, 340c Agriculture Hall, University of Wisconsin-Madison 53706. This publication is supported by the Research Division, College of Agricultural and Life Sciences, University of Wisconsin-Madison and by the Division of Economic and Environmental Development, University of Wisconsin-Extension. University of Wisconsin-Madison and University of Wisconsin-Extension provide equal opportunities in employment, admissions and programming.

Summary

In general, Wisconsin has developed a rather comprehensive set of public policies to guide mining of metallic minerals within its boundaries, particularly with regard to environmental regulations, taxation and liability for mining-related damages. Yet, several grey areas remain. One grey area is the adequacy of proposed rules to protect groundwater from degradation from mine wastes. Another is the uncertainty over the long-term toxic effects of mine wastes.

The very tangled issue of mineral-rights ownership is also a grey area and, perhaps, the most politically sensitive one. Any law enacted to straighten out this confusing situation is bound to have some detractors because it touches upon the right to property, one of the most basic rights in this nation. Similarly, mineral development on state and county lands is likely to galvanize groups within the state, with some holding that public lands should be preserved from development and others arguing that these lands should be accessible to mining companies.

A number of Wisconsin counties have entered into leasing agreements with mining firms, but virtually none of these agreements have been transacted on the basis of competitive bidding. These bilaterally negotiated leases will probably cost the counties a loss of revenue because they have agreed to terms that are lower than could be obtained through competitive bidding. In Minnesota, where a competitive bidding system has been established for leasing mineral rights on county and state lands, the royalty rate has increased by at least one-half. Recognizing that the potential royalty income from the mine expected to be developed at Crandon lies in the range of \$200 million to \$500 million, it appears worthwhile to develop policies to guide leasing of public lands.

Landowners seek mining ban

By Bonnie Stowers
Special to The **SMITH SEN**
MAR 7 1983

Town of Nashville — Some property owners in the Forest County Town of Nashville have asked town officials to adopt a moratorium on metal mining. It was learned Sunday.

Exxon Minerals Co. applied in December 1982 to the State Department of Natural Resources for a permit to develop a 77-million-ton copper-zinc ore deposit near Crandon. Company officials estimated the cost of development at about \$1 billion.

Company officials have said the project would create 700 to 1,000 new jobs.

The moratorium was requested in letters from 291 residents and cottage owners to town officials and members of Concerned Nashville Taxpayers, organizers of the letter-writing drive, said George Rock of Green Bay, a spokesman for the taxpayer group.

"We do not feel that present state law protects local taxpayers from the costs of possible long-term environmental problems that could occur" because of mining, Rock said.

Rock, who owns a cottage in the Town of Nashville, said 119 letters had been sent to the town treasurer with property tax payments, and 172 had been sent to him.

"It is not clear whether a moratorium would be legally binding on the town, even if we were to pass one," said Supervisor Al Schafer of Pickeral. The town has about 450 voters, Schafer said.

Schafer said he believed the moratorium is being sought "because of the many misunderstandings floating around about state mining laws and what their impact on the town would be."

The Town Mining Committee met Sunday to "clear up those misunderstandings," Schafer said.

Town taxpayers are especially concerned about a provision in state laws that Rock said "would allow mine firms to abandon tailing piles after a 10-year period, leaving the most of the long-term care to the taxpayers."

State waste cleanup funds "are probably inadequate," and Northern Wisconsin taxpayers "might not fare too well if we have to compete with more populous

areas for the money," Rock said.

Under present law, mine companies may apply to the DNR for permission to end their long-term responsibilities 10 years after a mine is closed if they can show that more care is not needed to protect human health or the environment, according to a report from Mark Patron-sky, staff attorney for the Wisconsin Legislative Council.

If early termination is approved by the DNR, the agency must assume responsibility for care and maintenance, Patron-sky said.

Cleanup costs arising from environmental incidents after a mine is gone would be paid from state funds under present law.

However, if early termination is not approved, a mining company is responsible for care and maintenance for 30 years after a mine is closed.

Rock said 85 town boards in the state have adopted moratoriums on uranium and metal mining.

A moratorium on uranium mining "has been in effect for some time," Schafer said.

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Mining ban called town's last resort

MIL SEN

Special to The Sentinel

MAR 8 1983

Town of Nashville — There will be no mining moratorium in the Forest County Town of Nashville until town officials feel there is no other way to solve the problems connected with mining, said Neal Schallock, of the town's Mining Committee.

Schallock said a majority of town residents at a meeting Sunday were undecided about mining. He said town officials will stay neutral on mining until all the evidence is in.

Taxpayers are concerned about an Exxon Mining Co. proposal to mine a 77-million ton copper-zinc deposit near Crandon. Company officials estimate it will cost \$1 billion to set up the mining operation.

Town Clerk Carol Marquartt, of Pickerel, said 24 residents were undecided, 12 opposed to mining and three were for mining on a show-of-hands vote at the meeting.

Marquartt said 30 to 40 people had left the meeting when the vote was taken.

A citizens group, Concerned Nashville Taxpayers, had organized a letter-writing drive to get town officials to adopt a moratorium on mining of uranium and other metals.

George Rock, of Green Bay, a spokesman for the group, said a majority of property owners want a moratorium. Rock said taxpayers fear they will have to pay for any environmental problems the mining causes.

Rock said 291 part and full-time town residents wrote letters to town officials supporting the moratorium.

DNR experts queried on Exxon's mine plans

APR - 7 1983

By Quincy Dadisman MIL SEN
Sentinel staff writer

Crandon — Residents of this area questioned State Department of Natural Resources experts here Wednesday about the proposed Exxon Minerals Co. zinc-copper mine planned for five miles south of town.

Robert Ramharter, who leads the team that will write the environmental impact statement on the project for the DNR, said the meeting had been called:

- To learn what issues concerned area residents so that the team could be sure the issues were emphasized in the statement.

- To give residents a chance to satisfy themselves that DNR employees studying Exxon's permit application knew what they were doing.

- To help residents understand the mass of technical data in the environmental impact report Exxon filed last December with its permit application.

The mine is one of the largest industrial projects ever proposed in Wisconsin. Barry Hanson, Exxon's manager of technical services for the project, said the mine was expected to cost \$887 million by the time it closed in 2022.

Residents also had a chance to question experts individually.

"Is this just a subterfuge for building a radioactive waste dump?" one resident asked.

"No," said Gordon Reinke, DNR mining impact chief. "The geology that makes this a good spot to mine would make it a poor place to dispose of radioactive waste."

Reinke said a solid granite formation was needed for the dump, but the ore body that Exxon hopes to mine was an intrusion of sulfide ore into a crack in the granite.

Archie Wilson, a DNR hydrologist, said the "answers aren't all in yet" on what would happen to area lakes as water was pumped from the mine.

Little Sand Lake, which is nearest the ore body, is a "perched lake," its bottom 10 feet above the top of the ground water, he said. Other nearby lakes depend on ground water and may drop.

Wilson said more information would be needed before hydrologists could predict what would happen to any of the lakes.

The environmental impact statement is due in about 15 months. At that time, Ramharter said, it would go to a formal public hearing.

After the hearing, the DNR must be satisfied the environment will not be harmed or the permit will not be issued.

Exxon hopes to start building the mine in September 1985 and ship the first ore in 1989.

State criticizes Exxon report while seeking more answers

By David Stoeffler
Environmental reporter

WIS ST JR
MAY 13 1983

While calling an Exxon Minerals Co. report on a proposed zinc and copper mine near Crandon "a major step forward," the state issued a criticism of the report's shortcomings and asked for answers to hundreds of additional complex questions.

The Department of Natural Resources, in a 4-page letter and a 52-page point-by-point analysis, told Exxon what it already knew: The process of getting all the necessary licenses and approvals for an \$800-million mine in Forest County was not going to be easy.

The Exxon filing "does not yet contain all the information necessary to support many of the important conclusions contained in the report nor to allow an independent analysis of the project," the DNR said, adding that

much of the information apparently was in the hands of Exxon.

The sulfide-ore deposit, discovered in 1974, is estimated to be one of the 10 largest in the world.

Concerns about ground-water quality were dominant in the DNR criticism, as were questions about general and specific environmental, social and economic impacts of the project.

The department, which expects to take about two years to study the report and Exxon responses before issuing an environmental-impact statement, said Exxon:

- ✓ Misidentified a variety of state regulations, requirements and characteristics, including calling a five-lined skink a turtle. (It is a lizard).
- ✓ Sometimes based information on old studies and data.
- ✓ Did not include permit applications for waste-water discharge or ad-

dress needs for a solid-waste landfill.

✓ Failed to discuss the ecological relationships in the area.

"The discussion should characterize the area as a remote, low-population-density region possessing intrinsic values for human use and ecological relationships," the DNR wrote. "These values enable the area to support species preferring solitary habitats and the tourism industry, an essential element of the area's economy."

The impact on ground-water quality and resulting availability of water for private uses was singled out.

To mine the bedrock, the water table must be drawn down by pumping water out. That will introduce oxygen to rocks and possibly add undesirable chemicals to the ground water.

The DNR denied a company claim that ground water in the rocks is "highly mineralized and unsuitable without treatment for many domestic, industrial or agricultural uses." This statement, the DNR said, should be substantiated or removed.

Another area of concern, the DNR said, was the possibility that the Crandon mine might be expanded to service other ore bodies in the area. The technical and economic feasibility of such an expansion should be described, the DNR said.

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Indians to ask Exxon to postpone mining

MAY 18 1983

Sentinel Madison Bureau

Madison — A resolution to postpone further activities in connection with Crandon zinc or copper mining until Sokaogon Chippewa Indian land-ownership claims are settled will be presented to Exxon Corp. stockholders at their annual meeting Thursday.

A tribal delegation and a representative of the Dominican Sisters in Wisconsin will present the resolution at the stockholders meeting in Orlando, Fla., according to a spokesman from the Madison-based Center for Alternative Mining Development Policy.

Proponents of the resolution say that Exxon is obliged to respect the right of the Chippewas to settle their claims of land ownership before mining plans are further developed.

The company says it has clear title to the lands and the right to develop the Crandon deposit.

Proponents also cite a "global copper depression" and claim it is unwise economically and socially to invest in Crandon mining at this time.

The company's board of directors is recommending that stockholders vote against the resolution.

MIL SERV

Tuesday, July 26, 1983

The Post-Crescent, Appleton-Neenah-Menasha, Wis.

A-3

Tougher mining laws urged

MADISON (AP) — Wisconsin is "ahead of the pack" in drafting tough mining regulations, but laws are still not strict enough to completely protect the public from pollution, an outspoken Environmental Protection Agency employee said Monday.

Hugh Kaufman, an EPA hazardous waste expert, said the state should develop its own technical information on proposed mines instead of taking a mining company's word for it and undertake its own regional study of the economic and environmental effects of mining in northern Wisconsin.

"What you have is the fox developing the technical base for running the chicken coop," he said.

Kaufman also criticized what he called the limited financial liability of mining companies to clean up pollution years after a mine closes and what he suggested was an inadequate supply of preliminary environmental reports on Exxon's proposed Crandon mine.

It was Kaufman's testimony to Congress on the handling of the federal Superfund toxic waste clean-up program that led to the resignation of

Anne Gorsuch as head of the agency and the departure of other top EPA officials.

Kaufman stressed that he was in Wisconsin in a personal rather than official capacity. His trip, sponsored by a private group, included meetings in Ladysmith and Pickerel as well as a news conference in Madison.

In response to a question, Kaufman said he knows of no state with stricter environmental regulation of mining than Wisconsin, but that did not mean the state's regulations were strict enough.

"I don't think there's any question you're moving in the right direction. I just don't think you're there yet," he said.

"On the surface there is strong liability...but the fine print doesn't afford me the same confidence that the bold letters do," he said of long-term liability laws designed to protect neighbors from pollution after a mine is worked out and closed.

"It's the fine print that determines whether a project is going to be an economic or environmental catastrophe," he added.

Gordon Reinke, chief of the Department of Natural Resources' mine reclamation section, challenged some of Kaufman's conclusions about Wisconsin mining laws.

Reinke said the state requires mining companies to gather environmental information before they start to mine, and verifies the information so it can later be learned whether a mine is causing pollution.

He said a regional study of mining would be a step backward because the ore deposits in Wisconsin are localized sulfide deposits, not widespread copper-nickel deposits like those in northern Minnesota.

The state has created a \$15 million fund to handle pollution caused by mining wastes, and the DNR could order the owners of polluted wells to be reimbursed by the fund or the mining company at fault long after a mine closed, Reinke said.

The process of deciding whether or not to issue a permit to Exxon has involved the public from an earlier point in the process than any similar project ever has, and the stage of detailed public hearings has not even begun, he said.

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Mine opposition growing

MADISON, Wis. — George Rock of Green Bay worries that an Exxon zinc and copper mine near Crandon could pollute well water under his summer cottage near Pickerel Lake and the untamed waters of the Wolf River, beside which he also owns some land.

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"I think in the long term, there is a possibility of pollution over a wide area," Rock, a civil engineer, said.

Robert Russell, head of Exxon's Crandon project and a veteran mining engineer, said his company is prepared to use 21st Century technology to make sure pollution doesn't occur.

LA CROSSE TRIB

Nonetheless, the Wisconsin Resources Protection Council, a group of more-or-less avowed mining opponents, has drawn more than 300 members in its first year of existence, Al Gedicks of Madison, its secretary, says.

The group's fastest growing chapter, Gedicks said, is in the Town of Nashville, which includes part of the Exxon ore deposit in Forest County.

Gedicks said opposition to mining in Wisconsin may be a slumbering giant that is showing increasing signs of stirring as Exxon prepares to mine what geologists have said is one of the world's biggest desposits of zinc and copper.

Russell said Gedicks' group has misled persons about that state's mining laws, which were rewritten primarily in response to Exxon's discovery.

It will be at least two years yet before public hearings begin on Exxon's request for mining permits that would allow the company to chip and blast, crush and cajole 75 million tons of ore from nature's grasp in an undertaking that could take more than 30 years, create 800 jobs and involve an investment of \$1 billion.

Earl's stand on mining criticized

Leaders of a coalition of 35 state environmental groups criticized Gov. Earl's stand on mining in Wisconsin and have asked for a meeting with him, a spokesman said Friday.

Jim Wick, president of the Wisconsin Environmental Network, said he was concerned about a recent Earl announcement that the state would help Exxon "clear the paper work as quickly as possible" to develop a mining project in Crandon.

Wick said he was less concerned about any specifics of Exxon's min-

ing plans and more concerned about the governor's apparent haste.

"I think it is very important to consider the effects of mining on tourism, a major industry in northern Wisconsin," Wick said.

"Why are we now expediting the process to begin mining in Wisconsin? Has the quest to enhance Wisconsin's 'business climate' taken precedence over protection of the state's environment?" he asked.

"We still do not have a non-degradation ground-water policy, and no

new mining regulations have been promulgated," he said.

Wick said he sent Earl a letter Thursday asking for a meeting to discuss his concerns.

"The network had a fairly good rapport with the governor. He was at our founding convention two years ago," Wick said. **MIL SEN** SEP 10 1983

Wick said his group was not anti-business, just concerned that proper safeguards were taken to protect land, air and water quality.