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Proposed Decision on Kennecott Mining Application Announced

The Department of Environmental Quality announced today a proposed decision to approve a series of permits to the Kennecott Eagle Minerals Company to conduct sulfide mining operations at the proposed Eagle Project Mine. The proposed decision follows a period of extensive review by the DEQ of Kennecott's application, supporting information, and public comment.

The Eagle Project Mine proposes to produce nickel, copper, and other metals from a small but rich metal sulfide deposit located about 25 miles northwest of Marquette. Kennecott would use underground mining methods that are designed to avoid impacts to the nearby Salmon Trout River or adjacent lands. The entrance to the mine, as well as the associated surface facilities, would be at a remote upland location, and the ore would be transported by truck and rail to a processing site in Ontario. Kennecott proposes to backfill the mined-out areas with waste rock, gravel, and cement and reclaim the entire area to its original condition at the conclusion of mining.

The proposed mining project is the first to be subject to Michigan's new Nonferrous Metallic Mineral Mining rules that were enacted in December 2004. The rules, among the most stringent in the nation, were drafted by a multi-stakeholder work group led by the DEQ in response to concerns over potential environmental impacts from mining of metallic sulfide ores.

Michigan's mining law sets strict and comprehensive requirements for all aspects of the mining operation including storage, treatment, and disposal of ore, waste rock, and other materials. The permitting process under the law requires an environmental impact assessment, a detailed mining and reclamation plan, and a contingency plan. In addition the law requires financial assurance to cover remediation and reclamation costs, reporting of accidents and releases, post-closure monitoring, and annual status reports. At the end of a mine's life, the site and surrounding area would have to be reclaimed to establish a self-sustaining ecosystem that does not need ongoing care.

Kennecott submitted its initial application for a Mining Permit in February 2006 and subsequently submitted its groundwater discharge and air quality permit applications. The DEQ formed a review team made up of environmental and natural resource specialists from the DEQ, Department of Natural Resources, and outside contractors. The DEQ held an initial public meeting on the Mining Permit application in April 2006 in Marquette and accepted written comments.

The DEQ was required to make a proposed decision within 56 days after the April public meeting; however, prior to that date several parties filed suit challenging the DEQ's determination that Kennecott's application was administratively complete. The DEQ's decision was ultimately upheld by the Court of Appeals, and the department proceeded with its review.

In addition, as a result of its initial review, the DEQ submitted a list of 91 questions to Kennecott requesting additional information for the review. After Kennecott submitted its answers, the DEQ provided an additional period for public comment on the response. The deadline for submitting those comments was December 26, 2006, and the deadline for the DEQ's proposed decision was extended until today.

"We have made every effort to involve the public in this process and allow them time to review the available information regarding this proposed project," said DEQ Director Steven E. Chester. "As our decision today is itself a proposal, and not a final decision, we are again

asking the public to provide their comments and help us ensure that this project is as protective of the environment as it can be.”

The DEQ is planning to hold a public hearing in March in the Marquette area, and will continue to accept written comments for 28 days beyond that date. A final decision will then be issued later this year.

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Editor’s note: DEQ news releases are available on the department’s Internet home page at www.michigan.gov/deg.

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