

The LOGBOOK of CSP²

The CENTER for SCIENCE in PUBLIC PARTICIPATION

"Technical Support for Grassroots Public Interest Groups"

CSP²/CSP²/CSP²/CSP²/CSP²/CSP²/CSP²/CSP² / SUMMER 2001 / CSP²/CSP²/CSP²/CSP²/CSP²/CSP²/CSP²

MONTANA

Good Neighbor Agreement by Jim Kuipers

In May of 2000 Northern Plains Resource Council (NPRC) and its affiliates Cottonwood Resource Council (CRC) and Stillwater Protective Association (SPA) entered into a precedent setting Good Neighbor Agreement with Stillwater Mining Company (SMC) concerning their East Boulder, Montana and Nye, Montana mining operations. For the past year CSP² has provided technical assistance to the Councils in their efforts to implement the agreement, which the Center also played a role in negotiating.

NPRC, CRC and SPA have been involved as public interest groups in the Nye and East Boulder projects prior to 1985. Their interest has primarily stemmed from concerns for impacts to natural resources and way-of-life, with a good deal of their experience coming from other mining operations in Montana with negative connotations for SMC's mines.

Key issues for the groups have included water quality, tailings and waste rock impoundments, air quality, traffic, and impacts to schools and community infrastructure.

In 1998 their frustration with the lack of response by the state and federal agencies to their concerns, as well as the rapidly increasing size of the companies operations, prompted the groups to increase their opposition to the mines. This included attempts to forestall future mine expansions at Nye and opening of the East Boulder mine.

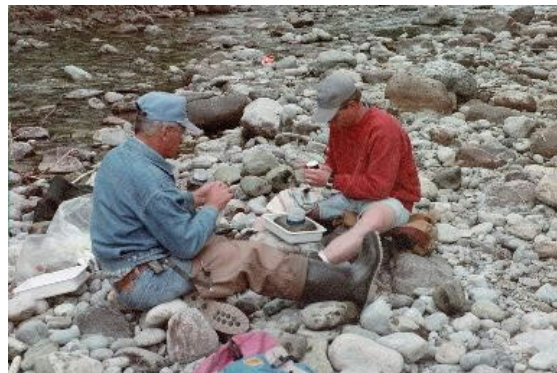
The situation resulted in several national articles, including in the New York Times, which prompted the SMC's CEO to offer to meet with public interests in an attempt towards resolution. Following a year-plus of intense and at times heated negotiations, the parties emerged with the

Good Neighbor Agreement (GNA) last year.

The Mines

SMC mines platinum group metals from their Nye mining operation that has been in operation since 1985. They are also currently developing a separate mine at East Boulder, approximately 30 miles from the Nye mine, which is expected to begin operation in 2001.

The mines utilize underground stope mining methods to produce ore that is crushed and ground, and then separated into concentrate and tailings using flotation-processing methods. The concentrate is shipped to Columbus, MT where the company owns a smelting and refining operation where platinum group metal dross is produced.



Periphyton and Chlorophyll sampling on the Boulder River

The mines are currently undertaking enormous capital development costs, and the combined employment at both facilities is approximately 2000 persons. Their efforts have been aided by a highly favorable increase in platinum and palladium prices. The ore runs approximately 0.70 oz/ton total platinum group metals, and is approxi-

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mately 2 parts palladium to one part platinum. Currently platinum is selling for approximately \$650 per ounce, and palladium for over \$1,100 per ounce. Outside of South Africa, SMC is the only primary producer of platinum group metals.

The Agreement

The Good Neighbor Agreement is an approximately 160 page comprehensive, legally binding, agreement that covers a range of topics including water quality monitoring, tailings and waste rock disposal, reclamation and bonding, traffic and other issues. The GNA is available at NPRC's website (www.nprcmt.org/goodneighbor/).

The GNA is made possible, at least in part, by the unique nature of the public interests as well as the mining company and these particular projects.

One of the key aspects to the success of the agreement is the profitability of the company, which has made them willing to spend and do more than most typical mining companies.

Another key aspect is the method by which the mining and milling processes are undertaken. Underground mining and flotation milling processes tend to be less damaging to the environment.

Another factor is the geochemistry of the ore and waste rock, which does not favor acid mine drainage (AMD) formation. This is particularly

important considering the pristine nature of the East Boulder and Stillwater River's.

Also important was the willingness of both the public interests and company to seek a constructive resolution to their differences.

The GNA celebrated its first year with the completion of several key projects. Protective easements to preserve open space and agricultural land have been completed. Traffic issues have been addressed through a comprehensive busing and transportation agreement.

Several other ongoing, or completed, Stillwater projects that have required the technical services of **CSP** include the Hertzler Ranch mitigation plan, baseline water quality reviews, the paste technology and waste rock programs, and a reclamation bond review.

The Hertzler Ranch mitigation plan addresses issues key to the conversion of this former working ranch into a tailings impoundment site. The plan requires the collection of baseline data, establishes various levels of impacts, and directs actions to mitigate those impacts.



Hertzler Tailings Impoundment under construction

The GNA also addresses numerous issues including air and water quality, wildlife, noise, visual, weeds and traffic.

Baseline water quality reviews, a major undertaking, have documented pre-existing water quality, and mine impacted water quality.

Based on this information, a tiered trigger

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level framework suggested by the GNA has been adopted to protect water quality.

The effort has involved hundreds of hours compiling and evaluating historic water quality information from the company's database and using that information to modify and construct protocols to implement the tiered trigger level framework.



Macroinvertebrate sampling

The result is a comprehensive analysis of the baseline pre-mining water quality at East Boulder, and the mining-impacted water quality at Nye. This led to the development of mechanisms to ensure that any future unacceptable impacts are adequately addressed.

Jim Kuipers, consulting mining engineer, has been involved with the Councils since 1996, and with the Center since 1997. He has been the primary technical advisor working on the project until recently.

Sarah Zuzulock recently joined the Center to fill a need for a full-time staff scientist/engineer to work with the groups on the GNA.

The GNA provides significant environmental protection and social assurances beyond those required by state and federal law. In effect, it implements some of the "site-specific" considerations that the mining industry often suggests should not be put into regulations.

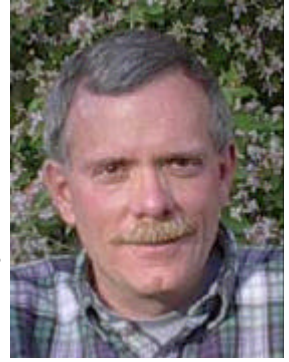
We hope to use this agreement as a model for future mining projects where regulatory requirements do not meet the needs of local communities.

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From the Executive Director

This month we feature a long article on the Stillwater Good Neighbor Agreement.

We believe this agreement is an important model for future collaboration between impacted communities and progressive mining companies.



Dave Chambers is the Executive Director of CSP²

Many conditions were right for this agreement, among them an existing platinum/palladium mine with a good environmental track record, favorable economic conditions for the mining company, and several local community groups with a history of working constructively, but firmly, with development proposals.

We hope to see this approach, now that it has been shown that it can work for both the community and the company, applied to other mining developments.

CSP² has added several new staff members. In the past I have attempted to introduce them individually as they joined the Center. But, as often happens, I have been OBE (overcome by events). In the next issue of the Logbook, I will give an update with pictures, on all of our staff members.

Finally, I suspect some of you would like to receive the Logbook electronically, instead of by mail.

We currently publish all of the issues of the Logbook on our website (www.csp2.org) in *.pdf format. You can conveniently read this file with Adobe Acrobat © Reader.

If you would like to receive the Logbook electronically, instead-of / or-in-addition-to the paper version, please let me know your e-mail address, and I will make the change for you.

Thanks;

A handwritten signature in black ink that reads "Dave Chambers".



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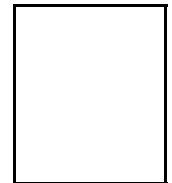
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