

James A. Sturgess
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My name is Jamie Sturgess and I'm Vice President of Projects and Environment for Augusta Resource Corporation.

I've been in resource management since 1973. This includes work for the California Fish and Game Department on the threatened fishes program and for the mining industry researching reclamation, water treatment, air quality, and endangered species protection. From there I served in site management positions for large mining operations. Then I started up an environmental consulting company, working around the world with a balance of municipal, county, state, and private clients.

I must point out that I've seen several pictures "photo-shopped" to paste other mines onto Rosemont topography. Those pictures are outright fabrications. We are still in the process of developing our plans and illustrations of what Rosemont will look like each year during mining and reclamation.

What I'm providing today is a layout showing the "year 10" perspective from Highway 83 at milepost 44 which should be at the height of activity on the property. The brown area in the background is active mining, the green area in the foreground is the perimeter berm planned for the first few years of construction.

The mine is on private lands more than 3 miles from the nearest roadway. The closest facilities are a mile away from the highway. I have taken many people on tours to the center of the proposed pit, you cannot see a single house. The nearest neighbors are over 2 miles away, over a ridgeline; and there are many square miles around the mine site with no occupied dwellings. The Rosemont Ranch totals almost 20,000 acres, surrounding the proposed mine site.

The mine site has had more than 100 years of active mining and ranching operations on the property. The Helvetia and Rosemont Mining Districts there were formed and recognized by the US government in the 1880's.

The property will be developed into a modern mine. Exactly how the mine is developed and operated will be decided by thorough feasibility studies and a full-disclosure Environmental Impact Statement or EIS, with a very public review process.

The EIS and public review process strengthens today's application of the 1872 Mining Law. It brings stringent regulatory, resource, and environmental evaluations to bear. And it reflects everything we've learned over the years about how to operate a safe, productive, and environmentally responsible copper mine.

In 1872, our forefathers recognized that the wealth of a nation rests, in part, on its mineral resources. Their intention with the 1872 Mining Law is clear:

“Congress declares that it is the continuing policy of the Federal Government in the national interest to foster and encourage private enterprise in (1) the development of economically sound and stable domestic mining, minerals, metal and mineral reclamation industries, (2) the orderly and economic development of domestic mineral resources, reserves, and reclamation of metals and minerals to help assure satisfaction of industrial, security and environmental needs”

“and for the disposal, control, and reclamation of mineral waste products, and the reclamation of mined land, so as to lessen any adverse impact of mineral extraction and processing upon the physical environment that may result from mining or mineral activities.”

The legislature of the State of Arizona recognized the need to protect this vital industry by ensuring that no county has the authority to regulate or restrict the use or occupation of land or improvements for mining or metallurgical purposes. The legislature further provided that no county is authorized to prevent, restrict or otherwise regulate the use or occupation of land or improvements for mining or metallurgical purposes.

Augusta's claims to the mineral resources are valid and not subject to forfeiture without significant compensation. We have the right to use our private property, patented claims and, consistent with the laws and in furtherance of the stated federal policy, the unpatented claims.

This mine is proposed largely on privately owned land in mining districts nearly as old as the Mining Law itself. Rosemont also involves patented mining claims on adjacent federal lands that Augusta owns.

We understand that Pima County opposes the proposed mine. Ironically, Augusta purchased the land it now owns only AFTER Pima County declined to do so at roughly half the price Augusta paid for it.

Any new mine in Arizona must be a model of maximum safety and minimal environmental impacts. And it must be a positive contributor to our state, as well as to our country's goals of strategic mineral and energy independence.

Like so many natural resources we all need, copper is not easy to harvest. Nor is it found in very many places around the world. Using just one quarter of one percent of the state's land, Arizona provides 65 percent of our nation's domestic copper production. But our country still imports about 40 percent of our copper needs. We rely on copper for many of our everyday activities, including driving. Your car has about 50 pounds of copper. If you drive a new, energy-saving hybrid, it uses twice that much. Solar cells rely on copper and the next generation of solar panels will require even more copper. Copper is also essential to electrical wiring, jet aircraft, air conditioner units, water supply systems, and computers.

Copper can be mined responsibly and that is central to Augusta's plan for the Rosemont property. We're a company of people with substantial experience and track records in operating safe and environmentally protective mining operations. Our commitment to environmental safety and reclamation is spelled out in our "Comprehensive Plan of Operations." It will be filed with the US Forest Service this spring and the EIS will follow.

Here's what our Plan of Operations includes:

- A "water miser" closed loop mine water system.
- Putting more CAP water into the aquifer than we draw out.
- No tailings pond.
- The smallest possible mine footprint.
- Specific limitations to protect air and water quality.
- A commitment to meet local "Dark Skies" requirements.

- Concurrent reclamation and revegetation of the land, beginning the first year of operation to return the site to ranching and open space.
- Creation of an endowment over the life of the mine for preservation of open space, support of wildlife habitat and other community needs.
- Protection of viewscapes through careful siting of facilities and operations.

That plan will be a legally binding document detailing every aspect of how the mine must be operated and will be tied to ownership of the land, not simply to Augusta. What that means is further assurance that the commitments made in this plan endure over the life of the mine, and beyond.

The mine will pay an estimated \$1.8 billion in Federal taxes over the life of the mine. State tax revenue is projected at \$490 million over the life of the mine. This tax revenue will have a significant impact on the state's general fund and will help mitigate the burden on individual taxpayers.

It also brings high paying jobs. Rosemont Mine will employ 350 people at an average annual salary of \$59,000. In addition it will add another 700 indirect positions for a total of 1,000 new jobs for Arizona.

Mining here in a responsible, environmentally effective manner also has global implications. The alternative is sending those jobs and control of strategic mineral supply overseas to countries without those same standards of protection or production.

The mining industry, like so many in the last decade, has made huge technological advances. New mines do not need to look like old mines. We will put these technological advances to work for the community, for Arizona, and for this country, which depends on copper in countless ways. We invite questions from the public as we proceed with planning and implementation with the various agencies involved in this process. We look forward to answering questions and working with as many interested parties as possible as we advance this important project.

Unless, we, as a country are willing to place all of our minerals resources power and its related economic strengths in the control of other nations hungry for such projects, we must be willing to allow such projects as Rosemont to proceed. This debate reflects some inconvenient questions: If

we don't use our own resources, whose resources do we use? If we don't produce our own food, whose food do we eat? If we don't produce our own copper, whose copper do we use?

All of the members of the Rosemont team are pledged to produce the best example of the most protective mining operation ever built in this country. We are doing what no mining company has done before, in the way of sustainable water supply, concurrent reclamation, water conservation, and land conservation. We are prepared to back our promises.

In turn, we understand that in proceeding, Rosemont will be held to incredibly high standards. We realize there is no other way.

Thank you.