

**Mining and Communities
Addressing Sustainable Development Issues**

**Testimony to the
House Resources Sub-Committee on Energy and Mineral Resources
Field Oversight Hearing
"Sustainable Development Opportunities in Mining Communities"**

**Reno, Nevada
Washoe County Commission Chambers
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10:00 a.m.**

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Congressman Gibbons and distinguished participants:

Thank you for the opportunity to testify before this Subcommittee today. My name is Ann Carpenter. I work as a professional exploration geologist in the domestic and international mineral development arena, and am an advisor to and past president of the Women's Mining Coalition (WMC). WMC has members and participants nation-wide addressing mineral development issues important to communities. Today I will discuss "Mining & Communities – Addressing Sustainable Development Issues".

I have a bachelor's degree in Geology from Montana State University in Bozeman, Montana (1980), with additional advanced degree studies completed at Mackay School of Mines, UNR (1981-1983). I have over 23 years of experience as an exploration and mining industry professional, exploring for and developing mineral resources worldwide. This experience has provided me opportunities to work in many diverse geologic and cultural settings – in the United States, Chile, Argentina, Peru, Mexico, and East Africa. I have worked for junior, mid-tier, and major mining companies, as well as for local governments and institutions evaluating mineral resources – integrating sustainable development principles and practices from the grassroots exploration phase through property reclamation and mine closure.

Sustainable Development Background

I worked on three of the four tasks related to the **Mining, Minerals and Sustainable Development North America** document, helping to generate that final report in 2002. As

well, I assisted with the generation of the **Seven Questions to Sustainability, How to Assess the Contribution of Mining and Minerals Activities** (2002 publication). I have assisted mining companies and various communities in addressing, developing, and understanding principles and practices of sustainable development. Most recently I was a consultant to Caterpillar, part of a team that designed and implemented a Sustainable Development Forum that Caterpillar hosted in conjunction with MINExpo 2004. I currently work with three Nevada-based community groups addressing mining and sustainable development issues, often in partnership with UNR's Mining Life Cycle Center and Great Basin College.

Community Groups and Sustainable Development

The community groups that I am working with in rural Nevada include: Rawhide Community Advisory Group; Northern Nevada Partnerships-Elko; and Lander County Community Group. What follows is a brief description of how these groups came together.

Rawhide Community Advisory Group (RCAG)

I started working with this group in 2003. The group was initiated in 2002, under the direction of a consultant, Steve Jarvis. Kennecott Rawhide was beginning to address mine closure issues at the Rawhide Mine, and wanted to get a group of stakeholders together to address the many issues surrounding closure. The group is comprised of individuals from rural Nevada communities surrounding the mine – Gabbs, Hawthorne, Schurz, and Fallon. I was invited to proceed with the group in 2003, continuing as the Facilitator of the group. There are approximately 15 members in the group, representing the mine, elected officials, interested citizens, economic development leaders, Schurz / Walker River Paiute Tribal members, DZHC Base representatives, and various businesses in the region.

Northern Nevada Partnerships-Elko (NNP-E)

In November of 2003, the Northeast Nevada Stewardship Group hosted a Mining and Communities forum in Elko, Nevada, and I was invited to participate as a Co-Facilitator. The outgrowth of that approximate 2-day forum is the Northern Nevada Partnerships-Elko (NNP-E) group. The group is comprised of elected officials, mining professionals, representatives from both Great Basin College and the Mining Life Cycle Center, interested citizens, business owners, federal agency representatives (BLM and USFS), and economic development authority leaders. A key objective of this group is to address business and economic diversification and how the mines, federal agencies, interested individuals, businesses, and communities in the region can work together to address sustainable development issues. Another objective is to conduct outreach into other communities in Northern Nevada, to help these communities, if they so desire, to form community groups of their own.

Lander County Community Group

This group came together in 2004, with a desire to address the proposed Yucca Mountain rail corridor (Lander County sections), as well as mining-related issues. This group is comprised of interested individuals from Austin, Battle Mountain, and ranching communities county-wide, including representatives from the BLM, the hospital, the Yomba Tribe, business owners, ranchers, mining companies, Great Basin College, elected officials, economic development authority, and local schools. This group is exploring ways for the mines, federal

agencies, businesses, and interested individuals to work together to address sustainable development issues, forming partnerships that lead to stronger communities.

Community groups are springing up throughout Nevada and the United States in general. These emerging groups are becoming more involved with the industries that they are host to, with the hopes of strengthening communities through partnerships. A central desire is to bring business and economic diversification to the areas and communities that are dependent on mining. Some of the objectives, as stated by various stakeholders in these three community groups, include:

- To develop partnerships, assisting in the transition to sustainability in Northern Nevada.
- To collaborate with many, focusing on attracting new businesses to the area.
- To initiate longer term planning, strengthening communities through business and industry diversification.
- To foster a forum, promoting discussions between Northern Nevada communities.
- To develop a forum for interacting with the many entities and individuals that are in the communities, including: federal and state agencies, Native American tribes, business owners, educational institutions, various industries (retail, mining, ranching, gaming, energy generation, etc.), and interested citizens.

It is important to note that most of the groups that are emerging are primarily the result of efforts of interested individuals and groups in the communities. For instance, the Northeast Nevada Stewardship Group (NNSG) is a respected and active group in Nevada, addressing important local and regional natural resource issues. One of its goals is to host forums that address important issues facing communities. NNSG was the initiator of the forum that ultimately resulted in the formation of the Northern Nevada Partnerships-Elko group. Appendix A has information on the NNSG, its objectives and some of the programs they are forwarding.

The Lander County Community Group was originally formed to address the proposed Yucca Mountain corridor through Lander County, as well as mining-related expansions in the region. Several interested Battle Mountain citizens helped to build this county-wide community group. With the newly formed partnership with NNP-E, this group is evolving, beginning to address economic diversification and partnership building that leads to stronger local and regional communities.

The Rawhide group (RCAG) was initiated by Kennecott in 2002 with a central focus of helping the communities in the region address the eventual closure of the Rawhide Mine. This group now has evolved to have more of an economic diversification focus, looking at additional revenue generating opportunities for the mine site while addressing closure-related issues and concerns. The mining company initiated the group, but the communities are the drivers of the process.

Economic Diversification, Mine Sites and Land Use Policies

Communities throughout Nevada are beginning to look at mine sites differently. These sites have infrastructure in place – power, roads, buildings, water, etc. – and the communities are beginning to ask questions and pose statements such as:

“What other industries can we attract here to our region, who might be able to utilize these sites and assets in order to generate revenue for the local and regional economies?”

“It is a waste to tear all of this (infrastructure) down and not allow communities the opportunity to use the site for other industries.”

The questions and statements raised begin to point at an inherent problem – land use plans and policies do not meet the needs of some communities. Current policies and practices by federal agencies responsible with land use planning work counter to what might be best for communities, helping to promote the ‘bust’ cycle. The Boom-Bust cycle that mineral resource development continually finds itself within is not only supported by the short-term, finite business cycle of mining (when the resource runs out, then the mine must close), but it is also supported by land use plans and policies that require ‘closure’ to occur at the mine sites. The Boom-Bust cycle continues, driven in a large part by land use policies that currently limit the ability to utilize these mine sites after mining has been completed.

Land use planning and policies are central discussions in communities affected by mining, and communities feel limited by the constraints that currently govern land use planning. There is a need to adjust these out-dated policies to meet the needs of communities. At a recent meeting of community groups, held in Battle Mountain on October 19, 2004, Jerry Smith, BLM Field Manager – Battle Mountain Field Office, indicated that the BLM hosted a land use planning and policy forum earlier this year, discussing these issues and the need for change.

Some of the economic diversification ideas that the community groups have been introduced to, or have brought to the table themselves, include:

- Renewable energy generation
 - Kennecott-Rawhide, Queenstake, Placer Dome-Cortez, Kinross, Newmont, others
 - Wind generation and its possibilities at mine sites (concurrent with the mining activities or as alternatives to closure for a portion of the site)
 - Geothermal – energy generation and direct use opportunities
 - Solar energy generation, although this is not common
- EcoIndustrial Park Concepts and the I-80 Corridor.
 - Companies have been looking at this region with regard to opportunities that the rail line, checkered-board land status, water, agriculture, mine site infrastructure, and other attributes support.
 - The central concept here is that ‘stand alone’ businesses are brought together – feed lots, farming, municipal waste handling (landfills), bio-fuel generation, to

name only a few. If these stand alone, they have waste streams that have to be dealt with; married together, one business' waste stream becomes feedstock to another so that the 'waste' is utilized to produce assets and not liabilities. It begins to approach a closed-loop system.

- Recycling of computers – regional facility utilizing mine sites as part of the business
- Landfill business opportunities
 - Rawhide Mine is currently being evaluated with this business opportunity in mind, for the open pit area only
 - 70-150 year life
 - EcoIndustrial Park opportunities
- Other business concepts
 - Recreation
 - Business Parks
 - Educational Institution partnerships for long-term learning
 - High tech business opportunities – data storage

This should be considered a partial list, and in no way should reflect all of the possibilities that communities are currently reviewing to strengthen their economies. Some of these have potential specific ties to the mine sites, some need partnership relationships, and some are stand-alone with the mines potentially invited as investors.

Communities are beginning to evolve their thinking relative to mining. More commonly, the mine sites are seen as assets, and communities want access to these sites – especially in closure. There are some of these business opportunities that can be advanced concurrently with the mining activity. All of this is part of the research and strategies that communities are looking into, with the objective of economic diversification. A central question is, "How do communities gain access to these sites in order to develop other business opportunities for the long-term?"

There is also a significant shift occurring as communities look at mining and the revenue generated by production. A lot of Nevada communities have been through multiple Boom-Bust cycles. These communities are looking differently at the revenue generated by the mines, looking at it instead as seed capital to invest into other business opportunities that create economic diversification, stronger communities, and longer-term futures. Communities here are looking at the Flambeau, Wisconsin example – where a community group formed comprised of mine workers, community leaders, businesses, and others formed, to address economic diversification. What emerged was a business plan that turned the initial investment of about \$7 million in revenue and 70 mining-related jobs into approximately \$50 million annual revenue and 500 non-mining dependent jobs. The mine was seed capital for a longer-term investment in their future, and the community came together and developed this plan.

Summary Statements

Not only does the mine generate capital for investment, but the sites offer opportunities and assets for other businesses. Wind energy generation is just one as an example. The current mine planning, and reclamation and closure requirements by state and federal agencies leave

little room for this to occur. As companies and communities begin to address these opportunities, the current permitting and regulatory requirements put up formidable roadblocks for successful outcomes. This needs to change for the benefit of communities and their sustainability.

It is through community partnerships that people see opportunities flourish. Grant Sims, Manager of Economic Development for Sierra Pacific, was at the October 19th meeting in Battle Mountain, and became very energized by what he was seeing in the community partnerships forming and the opportunities on a regional scale. From his perspective, it is a necessity for communities to work together – their collective assets will attract business opportunities that will benefit the region.

With a broad and diverse base of participants in these community groups, many issues can be addressed, problems solved, and greater successes realized. Working together, we can address land-use plans and policies, getting necessary changes in place that help to meet the needs of communities.

Thank you for the opportunity to testify on this important topic.

APPENDIX A

Northeast Nevada Stewardship Group
Website – Programs Information



Programs

on Thursday, May 13, 2004

The Northeastern Nevada Stewardship Group functions in the Elko County region, and works to expand natural resource educational opportunities for citizens of diverse interest, local governmental entities, and state and federal agency personnel. Working groups known as pods are formed to respond to concerns and make recommendations for presentation topics necessary to build fuller understanding and greater capacity for consensus actions.

Following are the current working "pods":

- [Sage Grouse Pod](#)
- [Heritage Pod](#)
- [SWEATCo](#)
- [Science Pod](#)
- [Fire Pod](#)
- [Recreation Pod](#)

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