

January 27, 1977

The Natural Resources Subcommittee met at 12:06 p.m. on January 27, 1977 with Chairman Kessler presiding and Reps. Quilici and Hurwitz present. This is the subcommittee to further study HB 197.

BILL STERNHAGEN, Anaconda Co., introduced Steve Williams also of the Anaconda Co., who introduced Roy Wilks, General Superintendent of Mining for Anaconda Co. in Butte.

ROY WILKS discussed some of the problems their company is facing, and why the change of application time would make a difference to them. He passed out copies of a graph, exhibit 1, showing fluctuations of the copper price on the world market. He said they would like to be in a flexible position so they could move rapidly if conditions improved. He said they do not like to be hampered in moving into a new area. He said Butte's operations were marginal at the present time compared to other operations. He compared Butte's copper which is about .61 grade to Kennecott which is .71 grade--so a lot more material has to be moved to get the same amount of copper. He said .3 copper could be valuable ore if the market so indicated or it could be just waste.

AL DAHLSTRAND, Anaconda Co., said they have problems with having to wait up to a year for a permit. One thing is speculation problems. Others are the economy--sometime they need to change plans quickly to stay competitive; the geological position--constantly reevaluating current plans; improved technology: all things that call for quick reactions. He said if they are forced to wait too long for permit applications, competitors will get ahead. He said what might be an economic mining plan today in Butte might not tomorrow and if you hurt the company you hurt the community.

Mr. Wilks invited the committee to come to Butte to visit the company and view their problems first hand.

Rep. Hurwitz asked if there was any way to address the problem of the tailings dump.

Mr. Wilks said if they own a piece of ground with say .2 grade copper under which is uneconomical today to mine they might use it for a dump. he said open pit mining is largely a juggling thing. Mr. Dahlstrand said in years past the copper market had a better price but as the market worsened they had to find cheaper places to dump the material. Where before most of the material was going to the north (pointed this out on an aerial photo of Butte) this was a long distance and much more costly. Steve Williams, attorney for Anaconda, said the matter was before the courts. He said they had applied for a permit 3 1/2 years ago to dump on this land. He said a meeting of the Hillcrest Homeowners' was held and several flown to Tucson to view a tailings dump that had been reclaimed. He said the company did considerable research and he felt this could be compatible. He said the application was completed in 1975. Mr. Dahlstrand said protection for the nearby residents has been taken care of in the reclamation part of the law. The time part is what will reduce flexibility.

Rep. Quilici asked in the event the company has to haul the overburden off the north part why don't they buy up land they know will be needed before they put in their permit application. Mr. Dahlstrand said prior to the application for the permit we are not sure where we will want to be, and would involve too big an investment when we are not sure we will use it.

Rep. Quilici asked if the company wants the absolute right to come in and put a dump anywhere--what about the people? He said it has a real impact--noise and emissions are up.

GENE PHILLIPS, ASARCO, suggested an amendment "This act shall not apply to any application having a mining permit filed with the DSL prior to January 1, 1977 to the effective date of this act."

LEO BERRY, Commissioner of State Lands, said an impact statement cannot be done in 60 days. The time is more like 18 months to 2 years. But under this act there are few permits that require an impact statement usually its just a preliminary review which can be done in 60 days. He said they need the time extension on impact statements but the 120 could be lowered to the 60 days for the hard rock applications.

It was mentioned that the riprap problem could be taken care of be an amendment to another bill.

Chairman Kessler suggested that if any of the interested parties had amendments they would like considered to leave them with the secretary or himself.

Meeting adjourned at 1:57 p.m.

Respectfully submitted,

  
Gerald R. Kessler, Chairman

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