

PHOTOGRAPH AT RIGHT SHOWS FREEPORT-McMoRAN REPRESENTATIVES HOSTING A TOUR OF THREE SITES AT THE CHINO MINE TO BE ASSESSED BY THE NATIONAL RENEWABLE ENERGY LAB AND THE ENVIRONMENTAL PROTECTION AGENCY FOR THEIR FEASIBILITY ANALYSIS IN SITING A PHOTOVOLTAIC ENERGY PROJECT. (GRIP PHOTO)



GOVERNOR VETOES CORPORATE FAIR TAX BILL *Freeport-McMoRan big winner*

by Richard Mahler, Newsletter Editor

The so-called "Corporate Fair Tax" bill vetoed by New Mexico Gov. Susana Martínez will likely be reintroduced during the 60-day session of the state legislature next year, according to the measure's sponsor. The Republican governor rejected Senate Bill 9, which would have changed the way certain large corporations based outside the state are taxed on business they conduct within the state. Martínez suggested SB9 would promote a kind of "misguided and arbitrary tax policy" that "is not the way to foster economic growth in New Mexico."

The bill's author, Peter Wirth (D-Santa Fe) expressed extreme disappointment with the veto and vowed to try again in 2013. Enjoying overwhelming public support according to recent polls — and bipartisan approval in both the state Senate and House after almost a decade of unsuccessful attempts at passage — SB9 would have closed a tax loophole benefiting out-of-state firms, lowered the corporate income tax rate for small New Mexico businesses, and leveled the playing field in other ways for state-based businesses.

"New Mexico is the last Western state that allows 'big-box' companies [and any other corporation] to use this loophole to avoid taxes and shift the tax burden onto the backs of Main Street businesses," the *Santa Fe New Mexican* editorialized following the veto. "These large companies go to great extremes to not pay taxes in the community they are selling in. WalMart, for example, created a holding company in Delaware [a state with no corporate income tax] for the

SEE SB9 VETO ON P. 6

MINING UPDATE: COPPER RULE ADVISORY COMMITTEE, COPPER FLAT SCOPING...AND MORE

by Sally Smith, Director of Responsible Mining

In January, the New Mexico Environment Department (NMED) kicked off the **regulatory development process for groundwater quality rules for the state's copper mining industry**. GRIP's Board President and Director of Responsible Mining, Sally Smith, serves on the Advisory Committee, and GRIP's technical consultant, Jim Kuipers, is a member of the Technical Advisory Committee. The New Mexico Environmental Law Center and Amigos Bravos are also participating in the proceedings, along with industry (Freeport-McMoRan and New Mexico Copper Corporation), regulatory agencies (NMED, U.S. Bureau of Land Management (BLM), the state Mining and Minerals Division), and an academic representative (New Mexico Tech).

According to a schedule mapped out by NMED, the technical and advisory committees will meet once a month to provide input to NMED, which is creating the draft rule. A complete draft will be available in mid-August, with public meetings planned for Albuquerque and Silver City later that month. Following a month-long stakeholder negotiation process, NMED would present its proposed regulation to the Water Quality Control Commission in September, with the intent to finalize it by the end of 2012.

Technical presentations and discussions to date have focused on liners, leach pad and materials characterization and handling. The Advisory Committee has provided input on requirements for variances and permit fees, specific definitions, public comment process, and other administrative details.

Since last fall's price dip caused by speculation about the Chinese market, copper is up to a 200-day moving average market price of about \$3.80 per pound, according to Reuters. With sustained high prices, FMI con-

tinues to develop plans and pursue additional permits that will expand its mining activities in Grant County. The company will bring its **Chino mill** up to full capacity by mid-July, after approval by NMED of a second process water line. FMI continues progress to **re-open the Cobre Mine** in 2015. A community open house meeting concerning projects related to the reopening of the Cobre Mine is planned for April or May in order to give residents a general update on Cobre-related issues.

FMI continues to make progress on **reclamation at the Chino mine site**. The company has reclaimed over 2000 acres, including scraping some areas on the east side of the tailings dam contaminated by windblown and waterborne tailings. One million cubic yards of this material has been recovered and incorporated into the reclamation work. Reclamation of Chino Pond 6 is complete, with Ponds B & C scheduled for completion by March 2013, and Lake 1 by late 2013 or early 2014.

The **Mining and Minerals Division's Tyrone waiver** has not yet been approved due to additional requirements from MMD. FMI is required to revise maps and cost estimates for reclamation of interior slopes. FMI is also petitioning for Alternative Abatement Standards at the Tyrone Mine and has submitted its Notice of Application. The alternative standards are for areas where the Tyrone mine will not be able to meet water quality standards. The mine plan is to pump and treat all contaminated water to standards and discharge, at closure, in some way as yet undetermined.

The BLM initiated the **environmental impact assessment for the Copper Flat Mine** located four miles outside of Hillsboro, in Sierra County. New Mexico Copper Corporation submitted a Mine Plan of Operation to BLM to re-open the copper mine. Scoping ended in late February, before which the public was invited to provide comments on the planned construction, operation, and mine reclamation at Copper Flat.



CELEBRATE EARTH DAY

APRIL 21

AT SILVER CITY'S GOUGH PARK

(SEE ADS ON PAGES 2 AND 8 FOR MORE INFORMATION)