



DURING SUMMER'S MONSOON RAINS, WATER BACKS UP BEHIND CONTAMINATED TAILINGS ALONG SAN VICENTE CREEK THAT ARE NOW SCHEDULED FOR REMOVAL. (GILA REGION SUSTAINABLE COMMUNITY NEWS PHOTO)

FROM CATLETT ON P. 1

environmental education in local schools, coordinating the Silver City Watershed Keepers, and helping to organize July's Big Ditch Day and September's Gila River Festival. She hopes to do considerable grant writing so that GRIP can secure funds to continue and expand such endeavors when its three-year VISTA contract expires at the end of next February.

"I'd like to get more support for some of our programs," she says, "and greater involvement among students at local public schools and WNMU." In addition, Catlett seeks expanded coordination with area hiking and arts groups as well as government agencies for such projects as trail upgrades, youth education, and habitat restoration.

"I'm a filter for new ideas," she says. "I want to hear from anyone who has suggestions for things they think we should be working on."

Catlett grew up in Virginia and graduated from that state's Roanoke College with a B.A. in International Relations. She went on to earn an M.A. in International Development from Colorado's University of Denver. Catlett completed a Boulder internship with the Global Greengrants Fund. The latter, she explains, helps funnel money to non-profit grassroots organizations around the world.

Catlett has volunteered in the realm of hunger issues and urban gardening. She describes herself as eager to foster "a bright, more just, and verdant future for local communities and our nation alike."

And while GRIP's newest staffer enjoys the trails and open space of Boston Hill, she agrees that "the century of mining activity really took a toll."

Those interested in volunteering for current GRIP projects under Catlett's direction, such as the Silver City Watershed Keepers, are invited to contact her at claire@gilaresources.info or by calling 575.538.8078.

STATE ENGINEER DENIES AUGUSTIN RANCH WATER APPLICATION

by Allyson Siwik, GRIP Executive Director

In early April, New Mexico State Engineer Scott Verhines denied an application by Augustin Ranch LLC to withdraw 54,000 acre-feet per year of water from the San Augustin Basin, west of Socorro, and pipe it to the Rio Grande Valley for an undefined purpose. The Gila Conservation Coalition, of which GRIP is a partner, was one of about 80 protestants of the application represented by attorney Bruce Frederick of the New Mexico Environmental Law Center.

GCC's concern was that, given the hydrological connection between the San Augustin Basin Aquifer and the headwaters of the Gila River, annual withdrawals of 54,000 acre-feet could diminish flows on the Gila. Frederick filed a motion to dismiss the application in February 2011.

In his April 2 decision, the State Engineer found that "Consideration of an application that lacks specificity of purpose in the use of water or specificity as the actual end-user would be contrary to sound public policy....To consider or approve an Application that, on its face, is so vague and overbroad that the effects of granting it cannot be evaluated is contrary to sound public policy."

Frederick said "the State Engineer's decision confirmed what most objective water lawyers already knew—you can't take the public's water, unless you have a concrete beneficial use in mind. In this case, the applicant just wanted to hoard the water until its value increased enough to justify selling the water or the entire project on the open market. This is commonly how ore deposits like gold, copper, and silver come to market, but under our Constitution, water belongs to the public and cannot be hoarded or exploited like a mineral resource."

FROM SB9 VETO ON P. 1

purpose of transferring income in order to avoid income tax liability under New Mexico law."

But what about the tax liabilities of non-retail corporations headquartered outside the state? What about Freeport-McMoRan Copper & Gold (FMI), a corporation operating internationally that is based in Phoenix yet pays no corporate income tax in New Mexico?

Current data are difficult to find, but a July 27, 2010, report by the non-profit Foundation for Job Creation said the Grant County assessor refused its request to know how much the county received from FMI for its large number of property tax bills. A state spokesman requesting anonymity told the Foundation that New Mexico's tax code does not seem to require FMI to pay taxes locally related to "gold, molybdenum, or any other mineral [it extracts] ...besides copper."

From August 2009-April 2010, the latest time period for which data are available, New Mexico's Department of Taxation and Revenue reported that copper mining activity contributed just under \$2-million in resources excise tax (which goes to the state's general fund) and \$225,678 in state severance tax. (FMI currently operates the only active copper mines in the state.)

In 2011, gross receipts taxes paid to the county and state by the mining sector in Grant County totaled \$2.5-million, most of it paid by FMI. About \$43.5-million in total gross receipts was collected within that county sector last year. Under current regulations, there is no requirement that any of gross receipts tax revenue collected by government authorities be redistributed to the specific municipalities, such as Hurley and Bayard, in which the company operates.

According to a report in endgame.org, many of FMI's operations "enjoy tax-free status under the 1987 Internal Revenue Code (Section 7704) exemption for partnerships that derive 90 percent or more of their gross income from natural resources." Under terms of the 1872 Mining Act, the U.S. government receives no federal royalty payments for hard-rock minerals extracted from its territory, including copper. According to the FMI website, its 2011 net income was \$4.6-billion, compared with \$4.3-billion the previous year. Last February, New Mexico Mining Executive Director Mike Bowen estimated mining today has a \$4.4-billion impact on the state's economy.