



## For Immediate Release

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# DNR grants "corporate welfare" to mining company

## *State to close off 120 acres of public recreation land for 40 years*

A decision by the Michigan Department of Natural Resources (DNR) to grant a 40-year lease of public lands in the Upper Peninsula to a foreign-owned mining company amounts to corporate welfare, according to one leading conservation organization.

Michelle Halley, attorney for the National Wildlife Federation, said the announcement on Thursday by the DNR to grant Kennecott Eagle Minerals Company (KEMC) the unprecedented lease is a clear-cut case of "the DNR sacrificing public land for private gain."

The DNR decision came one month after Director Rebecca Humphries refused to grant the lease based on KEMC's failure to provide information on a number of critical questions. Sufficient information is still lacking, according to Halley, who thinks the DNR failed to achieve its mission of protecting the state's natural resources.

"KEMC did not adequately address subsidence concerns, ignored some requests related to identifying and preventing leaks, and submitted materials that were woefully lacking," she said. "Experts tell us that this project is still fatally flawed, making the DNR land-lease approval even more appalling."

Inadequate monitoring fees are also of grave concern. Located beneath the Salmon Trout River and with the likelihood of contaminating the entire watershed, opponents say close monitoring of this project is an absolute necessity. Halley said expectations for monitoring by the DNR are low. "With a monitoring fee of only \$4,000 per year, no meaningful monitoring will occur. That amount will not even cover lab fees for the most basic of water quality testing, much less staff time for collecting samples and on-site inspections."

KEMC is seeking to construct surface facilities for a sulfide mining operation on state-owned property in northwestern Marquette County. The site, 120 acres located on the Yellow Dog Plains, is currently a popular choice for hunting, fishing, wildlife watching, berry picking and other public uses.

"Every taxpayer should be livid in light of a state agency closing off lands that are paid for and enjoyed by taxpayers to grant exclusive access to those lands to a company for private gain and with no permanent ties to the state," Halley said.

Beyond exclusion from the land itself, the attorney and a vocal public have questioned whether the deal will financially burden state taxpayers once the mine is closed in a few short years.

"This lease will leave the DNR and Michigan taxpayers vulnerable to bearing clean-up costs from pollution and it would put the DNR in the inappropriate role of facilitating a mining district in the U.P.," Halley added.

Cynthia Pryor, executive director of the Yellow Dog Watershed Preserve, also expressed her unhappiness with the decision.

"It is unfortunate that the DNR has forgotten the premise for which it was formed - to protect and conserve our natural resources for use by the public. This decision turns state forest lands into an industrial outlot and our region into a paradise lost," she said.

Even with the lease, the company cannot begin mine construction. The U.S. Environmental Protection Agency (EPA) notified Kennecott in 2006 that an additional permit would be required by the federal agency. As of December, the company had not yet responded to the EPA permit requirements.

While lawsuits and contested cases are on-going in regards to Michigan Department of Environmental Quality permits related to the same project, NWF and other citizens groups opposed to the mine plan to mount a legal challenge of the DNR lease approval.