

SAN CARLOS, Ariz., Sept. 23, 2013 /PRNewswire/ -- The San Carlos Apache Tribe released a study today prepared by Power Consulting, Inc. establishing that the proposed Resolution Copper mine will produce dramatically fewer jobs and less revenue for the local communities and the State than previously reported. The study was conducted by Thomas Power, PhD, Professor Emeritus of Economics at the University of Montana.

The massive, underground block cave mine proposed by Resolution Copper Mining would destroy culturally protected and environmentally sensitive land within the Tonto National Forest. The mine would be located 4 miles east of Superior, Arizona. Mining would take place 7,000 feet below ground and cause a collapse of at least 2 miles in diameter on the surface, a subsidence that may be visible from outer space, in order to extract one cubic mile of copper covering an area approximately the size of 1,400 football stadiums.

Power Consulting reviewed the report prepared for Resolution Copper Mining ("RCM") by Elliott D. Pollack & Company (the "RCM report"). RCM is owned by foreign mining giants Rio Tinto PLC (United Kingdom) and BHP Billiton Ltd. (Australia). Power Consulting found that the RCM report *intentionally* ignored all physical, social and environmental costs for the proposed mine and vastly exaggerated the mine's benefits. RCM's report does not consider any governmental costs normally incurred when a mine opens, such as road improvements, increased police and fire protection service, and other infrastructure costs incurred by local communities, or the depletion or pollution of water resources by the mine.

"The mining company study assumed there would be no costs associated with the project and grossly overstates the positive impacts," said Terry Rambler, Chairman of the San Carlos Apache Tribe. "Economic studies must consider both costs and benefits. Assuming that the mine is cost free, which is what RCM's report presumed – and that the mine would only bring benefits – seriously misleads the public and the State of Arizona."

The Power Study identified numerous and significant costs that RCM's report ignored, such as the environmental costs of the proposed mine. Mining activities contaminate and deplete ground and surface water supply which require costly and perpetual treatment. Over the life of the mine, the extraction process will consume over 660,000 acre feet of water in a region that already is facing one of the most severe droughts in history. And, because RCM seeks to obtain the mine through federal legislation that avoids protections afforded under the National Environmental Protection Act, there exists the strong probability of a major environmental cleanup that will cost taxpayers millions of dollars. Remediation of toxic contamination requires costly and perpetual treatment.

The Power Study refuted the presumption that the proposed mine will generate significant revenue for the communities of Globe and Superior. Seventy-one percent (71%) of the tax revenue from the proposed mine will be collected by the federal government. Over half of the value created by the mine will go out of state, to national and international investors, and only about 4% of mineral value would flow to local residents in terms of wages.

The Power Study also rebutted RCM's assumption that copper production, employment and tax revenue will remain stable for fifty years, which is historically extremely unlikely. Copper production cycles swing from highs to lows because production is dependent upon market conditions, technology, pricing and a host of other factors that cause copper prices to fluctuate. Because of high upfront capital costs, mining companies try to accelerate the extraction of ore once the construction and equipment costs of the mine have been incurred, resulting in shorter life spans for mines. This is especially true for block cave mines. Thus, RCM's predicted fifty year life for this mine is questionable and suspect.

While mining is promoted as an economic benefit to communities, the Power Study pointed out that communities, like Globe and Superior, are not historically prosperous, despite their having long-time mining history. Because mining displaces other economic activities, these communities are less diversified and less economically stable. When jobs are lost, residents and businesses have few alternatives, which is why mining towns turn into ghost towns.

## San Carlos Apache Tribe: Proposed Resolution Copper Mine Grossly Exaggerates Jobs Revenues

Written by Australian Business

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Nor does mining increase employment. Between 1974 and 1997, copper production in Arizona rose by 73%, but the workforce was cut by 56%, or about 16,000 jobs. This is directly attributable to improvements in technology worker productivity. In 1974 it took 35 workers per 1,000 tons of contained copper. In 2003 it took only 7 workers to produce the same quantity. This trend will continue. Automation reduces the number of employees needed for drilling, blasting, train and truck driving. Some new jobs are created, but in remote operations centers, not in mining communities. Resolution Copper has announced that it plans to use highly mechanized and automated panel caving technology at the proposed mine, calling it the "Mine of the Future".

To read the complete study and for more information, visit [www.oakflat.org](http://www.oakflat.org).

San Carlos Apache Tribe is located in east central Arizona and covers more than 1.8 million acres from the Sonoran desert to alpine forest. The tenth-largest reservation in land area, San Carlos Apache spans Gila, Graham and Pinal Counties.

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