

Press Release

For Immediate Release: March 7, 2013

Rosemont Air Permit Based on Wrong Mining Plan and Manipulated Data ADEO Decision Challenged by Local Coalition

(Tucson, Ariz.) The air pollution permit issued in late January by the Arizona Department of Environmental Quality (ADEQ) for the proposed Rosemont Mine was based on an outdated mining plan that differs dramatically from the one Rosemont Copper announced last summer. The permit was also based on data that was manipulated by Rosemont to hide potential air pollution violations in Tucson and Pima County.

Those are among the key issues cited in an appeal of the ADEQ decision by Save the Scenic Santa Ritas (SSSR), a local coalition of farmers, ranchers, residents and businesses who are concerned about the damage the proposed open-pit copper mine would cause to southern Arizona's water supplies, air quality and economy.

"It's hard to believe that ADEQ would simply rubber-stamp this permit application," said Dr. Tom Purdon, a Green Valley physician. "ADEQ should have reviewed data about the mine that Rosemont actually intends to build, not data about a plan they discarded more than six months earlier."

In its appeal, SSSR identified several additional flaws in ADEQ's review of the Rosemont applications, including ADEQ's:

- failure to adequately evaluate Rosemont's setting of "process area boundary" for modeling air pollution emissions in direct violation of ADEQ standards;
- failure to adequately evaluate Rosemont's questionable claim that mining operations will not exceed 10 tons per year of certain hazardous air pollutants or 25 tons combined of those hazardous air pollutants; and
- failure to adequately evaluate Rosemont's manipulated modeling techniques that misrepresented weather conditions and other modeling inputs in order to avoid data showing violations of the Clean Air Act.

"Air pollution from the Rosemont Mine has the potential to harm the health and safety of southern Arizonans," said SSSR President Gayle Hartmann. "The ADEQ needs to follow its own regulations and require Rosemont to use accurate modeling techniques to ensure that the mine doesn't cause Tucson and Pima County to exceed air pollution standards. To do otherwise would jeopardize the health of those of us who live and work here."

Contrary to Rosemont's misrepresentations to potential investors and others, the ADEQ air pollution permit is just one of seven permits or other decisions that still must be obtained by Rosemont Copper before it can proceed with the mine:

- The US Forest Service must complete an Environmental Impact Statement (EIS) and issue a Record of Decision. In 2012, the Environmental Protection Agency gave the draft EIS its lowest possible rating and concluded that it was one of the worst EIS's ever reviewed. The Forest Service process has been delayed in large part by Rosemont's failure to provide requested information and by the Company's decision to dramatically change its mining proposal in July 2012.
- The US Army Corps of Engineers must issue a permit under the Clean Water Act that allows Rosemont to pollute area waterways. As with the EIS, the Environmental Protection Agency concluded in 2012 that the Rosemont Mine would cause "significant degradation" of area waterways, including "substantial and unacceptable impacts" to Davidson Canyon and Cienega Creek.
- The US Fish and Wildlife Service (FWS) must issue a Biological Opinion assessing whether the Rosemont Mine would jeopardize nearly a dozen threatened and endangered species, including the jaguar, ocelot and southwestern willow flycatcher. In addition, the FWS is in the process of designating critical habitat for both jaguars and the southwestern willow flycatcher that may include the Rosemont Mine site. The Arizona Department of Game and Fish has concluded that the Rosemont Mine "will render the northern portion of the Santa Rita Mountains virtually worthless as wildlife habitat and as a functioning ecosystem, and thus also worthless for wildlife recreation." Federal agencies are not allowed to approve actions that destroy or adversely modify critical habitat for endangered species.
- The Aquifer Protection Permit issued by the ADEQ in 2012 is still under appeal on the grounds that it fails to protect area groundwater supplies. The Water Quality Appeals Board has not yet ruled on the appeal.
- The Forest Service must also consult with the State Historic Preservation Office and, potentially, the Advisory Council on Historic Preservation to ensure that the Rosemont Mine doesn't adversely affect historic and cultural sites, including traditional lands of the Tohono O'odham Nation and other Native American Tribes.

[Editors' Note: A copy of the statement of appeal is attached.]

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9	IN THE OFFICE OF ADMINISTRATIVE HEARINGS	
10	DEPARTMENT OF ADMINISTRATION	
11	IN AND FOR THE STATE OF ARIZONA	
12		
13	SAVE THE SCENIC SANTA RITAS	
14	Appellant,	No.
15	v.	NOTICE OF APPEAL OF
16	ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY,	AIR QUALITY CONTROL PERMIT NO. 55223
17		(Rosemont Copper Company –
18	Respondent.	Rosemont Copper Project)
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21	Pursuant to A.R.S. § 49-428(A), this Notice of Appeal is filed by the following	
22	party ("Appellant"):	
23	Save the Scenic Santa Ritas	
24	Gayle Hartmann, President 8987 East Tanque Verde, #309-147 Tucson, Arizona 85749	
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26	This Notice of Appeal is filed against the Arizona Department of Environmental	
27	Quality ("ADEQ"). The action being appealed is ADEQ's issuance of Air Quality	
28	Control Permit No. 55223 on January 31, 2013, to Rosemont Copper Company	
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("Permit"). Appellant received notification of ADEQ's final licensing decision on this matter no later than February 5, 2013.

Appellant will be adversely affected by ADEQ's decision to issue the Permit. Appellant filed comments with ADEQ in response to ADEQ's issuance of a draft permit and request for public comment on August 6, 2012. Appellant filed comments with ADEQ on October 31, 2012, both by its individual comments letter dated October 31, 2012, and by being a signatory to the group comments letter dated October 31, 2012, whose first signatory is the Arizona Mining Reform Coalition.

Appellant files this appeal for the following reasons:

- 1. Potential emissions of Hazardous Air Pollutants ("HAPs"), pursuant to Clean Air Action section 112, 42 U.S.C. §7412, will exceed ten (10) tons per year of certain individual HAPs and 25 tons per year of all HAPs combined. ADEQ's approval of the Permit was also arbitrary, capricious, and not supported by the record because the record fails to demonstrate that ADEQ made an adequate evaluation of the application materials submitted by Rosemont and that Rosemont would not exceed these thresholds.
- 2. Because of the HAPs potential-to-emit, Rosemont should have applied for a Class I permit, rather than a Class II permit. ADEQ's approval of the Permit was also arbitrary, capricious, and not supported by the record because the record fails to demonstrate that ADEQ made an adequate evaluation of the application materials submitted by Rosemont and that ADEQ did not require Rosemont to apply for a Class I permit.
- 3. The modeling procedures are technically deficient, including, but not limited to, analyzing the current weather conditions, use of the AERMOD model, and definition of the "Process Area Boundary." Input data for modeling was not developed consistent with regulatory guidance. Consistent with its regulatory role to analyze the adequacy of the applicant's data and reports, ADEQ should have required the applicant to justify or revise modeling data inputs and

analytical conclusions to conform to regulatory guidances. ADEQ's approval of the Rosemont air permit was arbitrary, capricious, and not supported by the record because the record fails to demonstrate that ADEQ made an adequate evaluation of the application materials submitted by Rosemont and that the record fails to demonstrate that Rosemont used appropriate modeling procedures and inputs.

- 4. Data submitted by Rosemont in support of its permit application indicates the probability of NAAQS violations of certain criteria pollutants, including, but not limited to, particulate matter, ozone, and nitrogen dioxide. NAAQS violations by the applicant's operations have a significant likelihood of violating NAAQS limitations for the Tucson airshed and the Pima County SIP. ADEQ should have required additional emission controls to provide an adequate margin of safety to protect against the probability of NAAQS violations. ADEQ's approval of the Permit was also arbitrary, capricious, and not supported by the record because the record fails to demonstrate that ADEQ made an adequate evaluation of the application materials submitted by Rosemont and that the NAAQS standards would not be violated.
- 5. Particulate matter emissions are not sufficiently controlled to avoid a NAAQS violation. The new permit requirement that necessitates the installation of an ambient particulate monitoring device (Permit section XIV, B) is insufficient to ensure that particulate emissions limitations are not violated. Such violations should be avoided before they occur, rather than trying to correct operational failures after they occur. ADEQ's approval of the Permit was also arbitrary, capricious, and not supported by the record because the record fails to demonstrate that ADEQ made an adequate evaluation of the application materials submitted by Rosemont and that the record fails to demonstrate that the NAAQS particulate standards would not be violated.
- 6. Both Rosemont and ADEQ were aware prior to submission and subsequent

issuance of the Permit that Rosemont would not operate the facility as set forth in the permit application. ADEQ should have requested, and Rosemont should have provided, relevant new information to amend the application to more accurately reflect likely operations at the facility. This would avoid the unnecessary expense and delay from having to deal with permit revisions. Knowing that Rosemont was unlikely to operate its facility as set forth in the application prior to issuance of the permit makes ADEQ's decision arbitrary and capricious.

7. There is no evidence in the record to demonstrate that ADEQ conducted the required "administrative completeness" review of the permit application prior to commencing the substantive review. Merely deeming the permit application "administratively complete" by the passage of time is arbitrary and capricious in light of ADEQ's duty to actually conduct an "administrative completeness" review prior to commencing the "substantive review." The rule allowing ADEQ to deem a permit application "administratively complete" by the passage of time, A.A.C. R18-1-503(B), does not nullify ADEQ's obligation to conduct an "administrative completeness" review, A.R.S. § 49-426(C) and A.A.C. R18-1-501(2) & -503(A).

Appellant requests a hearing on this appeal and also requests that ADEQ withdraw its issuance of the Permit, for the reasons stated above.

Date this 7th day of March, 2013.

Ву:

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1 **CERTIFICATE OF SERVICE** 2 IN THE ARIZONA OFFICE OF ADMINISTRATIVE HEARINGS 3 Re: Save the Scenic Santa Ritas, Appellant v. Arizona Department of Environmental Quality, Respondent 4 Case No. 5 6 7 ORIGINAL filed via hand delivery this 7th day of March, 2013, with: 8 Hearing Administrator 9 Arizona Department of Environmental Quality Office of Administrative Counsel 10 1110 West Washington Street Phoenix, Arizona 85007 11 Courtesy **COPIES** of the foregoing mailed this 7th day of March, 2013, to: 12 13 Rosemont Copper Company 2450 West Ruthrauff Road 14 Tucson, Arizona 85705 15 Norman D. James Todd C. Wiley 16 Sean T. Hood Fennemore Craig, P.C. 17 3003 North Central Avenue **Suite 2600** 18 Phoenix, Arizona 85012-2913 19 20 21 23 24

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