

The Southeast Arizona Land Exchange and Conservation Act of 2013

- **H.R.687 – Introduced by Reps. Paul Gosar, Ann Kirkpatrick, Matt Salmon, David Schweikert, and Trent Franks**
- **S.339 – Introduced by Senators John McCain and Jeff Flake**

Why do we need the Southeast Arizona Land Exchange and Conservation Act of 2013?

- Creates thousands of high paying jobs.
- Reduces U.S. dependence on foreign sources of energy and minerals.
- Preserves Apache Leap.
- Protects endangered species habitat, sensitive ecosystems, recreational sites, and historic landmarks in rural Arizona.
- Generates billions of dollars of revenue for federal, state, and local governments.

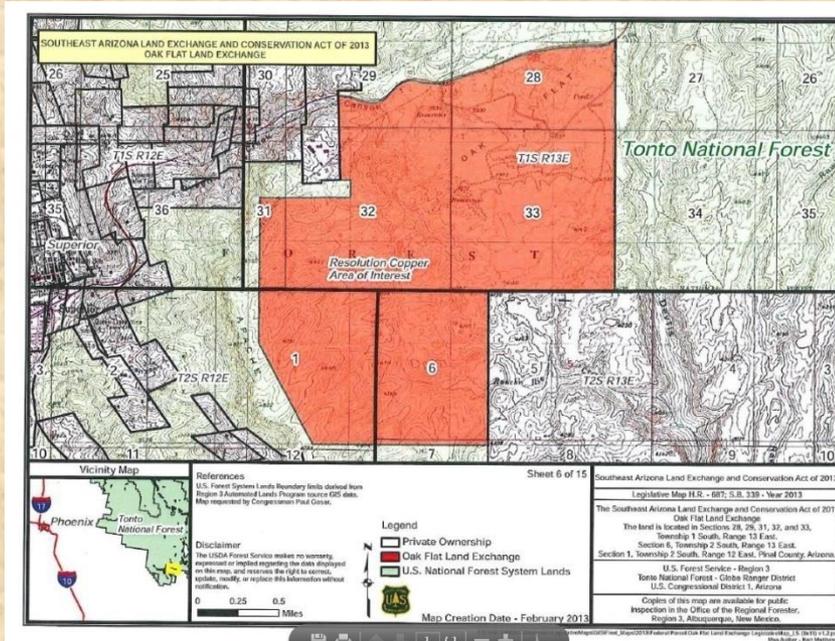


Overview of the Legislation

- H.R.687 authorizes, directs, facilitates, and expedites the exchange of land between Resolution Copper, the U.S. Forest Service, and the Bureau of Land Management.
 - Legislation is required because the exchange involves three parties.
- The exchange will bring into federal stewardship 5,344 acres of high-priority conservation lands in exchange for 2,422 acres of national forest system land containing one of the largest undeveloped copper resources in the world.
- H.R.687 and S.339 are nearly identical to the bill Rep. Gosar introduced and navigated to passage last Congress - the first time the exchange passed either body of Congress in its history.

Resolution Copper will acquire the 2,422 acre “Oak Flat” parcel

- This land is checker-boarded within Resolution Copper's lands.
- Resolution Copper already has unpatented mining claims that cover about 75% of the parcel.
- This conveyance is an important step to the development of the largest producing mine in North America.



Economic Highlights

- Over 3,000 construction jobs over a six to ten year period.
- Nearly 3,700 high-paying jobs once the mine is fully operational.
- Total economic impact on the State of Arizona estimated over \$61.4 billion, over \$1 billion per year.
- Contribute nearly \$20 billion in federal, state, county and local tax revenue.



The Forest Service would acquire a total of 1,194 acres from five different locations.

East Clear Creek – Coconino County, Arizona

- A 640-acre inholding encompassing a notable fishery and sensitive species including the bald eagle, northern goshawk, and the peregrine falcon.



Tangle Creek – Yavapai County, Arizona

- 148 acres recognized for having both pre-historic and historic value.



Cave Creek – Maricopa County, Arizona

- 149-acre inholding that will enable the protection of Cave Creek and its riparian corridor .



Turkey Creek – Gila County, Arizona

- A 147 acre inholding presenting a significant opportunity to preserve alluvial surface water (very rare) by reestablishing native cottonwood and sycamore trees



Enhances Federal Stewardship of Apache Leap

Apache Leap South End Parcel



- Conveys 110 acres of Apache Leap, currently owned by Resolution Copper, to the Forest Service.
- The legislation will provide more protection for Apache Leap since the bill explicitly prohibits any type of extraction activity.
- Section 8: requires the Secretary to “...manage Apache Leap to...preserve the natural character and...protect archeological and cultural resources...”

BLM would acquire a total of 4,150 acres from three separate locations

Appleton Ranch – *Santa Cruz County, Arizona*

- 940-acres adjacent to a congressionally established conservation area that are home to 200 species of birds, 60 species of mammals, more than 90 species of native grass, and 480 native plant species.



7B Ranch – *Pinal County, AZ*

- 3,050-acres within the San Pedro ecosystem, designated by the Nature Conservancy as one of the “Last Great Places on Earth.” The conveyance of this land would be an important addition to the San Pedro Riparian National Conservation Area.



Dripping Springs – *Gila County, Arizona*

- 160-acres identified by national rock climbers as a significant rock climbing resource.



Status of the 113th Congress Legislation

U.S. House of Representatives

- Reps. Paul Gosar, Ann Kirkpatrick, Matt Salmon, David Schweikert, and Trent Franks introduced H.R.687 on February 14, 2013.
- Referred to the House Committee on Natural Resources.
- Subcommittee on Energy and Mineral Resources Hearing held in Washington, DC on March 21, 2013.
- Committee on Natural Resources advanced H.R.687, by a bipartisan vote, to the full U.S. House of Representatives on May 15, 2013.

U.S. Senate

- Senators John McCain and Jeff Flake introduced S.339 on February 14, 2013.
- Referred to the Committee on Energy and Natural Resources.
- Awaits Committee Action.

Impact of the Town of Superior's 2013 Actions



- February 21, 2013: Town Council terminated the Mutual Benefits Agreement with Resolution Copper.
- March 15, 2013: Town Council Passes Resolution Opposing H.R.687.
- March 21, 2013: Councilor Kiki Peralta testifies before Congress in opposition of H.R. 687.
- August 1, 2013: Councilor Kiki Peralta reads statement at a Special Council Meeting containing misinformation about the legislation and false attack on rural Arizona's Congressional Delegation.

Correcting the Record and Debunking the Lies

Myth vs. Fact

Myth – “Our Congressional Representation is inaccessible.”



“Repeated requests to meet with Gosar and Kirkpatrick only resulted in an email from Gosar in March where we were told they were absolutely committed to resolving this problem and promise not to advance the bill without doing so.” – Kiki Peralta

- No promise related to Congressional Action was ever made.
- Both Members and their staffs have held numerous public events in Pinal and Gila Counties.
- The Town of Superior government officials have repeatedly declined invitations to meet and talk substantively about any issues.

Myth - *The mine will drain Arizona's water resources leaving the population high and dry!*

Fact



"We have not received any written amounts of water expected to be used and discharged and the effect on our water table." – Kiki Peralta

- The maximum amount of water needed in any given year is 16,000 to 20,000 acre-ft. per year.
- Resolution Copper has never planned on relying only on local groundwater resources to supply their water needs.
- The company has secured enough water to sustain operations for approximately one half of the proposed mine life.
- The company has committed to have 100 percent of the necessary water quantity before beginning production.
- Over \$45 million dollars has been spent on studying the hydrogeology in and around the mine project, and more than 47 wells have been drilled in the area to assess the water resources.
- The company has built a new \$10 million water treatment plant to treat water from the old underground mine workings.
- Water sources and uses will be detailed in the mine plan of operations that Resolution Copper will submit later this year

Myth – *“We have not received any assurances of who will be responsible for any environmental effects.”*

Resolution Copper’s voluntary reclamation of the old Magma Mine



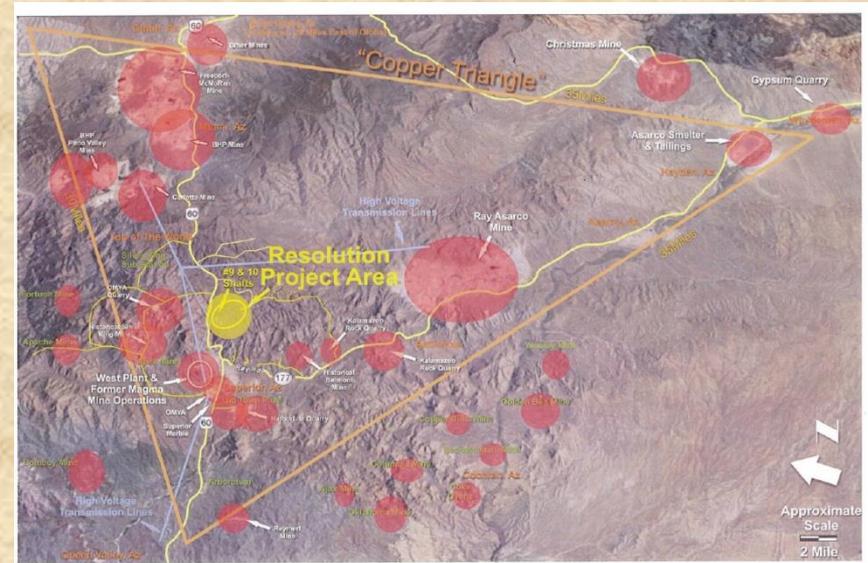
H.R.687 Facts

- The bill explicitly requires a NEPA environmental analysis on the mine **prior to commercial production.**
- The NEPA process will be managed by the federal government and an independent third party consultant will assess all the environmental impacts of the proposed Resolution project, including impacts to groundwater and surface water.
- The NEPA process allows for considerable public as well as other federal (i.e. EPA), state and county agency input all along the way.
- State and federal environmental analysis is required. The company is not exempt from environmental laws, including reclamation laws.

Myth – H.R.687 destroys Native American lands.

Fact

- The bill does not exchange any reservation lands.
 - The nearest federal parcel is located over twenty miles from the boundaries of the San Carlos Apache Tribe's reservation.
- USFS: “there is no verifiable evidence to date that cultural and religious sites would be negatively impacted by the project that the Southeast Arizona Land Exchange and Conservation Act sets in motion.”
- Section 4(c) of the bill directs consultation With Indian Tribes *“If not undertaken prior to enactment of this Act, within 30 days of the date of enactment of this Act, the Secretary shall engage in government-to-government consultation with affected Indian tribes concerning issues related to the land exchange, in accordance with applicable laws (including regulations).”*



Myth - The project is going to be operated by robots from China and lead to no U.S. jobs.

Fact

- 1,400+ jobs, based in Superior, created directly by the mine once it is fully operational.
- The Economic and Fiscal Impact Report conducted by Elliott D. Pollack & Company Consulting is available <http://gosar.house.gov/HR1904EconomicImpactReport>
- There has already been over \$950 million in private funds invested in the project. Last year, over 500 Arizonans worked at the site.
- Block cave mining is used at other sites in the U.S. and those (smaller) projects employ hundreds of workers.



Broad Bipartisan Support in Arizona

State Government Officials

- Governor Jan Brewer
- House Speaker Andy Tobin
- Senate President Andy Biggs
- Senate Minority Leader Leah Landrum Taylor
- Senator Barbara McGuire
- Senator Chester Crandell
- Representative T.J. Shope
- Representative Frank Pratt
- Representative Brenda Barton
- Representative Bob Thorpe
- And many more...

Local Governments

- Gila County Board of Supervisors
- Pinal County Board of Supervisors
- Maricopa County Board of Supervisors
- City of Mesa
- City of Apache Junction
- City of Casa Grande
- City of Maricopa
- City of Eloy
- City of Globe
- Town of Miami
- Town of Payson
- Town of Florence
- Town of Kearny
- Town of Winkelman
- Town of Queen Creek
- Town of Mammoth

Broad Bipartisan Support in Arizona

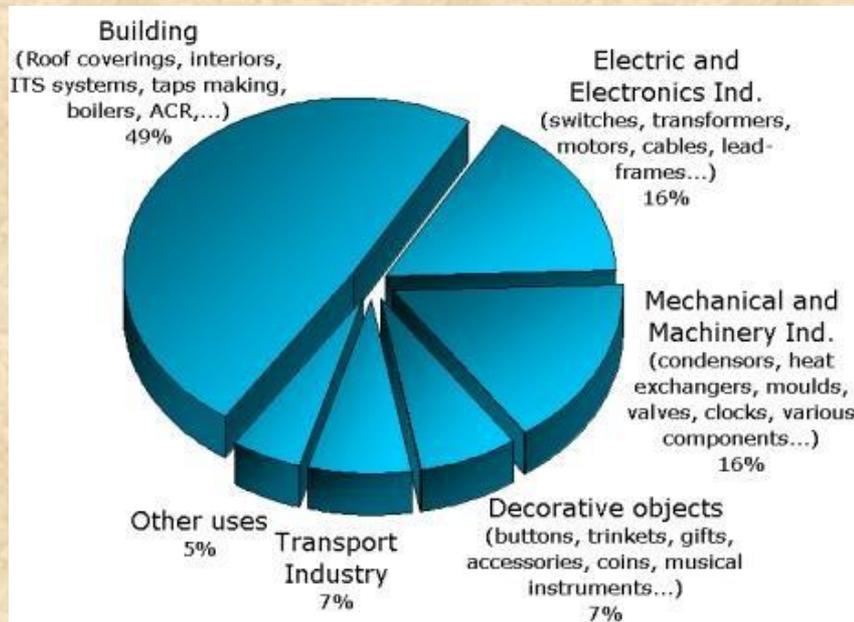
Business Community

- Arizona Chamber of Commerce and Industry
- Greater Phoenix Economic Council
- Copper Corridor Economic Development Coalition
- Globe Miami Chamber of Commerce Letter of Support
- East Valley Partnership
- Arizona Trucking Association
- Arizona Chapter Associated General Contractors
- Arizona Rock Products Association
- Arizona Mining Association
- Science Foundation Arizona
- And many more...

Other Stakeholders

- Arizona Game and Fish Commission
- The Sonoran Institute
- Queen Creek Climbers Association
- Superior Unified School District
- Town of Superior Little League
- Gila County Democrat Party
- Cobre Valley Democrats

Importance of Copper



- Copper is a critical metal used in the production of electronics, machinery, and renewable energy technologies, among other uses.
 - A single 3 megawatt wind turbine requires 4.7 tons of copper.
 - The average home today contains about 400 pounds of copper for electrical wiring, water pipes and appliances.
 - An automobile contains about 50 pounds. Hybrid vehicles require double the amount of copper.
 - The Department of Defense indicates that copper ranks second behind aluminum in defense industrial applications.
- The U.S. currently relies on foreign sources to provide 35 % of copper consumption.
- The Resolution Copper project could produce more than 1 billion pounds of copper per year for at least 40 years.
 - Enough to meet 25 percent or more of the annual U.S. demand

Questions?

More Information can be found at

<http://gosar.house.gov/southeast-arizona-land-exchange-and-conservation-act>