

THE COLORADO REVIEW PROCESS

The Colorado Review Process (CRP) is a voluntary effort by local, state and federal government agencies to better coordinate the permitting processes which will be required before the development of a mine at Mount Emmons by AMAX Inc. can proceed. On June 28, 1978, a joint agreement was signed by the Gunnison County Commissioners, the Colorado Department of Natural Resources (DNR) and the United States Forest Service which designates the three parties signing the agreement (called a joint statement) as the lead local, state and federal agencies. The attached DNR press release and a copy of the joint statement explains the CRP in more detail. Since the signing of the agreement there have been one or two meetings every month where the CRP participants (1) have discussed the regulatory requirements of major mine developments in the context of the Mount Emmons Project, (2) have developed an understanding of the scope of the Mount Emmons Project, and (3) have identified and discussed the issues and concerns which must be addressed by the Forest Service in preparing an Environmental Impact Statement and by other agencies that must grant approvals. Some of the accomplishments of the CRP since beginning one year ago are:

1. The Forest Service has started the formal preparation of an Environmental Impact Statement. Discussions at CRP meetings helped expedite that decision.
2. The CRP has asked for and obtained a long list of issues and concerns which are raised by the development of a mine at Mount Emmons. This list of concerns is helping the Forest Service scope the Environmental Impact Statement and is providing a public forum for further discussion and refinement of issues.
3. The CRP is providing a forum to bring government agency personnel and AMAX personnel together face to face well before any formal government decisions on project development are required. This is providing the opportunity for identifying intra-agency jurisdictional conflicts and is developing a basis for respect and understanding among the parties.
4. CRP meetings have increased public awareness and understanding of the issues presented by mine development. In this regard, the following actions have been a direct result of CRP meetings.
 - a. To present the results of environmental studies completed to date and to define the scope and magnitude of these studies, AMAX and its environmental baseline study contractors presented a

two-day conference/workshop in Gunnison County. The conference/workshop resulted in numerous suggestions and comments, some of which have been incorporated into next year's study plans.

- b. A Gunnison County representative suggested that a tour of some other communities that had experienced rapid growth would aid local people in planning for growth related to mine development. As a result of this suggestion, Rocky Mountain Center on Environment organized and directed a tour of Wyoming and Colorado cities which have been impacted by energy development.
 - c. Gunnison County, the United States Forest Service the state of Colorado and AMAX have agreed that a jointly funded and managed socio-economic/cultural assessment of the effects of mine development on Gunnison County should be initiated. On March 29, 1979, five companies made presentations to representatives of the CRP and one was unanimously selected.
5. Additional agreements are being prepared now which will define each party's responsibilities more precisely. The CRP offers a unique opportunity for providing a communications network within and between levels of government and with the project proponent. It is a demonstration project which is being considered by the leadership of some environmental organizations as an opportunity for reducing potential litigation and/or mediation. The concept has also been recognized by the Department of Energy which has provided funding to the state of Colorado to develop a similar process for handling major energy developments.

STATE OF COLORADO RICHARD D. LAMM, Governor

DEPARTMENT OF NATURAL RESOURCES

HARRIS D. SHERMAN, Executive Director
1313 Sherman St., Room 718, Denver, Colorado 80203 839-3311



Board of Land Commissioners
Division of Administration
Division of Mines
Division of Parks & Outdoor Recreation
Division of Water Resources
Division of Wildlife
Geological Survey
Oil and Gas Conservation Commission
Soil Conservation Board
Water Conservation Board
Mined Land Reclamation

News Release

Contact: Dale Lashnits
(303) 839-3437

June 23, 1978
Immediate Release

FEDERAL, STATE AND LOCAL OFFICIALS COOPERATE ON MOLY MINE'S FUTURE

DENVER--Representatives from federal, state and local governments and from AMAX Inc. will meet in Crested Butte June 27 - 28 to sign an agreement which is expected to be the first step in streamlining the permit process required of all major developments in Colorado.

Representatives from the Colorado Department of Natural Resources, the U.S. Forest Service, the City of Crested Butte and the Gunnison County Commissioners will participate in the signing of the agreement.

And, as part of that meeting, those attending will also get a first hand look at the scope of the AMAX proposal to develop what is expected to be one of the larger molybdenum mines in the world at Mount Emmons near Crested Butte.

The joint agreement will become the first step in development of the "Colorado Review Process for Mining Development", an effort to coordinate all the federal, state and local permitting processes required for major mining developments in the state.

"In a sense, this is an agreement to begin streamlining the permitting process," Harris Sherman, executive director of the Colorado Department of Natural Resources, explained. "It represents recognition within the state of Colorado that significant problems of coordination exist among state, federal and local agencies and for the commercial interests trying to sort through those agencies to obtain the necessary permits."

"Because of the AMAX interest in this process, it will serve as a demonstration project to develop a system to manage large developments in Colorado," Sherman added.

When the Colorado Review Process is formulated, it will mean that federal, state and local governments will be able to cooperate completely to provide a thorough review of the environmental, land use, socio-economic and other aspects of large mining projects.

As part of the agreement to be signed in Crested Butte, Sherman continued, AMAX and the various government agencies involved would eventually enter into site-specific agreements which will detail individual responsibilities and the schedule for environmental, technical and policy data collection and for review of that data.

"There is no guarantee that the AMAX proposal, when submitted, will be able to meet the environmental criteria that has already been established," Sherman said. "But by serving as a 'demonstration project', the proposed AMAX project will help local, state and federal officials and commercial applicants communicate with each other on future applications."

AMAX Inc. has indicated that there is a "sizeable quantity" of molybdenum-- or "moly"--at its Mount Emmons property near Crested Butte and that constructing a mine there represents a "several hundred million dollar" investment.

When the cooperative agreement is signed in Crested Butte, AMAX will be able to identify the "lead" government agencies working on the project. The company will then continue additional environmental and engineering studies to measure and mitigate the impact of the new mine. Those studies will determine potential mine, mill and tailing pond sites, sources of water, socio-economic impacts, etc. Construction of the mine itself would not begin until AMAX plans met the legal standards established by the various government agencies.

According to AMAX spokesmen, the United States currently produces about two-thirds of the world's supply of molybdenum, with much of that production concentrated in Colorado.

Because of its high melting point (4,730 degrees Fahrenheit compared to iron's melting point of 2,795 degrees Fahrenheit), moly is in demand as alloy to toughen steels and other metal. A metallic element, moly is also used in light bulbs and television tubes, in inks and paints, as a lubricant, fertilizer, etc.

JOINT STATEMENT

AMAX MT. EMMONS PROJECT

The U.S. Department of Agriculture, Forest Service (hereinafter referred to as the Forest Service), the State of Colorado (hereinafter referred to as the State), the Gunnison County Board of Commissioners (hereinafter referred to as the County) affirm the following agreement:

Purpose

AMAX Inc. has discovered an important molybdenum resource in Gunnison County and is presently evaluating the feasibility of developing a molybdenum mine. A substantial portion of its work in 1978 and 1979 will be directed toward the preparation of a comprehensive feasibility study required prior to the beginning of mine construction in the early 1980's.

The purpose of this Joint Statement is to identify and coordinate local, state, and federal government jurisdiction and review of land use planning, environmental impact analysis, socioeconomic evaluation, and any similar activity related to the evaluation and development of a proposed AMAX molybdenum mine in Gunnison County, Colorado; to establish coordinating procedures for required action, where possible, and to develop the means for these procedures to be undertaken in a timely, sequential manner.

Procedure

The parties to the Statement agree to the following to facilitate cooperation and coordination of their several and joint responsibilities and jurisdiction in reviewing, evaluating, and commenting on the land use, environment and socioeconomic aspects of the Mt. Emmons project through the use of a version of the "Colorado Review Process," (CRP), modified to fit the Mt. Emmons project:

1. Early notification to all parties of the Statement of any proposal for molybdenum development involving the Mt. Emmons deposit or other ore bodies that might be found, developed and mined in connection therewith, and any proposal directly related or ancillary to such molybdenum development.

2. Joint completion of the Colorado Review Process and subsequent modifications thereto, and through the subsequent steps that may be affirmed in the site-specific agreement which will be defined at a later date.

3. Agreement, as described herein, that all Parties of the Statement be given a reasonable opportunity, within prescribed statutory requirements to review, evaluate and comment upon all significant environmental and socioeconomic aspects and impacts of the proposed development.

4. Agreement that at an appropriate future date the parties and AMAX, or its successors, will individually enter into one or more site-specific agreements which will detail the responsibilities of each party; the schedule for completion of data collection required for environmental, technical, and policy review; and the schedule for completion of evaluation, review, and comment by all parties pursuant to statute, this statement or subsequent agreements.

5. Designation of one employee, agent, or representative of each party to this statement, who shall serve as contact point for that party, and who shall supervise the coordination and cooperation of that party as described in this statement. The list of persons so designated shall be attached hereto and is incorporated herein. (The designated representatives will be the CRP Team.)

IT IS FURTHER AGREED:

1. The coordinating local agency shall be the County, which will have the responsibility to keep the parties to this agreement informed of the progress of the review and which will call such meetings as are necessary and will serve as a focal point for notices of any matters pertaining to the review. In addition, the County shall coordinate local government involvement, including municipalities, in the review and approval functions provided for in the Colorado Review Process.

2. That the Colorado Department of Natural Resources will act as the Coordinating State Agency upon which the County will rely for coordinating State of Colorado involvement in the review and approval functions provided for in the Colorado Review Process.

3. That the Forest Service, as the Manager of the Federally owned lands involved, will keep the other Parties informed as to the Federal review, evaluation, and actions under its jurisdiction that affect and are affected by Mt. Emmons Project proposals and activities on Natural Forest System lands.

4. That the standards to be applied for any review, comments, or decisions applicable to Mt. Emmons Project plans will include:

- a. All laws, regulations, and ordinances of the Parties hereto, the State of Colorado and its agencies, and the Federal Government and its agencies.
- b. Applicable goals, objectives, and plans of the Parties hereto will be reviewed when evaluating the project.

Upon signing this Joint Statement each Party shall prepare a statement of its applicable, existing jurisdictional role as defined by statute and regulations, specific plans, policies, goals and objectives which it believes should be considered in the evaluation of a Mt. Emmons Project. This statement will be submitted by each Party to the coordinating local agency (Gunnison County) to clarify planning criteria and assist in identifying each Party's responsibilities.

5. That all Parties agree to commit themselves and follow the procedures established in the Colorado Review Process and subsequent modifications thereto, in evaluating the proposed project. However, in the event of inability of any of the Parties to perform in accord with the terms, conditions, and intent of this Statement, the other Parties to the Statement will conduct such activities and assume such responsibilities as may be necessary to conduct the Colorado Review Process. This responsibility does not include the receipt of applications and proposed operating plan submitted by AMAX, as required by statute and regulations, to the appropriate state, local or federal agency.

<u>Signed by Jimmy R. Wilkins</u>	<u>June 28, 1978</u>
Supervisor, Grand Mesa, Uncompahgre, Gunnison National Forests	Date

<u>Signed by Harris D. Sherman</u>	<u>June 28, 1978</u>
Executive Director, Colorado Department of Natural Resources	Date

<u>Signed by Kenneth Watters</u>	<u>June 28, 1978</u>
Chairman, Gunnison County Board of County Commissioners	Date

CONTACTS FOR THE COLORADO REVIEW PROCESS

DOROTHY JOHNSON, CRP Chairman Gunnison County Administrator	Gunnison	641-1460
GARY FISHER Colorado Department of Natural Resources	Denver	839-3311
JOHN M. CURRAN (Mike) District Ranger, Gunnison National Forest	Gunnison	641-0471
DAVID LEINSDORF Gunnison County Commissioner	Gunnison	641-1460
ART BIDDLE AMAX Project Manager/External Affairs	Crested Butte	349-5381

ADDITIONAL CONTACTS

TERRY HAMLIN Manager of Local Affairs AMAX/Mount Emmons Project	Crested Butte	349-5381
TERRY FITZSIMMONS Director of Public Relations AMAX/Climax Molybdenum Division External Affairs	Denver	234-9020
GEORGE MEANS, Chairman Gunnison County Commissioners	Gunnison	641-1460
KEN WATERS Gunnison County Commissioner	Gunnison	641-1460
HARRIS SHERMAN Executive Director/Colorado Department of Natural Resources	Denver	839-3311
ROBERT SEIK Deputy Director/Colorado Department of Natural Resources	Denver	839-3311
STEVE SCHMITZ Socio-Economic Coordinator Office of the Governor	Denver	839-2674