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"Technical Support for Grassroots Public Interest Groups"

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Re: COMMENTS ON MMSD DRAFT REPORT

Sorry I didn't have more time to review the report before your comment deadline, but I would like to suggest the following:

Chapter 5: Case Studies on Minerals

There is very little discussion on the impacts of mining individual metals (i.e. where mines are located, methods of extraction, environmental and social problems associated with extraction, etc.), even though these impacts are probably the major issues of concern for most of the readers of this report.

Chapter 7: The Control, Use, and Management of Land

In footnote 17 there is reference to McShane (2001). However, McShane (2001) is not listed in the Bibliography.

Chapter 10: Mining, Minerals and the Environment

Environmental Management: Best Practice

> *"At the corporate level, respect for both the physical and social environment is now considered to be an essential element of good business practice. Most major mining companies are committed to the continuous improvement of their environmental and social performance, often going beyond the legal requirements to include voluntary industry codes of practice and management systems." (p. 10-25)*

Two of the issues that are not addressed in the report are:

(1) The weaknesses in voluntary versus mandatory codes of practice and management systems;

and,

(2) The problem of companies saying that they apply the same (i.e. best) environmental standards at all of their facilities, regardless of location, when in fact there are significant differences in practices and environmental compliance.

Chapter 16: Agenda for Change

Financial Surety

One of the suggestions for developing a model for creating a financial surety is to:

> • *Establish guarantees based on broad standards such as acres or hectares of land affected rather than detailed engineering calculations. (p. 16-15)*

For many years government agencies in the United States used a general figure (usually $2000/acre), instead of engineering calculations, to calculate financial sureties for mines. This was an unmitigated disaster. A general figure was not adequate to take into account the site-specific considerations that made a project more, or less, expensive to close than the broad standard. Basing a financial surety on engineering calculations, while requiring a level of detail that usually means more work of the project proponent, only means that the work has to be done sooner, not that it doesn't have to be done. In addition, by requiring that some detailed engineering work be put into closure planning, as well as operational planning, means that the mine can truly be designed for closure in a sustainable development framework – and that closure issues are not left to fall where they may at the end of the mine's operational life when resources are generally at a minimum.

The suggestion to establish guarantees based on broad standards such as acres or hectares is a very dangerous suggestion, and should be revised to say that engineering calculations should be used to calculate the financial surety for any mine that is not the very smallest scale of production, or is run by artisanal miners.

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