



Mackinac Center for Public Policy

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DEQ Adheres to Environmental Law in Kennecott Case

By [Russ Harding](#)

The Department of Environmental Quality's decision to approve permits for [Kennecott Mineral Company's Eagle Project](#) in the Upper Peninsula is a victory for property rights in the state.

The DEQ approved three permits based on detailed analysis of whether the Eagle Project plans met Michigan air quality, groundwater discharge and mining legal standards. These are the first permits granted under Michigan's nonferrous metallic mineral mining law, adopted in 2004 and considered among the most stringent in the United States. In addition, DEQ required even more rigorous standards before granting the permits based on concerns voiced by Michigan residents. The DEQ last March had announced it was withdrawing a previous approval the Kennecott application.

Anyone considering starting or expanding a business in Michigan should take heart from this decision. The agency was right to adhere to existing regulatory laws rather than succumbing to abstract interpretations or bowing to pressure from special interests. By approving these permits, the DEQ has delivered a victory for property rights in Michigan by assuring that regulatory law will be followed to the letter rather than arbitrarily. This sends a clear and very positive message to companies planning on doing business in Michigan.

The permits allow KMC to operate a nickel and copper mine, which is expected to yield between 250 and 300 million pounds of nickel and 200 million pounds of copper from a 6-acre underground deposit. On Dec. 6, the Michigan Department of Natural Resources recommended that the Michigan Natural Resources Commission approve two additional KMC projects – 120 acres for surface facilities and a site reclamation plan once

Eagle Project mining concludes. The NRC will rule on the issue on Jan. 10, 2008.

Kennecott plans on mining a deposit that is 1,000 feet deep, 400 feet wide and 80 feet thick, containing 3.6 percent nickel and 3.1 percent copper. Successful development of the mine would make it the only primary nickel mine operating in the United States. The mine would be underground with no open pits or waste rock piles. The material would be processed off site, resulting in no tailings piles — the rock that is left after the valuable minerals have been extracted — in the area.

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