

**Statement of Roger Featherstone, Director, Arizona Mining Reform Coalition
Regarding Rio Tinto's announcement of November 30, 2012**

December 4, 2012

On November 30, Rio Tinto announced plans to lay off 80% of their work force engaged in exploration and other activities at Oak Flat. Rio Tinto says they are forced to make this move because Congress has not passed the Oak Flat land exchange yet this Congress. Rio Tinto has made similar threats during every Congress since their special interest legislation was first introduced in 2005.

Rio Tinto should be ashamed for using their workers as pawns to try to force the US Congress to pass their bill. There are many good reasons that the bill (the current version is HR 1904) is bad for the America public. HR 1904 would be the first piece of federal legislation that would turn over a Native American sacred site on public land to foreign mining companies. HR 1904 would mandate the largest loss of rock climbing opportunities on public lands in US history. HR 1904 would privatize a Campground that has been off limits to mining since 1955. HR 1904 bypasses the normal method of permitting mines on public lands in the Unites States that every other modern mine has gone through.

Rio Tinto has threatened to take their marbles and go home at least once every Congress since 2005 to force public pressure on Congress to pass their bill. Each time, the bill did not pass and Rio Tinto did not leave. Now, after years of this behavior, Rio Tinto once again claims they have no choice but to lay off workers until they get the land exchange.

Like a bully, Rio Tinto blames everyone but themselves. In fact, this entire drama is of Rio Tinto's own making.

Whether or not Rio Tinto does actually have 500 employees working on the Oak Flat project, they admit that only 60 workers (or 12% of their workforce) live in Superior. One would think that if Rio Tinto actually cared about Superior, more of their workers would actually live in Superior. In fact, none of the senior management of Resolution Copper lives in Superior. Most of the workers building the #10 shaft work for out of state or foreign companies. These companies did not intend to remain permanently in the area. They are here only to complete their contract and then move on to the next contract. Most of the drilling crews move from drilling operation to drilling operation and never intended on staying the Superior. Rio Tinto says in its press release that they plan to lay off workers when the #10 shaft is complete and when they complete work at their current drilling sites. This would be a natural time to downsize while they analyze their drilling data and access whether to move forward.

Rio Tinto is cutting back on operations around the world due to shrinking demand for copper and years of increased production. The combination of a slowdown across the industry and the completion of current tasks by contractors have much more to do with the potential to downsize than whether or not the land exchange passes. Yet Rio Tinto finds it convenient to blame any potential layoffs on those wanting Oak Flat to remain public land.

All of this points to the dangers of the boom and bust cycle that is inherent in modern mining. Companies build up workers, only to lay them off on short notice. Exactly like Rio Tinto is now threatening to do, and exactly like the mining industry has treated Superior since Magma first laid off 1,500 workers in a single day 30 years ago. If Rio Tinto continues to move forward, this inevitable scenario would repeat many times over the life of the mine. This is all the more reason for Superior and other small mining towns to diversify rather than remain as one industry towns. Superior has a wonderful national treasure just outside its borders. To trade it away to Rio Tinto for a lifetime of this bust and boom cycle would be ill advised.

We have maintained all along that Rio Tinto has placed the cart before the horse by demanding the land exchange before completing a mining plan of operations and agency review. Rio Tinto should abandon their lobbying effort to push through the land exchange and halt operations until they write a mining plan of operations and it goes through the permitting process. Any attempt to move forward should come with a guarantee that the Oak Flat watershed remain as public land and that there would be no infringement on religious freedom or the integrity of the Oak Flat watershed as a sacred site. Rio Tinto could help the town of Superior move on, diversify its economy, and take advantage of the natural heritage and recreational opportunities on their doorstep. This would be far better than to blindly push for their special interest legislation while leaving a trail of divisiveness and economic ruin behind.

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