

Department of Justice

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HECLA MINING COMPANY TO PAY \$263 MILLION IN SETTLEMENT TO RESOLVE IDAHO SUPERFUND SITE LITIGATION AND FOSTER <u>COOPERATION</u>

Resolves Historic Claims by Coeur d'Alene Tribe, Federal Government and State of Idaho for Cleanup Costs and Natural Resource Damages from Mining Waste, and Fosters Cooperation on Future Cleanup

WASHINGTON – A settlement has been reached with Hecla Mining Company to resolve one of the largest cases ever filed under the Superfund statute. Under the settlement, Hecla will pay \$263.4 million plus interest to the United States, the Coeur d'Alene Tribe and the state of Idaho to resolve claims stemming from releases of wastes from its mining operations. Settlement funds will be dedicated to restoration and remediation of natural resources in the Coeur d'Alene Basin. The agreement, which was lodged in federal district court in Idaho today, brings closure to that lawsuit and establishes a strong basis for future cooperation between Hecla and the governments in the Coeur d'Alene Basin.

The lawsuit was originally brought against Hecla and other mining companies by the Coeur d'Alene Tribe in 1991 and was joined by the United States in 1996. The state of Idaho joined the lawsuit today in order to participate in the settlement and resolve its claims against Hecla. The lawsuit sought damages for injuries to natural resources such as clean water, fish and birds caused by millions of tons of mining wastes that had been released into the South Fork of the Coeur d'Alene River and its tributaries. The U.S. Environmental Protection Agency and Idaho have been performing cleanup work in the Coeur d'Alene Basin since the early 1980s, and the suit also sought to recover cleanup costs.

Prior to reaching this settlement with Hecla, the United States, the tribe and Idaho had settled their claims against other defendants named in lawsuits regarding historic mine releases in the Coeur d'Alene Basin. The current case history included a 78-day trial in 2001 by the United States and the tribe against ASARCO and Hecla on liability issues. ASARCO, the other primary defendant named in the lawsuit, reached settlement with the United States in 2008 while it was emerging from Chapter 11 bankruptcy. After the ASARCO settlement, U.S. District Judge Edward J. Lodge postponed the second phase of the trial against Hecla to allow time to reach a settlement.

The settlement also includes a process for coordinating Hecla's future mining operations with cleanup activities in the Coeur d'Alene Basin.

"The resolution of these longstanding claims of the Coeur d'Alene Tribe, the state of Idaho and the United States at the Bunker Hill Superfund Site demonstrates the federal government's vigor in enforcing the nation's environmental laws." said Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division at the Department of Justice. "This agreement will help pay for the U.S. government's clean-up activities, secures natural resource damages, and will restore critical habitats to fish and wildlife in the Coeur d'Alene River Basin."

"This settlement means cleanup and mining can now move forward together in the Silver Valley," said Dennis McLerran, EPA Regional Administrator in Seattle. "Today's agreement not only provides more money for cleanup, but helps lay the foundation for a stronger future: one built on mining stewardship, a healthier environment and a growing, vibrant economy."

The Bunker Hill Superfund site is one of the nation's largest and most contaminated Superfund sites. At one time, the Upper Basin, or Silver Valley, was one of the largest silver producing districts in the world. As a result, the basin has been contaminated by the release of metals like lead and arsenic, which are widespread. EPA began cleanup at the site in the 1980s, focusing on protecting human health. Although measurable improvements in public and environmental health have been achieved, widespread contamination remains a challenge and cleanup work will continue for many years.

"Twenty years ago tribal leaders were convinced that not enough was being done to clean up the Coeur d'Alene Basin following a century of mining activity in the Silver Valley. Against all odds, the tribe made an unpopular decision to bring one of the largest superfund lawsuits in our nation's history," said Chief J. Allan, Chairman of the Coeur d'Alene Tribe. "Today we honor Henry SiJohn, Lawrence Aripa and Richard Mullen, three former leaders who were instrumental in that decision and who all passed away before they could see the results of their remarkable determination. As we move from litigation to restoration, I'm certain they are smiling down on us today. The tribe is hopeful that this settlement marks a new chapter in the stewardship of the land we all hold dear. The tribe stands together with the United States, the state of Idaho and Hecla to restore our natural resources while we continue to provide economic prosperity to the region."

"This settlement brings decades of litigation to a close and provides a clear path to continue restoring the health of the environment, economy and communities of the Coeur d'Alene Basin," Idaho Governor C.L. "Butch" Otter said.

The federal agencies responsible for the affected natural resources see this settlement as an opportunity.

"This settlement provides substantial funding that the trustees will use to restore habitat for fish, birds and other natural resources that have been injured for many decades by mining wastes," said Rachel Jacobson, Acting Assistant Secretary for Fish, Wildlife, and Parks at the U.S. Department of Interior.

Maggie Pittman, Acting Forest Supervisor for the Idaho Panhandle National Forests agreed. "Our agencies brought this case to ensure restoration of the Coeur d'Alene River Basin for the communities it serves, and that is what this settlement provides."

The consent decree, lodged in the U.S. District Court for the District of Idaho, is subject to a 30-day public comment period and approval by the federal court. A copy of the consent decree is available on the Justice Department Web site at www.justice.gov/enrd/Consent_Decrees.html.

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