

THE STILLWATER GOOD NEIGHBOR AGREEMENT: A new business model of cooperation for natural resource industries

By Lisa Fattori

Stillwater Mine overview.

While the concept of a Good Neighbor Agreement isn't new, it is an anomaly within the natural resource industry. A tradition of conflict and distrust between natural resource companies and local environmental groups is an ingrained culture that has perpetuated an "us vs. them" mindset and a stalemate in achieving common objectives.

Even rarer is the success of such an agreement, seven years after its implementation. The first of its kind, the Good Neighbor Agreement between Stillwater Mining Company (SMC) and the Northern Plains Resources Council (NPRC) and its affiliates is a testament to the positive impact of cooperation. The legally binding Agreement accommodates the interests of both the mining company and citizen groups, through forums of discussion, debate and resolution.

Among the Agreement's provisions, independent consultants can inspect SMC mines, collect samples and interview employees. NPRC and its affiliates, in turn, gave up its right to litigate against the mine. Two committees, with equal representation from both sides, review plan implementation requirements, waste reduction measures and new technologies and responsible mining practices. If the committees are in deadlock, the issue goes to binding arbitration.

The practical implementation and ensuing benefits of the Good Neighbor Agreement have fully convinced Bruce Gilbert, SMC's Director of Environmental and Governmental Affairs, that the Agreement fosters positive goal-setting for all interested parties. "At first, I was very skeptical about the Agreement, but now know that this is the way to do business," he says. "Trying to settle disputes in court is a culture of conflict that doesn't work for either side. The Good Neighbor Agreement forces everyone to sit at the table and identify common ground, as a starting point in resolving an issue."

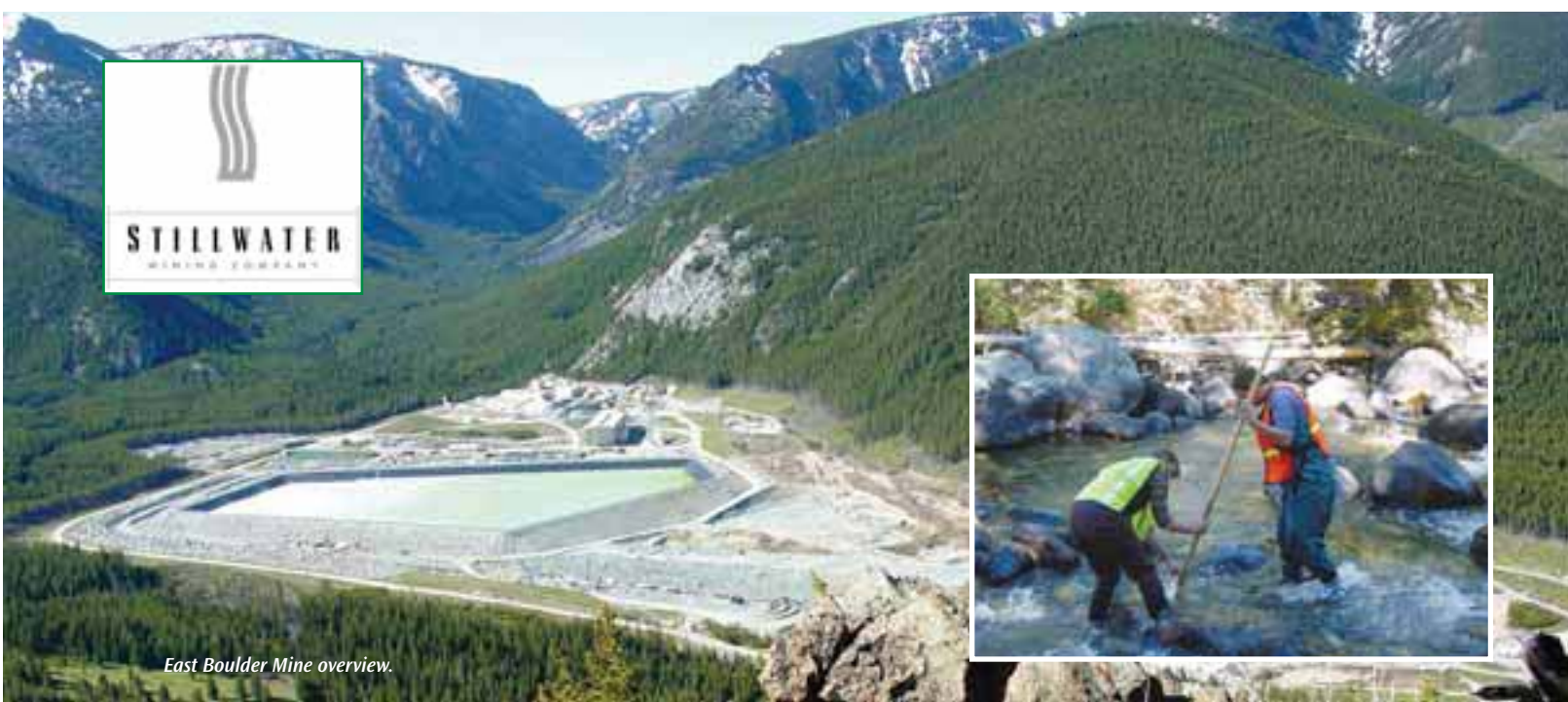
Negotiating a fair and equitable Agreement was challenging for both sides and took more than a year to finalize. Fifth generation ranchers have been environmental watchdogs of the Stillwater and Boulder Rivers for almost three decades and, as members of the Stillwater Protective Association and the Cottonwood Resource Council, promote environmental responsibility. With the Stillwater Mine operating near Nye, Montana and the East Boulder Mine in development near Big Timber, Montana, the socio-economic, as well as the potential environmental impact, became a cause for concern among citizen groups.



*"The only U.S. producer of...
... Palladium and Platinum"*

www.StillwaterMining.com

www.StillwaterPalladium.com



East Boulder Mine overview.

“We were primarily interested in water rights and quality, which are so important in a ranching community,” says Paul Hawks, past Chair of NPRC and a representative of the Good Neighbor Agreement’s Eastern Boulder Oversight Committee. “Also, this is a small community, and the huge influx of people affected the local infrastructure and created traffic congestion.”

With each side pumping money into a legal system that promised no timely results or a favorable outcome, the Good Neighbor

Agreement was a risk worth pursuing. “One of the hurdles that both sides had to overcome was the concept that this Agreement was legally binding,” Gilbert says. “Ironically, these legal obligations are what make the relationship so successful. No one can throw up his hands and threaten legal action on the way out the door. Instead, we’re bound by the Agreement to work together towards a resolution.”

Hawks concurs that the Agreement, in practice, has ushered in a culture of respect and trust. “Over time, you get to know one another

EVERY VOLVO IS BUILT AROUND ONE IDEA.

YOU.

To build the world’s most durable, most productive construction equipment, we start with you. We find out what it takes for you to do your job faster and more economically. Then we build it in to every one of our machines. That’s why your cab is more comfortable. Your engine does more on less fuel. There’s more uptime between maintenance – and servicing is made easier too. We believe that if we take more care of you, you’ll be more able to take care of your job. It’s an idea we call more care, built in.

More care. Built in.

Put a Volvo to the test – find your dealer below or at www.volvoce.com

VOLVO

YOUR TRI-STATE TRUCK & EQUIPMENT LOCATIONS ARE:

Billings, MT 59101 5250 Midland Road Phone: (406) 245-3188 Fax: (406) 238-1501	Great Falls, MT 59404 5024 Tri-Hill Frontage Road Phone: (406) 452-9551 Fax: (406) 452-9831	Casper, WY 82602 P.O. Box 340, 1271 North Derrick Drive Phone: (307) 472-1818 Fax: (307) 472-3272
--	---	--

granite seed

Your one-stop source for all land reclamation, restoration and revegetation projects

- Grasses, shrubs, wildflowers, turfgrasses, & wetlands species
- Erosion Control blankets, wattles, mulches, tackifiers, channel liners, & bonded fiber matrix

We specialize in meeting the contractor’s needs.

Quality seed and fast, professional service

Visit our web site for detailed descriptions of over 500 native and site-adapted plant varieties

www.graniteseed.com
801-768-4422



Good Neighbor Agreement sampling.



Rams on Stillwater Mine property

as individuals, and this establishes trust,” he says. “You also get to see the other side’s position and discover that you share common interests. A strong working relationship means that you can be up-front and get down to business on the issue at hand.”

SMC’s corporate culture of environmental responsibility, even prior to the Good Neighbor Agreement, is conducive to the Agreement’s success. As North America’s largest producer of palladium, used in catalytic converters, SMC is intrinsically committed to minimize its environmental footprint. A long tradition of community involvement, philanthropy and best practices that exceed industry regulations honed SMC’s willingness to partner with citizen groups, and to innovate new processes that ensure environmental sustainability.

“As producers of pollution-control metals, it would be disingenuous

to degrade the environment in the process,” Gilbert says. “Stillwater Mining Company has always been environmentally responsible, which makes the Good Neighbor Agreement the ideal alliance. The Agreement is in the spirit of operating responsibly to protect the environment for future generations.”

Several of SMC’s green initiatives include a biological treatment system to reduce nitrogen in the mine water. Nitrogen levels in the treated water are close to zero, as opposed to an allowable 10 ppm limit, required by drinking water standards. In addition, at SMC’s smelter, the company has removed sulphur dioxide by 99.8 per cent. The sulphur dioxide is scrubbed to produce gypsum (calcium sulfate), a by-product that is sold as a soil amendment for sodium impacted soils.

“We’ve demonstrated that we’re willing to put our money where

We're So Much More Than a Rental Store!

We're Your Factory Authorized FULL SERVICE Dealer!

JLG Allmand GROVE Genie TAYLOR

H&E EQUIPMENT SERVICES **Call Us Today! 800-766-3428**
100 Steffes Road • Billings, MT 59101

our mouth is, and that our environmental commitment is not just a façade,” Gilbert says. “We’ve spent millions to implement the best possible programs, including a Land Application Center Pivot system that removes any residual nitrogen after treatment by agronomic uptake. This system also improves ranch land forage that supports wildlife and cattle grazing on a company-owned ranch, and furthers the treatment of mine water so that nitrogen concentrations in groundwater are non-detectable. “

In 2005, SMC and NPRC re-negotiated the Good Neighbor Agreement, to trim irrelevancies within the document, and to focus on issues that became more apparent after five years of practice. SMC agreed to continue busing employees to and from the mine, which improves road safety through reduced congestion, and minimizes vehicular pollution.

“There were over 1,000 miners and support staff going to the mines every day, which created a lot of traffic on our rural, winding roads,” Hawk says. “After five years of busing employees, the mine could see that it was money well spent. Absenteeism



East Boulder Mine – Water Treatment Plant.

went down and employees appreciated not having to drive at the end of their shifts.”

Today, out of 1,700 employees, company wide, approximately half are area residents that enjoy economic opportunity because of employment at Stillwater Mining Company. Equally important are the pristine natural surroundings and the continued health of the county’s waterways. The Good Neighbor Agreement does not compromise either; rather, it creates one side - a common side

that marries economic prosperity with environmental responsibility.

“With this Agreement, we’re not debating philosophical truths and going nowhere,” Gilbert says. “We’re looking at where the rubber hits the road in our own community, and are addressing local issues and concerns. When everyone shares the same values and goals, it’s not about compromise; it’s about creating a win-win scenario.” ■



Serving the Mining Industry for over 50 Years in the USA & Canada.

Graymont Western US, Inc.
4 1/2 Miles West of Townsend
P.O. Box 550
Townsend, MT 59644
Phone: (406) 266-5221
Fax: (406) 266-3079
www.graymont.com

