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21	DISTRICT OF ARIZONA
22	
23	United States of America;
24	and State of Arizona,) Plaintiffs.) Civil Action No.
25	Plaintiffs,) Civil Action No. v.
26	Freeport-McMoRan Corporation;) and Freeport-McMoRan Morenci Inc.,)
27	Defendants.
28) <u>COMPLAINT</u>

The United States of America, by authority of the Attorney General of the United States and on behalf of the United States Department of the Interior, and the State of Arizona, acting through the Arizona Attorney General on behalf of the Director of the Arizona Department of Environmental Quality and Trustee for Natural Resources for the State of Arizona, file this Complaint and allege as follows:

NATURE OF THE ACTION

1. This is a civil action brought under Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42

U.S.C. § 9607(a), to recover damages from the Defendants for injury to, destruction of, or loss of natural resources resulting from releases of hazardous substances at and from the Freeport-McMoRan Morenci Mine Site (hereinafter the "Mine Site") located in southeastern Arizona near the town of Morenci in Greenlee County. Natural resources, including, but not limited to, surface waters, terrestrial habitat and terrestrial receptors, and migratory birds, have been injured, destroyed, and lost as a result of releases at and from the Defendants' Mine Site. The Defendants are liable for damages for these injuries, destruction, and losses, including the costs of assessing such impacts.

JURISDICTION AND VENUE

2. The Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345 and Sections 107 and 113(b) of CERCLA, 42 U.S.C. §§ 9607, 9613(b). The Court also has personal jurisdiction over the Defendants.

3. Venue in this District is proper pursuant to Section 113(b) of CERCLA, 42 U.S.C. § 9613(b), and 28 U.S.C. § 1391(b) and (c) because the Defendants operate in this District and the releases and natural resource injuries occurred in this District.

THE PARTIES

- 4. The United States, through the Secretary of the Department of the Interior ("DOI"), is the Federal Trustee for a variety of natural resources. Exec. Order No. 12,580 as amended by Exec. Order 12,777; 40 C.F.R. § 300.600. The Secretary's trusteeship includes, but is not limited to, land, waters, migratory birds, endangered species, threatened species, and supporting habitat injured as a result of releases of hazardous substances from the Mine Site. The Secretary and his designees act of behalf of the public as Trustee of such natural resources. 42 U.S.C. § 9607(f). The Regional Director of the U.S. Fish and Wildlife Service, Region 2, has been designated by the Secretary of the Interior as the Federal Trustee official for all natural resources within the trusteeship of DOI with respect to the Freeport-McMoRan Mine Site. The United States is authorized to recover natural resource damages and related costs under CERCLA, 42 U.S.C. § 9607(f).
- 5. The Director of the Arizona Department of Environmental Quality and Trustee for Natural Resources for the State of Arizona is the designated State Trustee for natural resources injured as a result of releases of hazardous substances from the Mine Site. The State Trustee has authority pursuant to A.R.S. §§ 49-282 and 49-287 to take all actions necessary to carry out the responsibilities of the natural resource trustee

natural resources within the State or belonging to, managed by, controlled by, or appertaining to such State

- 10. The term "natural resources" is defined in Section 101(16) of CERCLA, 42 U.S.C. § 9601(16), to mean "land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States" and, *inter alia*, "any State."
- 11. Damages recovered by the Trustees are used "to restore, replace, or acquire the equivalent of" the injured natural resources. 42 U.S.C. § 9607(f)(1).

FACTUAL BACKGROUND

- 12. The Trustees have evaluated potential impacts to natural resources as defined in the DOI regulations at 43 C.F.R. § 11.14(z). These included geological (e.g., terrestrial and riparian soils, aquatic sediments), biological (e.g., aquatic, riparian, and terrestrial ecosystems), and hydrological resources (e.g., surface water). In particular, the Trustees evaluated the Mine Site and selected areas at and appurtenant to the Mine Site where historical information indicated releases could have injured natural resources.
- 13. Based on historical studies and additional assessment work, the Trustees have determined that releases of hazardous substances at or from the Mine Site have occurred and such releases have caused and continue to cause injuries to natural resources at and in the vicinity of the Mine Site, including but not limited to injuries to surface water, sediments, soils, terrestrial habitats and terrestrial receptors, and migratory birds.

Morenci Mine Site

- 14. The Morenci Mine Site consists of the Morenci Mine and appurtenant area. The Morenci Mine Site is located in southeastern Arizona near the towns of Clifton and Morenci, approximately 45 miles northeast of Safford, Arizona on State Highway 191. The primary mining areas lie in west-central Greenlee County between Eagle Creek to the west and the San Francisco River to the East, with mining and ore processing operations located within Townships 3, 4, and 5 South, and Ranges 28, 29, and 30 East, in Greenlee County, Arizona.
- 15. The Morenci Mine Site has been operated as a copper mine by Defendants and their corporate predecessors since the 1880s. The Morenci Mine includes a large complex of open pits, numerous leach rock stockpiles and development rock stockpiles, beneficiation plants, tailings impoundments, and uncovered ponds. Processes include crush and convey systems, an agglomerating facility, four solution-extraction ("SX") plants, three electrowinning tank houses ("EW"), and a copper concentrator facility. The tailings impoundments and most of the ore and solution beneficiation facilities are located in the southern part of the Site near the San Francisco River. Five smelters historically were operated at the Site, as well as historic underground mine workings and surface openings.
- 16. Once inactive, mine tailings exposed to air and precipitation release hazardous substances on the surface of the tailings. These hazardous substances include, but are not limited to, sulfuric acid and various dissolved metals (depending on

the mineral composition of the tailings) such as arsenic, beryllium, cadmium, chromium, cobalt, copper, lead, manganese, mercury, nickel, selenium, and zinc.

- 17. Precipitation ponded on the tailings at the Site creates a surface water solution of high acidity that has caused death and other injuries to migratory birds through exposure and ingestion.
- 18. Windblown tailings and historic smelter emissions containing hazardous substances also have been deposited on and off-site according to prevailing wind direction and speed.
- 19. Surface water flowing from the Site drains into the San Francisco River and Gila River watersheds.

CAUSE OF ACTION

Recovery of Natural Resource Damages Under Section 107(a) of CERCLA

- 20. The allegations of the foregoing paragraphs are incorporated by reference.
- 21. The Mine Site is a "facility" and contains "facilities" within the meaning of Sections 101(9) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(9), 9607(a).
- 22. Each Defendant is the "owner" and/or "operator" of the Mine Site within the meaning of Sections 101(20)(A) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(20)(A), 9607(a).
- 23. Each Defendant is a "person" within the meaning of Sections 101(21) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(21), 9607(a).
 - 24. Materials disposed of and released at or from the Mine Site include

"hazardous substances" within the meaning of Sections 101(14) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(14), 9607(a).

- 25. Hazardous substances have been disposed of at the Mine Site within the meaning of "disposal" in Sections 101(29) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(29), 9607(a).
- 26. Hazardous substances have been "released" at or from the Mine Site within the meaning of Sections 101(22) and 107(a) of CERCLA, 42 U.S.C. §§ 9601(22), 9607(a).
- 27. Response costs have been incurred as a result of the releases of hazardous substances at and from the Mine Site.
- 28. Releases of hazardous substances at and from the Mine Site have caused, and continue to cause, injury, destruction, and loss of natural resources within the trusteeship of the United States and the State of Arizona.
- 29. The Federal and State Trustees have incurred costs assessing injuries, destruction, and loss of natural resources related to releases of hazardous substances at and from the Mine Site.
- 30. Pursuant to Section 107(a)(1), (a)(2), and (f)(1) of CERCLA, the Defendants are jointly and severally liable to the United States and the State of Arizona for damages for injury to, destruction of, and loss of natural resources resulting from the releases of hazardous substances at and from the Mine Site, including the cost of assessing such injuries, destruction, and loss.

REQUEST FOR RELIEF

WHEREFORE, the United States and the State of Arizona respectfully request that this Court:

- A. Award the United States and the State of Arizona a judgment against Defendants for damages in an amount to be proven before or at trial for injury to, destruction of, and loss of natural resources resulting from the releases of hazardous substances at and from the Mine Site, including the cost of assessing such injuries, destruction, and loss.
- B. Grant the United States and the State of Arizona such other relief as the Court deems just and proper.

Respectfully submitted,

FOR THE UNITED STATES OF AMERICA:

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CERTIFICATE OF SERVICE I hereby certify that on April 23, 2012, the COMPLAINT in the above-captioned case was filed through the Court's electronic case filing system. In addition, copies were mailed via First Class U.S. Mail to the following: Dalva L. Moellenberg Gallagher & Kennedy, P.A. 2575 E. Camelback Road Phoenix, Arizona 85016 Counsel for defendants Freeport-McMoRan Corporation and Freeport-McMoRan Morenci Inc. Linda Pollock, Assistant Attorney General Office of the Arizona Attorney General 1275 West Washington Street Phoenix, Arizona 85007 Counsel for State of Arizona /s/ Jason T. Barbeau