

U.S. Newmont executive takes the stand in Indonesian pollution trial

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MANADO, Indonesia (AP) - An American gold-mining executive denied Friday that his company dumped dangerous levels of mercury and arsenic-laced waste into an Indonesian bay, sickening villagers and causing fish stocks to plummet.

Richard Ness, taking the stand for the first time since his trial began just over a year ago, faces up to 10 years in prison if convicted and his Denver-based company, Newmont Mining Corp., a possible fine of US\$68,000 (euro53,000).

A verdict is not expected for several months.

Ness, 56, was asked by judges and prosecutors whether waste rock, known as tailings, dumped into the Buyat Bay by Newmont's now-defunct mine on Sulawesi island exceeded standards outlined in a 2000 permit.

"No," he said firmly, telling the panel of five judges that "for the most part we only discharged roughly 10 percent of the allowable mercury and 7 percent of the permitted arsenic."

Foreign investors, already wary of legal uncertainties in Indonesia, are closely watching the trial, as are environmentalists, eager to see if a multinational company will be punished for alleged pollution.

Indonesia has accused Newmont of violating environmental laws by dumping toxins from its mine into the bay between 1996 and 2004, when operations ceased, but conflicting test results on the water have convoluted the case.

A police report showed that mercury and arsenic levels in the nearby bay were well beyond national standards, but tests by the World Health Organization, government agencies and several independent groups found that pollutants in the water were within normal limits.

Some villagers also claimed that they became sick as result of the pollutants, but the prosecution has been unable to present anyone with serious skin disorders or other illnesses let alone prove they were linked to the mine's activities.

Prosecutors asked Ness, who is the president director of Newmont's Indonesian subsidiary Minahasa Raya, to respond to the allegations of sicknesses.

"We heard about it in the media," he told the sweltering Manado courtroom, packed with dozens of observers, including Ness' wife, Newmont officials, villagers and reporters. "We also had doctors do different studies in the area, as you've heard in previous testimony."

But Ness maintained that medical experts who studied patients at the clinic in the Buyat Pante hamlet found they were "healthy or healthier" than those admitted to community medical centers elsewhere in Indonesia.

After an eight-hour marathon hearing, Ness told reporters he was convinced the mine's tailings did not adversely affect the bay.

Arsenic levels are "twice as low as that of the English Channel, and that water is very, very clean," he said. "That tells you how clean Buyat is."

Newmont says its mine waste remained at the bottom of the bay and never entered the bay's ecosystem, but prosecutors say waves stirred up the tailings and that there was a sharp drop in fish stocks.

In February, Newmont reached a US\$30 million out-of-court settlement with Indonesia's government to defuse a separate, civil suit over alleged toxic pollution in Buyat Bay, some 1,300 miles (2,100 kilometers) northeast of Jakarta.

Friday's hearing was adjourned until Sept. 22, when prosecutors are scheduled to announce their sentencing demands.

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