

**STATE OF NEW MEXICO
BEFORE THE WATER QUALITY CONTROL COMMISSION**

_____)
In the Matter of:)
)
)
)
PROPOSED AMENDMENT)
TO 20.6.2 NMAC (Copper Rule))
)
_____)

No. WQCC 12-01(R)

EXHIBIT BRACK – 3



Freeport-McMoRan Copper & Gold

www.fcx.com

Economic Impact Upon the Economy of Grant County and New Mexico – 2011

Freeport-McMoRan Copper & Gold contributes in many ways to the sustainability of the various communities, counties and states in which we operate. They rely heavily on the economic benefits directly and indirectly provided by our various operations in the form of wages and taxes we pay as well as the goods and services we buy. The economic benefits derived from our operations not only fuel the local economy but, thanks to the multiplier effect, extend across the economic landscape of New Mexico.

The top chart reveals the estimated total direct and indirect economic impact of the New Mexico Freeport-McMoRan operations, chiefly the Tyrone Mine and the Chino-Cobre Mine, on Grant County in 2011, which was \$150 million. Direct impacts include approximately \$108 million from operations and \$12 million from supplier purchases. Indirect impacts were estimated to be \$17 million from spending by employees and \$5 million from supplier purchases. There was an estimated \$6 million from spending out of new state and local tax revenues and \$2 million in effects from spending from pension income.

The bottom chart reveals the estimated total direct and indirect economic impact of Freeport-McMoRan operations on New Mexico in 2011, which was \$326 million. Direct impacts include approximately \$154 million from operations and \$42 million from supplier purchases. Indirect impacts were estimated to be \$42 million from spending by employees and \$27 million from supplier purchases. There was an estimated \$55 million from spending out of new state and local tax revenues and \$6 million in effects from spending from pension income.

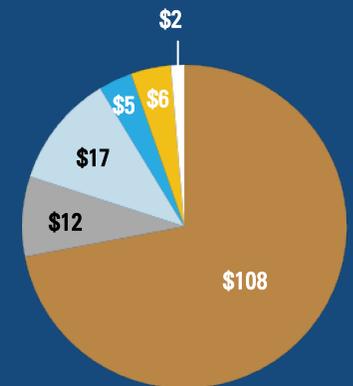
Included in these figures is an estimated \$40 million impact of FCX operations on state and local tax revenues in 2011. These figures encompass all of the taxes directly and indirectly generated throughout the economic impact process.

Freeport-McMoRan employed approximately 1,350 workers at the end of 2011 in New Mexico. **The total direct and indirect impact of Freeport-McMoRan operations on the New Mexico economy was approximately 4,300 jobs.**

All economic impact numbers here were produced by the L. William Seidman Research Institute, Arizona State University

Grant County Economic Effects 2011

(Dollars in millions)
Direct & Indirect
Total \$150



New Mexico Economic Effects 2011

(Dollars in millions)
Direct & Indirect
Total \$326



- Direct Effects from Operations
- Direct Effects from Supplier Purchases
- Indirect Effects from Spending by Employees
- Indirect Effects from Supplier Purchases
- Indirect Effects from Spending from Tax Revenues
- Indirect Effects from Spending from Pension Income