

**ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE FINANCE COMMITTEE  
MINNESOTA HOUSE OF REPRESENTATIVES  
HEARING COMMENTS – February 11, 2014  
Rebecca Rom, on behalf of Northeastern Minnesotans for Wilderness and the Boundary Waters  
Watershed Coalition**

My name is Rebecca Rom. I am from Ely, Minnesota. I represent both Northeastern Minnesotans for Wilderness, an organization of residents and business owners, and the Boundary Waters Watershed Coalition. The Coalition is a national organization of groups that seeks to prohibit sulfide-ore mining in the watershed of the Boundary Waters Canoe Area Wilderness.

Sulfide-ore mining for copper, nickel, and other metals is a poisonous, destructive enterprise. The EPA says that the most toxic industry in the United States is hardrock mining, which includes the kind of sulfide-ore mining proposed in Northern Minnesota. Such mining has never been done without water pollution by acid mine drainage and heavy metals and without landscape destruction.

Minnesota's financial assurance laws are not adequate to protect taxpayers, our water, our land, and our economy from the ravages of sulfide-ore mining. In our judgment, ***no practical possibility exists*** that the laws ***can*** be amended to provide adequate financial assurance because, as the recently released SDEIS for PolyMet shows, the costs to be protected against will continue for centuries and are ultimately unknowable.

Reliance on financial assurance to allow centuries of degradation and pollution means that sulfide ore mining companies will be allowed to destroy part of the Earth and our water if they post a financial instrument. The Earth and its resources, especially clean water, are finite; monetizing their destruction is unsustainable and foolish. We can't drink money, or catch fish in it.

**The cost to treat toxic water pollution and restore the landscape for hundreds of years is impossible to calculate and is therefore unknowable.**

The PolyMet Plan acknowledges that toxic water pollution by acid, heavy metals, and sulfates from the mine site, tailings, and waste piles will require treatment for a very long time. Mechanical water treatment is part of the modeled proposed action for 200 years at the mine site and 500 years at the plant site. Twin Metals and the other mines proposed within the watershed of the Boundary Waters will undoubtedly be at least this bad. Because the massive cost of engineering, designing, planning, building, and maintaining water treatment for centuries is unknowable, adequate financial assurance is a pipe-dream, no matter how the laws might be amended.

It is irrational to believe that any water treatment facilities or regime or corporation will last for hundreds of years, that any financial institution or instrument can provide a credible guarantee for hundreds of years, that there will be no catastrophic failure by humans or equipment over hundreds of years, or that no cataclysmic natural event will occur over hundreds of years. The examples are almost too numerous to mention: the Minneapolis I-35W bridge collapse, the 2012 Duluth flood, the Deepwater Horizon explosion, the Fukushima nuclear reactor destruction, the repeated petroleum pipeline and railroad tank car catastrophes, the West Virginia chemical spill, and the massive federal government bail-out of the giant insurance company AIG, which would have failed if the federal government had not intervened.

**Proposed sulfide-ore mines north of the Laurentian Continental Divide are relevant to the discussion of the adequacy of Minnesota’s financial assurance regulations. Twin Metals and other proposed sulfide-ore mines will destroy large areas of the Superior National Forest and will pollute the Boundary Waters Canoe Area Wilderness. This ecological damage will devastate the stable and sustainable economy of the Ely community and neighboring areas.**

What will sulfide mining destroy in Minnesota? The unbroken history of mining areas in the U.S., including our own Iron Range, shows that mining displaces sustainable businesses and stable jobs that are the real key to prosperity. Sulfide-ore mining is by its very nature destructive and time-limited. It is subject to boom bust cycles we cannot control or influence. The strength of northeastern Minnesota is clean air, clean water, and a healthy forested landscape.

The Superior National Forest generates \$500 million per year of economic activity, \$100 million of which is attributed to the Boundary Waters Canoe Area Wilderness. Immediately adjacent to proposed mine sites are 26 resorts, camps, and campgrounds. Immediately downstream of proposed mine sites, and in the path of pollution, are private lakeshore properties valued at \$318 million dollars. Just beyond those properties, and in the direct path of pollution, lie renowned Basswood Lake and the heart of the Boundary Waters. If Twin Metals and other sulfide mining companies were allowed to buy the right to destroy land and water by posting some kind of “financial assurance” Ely, now described as the Gateway to the Wilderness, would be surrounded by a massive industrial mining district. The most heavily-visited wilderness in the United States and our only lakeland wilderness would be a pollution dumping ground for multinationals, and the base of Ely’s economy would be lost. Financial assurance laws provide nothing to protect the tax bases of counties, or the Boundary Waters, the private property owners, and the businesses that will suffer severe environmental and economic damage by the proximity of sulfide ore mines, the centuries of toxic water pollution, and destruction of the landscape.

#### **Modern mining companies are structured to limit liability.**

As is standard procedure for mining operations, PolyMet is a shell company with limited assets. The objective is to shield its major investor, Glencore. PolyMet has never operated a mine but its major investor, Glencore, has a track record of labor and environmental violations associated with mining operations and corruption. PolyMet’s NorthMet mining operations are projected to last for twenty years after which no further revenue will be generated from the mine; the only asset likely to be owned by PolyMet at the time of mining shutdown will be the contaminated and toxic mine site and processing facility. Should noncompliance of mine permits and violations of laws commence after the mine ceases to operate, a likely and foreseeable event, a demand from the State for financial assurance would be fruitless.

#### **Recommendation**

We recommend that Minnesota’s financial assurance regulations be amended to expressly prohibit use of financial assurance to allow environmental damage and pollution that is projected to be long term, meaning that treatment will be required beyond the closure of an active mining operation. Mining activities that significantly damage the landscape for the long term and generate toxic water pollution requiring treatment for centuries should be deemed to be perpetual and therefore not allowable under Minnesota Rule 6132.3200. This Rule prohibits perpetual treatment: “To receive a permit to mine, the permittee must be able to close the mine in such a way that it is stable, free of hazards, minimizes hydrologic impact and release of substances, and is maintenance free.”

Attachments:

1. Ely by the Numbers
2. Ely's Stable and Sustainable Economy/ Sulfide Ore Mining
3. Ely, Minnesota: Gateway to the Wilderness – Or Mining Town?
4. The Boundary Waters Canoe Area .... *Wealth Generator* by Spencer Phillips, Ph.D.
5. THE ECONOMICS: The State of Minnesota is relying on a fatally flawed economic impact analysis to support sulfide-ore mining in Northeastern Minnesota
6. THE SCIENCE: The Copper/Nickel Mining Threat to the Aquatic Ecosystem of the South Kawishiwi River and to Lakes and Rivers Downstream in the Boundary Waters Canoe Area Wilderness and Voyageurs National Park in Minnesota and in Quetico Provincial Park in Ontario
7. Maps:
  - a. Sulfide Mining Activity in Northeastern Minnesota
  - b. Active State Metallic Mineral Leases & Federal Hardrock Prospecting Permits
  - c. Sulfide Mining's Path of Pollution Threatens 26 Ely Tourism Facilities
  - d. Twin Metals Minnesota: A Risk to our Water, Wilderness, and Parks (Path of Pollution)
  - e. Public Policy Polling dated September 11 – 12, 2013
    - i. 75% of Minnesotans support prohibiting mining in areas where polluted runoff could enter the Boundary Waters Canoe Area Wilderness (Q 4)
    - ii. 62% of Minnesotans in the 8<sup>th</sup> Congressional District support prohibiting mining in areas where polluted runoff could enter the Boundary Waters Canoe Area Wilderness (Q 4)