

Julie Sandstede
State Representative

District 6A
St. Louis and Itasca
Counties



Minnesota House of Representatives

October 2, 2020

The Honorable Tim Walz
Governor, State of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

via electronic delivery

Dear Governor Walz,

As the Representative of District 6A, I am writing today with a sense of urgency and request that you take immediate action regarding the future of the former Essar Steel site in Nashauk. Specifically, I am asking that you pull back the leases from the current operator – Mesabi Metallics – **no later than the end of this month**, a move which is within your authority and the authority of the Department of Natural Resources. I frankly see no reason to wait any longer. A full nine months have passed since the current operators missed their construction deadline. For Iron Rangers, disappointed repeatedly by false starts and empty promises, swift and decisive action on your part would address a long-overdue step toward building a prosperous future for this region.

Once the leases are pulled back they need to be awarded to a company with sound financial standing, a track record of credible investments in our region, and integrity and commitment to our shared success. These criteria narrow the pool in such a way that only a few, if not one company, would emerge as the logical recipient. The current operators, with their numerous missed deadlines and breached agreements, have exhibited none of these qualities, and at this stage, the state owes them **nothing**.

We do, however, owe the people of the Iron Range the assurance that we are fighting for their jobs and the right to raise their families where they wish. It's no secret that northern Minnesota – like many regions in our nation – is struggling. Our region is unique in that our economic success is largely tied to the success of mining and related industries, and as a result of the global recession caused by COVID-19, steel demand is currently down, and mining operations have largely idled. At Keetac, 381 workers are furloughed indefinitely. HibTac stands to lose close to 1,000 jobs in the next couple of years.

As you are well aware, the Iron Range has experienced hardship previously, but with a great deal of grit and perseverance, we have always bounced back. I am hopeful we will rebound from this crisis too; however, the Range needs more than hope right now. We need meaningful action to

ensure that when the global marketplace turns around and mining operations ramp up, our region is positioned to take full advantage of the opportunity presented. Such an opportunity would certainly be present at the Essar site and to move forward with construction, permitting, hiring, and other steps necessary to make industry at the site a reality, we must not delay in bringing a responsible operator on board.

The rights to access these precious natural resources do not belong to you, to me, or to any company inherently: they belong to the people of this state, and when these minerals are accessed for profit, Minnesotans deserve a chance to share in their benefits. As part of this expectation, they also deserve a meaningful say in who can acquire mineral leases. Clearly, citizens in our region have spoken loudly and clearly that they do not want Essar – or any of its subsidiaries, affiliates, or shell corporations – to have the opportunity to operate on this site — and I wholeheartedly agree with their sentiment.

On the calendar, Groundhog Day was February 2, just a month after Mesabi Metallics missed its construction deadline. Iron Rangers, however, have seen their shadow over and over again every time the company has falsely given them hope that the mine will move forward. Only by your administration taking action now can we finally end the never-ending Groundhog Day that this entire debacle represents.

We are counting on you to use your administration's authority to turn the page to a new chapter for this site that would include good-paying jobs and economic opportunity for northern Minnesota. This new chapter cannot include the investors behind Essar Steel. We look forward to hearing from you in the very near future to share your plans with us.

My Range colleagues and I stand in accord on this request. Thank you for your consideration.

Sincerely,



Julie Sandstede
State Representative



Dave Lislegard
State Representative



David Tomassoni
State Senator



Tom Bakk
State Senator

Rob Ecklund
State Representative