



STATE REPRESENTATIVE

JOHN KLENKE

88TH ASSEMBLY DISTRICT

Friday, December 16, 2011

Mining in Wisconsin: Second Public Hearing Held



On Wednesday, December 14th, the Assembly Jobs, Economy and Small Business Committee, on which I serve, held its second hearing on proposed mining legislation. This hearing in Milwaukee followed a very successful initial hearing in Hurley, WI. The Senate is expected to begin scheduling its own set of hearings in the near future.

In all, I would report that it was another productive day. Wisconsin has within its borders one of the richest known deposits of iron ore in North America. It stretches across Wisconsin into Minnesota and Michigan. Both states permit iron mining today under laws specifically written for ferrous mining and both derive substantial economic benefits from their mining industry.

Wisconsin's mining law does not distinguish between iron ore mining or mining for other materials. Because of this, Wisconsin has granted only one ferrous mining permit in the last 50 years. GTAC, a mining company and current owner of the mineral rights of an area in northern Wisconsin, approached the state indicating a desire to mine the ore if the state would provide certainty around the timing and cost related to the permitting process.

The following is not intended to be exhaustive but merely highlight what I believe were key concerns. I am pleased with the results of the hearing as it allowed concerns to be heard and gave lawmakers homework to do as the DRAFT legislation moves through the legislative process.

Here is my perspective from participating in the two hearings to date:

- **The Controversy:** Mining is controversial, primarily because the mineral cannot be relocated. The decision to mine requires the destruction of a portion of the landscape, including wetlands, with the belief that accidents, if any, can be managed and that, in time, the land will be reclaimed in a responsible manner.
- **What does the majority believe?** After listening to testimony in Hurley last month and in Milwaukee this week, although unscientific, my sense is that a majority of Wisconsin's citizens believe that mining should proceed PROVIDED IT CAN BE DONE RESPONSIBLY. There are many, and clearly this is the position of Wisconsin's Tribal nations and its people, that believe no development is worth disruption or potential pollution of the environment.
- **Regulation: Too much, Too little or Just Right?** I have a new appreciation for our country's regulatory process. For a permit to be issued, Wisconsin's DNR and its expertise will be involved throughout the process. The DNR will coordinate with, and in certain circumstances be required to abide by rulings of other federal agencies including, the Army Corps of Engineers and the EPA. In addition, there is a substantial body of law that grants certain authorities and rights to Wisconsin's Indian Tribes. These are the major agencies.
- **Opponents at the hearing came from two different viewpoints.**

I'm not against mining, just this legislation. Regarding the legislation, concern was raised by (1) presumptive approval of a permit if the DNR fails to act within 360 days from the date the completed application is submitted, (2) the 360 day time limit, (3) the removal of contested case hearings from current mining legislation, (4) elimination of \$150,000 of fees to local governments from the applicant, (5) a maximum fee of \$1.1M to cover the DNR's cost to process the mining application, (6) the allowance of wetland mitigation, (7) the potential for limiting coordination with federal agencies that are not required to act timely, (8) the determination of what constitutes a complete application, (9) exemption from applicable

flood plane laws and, (10) the iron deposit may be surrounded by sulphides which may still pollute making Wisconsin's current law valuable.

No Mine ... Period! Key points of controversy surrounded either the mine itself or the proposed legislation. Regarding the mine, concerns focused on (1) the potential for pollution of the water, (2) the long-term effects on ground water as well as the surrounding watershed from the mine's apparent unlimited use of water, (3) the destruction of wetlands within the permit area, (4) the effects on habitat, (5) the overall perception that the mine will disrupt a preferred lifestyle, (6) the potential damage to tourism in Northern Wisconsin and, (7) the economic "bust" that follows when the ore is exhausted.

- **The Economic Impact is significant.** The economic benefits include the one time construction jobs during the two year construction period, the minimum 700 direct mining jobs with salary and benefits approximating \$80,000/annually, and an estimated two thousand indirect jobs to serve both the mine and others that support the mine. Annual state and local tax revenue is expected to exceed \$17M annually at minimum production levels.

The economic report by Northstar Economics, Inc. can be found by clicking [HERE](#) or contact my office and we will scan and email the report to you. Be aware that while the report was paid for by GTAC, an independent body, The Fiscal and Economic Research Center at UW-Whitewater led by Dr. Russ Kashian, processed the data and modeling.

WIAA Considers Green Bay

Recently, the WIAA has been exploring options in order to find a new host for the State Boys and Girls Basketball Tournaments. As early as 2013, conflicts with UW-Madison hockey have created a situation where the tournament must find a new home. Three possible options have been publicly discussed; the UW Field House in Madison, the US Cellular Arena in Milwaukee, and most importantly, the Resch Center in Ashwaubenon. The Resch Center already plays host to UW-Green Bay Phoenix basketball, USHL hockey and the WIAA State Volleyball Tournament. I, for one, think that the Green Bay area would make a wonderful host for this event and hope that the WIAA gives serious consideration to the proposal presented to him by the city and the Green Bay Convention and Visitor's Bureau.

[WIAA looks at moving state basketball tournaments out of Madison](#)

[Rob Hernandez: If Kohl Center isn't available, Green Bay should get WIAA's basketball tourneys](#)

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State Capitol Room 21N- PO Box 8952, Madison, WI 53708
(608) 266-0485
Email: Rep.Klenke@legis.wi.gov