

# Mine Plans Pit Jobs Against Environment

TODD RICHMOND, Associated Press

MADISON, Wis. (AP) — The idyllic Penokee Range is a hiker's paradise, a thickly forested ridge running 20 miles from Lake Superior's shoreline across far northwestern Wisconsin. It's a kaleidoscope of color in autumn, a postcard perfect snowscape in winter.

Yet as the economy lags, it's an increasingly enticing target for the mining industry, and the much-needed jobs it brings.

Republicans looking to deliver on job promises have decided to help a Palm Beach Gardens, Florida-based mining company extract what it says are billions of tons of iron ore buried beneath the range. The company, Gogebic Taconite, has promised the project will generate millions of dollars in tax revenue and hundreds of well-paying jobs for a region that has little else to offer beyond a chance for outdoor getaways.

But it also could transform the pristine landscape into a noisy, deep-pitted, potentially polluted eyesore, setting up a charged debate over how much a state that prides itself on conservation should sacrifice for paychecks.

"These are hard, gut-wrenching questions. Economic development, environmental damage, how can we have jobs for our kids," said Tom Evans, a Wisconsin Geological and Natural History Survey mining specialist.

Republicans, acutely aware that stirring more anger at the GOP could have re-election consequences, are treading carefully. Gov. Scott Walker, who faces a potential recall next year over his push to curtail public workers' collective bargaining rights, is taking a middle-of-the-road stance on the mine, saying he supports it as long as it doesn't jeopardize farming and tourism.

Republicans in the state Senate, meanwhile, are still stinging after two of their own were ousted from office in recall elections over the union cutbacks. They're talking about working with Democrats on a mine bill designed to speed the permitting process.

The Penokee Range runs from Michigan's Upper Peninsula through Wisconsin's Iron and Ashland counties, where the unemployment rate is about 10 percent, more than 2 percentage points higher than the state rate. Gogebic Taconite officials claim they offer an economic bonanza.

The company wants to start by mining a 4 ½-mile stretch of the range near Mellen, a city of about 900 people south of the Bad River Band of Lake Superior Chippewa reservation. That first phase, scheduled to last at least 35 years, would generate about \$1.4 billion in state and local tax revenue, according to studies the company

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commissioned.

The mine also would create 700 new jobs for people in the area, company president Bill Williams said. The jobs would pay about \$60,000 per year, almost twice the per capita income in the counties, and drive creation of 2,000 or so more jobs for the region's service and transportation sectors, he said.

"You're talking trains, railroads, loading and unloading. You'll have people in the food industry, more cooks, more waitresses," Williams said. "Those jobs have disappeared from here. They'll come back."

Local leaders are encouraged.

"Everybody in northern Wisconsin is waiting for this mine. You add 500 jobs, and good-paying jobs, anywhere in Wisconsin, it would be a boom town," Mellen Mayor Joe Barabe said. "I pray every night it's going to happen."

Wisconsin has a rich mining tradition: The Badger State nickname derives from lead miners who were said to burrow like badgers, and the state flag includes a depiction of a miner. But the state also is keenly conservation-minded — renowned naturalist John Muir, conservationist Aldo Leopold and Earth Day founder Gaylord Nelson all called Wisconsin home and the state was the first to ban the pesticide DDT, the first to pass a law limiting acid rain and the first to enact an endangered species list — which could make the project a tough sell.

Typically, iron miners blast their way down to ore deposits. The rocks broken up by the blasting are crushed into a powder. Magnets extract the iron, which is then formed into pellets and shipped to steel manufacturers. The process creates massive open pits and plenty of waste rock, a potential source of environmental contaminants. Separating the ore from the pulverized rock also requires large amounts of water, which could result in lower groundwater levels and wastewater that requires treatment.

Hal Fitch, director of the Michigan Department of Environmental Quality, said two mining operations similar to Gogebic Taconite's proposal are under way in his state. He said those mines present little risk to the environment because their waste products are relatively inert, meaning they release little contamination. However, in at least one case the state has been working for the last decade to clean up acidic run-off from waste rock from underground iron mines in the Upper Peninsula. The run-off has seeped into the Iron River and proven toxic to water fleas in laboratory tests, according to Michigan DEQ documents, although agency officials say they've seen no ill effects on fish or plants in the field.

The potential for pollution depends largely upon a mine's specific geology, and it's unclear exactly how Gogebic Taconite's mine might affect the area. Wisconsin environmental officials haven't studied the rock composition at the site and the company hasn't submitted any specific operational plans. Williams said the company isn't looking to weaken air or water quality standards and plans to transform the mine into a lake when work is done.

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Conservationists fear forest cover would be replaced by gaping holes and the area's watershed, which drains to crystal-clear Lake Superior, could be polluted. The Bad River tribe is concerned the mine would ruin sloughs where it harvests wild rice. Still others worry there could be long-term harm to nearly two dozen trout streams.

Gogebic Taconite's next step calls for sinking \$20 million into additional studies on the mine. Before the company makes the investment, Williams said, it wants assurances of an end point in the permitting process, which now can entail years of applications, environmental impact studies, public hearings and challenges.

Enter the GOP.

Republicans rode the nation's economic woes to control of the Legislature and governor's office in last November's elections — Walker vowed to create 250,000 jobs by 2015 and proclaimed the state was open for business when elected — but so far they haven't made a dent in the unemployment rate. The mine offers a tangible way to add jobs and, with them, bragging rights.

Republicans have spent months tweaking the mining bill. But they're moving slowly, trying to manage the anger that lingers over Walker's collective bargaining law. Worried their slim majority might not carry contentious mining legislation and wary of stirring up more anti-GOP sentiment, Republicans have abandoned the smash-mouth style they used during the union fight. Senate Republicans, for example, have formed a special committee to weigh any permit process changes.

In Mellen, that's not fast enough.

"I understand the recall against the governor and everything else that's going on, but, God, we need (the jobs)," Barabe said. "The governor says it's open for business, but we can't even get legislation on a 500-job mine here."

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Associated Press writer Scott Bauer in Madison contributed to this report.

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