

August 6, 2019

Governor Tim Walz 130 State Capitol 75 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155

via electronic delivery

Dear Governor Walz,

In order to reassure working men and women in Greater Minnesota that we are standing to support the future of mining in Minnesota, we are correcting the recent claims made that the PolyMet project hasn't met state and federal statutes and regulations. Living wage jobs are the backbone of our communities, and we will not stand idle when misinformed legislators levy false attacks against valued industries in our state like mining.

We respect differing opinions; we do not appreciate last-ditch efforts meant to throw sand in the gears of an already state-and federally-approved project vital to the future of the Iron Range and Northern Minnesota. Together we refute each false claim levied against PolyMet and Minnesota environmental regulators from metro legislators in a Wednesday July 24th letter to your office.

- 1. All PolyMet permits meet or exceed all state and federal standards. Permits were issued after a thorough, public process that involved numerous state and federal agencies, including the Environmental Protection Agency and U.S. Army Corps of Engineers. This included robust dialogue between the EPA, Minnesota Pollution Control Agency (MPCA) and other appropriate state regulatory agencies. The "leaked" emails mentioned in the allegations represent a snapshot in time during the drafting of the MPCA permit and in no way discredit the final permit since it met the requirements of the law and EPA did not object to its issuance. It is common during environmental review for staff from relevant regulatory agencies to correspond with one another, raising issues of concern or asking for clarification. It is through this back and forth in meetings, phone calls, or on draft documents that regulators solve outstanding issues so the final permit meets all standards and the intent of the law. This is exactly what happened during PolyMet's environmental review and permitting. In response to criticisms, <u>MPCA constructed a factsheet</u> outlining the various questions/concerns raised by EPA and how they were resolved in the final permits. All were answered or solved, period.
- 2. The July 24th letter naively criticizes the engineering of PolyMet's tailings basin and compares it to two high profile dam failures in Brazil. Like many things, a well-engineered tailings basin is an extremely safe and efficient tool in minerals mining. PolyMet will use the existing, stable tailings basin previously operated as part of the former LTV taconite mine and will add some enhancements to further reinforce the already time-proven structure. After a careful and thorough review, including by independent dam safety experts, the MDNR concluded the existing tailings basin will "meet applicable Factors of Safety and satisfy permitting requirements intended to ensure the safety and stability" of the tailings basin

system.¹ Furthermore, using the existing tailings basin reduces the footprint of the mining operation and will lead to eventual environmentally appropriate retirement of this already existing tailings basin at the LTV site. Tailings basins of similar design are ubiquitous across Minnesota's Iron Range and have never failed, and are found by the thousands in other responsible mining operations across the world.

- 3. The letter's suggestion that Glencore's acquisition of 70% of PolyMet shares somehow nullifies or weakens the mine's financial assurance is simply inaccurate. In Minnesota, state regulators control the financial assurance so any shareholder or ownership changes do not impact it. In fact, this is the very point of the financial assurance laws in Minnesota. They ensure the state has the financial tools to perform reclamation or any other related function required by permits in the event the company goes bankrupt or otherwise cannot fulfill its obligations in the permits². Financial assurance is required to be in place upfront (ahead of development of impacts on the ground) so there is no way to get out of its obligations. Likewise, this is the reason the financial assurance is updated annually for MDNR review and approval to ensure it is in place ahead of future developments.
- 4. The letter suggests the regulatory review process did not consider potential health impacts. This is false. The Final Environmental Impact Statement thoroughly and specifically addresses the potential health effects of the NorthMet Project. For that reason, the state Department of Health, MDNR and MPCA already decided not to conduct a separate Health Impact Assessment. The commissioners of the above mentioned agencies summarized their position in a memo to Governor Dayton dated December 7, 2015, in which they said MDH was "fully satisfied" that its concerns were addressed in the FEIS; that MDH was "convinced that an HIA would not provide any additional scientific information regarding public health impacts and risks"; and because human health concerns "are properly addressed in the FEIS," an HIA was not necessary. In fact, the project will create a net environmental benefit on this item of concern because it cleans up a legacy site that is currently managed through a Consent Decree with the state. The project has demonstrated it will meet or exceed all state and federal standards. Water discharged from the site will be swimmable and fishable. An additional study from the Minnesota Department of Health (MDH) is unnecessary and would create costly delays.

In conclusion, we support mining and other job-creating industries when they meet or exceed state and federal standards. We reject veiled efforts to stop these projects for ideological reasons. Minnesota's Iron Range is the perfect place to mine the minerals of the future. As our cars and homes get more efficient, the metals from PolyMet will become more and more necessary.

Sincerely,

Paul Tonta

Senate Majority Leader Paul Gazelka District 9

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House Minority Leader Kurt Daudt District 31A

¹ MDNR Findings of Fact and Order on Dam Safety Permits, at ¶165

² MN Rules 6132.1200, and discussed in detail on how these rules are addressed in the MDNR Findings of Fact for the Permit to Mine, at ¶433-442

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