City of Hibbing (Pete Hyduke)

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

RE: Comment on NPDES permits MN0055948 and MN0031879 for U. S. Steel Keetac

Dear Commissioner Kessler:

On behalf of the City of Hibbing, we submit these comments regarding the draft wastewater permits and the preliminary denial of U.S. Steel Keetac's variance request from the sulfate water quality standard.

Hibbing is a rural community already facing economic stress. 14.2% of our residents live below the poverty line, compared to 9.3% statewide, and poverty among children under age 18 reaches 16.2%�well above Minnesota's average. In such a context, every job lost multiplies hardship across families, schools, and city services.

The recent layoff of 255 people at Hibbing Taconite (HibTac) demonstrates this risk. According to the University of Minnesota Duluth's Bureau of Business and Economic Research (BBER), every mining job supports 1.25 additional jobs through indirect and induced effects. HibTac's 255 direct job losses therefore likely resulted in another 315 lost jobs across our community. For a city our size, this scale of loss is devastating�shrinking our tax base, depressing local business revenues, and pushing more residents into poverty (UMD BBER, Economic Impact of Ferrous and Nonferrous Mining, June 2020).

The EPA's Interim Economic Guidance for Water Quality Standards makes clear that states must evaluate not only company-level financial indicators but also the "substantial and widespread economic and social impacts" of regulatory compliance (Section 1.3, p. 5). The Workbook directs regulators to assess not just corporate balance sheets but the socio-economic well-being of affected communities, defining widespread impacts as those that include increased unemployment, losses to the local economy, and reductions in tax revenues (Section 4.1, pp. 37�38). EPA guidance specifically notes that if compliance would force "shutdown of a facility or production line," regulators must account for lost jobs, reduced household income, and declining tax revenues (Section 3.3, p. 28). HibTac's layoffs offer a direct, real-world example of the "widespread impacts" EPA requires MPCA to evaluate.

This context makes Keetac's role even more critical. Keetac is the remaining major mining facility within Hibbing's city footprint operating at full capacity, while HibTac is already at reduced production. If Keetac were curtailed due to an unachievable sulfate standard, Hibbing would again suffer cascading job losses, reduced municipal and school revenues, and deeper community hardship.

It is also important to recognize that taconite pellets are a global commodity. U.S. Steel does not produce at every site regardless of cost; it produces where it is cheaper than purchasing pellets on the open market. If the cost per ton at Keetac rises by the $17.50 per ton that U.S. Steel has reported, the company will shift to cheaper suppliers rather than operate an uncompetitive facility in Hibbing. The EPA Workbook explicitly directs regulators to consider such "shifts to alternate economic activity" when they result in reduced employment and reduced local purchasing (Section 3.3, p. 28). For Hibbing, that would mean layoffs, idle facilities, and the loss of vital tax revenues�precisely the "widespread impacts" that Section 4 requires regulators to weigh (Section 4.1, pp. 37�38).

The UMD BBER study further shows that in 2019, ferrous mining supported nearly 9,000 jobs in the Arrowhead Region, including more than 4,900 indirect and induced positions beyond the mines themselves. These multipliers demonstrate that job losses at one mine quickly ripple across the economy, harming schools, hospitals, restaurants, retail, construction, and city finances. EPA's guidance stresses that such impacts must be assessed cumulatively, not in isolation (Section 4.1, p. 38; UMD BBER, 2020).

We also wish to refute a statement made at the recent public hearing�that U.S. Steel did not provide evidence of widespread community impact in its variance request. In fact, the company did provide such evidence. Worksheet N of its submission explicitly projected that compliance would render Keetac economically unviable, leading to hundreds of layoffs and substantial secondary impacts on vendors, schools, and local governments. The EPA Workbook makes clear that these kinds of employment and tax base effects are central to the evaluation of widespread impacts (Section 4.3, p. 42). It is therefore incorrect to suggest that this evidence was absent; rather, it was presented and must be considered.

The implications extend far beyond Hibbing. Mining production taxes directly support the Permanent School Trust, the Iron Range Resources and Rehabilitation (IRRR) funds, and local government revenues across the Taconite Assistance Area. In fact, more than 90% of the wealth in the Permanent School Trust�benefiting every public school student in Minnesota�was generated by iron mining (UMD BBER, 2020). If Keetac is curtailed, not only Hibbing but also schools and communities statewide will feel the financial loss.

It is also relevant that the Governor's Task Force on Wild Rice (2019) concluded that MPCA must "develop guidance for water permit holders on how to minimize sulfate in water discharges"�a recommendation that has yet to be fulfilled. The Task Force further found that no practical or cost-effective treatment technology exists today. Reverse osmosis, while theoretically feasible, is "hugely expensive to install, power, and maintain" and creates unresolved brine disposal problems. Biological and chemical treatments remain at pilot scale. The Task Force recommended that variances be used as a bridge until viable treatment methods are available (Governor's Task Force on Wild Rice Report, January 2019, pp. 6�7, 18). Denying Keetac's variance contradicts this very guidance from the state itself and leaves both municipalities and industries without the clarity or tools needed to comply.

It is also relevant to note that MPCA has acknowledged the need for flexible permitting tools in other contexts. While the agency is currently developing a time-limited sulfate multi-discharger variance (MDV) for municipal facilities, this framework remains in pilot form and has not yet been implemented. At the same time, municipalities have been able to seek individual variances for other pollutants�such as chloride, mercury, and phosphorus�under streamlined processes. This demonstrates that MPCA already recognizes the need for variance pathways when compliance would cause substantial and widespread hardship. Given that industrial facilities like Keetac face similar economic barriers, it is both appropriate and equitable for MPCA to apply comparable variance approaches to Keetac.

For Hibbing, this is not an abstract regulatory question. It is a matter of whether our families can keep working, whether our schools and city can maintain funding, and whether an already struggling community can avoid further decline. HibTac's reduced operations and layoffs have already created significant hardship. We cannot afford for Keetac�the remaining major mining facility in Hibbing operating at full capacity�to face the same fate.

That brings us to our request for MPCA action. The City of Hibbing respectfully requests that MPCA:

1. Grant Keetac a site-specific sulfate standard;
2. Allow compliance to be measured at a central discharge point, if technically feasible;
3. Renew sulfate rulemaking in collaboration with the Legislature and EPA, updating the standard based on modern peer-reviewed science that accounts for all factors affecting wild rice (water levels, sediment, vegetation, predation); and
4. Include complete economic analysis that fully captures community-wide impacts�including induced and indirect job losses, declining tax revenues for cities and schools, and reductions in statewide trust funds if Keetac is curtailed.

We further request that MPCA provide a formal written response to the City of Hibbing, through the Office of the Mayor, addressing each of these four points in detail.

The City of Hibbing supports reasonable regulation that balances environmental protection with economic survival. But EPA's own guidance shows that MPCA has the authority�and indeed the responsibility�to consider the full range of economic and social impacts before denying Keetac's variance request.

We urge MPCA to reconsider its preliminary denial and approve Keetac's variance request.

Respectfully submitted,
Mayor Pete Hyduke
401 East 21st Street, Hibbing, MN 55746
(218) 969-3067 | petehyduke@hibbingmn.gov

References

- U.S. Environmental Protection Agency. Interim Economic Guidance for Water Quality Standards Workbook. EPA 823-B-95-002. March 1995.
- University of Minnesota Duluth, Bureau of Business and Economic Research (BBER). Economic Impact of Ferrous and Nonferrous Mining in Minnesota. June 2020.
- Governor's Task Force on Wild Rice. Final Report to Governor Mark Dayton. January 3, 2019.

Attachment
-City of Hibbing letter
-Range Regional Health Services letter
-Minnesota North College letter
-Hibbing Public Schools letter
-Hibbing Chamber of Commerce letter

HIBBING

September 17, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

RE: Comments on Draft Wastewater Permits and Preliminary Denial of Sulfate Variance Request for U.S. Steel Keetac Facility

Dear Commissioner Kessler:

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Respectfully submitted,

Mayor Pete Hyduke
401 East 21st Street, Hibbing, MN 55746
(218) 969-3067 | petehyduke@hibbingmn.gov

References

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- University of Minnesota Duluth, Bureau of Business and Economic Research (BBER). Economic Impact of Ferrous and Nonferrous Mining in Minnesota. June 2020.
- Governor's Task Force on Wild Rice. Final Report to Governor Mark Dayton. January 3, 2019.

September 8, 2025
Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

Re: Comments on Draft Wastewater Permits and Preliminary Denial of Sulfate Variance Request for U.S. Steel Keetac Facility

Dear Commissioner Kessler,

As Hibbing Area Chamber of Commerce's President, I am writing to express my strong support for the continued operation of the mining industry on the Iron Range. Mining has always been more than just an industry here—it is the backbone of our communities and the foundation for our regional economy. Hibbing is home to dozens of mining supply and distribution businesses. The lives of our people, past and present are intertwined with mining. The potential closure or significant reduction of mining operations would have devastating and far-reaching effects on local businesses, workers, and families.

The Iron Range economy is deeply interconnected with mining. Local businesses like restaurants, grocery stores, retail shops, contractors, equipment suppliers, healthcare providers, and service industries depend heavily on the spending power of mining employers and their families. Every job in the mines supports several more in the surrounding communities, creating a multiplier effect that keeps small businesses thriving. Without mining, these businesses would face steep declines in sales, reduced employment opportunities, and in many cases, closures.

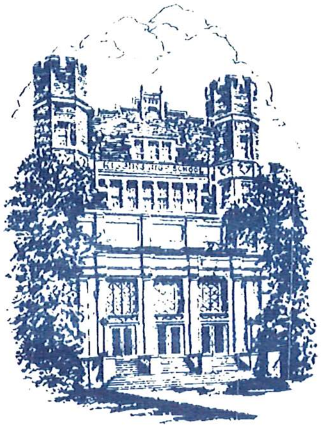
Additionally, mining companies themselves are major customers of local contractors, trucking firms, machine shops, and professional services. The loss of this demand would not only shrink revenues for these businesses but also reduce the flow of dollars circulating through our region. Tax revenues would also fall sharply, leaving local government struggling to maintain schools, infrastructure, and community services.

The mining industry has sustained the Iron Range for generations, allowing families to build stable lives and enabling small towns to flourish. A shutdown would not just mean the loss of jobs—it would mean the loss of our identity, stability, and future growth opportunities.

For these reasons, I urge decision-makers to recognize the critical importance mining to the Iron Range and to support policies that protect it. The profound economic and social consequences of a mining shutdown would be catastrophic to the community. Protecting mining means protecting our local businesses, our schools, and our way of life on the Iron Range. Thank you for your time and for considering the heavy costs that would accompany any shutdown of mining in our region.

Respectfully,

Amy Mandt
Amy Mandt
Hibbing Area Chamber of Commerce
President/CEO



Hibbing Public Schools

Independent School District No. 701

800 East 21st Street • Hibbing, Minnesota 55746
218-208-0848 Fax: 218-208-0866

Richard B. Aldrich, Superintendent
richard.aldrich@isd701.org

September 19, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

Re: Comments on Draft Wastewater Permits and Preliminary Denial of Sulfate Variance Request for U.S. Steel Keetac Facility

Dear Commissioner Kessler:

I am writing to express my support for the mining industry in our region and to highlight the important role it plays in the stability of our local public education system, our economy and most importantly student enrollment at our public schools.

The Hibbing Public Schools recently celebrated 100 years of service to our community, region, and the students we serve. This proud tradition is directly reflected in the investments mining has made in our region. Iron ore is the backbone of our community.

We have seen booms and busts in mining during these 100 years. Most recently, we are feeling the effects of fewer mining jobs in our region, and resulting declining student enrollment. Recent announcements from Hibbing Taconite about ore life have left our school district reeling.

Sulfate concerns and decisions at Keetac, which is located within the Hibbing School District's boundaries, will have lasting consequences for other regional mining entities and will lead to additional student loss in our school district.

Thank you for your consideration. We appreciate the difficult work you do in balancing environmental concerns with the needs of our community.

Sincerely,

Richard Aldrich
Superintendent

Minnesota North College
A Member of Minnesota State

Minnesota North College
1515 E 25th Street
Hibbing, MN 55746
218.312.1512

September 11, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Mn 55155

Re: Comments on Draft Wastewater Permits and Preliminary Denial of Sulfate Variance Request for U.S. Steel Keetac Facility

Dear Commissioner Kessler,

Minnesota North is a comprehensive community college with six campuses spread across Northeastern Minnesota. In 2024, the college served 3688 students and employed 383 full time equivalent staff and faculty. Three of our campuses are in the heart of the Iron Range where mining has driven the regional economy for decades. We make significant investments in academic offerings that support mining directly in programs such as industrial technology – millwright, heavy equipment-diesel repair, electrical controls, welding, and others. The college also hosts multiple programs that support the regional fabric of vendors and services who thrive only because of our mining companies' purchasing power, the high wages paid to their employees, and the families that make a home here because of the employment opportunities the mining industry provides. We also attract millions of federal grant dollars to provide incumbent worker training in mine safety (MSHA). All these investments mean college employees can live in this region and contribute to the local economy.

A 2023 study released by Minnesota State Colleges and Universities, estimated that the impact of Minnesota North's campuses on the regional economy to be $205 million including $107 million of direct spending. The college also contributes $15 million in state and local tax revenue. Without a mining economy, multiple program closures would mean the elimination of faculty and support staff positions across all curriculum areas that support mining and other businesses of our region. Transfer programs and course enrollment would also be negatively affected by the loss of families and their children who might leave our region. The college's direct purchasing of local goods such as metal, gases and fuel, training equipment, food, and marketing services would diminish. The necessity of campus closures would not be out of the question. Simply put, the permanent closure of mining operations on the Iron Range would be devastating to the financial health and sustainability of Minnesota North College, which in turn, would have a significantly negative impact on the economy of Northeast Minnesota.

Common ground needs to be found in mine permitting to both protect our environment and grow our economy. I encourage all entities to work toward that end.

Thank you,

Michael Raich

Michael Raich, President
Minnesota North College
218-403-9221
michael.raich@minnesotanorth.edu

Fairview

September 8, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

RE: Comments on Draft Wastewater Permits and Preliminary Denial of Sulfate Variance Request for U.S. Steel Keetac Facility

Dear Commissioner Kessler:

As the Chief Executive Officer of Range Regional Health Services in Hibbing and Grand Itasca Clinic & Hospital in Grand Rapids, I am writing to express my support for the mining industry in our region and to highlight the important role it plays in the stability of our local healthcare system.

Our hospitals are the largest employers in Hibbing and Grand Rapids, serving patients across a wide geographic area. We operate on very thin financial margins while striving to provide high-quality healthcare close to home. A key factor in our ability to remain sustainable is the payer mix of our patients. Currently, approximately 70% of those we serve are covered by Medicare and Medicaid, with only about 30% covered by commercial insurance. That commercial insurance segment, much of it tied to the mining industry, is critically important in balancing our financial foundation and ensuring we can continue to provide care for everyone in our community.

If the mining industry were to experience significant downturns or workforce reductions, the impact would be felt far beyond the companies themselves. With fewer individuals covered by commercial insurance, our ability to sustain operations, recruit providers, and invest in essential services could be challenged.
Both the mining industry and our hospital are cornerstones of the local economy. Together, we provide jobs, support families, and keep our communities viable. The success of one directly influences the stability of the other. For these reasons, I urge you to consider the substantial and widespread economic, social, and healthcare impacts as you weigh decisions affecting the mining industry.

Thank you for your leadership and for your commitment to the health and well-being of our region.

Sincerely,

Jean MacDonell

Jean MacDonell
Chief Executive Officer
Range Regional Health Services
Grand Itasca Clinic & Hospital

Cc: Mayor Pete Hyduke, City of Hibbing