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August 14, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road N
St. Paul, MN 55155-4194

RE: Support for Industrial Wastewater Variance – Keetac

Commissioner Kessler:

In May 2025, U.S. Steel requested a variance from Minnesota's sulfate water quality standard for water released into areas that produce wild rice. The Minnesota Pollution Control Agency (MPCA) issued a preliminary denial. On behalf of the Range Association of Municipalities and Schools (RAMS)—representing 70 local governments across 27 cities, 28 townships, and 15 school districts on the Iron Range, we urge you to reconsider and approve this site-specific standard and variance.

This has been a long-standing issue, but now time is of the essence. The people of northeastern Minnesota care deeply about the quality of the environment in the place that they live, work and raise their families. The state must demonstrate it can both attract new industry and support the viability of existing employers. The state must also show that it will not take actions to regulate the current industrial base out of existence. This issue is not just about Keetac—it reflects a broader concern about regulatory overreach disproportionately harming rural communities and their economic foundations.

Background

There is no debate from our group that good standards are needed and appropriate to protect our citizens and the environment. Increased costs of compliance, however, for a standard that has a questionable foundation and has little chance of being substantially achieved on a state-wide basis, is unacceptable and will likely lead to more operations closing and the subsequent loss of economic activities that support our communities. The region's economic stability is under threat. In a global steel market marked by overcapacity, cost-per-ton is critical. Forcing compliance with a scientifically inconsistent standard—one unlikely to be achieved statewide—adds untenable costs. The potential loss of the iron mining industry to our schools, cities, and townships, both financially and on a per-capita and per-pupil basis, would be catastrophic.

Municipalities and taconite producers alike face steep financial and technical challenges in complying with this outdated standard that does not reflect current science, adopted decades ago with a limited technical foundation. To that end, the RAMS Board unanimously passed a resolution supporting the site-specific standard and variance request, which is enclosed for your review.

Economic Stakes

Iron mining, like farming and logging, has sustained Minnesota's economy for over a century. Other industries have come and gone—but mining remains a backbone. Opposing mining in this region is akin to opposing farming in the south—it ignores economic reality and jeopardizes families and communities for little environmental gain. Mining on the Iron Range generates local production tax for the benefit of local cities, townships, counties, and school districts. Mining revenue

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supports the University Trust, Tax Forfeited Trust, and has generated over 90% of the wealth in the Permanent School Trust, benefitting all Minnesota public school students.

RAMS urges that the MPCA expand the economic analysis to include what happens if the facility is curtailed or idled. This must include both an employment analysis not just for the immediate employer but also include employment impacts to vendor businesses serving the industry. Furthermore, the analysis must account for any reduction in tax benefits received by local cities, townships, school districts, and counties, as well as the myriads of statewide trusts that receive contributions from mining. Currently, it does not.

Rural Impact

During the 2024–2025 session, proposals to cut Local Government Aid and County Program Aid made it clear: rural communities are already stretched thin. Expecting them to shoulder additional, disproportionate regulatory costs—without relief or reform—is neither fair nor sustainable. How can many small, rural municipalities and schools, already struggling to recruit, attract, and retain both talent and tax base, be expected to foot the bill when they are overwhelmingly under-resourced while simultaneously fending off these attacks?

Flawed Standard

The sulfate standard is rooted in casual 1950s field notes and has not been meaningfully updated since the 1970s. Wild rice health is affected by many factors besides water quality, including but not limited to: water levels, water level fluctuations, nutrient quality and availability, sediment characteristics, competing vegetation, and predation. The MPCA's own rulemaking from 2011–2018 uncovered inconsistencies between the historical standard and failed to incorporate modern peer-reviewed science. That process was abandoned. In response, the Legislature passed a law barring enforcement. A 2018 administrative law judge then rejected MPCA's proposed revision of the wild rice standard. In 2022, EPA warned that MPCA was out of compliance. RAMS urges renewed engagement with the Minnesota legislature and the EPA to clarify and resolve this situation cooperatively.

RAMS urges the MPCA revisit rulemaking as agency staff indicated during the previous rulemaking that it was imprecise. There has been no Agency effort since 2018 to continue or update the rulemaking. RAMS believes an explanation is warranted. How long will community and industry have to wait for resolution?

Listing and Delisting

While the state has created an inventory of water bodies that they believe are wild rice producing, it is unclear how the criteria to identify or enroll them was developed or if it is being consistently implemented. Furthermore, no mechanism exists for determining when it is appropriate to delist a water body when it is no longer eligible to be identified as "for the production of wild rice". RAMS would like to clearly understand this process.

Incomplete Economic Analysis

MPCA's financial analysis claims U.S. Steel can afford remediation. That conclusion is too simplistic. Steelmakers operate globally and weigh costs accordingly. Barr Engineering estimates that compliance would require $814.3 million in construction and 20-year operations. This is an unusually large investment to implement questionable standards. Furthermore, the industry is

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constantly investing in and making improvements to environmental processes. However, the cost of this and other possible remedies may cause a delay in or put other planned environmental improvements at risk.

Transparency and Feasibility

We do not know what compliance would cost for the other taconite plants—or for municipalities and industries across Minnesota, including the Twin Cities. For example, DNR fish hatcheries, which are also dischargers with NPDS permits, will also have to comply. What will be the cost of inventorying and planning around mitigation for taxpayer-funded remediation for this and other state-owned facilities? Before enforcing this rule, MPCA must produce a statewide site inventory that includes anticipated costs and impacts remediation at public and private sector sites. Any investment should demonstrably support thriving wild rice growth. As it stands, it will not.

Unequal Treatment

The burden of compliance in this case falls entirely on a single site—Keetac. But this isn't just a mining issue. The sulfate standard looms over pulp and paper mills, food processors, and municipal wastewater systems. The MPCA's multi-discharger variance for municipalities acknowledges that the standard is not realistically achievable. Yet industrial dischargers receive no such accommodation. This double standard invites litigation, undermines public confidence, and reinforces perceptions of regulatory inconsistency.

A Turning Point

RAMS supports reasonable regulation of industry. However, this moment calls for reflection and recalibration. If MPCA refuses to adjust course, how will it justify future enforcement actions on municipal wastewater systems, food processors, or other industries?

This decision is bigger than one variance. It signals how the agency treats science, fairness, and the communities it serves. We urge you to make the right choice—for Keetac, and for the future of northeastern Minnesota.

This should be a wake-up call for us all.

Sincerely,

Paul Peltier
Executive Director

cc: Minnesota Pollution Control Agency
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