



June 6, 2012

Chairman Bishop

Ranking Member Grijalva

Subcommittee Members

Re: H.R.5544 THE MINNESOTA EDUCATION INVESTMENT AND EMPLOYMENT ACT

Bad Deal for the Children, Good Deal for the Mining Companies

The Save Our Sky Blue Waters (SOS Blue Waters), Save Lake Superior Association (SLSA), and the Friends of the Cloquet Valley State Forest (FCVFSF) organizations of northeast Minnesota wish to go on record in opposition to H.R.5544 - THE MINNESOTA EDUCATION INVESTMENT AND EMPLOYMENT ACT which mandates and expedites the transfer of tens of thousands of acres of protected National Forest lands into state management intended to maximize revenue generation.

According to Rep. David Dill, D-Crane Lake, found [HERE](#)

"...we should mine, log, and lease the hell out of that land that we get in the change."

H.R. 5544 does not resolve the issue of severed mineral rights, but deals only with the transfer of surface rights. H.R.5544 proposes to exchange the surface ownership of state lands currently within the borders of the Boundary Waters Canoe Area Wilderness (BWCAW). Therefore, this bill opens the door for future land exchanges or other forms of compensation for mineral rights.

In addition, because most of the mineral rights on proposed exchange lands within Superior National Forest belong to private interests, no money from prospective mining would go into the Minnesota Permanent School Fund. This negates the entire reason for the land exchange. SOS Blue Waters, SLSA, and FCVFSF support a complete land sale, which would immediately generate money for the principal of the Permanent School Fund.

Additionally, we oppose any compromise/hybrid/stakeholder land exchange legislation as (1) incrementally disrupting the ecosystem of Superior National Forest and (2) violating current law (National Environmental Policy Act) which includes environmental review and citizen input. The stakeholder process (Permanent School Trust Fund Advisory Committee) that formulated a hybrid exchange failed to include any members of the public who would be impacted by potential mining, did not address removal of Federal protections such as the Weeks Act prohibition against strip mining, and did not address loss of national forest lands. Lands were selected for the hybrid exchange based upon potential mineral interests.

BWCAW land exchange legislation would remove a disproportionate amount of Superior National Forest with the potential to significantly and negatively impact the Lake Superior and Rainy River watersheds. Land exchange plans have ignored comparative analysis of land values, ecosystem integrity, Lake Superior watershed protection and U.S. accords with Canada. The sole purpose of a land exchange process is to remove Federal protections in order to promote mining throughout what is now Superior National Forest.

History

When Minnesota became a state in 1858, the Federal government granted sections 16 and 36 of every township to the state to be held in trust for the benefit of schools. The state could hold onto, use, lease, or sell the land to raise money for education.

The Minnesota Constitution established the Permanent School Fund (PSF) to ensure a long-term source of funds for public education, consisting of the accumulated revenues generated from the land; only interest from the fund can be used on a yearly basis. The Department of Natural Resources (DNR) was given responsibility for managing school trust land. The amount of school trust land peaked at 8.1 million acres, with the addition of over 5 million acres of Swampland and other land grants.

Much of the land was sold by the mid 1880's. The same is true for school trust lands throughout the Midwest and eastern sections of the United States. The current state legislative agenda to extract as much money as possible from Minnesota's remaining school trust lands, and to remove school trust lands from sound management policies, comes at the expense of the integrity of the Superior National Forest and the outdoor heritage of the state.

The original school trust lands were set aside more than 150 years ago. This took place before the great timber lands were decimated, and before mining appeared on the horizon of northeastern Minnesota. This also took place at a time of many small rural one-room school houses. The legislators of today are seeking to exploit our remaining school trust lands located in the northeastern part of the state, to the maximum extent, in order to fund a large sprawling statewide urban/suburban/rural public school system.

Special significance of BWCAW holdings

The Boundary Waters Canoe Area Wilderness (BWCAW) was established as part of the Wilderness Act of 1964 and the Boundary Waters Wilderness Act of 1978. Today there remains approximately 86,000 acres of school trust land within the BWCAW. Since no logging or mining is allowed within the Boundary Waters, and no fees are being charged to BWCAW users, these lands have not been generating income for the school trust fund. Also note that approximately 22,000 of these acres are Swampland additions and were not meant to generate funds for the school trust.

The northeast Minnesota Iron Range delegation has worked to prevent the sale of these state lands to the Federal government. Instead the Range delegation wants a land-exchange. The Range delegation has speculated that lands within the designated wilderness of the BWCAW are more highly valued; therefore a greater number of acres outside of the BWCAW would be needed as part of an exchange. These lands would come out of the Superior National Forest.

In the 1990's, the Range delegation sought an exchange that would allow the state to do more intensive logging on lands that border the BWCAW. But promises of a new windfall have united the Republican-led Minnesota legislature and Range Democrats. Mining companies are exploring for copper, nickel, and other trace metals in the Duluth Complex of mineralization that underlies Superior National Forest and borders the BWCAW.

Problematic footprint of sulfide mining

Mineral prospecting and proposed mining of the low-grade, highly disseminated sulfide mineralization of the area is controversial. Because the sulfide ore body is so low grade, mining would result in 99% waste rock; open pits, waste rock piles, dikes and tailings basins would replace the forests and wetlands of Superior National Forest. Sulfides in the waste rock and tailings would react with air and water to eventually form sulfuric acid (H_2SO_4). Acid mine drainage (AMD) and leaching of unrecoverable heavy metals in the waste rock and tailings would contaminate ground and surface water flowing into two watersheds, east into Lake Superior or north into the BWCAW and the Rainy River, and would require costly near-perpetual treatment, for centuries. Even with treatment, it is impossible to prevent the leaking of tailings basins, run-off from waste rock piles, and toxicity of open pits, leaching heavy metals and generating AMD.

Legacy of mining

The legacy of Superior National Forest and the BWCAW, lands currently protected and preserved for the citizens of this nation, would be lost to an industrial wasteland. Expansion of proposed taconite mining on the Iron Range, in conjunction with proposed sulfide mining in what is now Superior National Forest, would destroy the heritage that is currently being held in trust for our children and future generations.

The **Minnesota Education Investment and Employment Act** is indeed a misnomer. Potential mining of the low-grade disseminated mineralization of the Arrowhead is speculative, based upon the costs of mining 99% waste rock. In addition, hardrock mining uses heavy machinery rather than a large work force. Mining displaces existing economic development, and the loss of current jobs in tourism, recreation, wood products, and real estate will far outnumber jobs added by mining. Those losses will be permanent. When mineral extraction is complete, remaining waste rock piles, open pits, and tailings basins diminish the use of the land for any other purpose. As is happening already, mineral exploration and the separation of land and mineral rights is decreasing private property values, and could result in condemnation or seizure through eminent domain.

Legacy of the trust

The school trust lands currently within the BWCAW do not need to be traded. They could be sold directly to the Federal government; funds are available from the Land and Water Conservation Fund or other funds. A sale would immediately add significant money to the Permanent School Fund. In addition, the state may be able to find ways to generate additional funds through recreational fees, as is done in Montana.

A land sale will preserve both the legacy of the school trust fund and the legacy of the Superior National Forest.

Ethics

SLSA, FCVSF, and SOS Blue Waters believe that it is unethical and immoral to base the education of our school children upon the destruction of the land that is their true heritage.

In addition, there is no guarantee that sulfide mining will be deemed environmentally acceptable in northeastern Minnesota, or that the market will sustain the mining of less-than-1% ores. There has been no public discussion regarding the outsourcing of these metals to China and other countries, along with the outsourcing of profits by foreign mining companies.

Also, any land exchange would cover only the surface rights, not the mineral rights to the land within the BWCAW. This oversight holds the door open for mining in the future within the BWCAW itself, something currently restricted by law. Land exchange proposals ignore the costs of near-perpetual treatment and mining clean-up costs, and whether the school trust could ultimately be responsible.

Furthermore, most of the Federal lands the state would get as part of an exchange have severed mineral estates held by private interests. Therefore, no money from mining these lands would go into the state school trust fund. Instead, private companies would be able to strip mine previously protected lands. While doing little for the monetary benefit of schoolchildren, H.R. 5544 would destroy the legacy of Superior National Forest and create a windfall for mining companies.

Legislators have jumped on a bandwagon that promises jobs and trust fund moneys, while burying the true impacts upon the land and its sustainability--water as a precious resource, the health of all of us who depend upon clean air and water, and the wilderness heritage of northeast Minnesota that remains as a vestige of what once covered this state and country.

Summary

We oppose any Federal legislation that would exempt the BWCAW land exchange from the normal land exchange process and National Environmental Policy Act (NEPA) requirements for environmental review and public involvement and input.

Legislation that transfers lands out of the Superior National Forest for maximum mineral and natural resources development and exploitation, while removing current Federal protections on the lands would be detrimental to the Superior National Forest and Boundary Waters and would conflict with the intent and purpose of the Boundary Waters Canoe Area Wilderness Act of 1978.

The school trust lands in the BWCAW issue is being used to manipulate, change, and control the mineral interests of the Superior National Forest, in order to facilitate turning Minnesota's beloved Arrowhead Region into a copper-nickel sulfide mining district.

The laws of the land established to protect the Superior National Forest, including the Boundary Waters Canoe Area Wilderness, the Lake Superior watershed and the entire State of Minnesota, are being weakened by legislation, ignored by governmental agencies, and bypassed through land exchanges.

Any kind of land exchange will facilitate the opening of a sulfide mining district within what is now Superior National Forest. Removal of Federal ownership and Weeks Act protections will be a wind-fall to mining companies to use less costly open pit/strip mining and to avoid watershed and forest protections in their environmental reviews. The BWCAW and Superior National Forest contain the headwaters of two great water systems; the Rainy River watershed and Lake Superior, both of which drain into navigable and international waters. Weeks Act protections have been with us since 1911.

SLSA, FCVSF, and SOS Blue Waters ask our Federal legislators to facilitate a total land sale of the remaining state lands within the BWCAW to the Federal government. We oppose any type of land exchange or partial land exchange as against the best interests of the school children of the state of Minnesota, and the future generations of this state and nation.

We believe in the importance of public education, and that it be funded through a steady and reliable source of income. Public education should not be dependent upon mining which has

never before been permitted in this state, and which, if permitted, would be susceptible to market fluctuations, and which would ultimately degrade the environment for all future generations.

Superior National Forest was established by President Theodore Roosevelt in 1909. For the past century, statesmen and citizens have stepped forward to protect the inheritance of the Arrowhead Region because of the awe inspiring beauty of the Boundary Waters and Lake Superior. SOS Blue Waters, SLSA, and FCVSF, as groups representing citizens who currently live closest to this legacy, wish to stand up and take our place in support of retaining the integrity of this area, and in opposition to land exchanges that would literally sell us down the river.

Legislation involving a land exchange is not in the best interest of the citizens of this state and country and will result in the United States giving up critical rights to water protection. Water will prove, over time, to be our most valuable asset.

Respectfully submitted,

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