Plans For Pellet Plant Hinge On MN Bill

The Associated Press

ST. PAUL, Minn. (AP) — Plans for a northern Minnesota iron pellet plant could hinge on a bill that begins its travel through the Legislature on Wednesday.

The legislation exempts the proposed Magnetation Inc. pellet plant in Itasca County from certain state environmental reviews. Larry Lehtinen, the company's chief executive officer, told the Duluth News Tribune for a report Tuesday (http://bit.ly/xdmTG9) that the facility could wind up in Indiana and Wisconsin if the Minnesota rules aren't relaxed.

"Indiana and Wisconsin permitting laws and processes allow for Magnetation to receive pellet manufacturing plant permits by the end of 2012," Lehtinen said. "Due to our timing constraints, this bill is required for Minnesota to remain in contention for the pellet plant. If the bill passes, that does not guarantee the pellet plant will be built in Minnesota but rather that Minnesota remains in contention."

Lehtinen said the company wants permits in hand before making a choice.

The $300 million plant would employ about 150 people and turn iron concentrate into pellets for use in blast furnaces.

The proposal to be heard in a House committee would classify the facility as a manufacturing operation instead of mining. That would remove certain environmental reviews from its path.

State officials say the project would still require air and water-emission permits under federal laws.

Ann Foss, head of metal mining projects for the Minnesota Pollution Control Agency, said federal regulations on nitrogen oxide, sulfur oxide, mercury and haze near pristine federal lands like Voyageurs National Park would apply.

Lori Andresen, a member of the Sierra Club in Duluth, said groups like hers worry the bill is part of an ongoing effort to roll back environmental protections for the mining industry and would set a dangerous precedent.

"We should be doing more environmental review, not less," she said. "The cumulative impacts from all of these mining projects are not being addressed."

Magnetation already employs more than 160 people at two recovery and processing operations on the Iron Range.

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