

COMMITTEE ON MICHIGAN'S MINING FUTURE
January 12, 2021

DRAFT MEETING MINUTES

ROLL CALL

Commission Members and Affiliation

Richard Becker (Aggregates) – present
Snehamoy Chatterjee (Research Faculty) – present
Timothy Eisele (Rep. Cambensy) – present
Harold Fitch (Sen. McBroom) – present
Sean Hammond (Environmental Nonprofits) – present
Matthew Johnson (Metallic Nonferrous) – present
Stephen Kesler (Research Faculty) – present
James Kochevar (Ferrous Mining) – present
Chad Korpi (Ferrous Mining Unions) – present
Jerome Maynard (Environmental Nonprofit) – absent
Deborah Pellow (Municipality Affected by Mining) – absent
Evelyn Ravindran (Native Americans) – present

State Agency Members

Liesl Eichler Clark (EGLE) – absent
Adam Wygant (EGLE) – present
Dan Eichinger (DNR) – absent
Sharon Schafer (DNR) – present
Amanda Bright-McClanahan (MEDC) – present
Mike Sweat (EGLE) – present
Susan Bishop (EGLE) – present

Others Present

Aaron – Michigan Building Infrastructure Magazine
Jessica Strand
Edith Leoso
Anna Ediger – Cleveland Cliffs
Stephanie Swart
Horst Schmidt
Mary Raglin

The meeting began at 9:07 a.m. with roll call.

The minutes from the November meeting are posted in the team's site. Have folks reviewed them? Are we comfortable on accepting them as final? We will table the minutes to approve for now.

Mike Sweat will begin knitting the report structure together. He will be retiring at the end of May. It is the hope to get the drafting and organizing done before then. We discussed the report in more detail and follow the template through the document. We are not yet there with capturing the overlap. We can talk about the mission statement, and list each subcommittee in the reports.

The Research and Mineral Mapping subcommittee decided to work on different areas each month. I would like a draft of all the reports by April. This gives us time to review and edit the report. Mike would be available through October to help with the report. Does the group have additional information for the report? Each subcommittee could have their own chapter or section. Mike will work on the introductory section and have it ready in a couple weeks. Do we want sections with each subcommittee? We could start by putting members of each subcommittee in this section. The “how” is our recommendation. What do we recommend the state does?

The report structure could be topic, background, option, and recommendations. The solutions will be for the legislators and they may need to decide what needs to be done. The executive summary is the key. We need something digestible for the legislature. We should highlight who is asking for help, and this would be a better sell by showing this. We can figure this out at the end of the day to make sure it's cohesive to the reader. We have same subtopics with different subcommittees. Will there be figures or graphs? Will they be entertaining for formal? We would like an attractive cover. If we have illustrations, they would be useful if they are informative. Matt Johnson has a graphic artist that could help with the front and back covers.

In the opening comments, we might have descriptions of the mining industries in Michigan. How is this information available on mineral production? This would be a good starting point. Mike Sweat will look into market value. We can give a range of how prices have fluctuated. MOGA did an economic impact study around 2016; I'm sure Cliffs could do the same. There are other sources out there. Adam and Mike would draft this section as ask for help as needed.

Doug Needham has not done an economic study, and they did not plan on doing this. It is tough to get mineral numbers. Matt Johnson will be doing one soon to see the impact and prepare for closure of the Eagle Mine. USGS reports are good but they lump some things together. In the case of Aggregates of Michigan, there might be data from other states. If you know different companies, you can look at their budgets without being specific.

Reclamation should also be looked at. Mining goes further when minerals are being extracted. It is the value of land after land. In the aggregate industry, land has more value. This can be another section or chapter in the report. How do we get there? There is good duplication between subcommittees. We should put in an education recommendation. How do we see these topics supporting each other? We need to acknowledge how regulators, and mining industries do this. Competing interests will increase. Adam and Mike can talk about reclamation and post mine use.

We could have a section talking about competing interest or usable land. We would like to see more treaties involved. We could have a section on Native American communities not just having treaty rights, but other rights granted for water and air and engaging them.

The opening section should have some meat, so people have a good understanding what this committee does. People don't understand land ownership. Land use and availability of minders could be a subject. The importance of the committee is to see what this community looks like. We could include a simple statement of who owns land at the beginning section.

Tim Eisele – Research and Mineral Mapping

We went through what was written. How do we map materials? Do we determine what's present and how to use it? We need ideas where money will come from that is realistic. We should be in a position to take government funding. There is the concept of dealing with mining waste and what's left behind. Do we need a section at the beginning on modern mining? Reclamation is important and necessary. We could include a brief review of body of regulations. People think of legacy activities when they think of mining.

Jim Kochevar – Mining Methods, Environment, and Reclamation

We have had good conversations regarding reclamation. The outline is solid. We really haven't advanced past the outline. We need a different starting point for the February meeting. We need to put context together to get to the subcommittee for review.

Matt Johnson – Social, Economic, and Labor Opportunities

We looked at topic areas and added more detail. We assigned topics to each member and will schedule monthly meetings for February 4, March 4, April 8, and May 13. At each meeting, we will attach more detail. The economic and social impact is done by Amanda. Information that is collected should be written in way it's educating the communities and public. There were recommendations to educate and inform and look at our program for GIS and sustainability practices.

We weren't sure what direction to take with item 5, property tax vs. severance taxes. We can educate on permitting and tax process per industry. We don't really have an ore body tax. Mineral reserves are not taxed. What is the value of an ore body before you tax it? There was a new severance tax created for Eagle Mine. The mining company would pay taxes before they get the revenue. We don't have a recommendation for this. Permitting tax reserves was tied more to the mapping piece. You can find reserves in mapping and you can find land that is not in a wetland. This ties in more with mapping. Permitting correct reserves is being considered in the regulatory Policy Subcommittee.

Item 6 was reassigned to us – sensitivity from regulators, elected officials and community towards mining. Recommendations were promote responsible mining,

define responsible mining, and identify the best proactive opportunists for future mining in Michigan.

When we talk about property taxes, it is based on the value of the property. I don't remember paying taxes on ore bodies but on land. We need to use standard terminology in the report. Michigan has a standard way it defines it. Taxation of ore bodies aren't worth anything before it's mined. It cost money to build a structure to use for mining.

If explorationists find anything, the first thing they crow about is what they've found. The value is a guess, because you don't know the prices. Are previous mines with minerals being taxed? No. How do you tax idle mines if they aren't officially closed? Part 631 has provisions for ferrous mineral mining. The severance tax replaces property tax when you're not mining.

Hal Fitch – Regulatory Policy subcommittee

We held meetings in November and December. Each person will write full version of the report. WE had two sections: regulatory impacts, and mining inspectors. WE should have a draft to the full committee by the February meeting. There is flexibility for mining to share inspectors through counties. Some leases are recorded in the county register of Deeds. Title searches are expensive. Oil companies try to find this information more easily. We don't have to record mineral transactions in Michigan. We should recommend Michigan has to be a recording state. We could keep a record of what is known and the current regulations. It would be a lot easier if they were required to record it. Individual searches are complex and being a non-recording state makes it harder.

If we requested Michigan become a recording state, it would help more than mining. If you purchase land, mineral companies won't guarantee mineral rights since it's not recorded. Some counties have records online, and some don't. Some want to charge to get this information. Government minerals is another option. Some acts are passive if companies don't take action.

New/old topics – none

Public Comment

Horst Schmidt – Mining is a one-time deal affecting land, water, and air. Once the damage is done, who bears the cost, the landowner or company? After timber is done, you can reuse the land. You create underground cancels when you're mining, and it picks up chemicals off rock bodies and then you have acid mining contaminants. You should consider preempting in mining and tell legislators.

Social contract is a problem. The idea is it's a one-way contract and once they have it, the community is locked in. the community needs input afterwards.

Training – what to do afterwards. you need to consider economic development and training once the mine ends. You should plan before the mine closes not during the life of the mine. People living in communities need to be protected.

Aggregate and mining – when they started pushing this bill, it started negotiations. One company didn't want to be stopped by opening more mines. They will be bringing in a bill and will continue to be a problem. You need to look at it as a unity not us against them.

Tailings – I have been following Aquila. I am amazed at the planning company; they want to do the cheapest work to be able to make a profit. The mining office made the plan, but you need to look at the whole picture.

Government subsidies – the Detroit Free Press said there are some 25,000 acres with some type of damage in the site.

Acid mine drainage – Aquila's Menominee River project. How do you prevent acid mine drainage? The whole issue of acid mine draining and rivers is a problem.

Edith Leoso

There is a concern with no tax levied on idle mines. The reason is the degree of mercury runoff being found due to tailings. Who is this responsible for health affects? The general public pays for this. It doesn't seem prudent to not tax idle mines. The state will be responsible in the end. People can get cancer or autism. Who is then responsible? Does Michigan find this acceptable? If I buy a house and there is Methamphetamines found, I'm responsible for cleaning this up. Who does the water testing during a storm event? Is it the general public? Allowances are being made, but evidently the general public is responsible. Someone will pay for it either through their health or their pocketbook.

Motion to adjourn was made by Jim Kochevar. It was seconded by Steve Kesler.

The meeting was adjourned at 11:11 a.m.