



08/24/2020

Larry Lynch – EX/7
Wisconsin DNR
Box 7921
Madison, WI 53707-7921
re: Natural Resource Development Association Comments on EA-14-18

Mr. Lynch -

The Natural Resource Development Association, a trade association focused on resource development that is both environmentally sound and economically beneficial for Wisconsin, submits the following comments on the Draft Economic Impact Analysis for Board Order EA-14-18.

The Association supported 2017 Wisconsin Act 134's updates to Wisconsin's permitting and regulatory framework for the mining industry. We appreciate the ability to provide comments on this Draft Economic Impact Analysis as the department seeks to bring its administrative rules "into conformance with the statutes and up to date with current technological and regulatory approaches."

Our membership believes this draft economic impact analysis is a step in the right direction. The Association appreciates the department's efforts to reach out to the mining industry since as the department notes, "the costs [of the proposed rule revisions] are expected to be incurred by exploration companies and applicants for prospecting or mining permits and operators of prospecting or mining projects over a ten year period." We believe the mining industry, environmental interests, and regulators can work together to protect the environment and support economic opportunities in the Badger State, and set the stage for a productive future of the mining industry and related industries across the state of Wisconsin.

It is important for the rulemaking process to provide a strong regulatory framework and remove uncertainties in order to provide a level playing field for permitting in the future. This is an important step to ensuring a clear regulatory framework for the industry.

Mining, in general, has a tremendous economic impact and benefit in the communities in which it thrives. A number of studies have shown that if a mine were to be sited in Wisconsin, the resulting economic impact would be advantageous to parts of our state that have faced economic challenges, since it has been said that Wisconsin sits on a "treasure chest" of nonferrous metallic mineral deposits.

In 2018, the Center for Research on the Wisconsin Economy (C.R.O.W.E) produced a study titled ["The Economic Impact of a New Metallic Mine in Wisconsin."](#) The study, authored by renowned UW-Madison economist Professor Noah Williams, highlights many positive economic benefits if a mine were sited in Wisconsin.

For example, the report states that a single new mine operating in Oneida County would produce:

- 350 new, full-time, mining jobs created;
- An average annual pay rate of \$72,568 (85% higher than the average pay in the county);
- 700 total jobs created in tertiary industries;
- \$44 million in additional labor income;
- \$243 million in economic output each year; and
- \$6.8 million in state and local taxes generated annually.

Along with the C.R.O.W.E. report, a University of Minnesota-Duluth's Labovitz School of Business and Economics report was released in 2015 titled ["Modeled Prospective Regional Socio-Economic Impacts of the Back Forty Project Menominee County, Michigan."](#) This study focused on the Back Forty, a proposed mine that could have a similar economic impact to mines that could be sited in Wisconsin in the future, and concluded that the mine would provide the following impacts for the local and statewide community:

- 250 or more Permanent Jobs;
- Annual Tax Revenue of \$20 million;
- State royalties of over \$16.5 million; and
- 2-3 Years of Construction Activity.

As noted above, mining will have a tremendous impact on the state of Wisconsin's economy. The Draft Economic Impact Analysis for Board Order EA-14-18 regarding new administrative rules on nonferrous metallic mineral exploration, bulk sampling, prospecting, mining and mining waste disposal makes great strides to update the agency's rules to be consistent with current law. This is an important step to ensuring a clear regulatory framework for the industry, although every mining project is different and will require ongoing cooperation with the state to ensure economic benefits and environmental protections are properly balanced.

We look forward to participating in this ongoing process and helping shape the future of responsible resource development in Wisconsin.

Sincerely,

A handwritten signature in black ink, appearing to read 'NConrad'. The letters are stylized and connected, with a large 'N' and 'C'.

Nathan Conrad
Executive Director
Natural Resource Development Association