



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

116 Veterans Service Building ♦ 20 West 12th Street ♦ Saint Paul, MN 55155

December 1, 2015

The Honorable Kurt Daudt  
Speaker of the House of Representatives  
Room 463, State Office Building  
St. Paul, Minnesota 55155

Dear Speaker Daudt:

I write again to respectfully urge your Caucus to agree to a Special Session of the Minnesota Legislature to begin to address the serious disparities affecting Minnesotans of color and to provide an extension of unemployment benefits to mineworkers on the Iron Range.

As you know, a recent U.S. Census Bureau report highlighted the many troubling economic disparities facing Minnesotans of color, specifically Black Minnesotans. The report showed that from 2013 to 2014, the median income for Black Minnesotans fell by 14 percent – dropping from \$31,493 to \$27,440 in a single year. The report also showed that the poverty rate for Black Minnesotans rose from 30.5 percent to 34.7 percent – compared to an 11 percent poverty rate for the state overall.

I have added reducing Minnesota's racial disparities to my proposed Special Session agenda, because we cannot ignore these problems any longer. There are a few urgent issues that we can address in a Special Session, which will lay the groundwork for a broader discussion during the Regular Session. The time is now for our state to invest in programs and policies that will improve the social and economic futures for Minnesotans of color.

Toward that goal, I request that the Special Session include a \$15 million investment to improve economic outcomes in communities of color. I will make a specific proposal for the use of those funds, after I have consulted with impacted communities. I fully recognize that more needs to be done, and look forward to working with you to make additional investments during the 2016 regular session to begin to close the economic disparity Minnesotans of color are facing in our state.

In addition to people of color, mineworkers on the Iron Range are facing significant economic hardship as a result of the global steel market and depressed prices as a result of steel dumping. As of December 1, 2015, an estimated 1,433 workers affected by mine layoffs on the Iron Range applied for unemployment insurance benefits with the majority of applications filed between May and August of this year. You will remember the layoffs were expected to be recalled this fall. However, rather than workers being recalled, the Iron Range is facing additional layoffs as Northshore Mine in Babbitt and Silver Bay and Magnetation Plant 2 in Bovey stop operations. As you know, unemployment benefits for hundreds of mineworkers, through no fault or choice of their own, will exhaust before the 2016 Legislative Session.

The layoffs and subsequent benefit exhaustion are having a crippling effect through Iron Range communities. Not only are the mineworkers and their families struggling to determine how to survive in the face of an uncertain future. The many industries that support the iron ore mines are struggling to retain their staffs and operations. Each mining job creates an additional 1.8 jobs in

the region. It is critical that that the state extend unemployment benefits to support mineworkers whose benefits have exhausted while we also continue to pressure the federal government to do everything in its power to protect the U.S. steel industry.

Regarding the proposed Sandpiper and PolyMet projects, neither I nor anyone in my administration has attempted to obstruct either of those proposed projects or to prolong the timetables for their review. I have long been on public record in support of the Sandpiper pipeline. I want it to be approved and routed as soon as possible, so as to reduce the even greater risks to our citizens and to our environment from the rail transport of Bakken oil.

However, by law the responsibility for the determination of need for, and the routing of, the Sandpiper pipeline rests entirely with the Public Utilities Commission, which is, also by statute, completely independent of my administration in its decision-making process.

Regarding the proposed PolyMet copper-nickel mining operation, years of delays in its review preceded my taking office, including the federal Environmental Protection Agency rejecting its first Environmental Impact Statement (EIS). Since I became Governor, however, the Department of Natural Resources has proceeded apace with the two responsible federal agencies in their determination of the adequacy of the current EIS.

That entire review has been conducted on a timetable, which accords with applicable federal and state statutes and previously established rules and procedures. It was recently lengthened by the over 58,000 public comments to the Draft EIS, all of which by statute required – and deserved – individual responses. The DNR is presently receiving public comments to the Final EIS, and Commissioner Landwehr will issue his determination on its adequacy just as soon as that process is completed. If the Final EIS is determined to be adequate, the necessary permitting processes will begin.

I have not taken a position for or against the PolyMet project and I will not until all of the permitting reviews have been completed. Over a year ago, several of my then-Republican gubernatorial opponents voiced their full support for the project, before any of the environmental and financial reviews, which I believe are crucial to a responsible determination, had even begun, much less were completed. I said then – and I repeat now -- to insert electoral politics into a decision of this enormous magnitude for northeastern Minnesota and our entire state is, in my view, irresponsible.

Nevertheless, to clear the slate for your agreement to a Special Session, I hereby assure you that neither I nor anyone in my administration will act to impede or delay the environmental or financial reviews of the PolyMet project, if the Final EIS is determined to be adequate. Neither will my administration be rushed into short-circuiting and short-changing any of those careful reviews.

Again, I ask your Caucus to agree to a Special Session to address the economic disparities of some of the most vulnerable Minnesotans. I look forward to your reply in the very near future regarding this critical matter.

Sincerely,



Mark Dayton  
Governor