



US Army Corps
of Engineers
St. Paul District

Information Paper

Regulatory Program: Mesabi Mining, LLC and Steel Dynamics, Inc., Mesabi Nugget Phase II, Aurora and Hoyt Lakes, Minnesota

Contact

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Location/Description

Mesabi Mining, LLC, and Steel Dynamics, Inc. (Mesabi Mining), have proposed to mine and concentrate taconite ore at the location of the former LTV Steel Mining Company approximately 5 miles north of Aurora and Hoyt Lakes, St. Louis County, Minnesota. The project is known as the Mesabi Nugget Phase II Project. Two existing open pit mines would be reopened, and a new taconite concentration facility would be constructed and operated. Tailings would be discharged into an existing open pit mine. Approximately 250 acres of wetlands would be directly impacted by the proposed project.

Background

Taconite open pit mining was conducted at the proposed project site from the late 1950s until 2001. Prior to taconite mining, the area was mined for natural iron ore in nearby open pits as early as 1903. The proposed project would reopen taconite open pits in Area 2WX and Area 6, existing waste rock stockpiles would be expanded, and tailings would be discharged into the existing Area 1 pit, starting on the west end. A new crusher and new concentrator with magnetic separation and flotation would be constructed and operated. The project would be conducted in an area of approximately 4,904 acres. The project would operate 24 hours per day, 365 days per year. Enough ore would be mined to produce approximately 3.15 million metric tonnes per year of taconite concentrate. Approximately one-third of the concentrate (about 1.04 million tonnes per year) would be used as a local feedstock to an iron nugget Large Scale Demonstration Project (LSDP) that was previously permitted and is operating at the site. The remainder of the concentrate (about 2.09 million tonnes per year) would be shipped by rail for use in other facilities. Depending on market conditions, the shipped concentrate may be used in facilities owned by the proposer or sold to other iron and steel producers. Mining, stockpiling and tailings disposal plans have been formulated for a project life of 20 years.

Status

The Corps and the Minnesota Department of Natural Resources are co-lead agencies for preparation of a joint Federal-State environmental impact statement (EIS). The Bois Forte Band, Fond du Lac Band, and Grand Portage Band are cooperating agencies. A Notice of Intent to prepare a draft EIS was published in the Federal Register on August 19, 2008. The public scoping process was completed, issues to be addressed in the EIS were identified, and a Final Scoping Decision Document was prepared. Mesabi Mining has submitted a wetland delineation and functional assessment report. Many of the impacted wetlands abut Second Creek or an unnamed creek, which are both part of a tributary system to Lake Superior.

During the environmental review of the project, high levels of sulfate were found in the water of the Area 6 pit. The source of the sulfate may be existing waste rock stockpiles at the site. The project would require dewatering the Area 6 pit, which could cause the sulfate standard to be exceeded in wild rice production waters downstream of the site. This legacy issue has affected the development of the draft EIS as Mesabi Mining considers project alternatives to address this issue. At the suggestion of the co-lead agencies, the company has agreed to suspend the EIS until after the Minnesota Pollution Control Agency/Environmental Protection Agency Section 402 National Pollutant Discharge Elimination System consultation process is complete, expected sometime in early 2013. Continued development of the draft EIS is dependent on the outcome of the 402 consultation process. The company will need to provide a revised project description to address the legacy issue, and include mitigation measures to limit additional sulfate discharge from existing stockpiles. The public scoping process may be reinitiated for the revised project.

Authority

The Corps has regulatory authority over the proposed project based on Section 404(b) of the Clean Water Act of 1977.