



TO: Members, Assembly Committee on Jobs, Economy and Mining
Members, Senate Committee on Workforce Development, Forestry, Mining, and Revenue

FROM: Andy Albarado, President, Wisconsin Economic Development Association

DATE: January 23, 2013

RE: **Support for AB1/SB1 Relating to the Regulation of Ferrous Metallic Mining**

The Wisconsin Economic Development Association is a statewide association consisting of over 450 economic development practitioners. WEDA supports state policies that strengthen our economy and create jobs. That is why WEDA supports AB1/SB1, the mining reform bill, which we believe will lead to many economic opportunities relating to iron mining not only in Northern Wisconsin, but the entire state.

We believe that this proposal creates certainty in the iron mining process for potential companies by establishing a clearly defined permitting process as well as setting a deadline for a permit decision. Wisconsin is currently at a competitive disadvantage in terms of our mining regulations and our ability to compete with Minnesota and Michigan for those mining jobs. In that regard, we urge you to pass legislation that provides a rigorous but passable regulatory path for iron mining in Wisconsin.

We believe that the passage of this needed legislation can and must be done in a timely manner so that the economic opportunities are not unduly delayed or lost. As such, it is important to appreciate and understand the state-wide economic impacts of this legislation.

If ferrous metallic mining is allowed, northern Wisconsin could receive a much needed economic boost for generations to come. Last session, Gogebic Taconite estimated that the proposed mining project in Iron County could potentially be a \$1.5 billion investment in Wisconsin. During the construction phase 2,200 construction related jobs will be created. Once the mine is operational, Gogebic Taconite estimates there would be 700 to 1,400 full time employees once the mine reaches its full capacity. These high-wage jobs are estimated to pay \$82,000 annually (total compensation).

Furthermore, the economic ripples from the mine will travel across the state. In Northern Wisconsin those in the hospitality and transportation industries, construction material suppliers, machinery suppliers, fuel providers and "Main Street" businesses will undoubtedly reap the benefits of a mining project. The southeastern part of Wisconsin is home to the world's two largest mining equipment manufacturers – Joy Global and Caterpillar (formally Bucyrus International), which utilize local machine shops and other manufacturers and suppliers. It is estimated that the mining manufacturing industry employs approximately 11,000 in the metro Milwaukee area.

Mining is one of this state's original industries; it helped build our economy. Today, that heritage can be drawn upon by putting people to work in both in the mining industry and with our leading manufacturers. Promoting mining could be the positive turnaround businesses, community leaders, and residents are looking for to grow and move the state forward. We respectfully urge you to pass AB1/SB1.