

Legislative Analysis



COMMITTEE ON MICHIGAN'S MINING FUTURE

Phone: (517) 373-8080

<http://www.house.mi.gov/hfa>

House Bill 4227 (H-3) as reported from committee

Sponsor: Rep. Sara Cambensy

1st Committee: Natural Resources and Outdoor Recreation

2nd Committee: Ways and Means

Complete to 5-14-19

Analysis available at

<http://www.legislature.mi.gov>

BRIEF SUMMARY: House Bill 4227 proposes a new act to create the Committee on Michigan's Mining Future within the Department of Environmental Quality [now the Department of Environment, Great Lakes, and Energy (EGLE)]. The committee would operate for two years.

FISCAL IMPACT: House Bill 4227 is likely to increase costs for EGLE. The magnitude of this cost increase is unclear. The bill provides for the reimbursement of committee member costs incurred in the course of conducting committee business; these costs are likely to vary with travel expenses, among other variables. The bill is unlikely to affect departmental revenues or local government costs or revenues.

THE APPARENT PROBLEM:

According to the bill's sponsor, metals and other resources available through Michigan mining are being used in innovative and essential ways today—from medical treatments and surgeries to phone technology. One statistic showed that the per capita consumption of minerals in 2018 was over 40,000, meaning that, on average, a single individual would have used over 40,000 minerals throughout that year. However, despite the great importance of and need for minerals, Empire Mine in Marquette County idled its operations in 2015, devastating the community.

Minnesota, which is similar in size and resources to Michigan, created the Governor's Committee on Minnesota's Mining Future through executive order in 2004. Some feel that Michigan should create a committee with a similar structure and purpose, to bolster Michigan's mining operations and economy through environmental sustainability research, to help Michigan compete against neighboring states such as Minnesota that are investing in their own mining futures, and to help maintain mining workers in Michigan while at the same time protecting Michigan's precious natural resources.

THE CONTENT OF THE BILL:

Committee members

The Committee on Michigan's Mining Future would consist of the following 15 members:

- Ten members appointed by the governor within 30 days after the effective date of the act, as follows:
 - A member of the local chapter of an international steel workers union representing workers from an ongoing or idled ferrous mining operation in Michigan.
 - A member representing a ferrous mining operation in Michigan.
 - A member representing a metallic nonferrous mining operation in Michigan.
 - A member representing an aggregate mining operation in Michigan.

- Two members, each representing an environmental nonprofit organization in Michigan, with expertise in mining.
 - Two current or former research faculty members at a Michigan university who hold a master's or doctorate degree in mining or geology.
 - A member representing a Michigan municipality where a ferrous, metallic nonferrous, or aggregate mining operation is located.
 - A Michigan resident who is a member of a federally recognized tribe that has trust lands in Michigan.
- The directors of the following three entities (or their designees):
 - EGLE.
 - Michigan Economic Development Corporation (MEDC).
 - Department of Natural Resources (DNR).
 - Two members respectively designated by the state senator and the state representative for the senate district and house district with the highest production from metallic mineral mines in the calendar year preceding the year in which the appointment is made.

A vacancy occurring on the committee for any of the 12 positions designated or appointed by the state senator, the state representative, or the governor would be filled in the same manner as the original designation or appointment. The governor also could remove any of those 12 committee members for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

Although committee members would serve without compensation, they could be reimbursed for their actual and necessary expenses incurred in performing their official duties.

Committee meetings

The first meeting of the committee would be called by the director of EGLE or his or her designee. At the first meeting, the committee would have to elect from among its members a chairperson and other officers as it considered necessary or appropriate.

The committee would have to meet at least quarterly, or more frequently at the call of the chairperson or if requested by three or more members. A majority of the members of the committee would constitute a quorum and would be required for official action of the committee. The business performed by the committee would be conducted at public meetings held in compliance with the Open Meetings Act, and any writings prepared, owned, used, possessed, or retained by the committee in the performance of an official function would be subject to the Freedom of Information Act.

Committee duties

The committee would do all of the following:

- Recommend actions to strengthen and develop sustainable, more diversified mining and minerals in Michigan while protecting the environment and natural resources.
- Evaluate government policies that affect the mining and minerals industry.
- Recommend public policy strategies to enhance the growth of the mining and minerals industry, especially for research and development in mining and mineral processing technology, including pellet production, for the next generation of mining.

- Advise on the development of partnerships between industries, institutions, environmental groups, funding groups, and state and federal resources and other entities.
- Submit a report on its work to the governor, the legislature, and Michigan's United States congressional delegation within two years after the act takes effect.

Committee dissolution

The committee would be dissolved 60 days after the committee report is submitted to the required parties.

Ninety days after the deadline for submitting the report, the act would be repealed.

The act would take effect 90 days after its enactment.

ARGUMENTS:

For:

Supporters of the bill argue that in order to bolster Michigan's economy and support Michigan mining communities, the best team should be assembled to research environmentally sustainable mining practices for Michigan. The bill would empanel such a team, with people who not only have Michigan's best interests at heart, but also possess the necessary expertise, knowledge, and awareness in relevant fields. Supporters argue that the committee would bring jobs to Michigan and ultimately support many other industries in addition to mining.

Supporters also argue that Michigan universities are already researching innovative uses for cleaner mining productions. For instance, Michigan Technological University has been researching clean production, from the use of phosphorus to purify iron ore (instead of using harmful chemicals)¹ to recycling lithium ion batteries.² This kind of innovation can be brought to the committee and produce better outcomes not only for Michigan's mining future, but for the future of Michigan's natural resources.

Against:

Critics of the bill argue that it does not provide enough balance between mining operations in Michigan and environmental sustainability. These critics would like to see more committee members who represent Michigan's natural resources and environment, as well as more requirements to ensure that Michigan's natural resources are being properly considered.

POSITIONS:

Representatives of the following organizations testified in support of the bill:

- Department of Environmental Quality [now the Department of Environment, Great Lakes, and Energy] (4-16-19, and indicated support 5-14-19)
- Eagle Mine (3-19-19)
- Cleveland-Cliffs, Inc. (3-19-19, and indicated support 5-14-19)
- United Steelworkers Locals 4950 and 4974 (3-19-19)
- Michigan Building Trades (3-19-19, and indicated support 5-1-19)

¹ <https://blogs.mtu.edu/engineering/2017/09/13/phosphorus-eaters-using-bacteria-to-purify-iron-ore/>.

² <https://www.mtu.edu/unscripted/stories/2018/august/teaching-old-tech-new-tricks.html>.

- NICE Community Schools (3-19-19)
- University of Michigan Department of Earth and Environmental Sciences (3-19-19)
- Michigan Townships Association (4-16-19, and indicated support 5-1-19)

The following organizations indicated support for the bill:

- U.P. Regional Labor Federation (4-16-19)
- Michigan Laborers (5-1-19)
- Michigan Railroad Association (5-1-19)
- A. Lindberg & Sons (4-16-19)
- International Brotherhood of Electrical Workers Local 906 (4-16-19)
- Michigan Regional Council of Carpenters and Millwrights (4-16-19)
- Marquette County Board of Commissioners (4-16-19)
- U.P. Construction Council (4-16-19)
- Sheet Metal Workers Local Union No. 7, Zone 5 (4-16-19)
- U.P. Plumbers and Pipefitters Local 111 (4-16-19)
- Michigan Manufacturers Association (5-1-19)
- Aquila (4-16-19)
- Highland Copper (4-16-19)
- Michigan Regional Council of Carpenters (4-16-19)
- AFL-CIO (5-1-19)
- Michigan Aggregate Association (5-14-19)
- Michigan Pipe Trades Association (4-16-19)

A representative of the Michigan League of Conservation Voters testified with a neutral position on the bill. (4-16-19)

The following organizations indicated a neutral position on the bill:

- Michigan Sierra Club (4-16-19)
- Michigan Environmental Council (4-16-19)

Clean Water Action indicated opposition to the bill. (4-16-19)

Legislative Analyst: Emily S. Smith
Fiscal Analyst: Austin Scott

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.