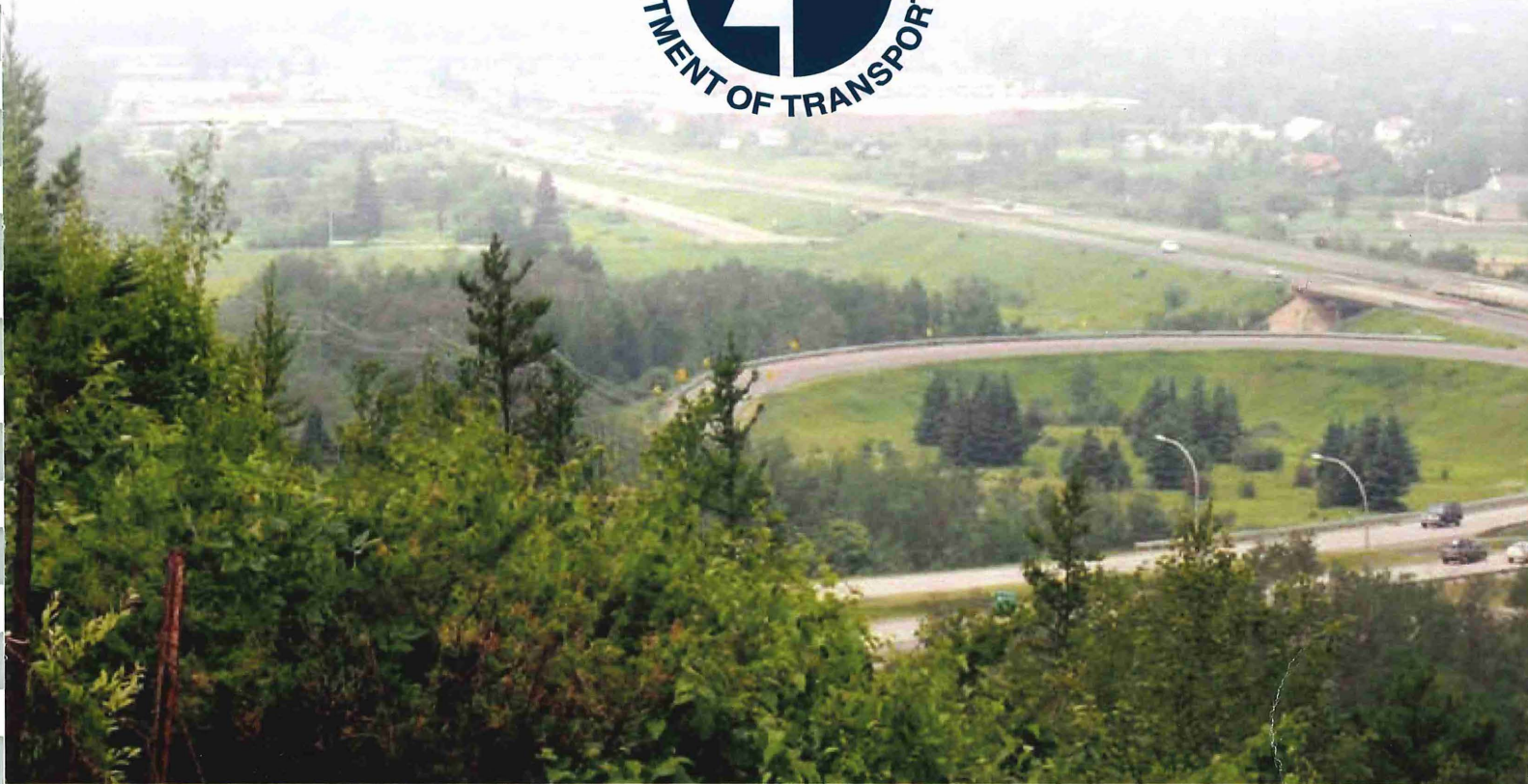


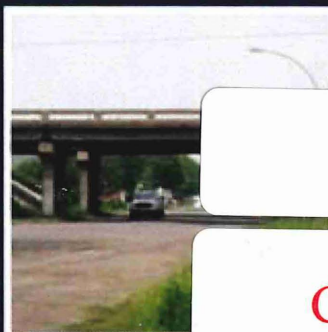
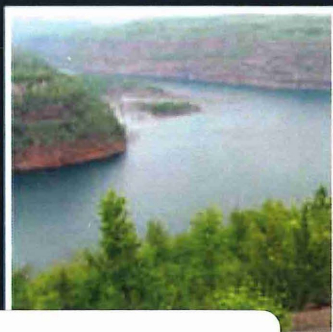
LEGISLATIVE REFERENCE LIBRARY
3 0307 00074 9559



US Highway 53 Virginia to Eveleth

Scoping Decision Document

State Project SP 6918-80



Level K

Consultant's Report

C12 - 0026

September 2012



CH2M HILL
1295 Northland Drive
Suite 200
Mendota Heights, MN 55120
Tel 651.688.8100
Fax 651.688.8844

September 14, 2012

To: EQB Distribution List Agency Reviewers
From: Tim Thoreen, CH2M HILL

Availability of US 53 Virginia to Eveleth Scoping Decision Document

The Minnesota Department of Transportation District One (MnDOT) has prepared a Scoping Decision Document (SDD) for the US 53 Virginia to Eveleth project as a part of the National Environmental Policy Act (NEPA) process and state environmental review process to fulfill requirements of 42 USC 4332, and Minn Statutes 116D [the Minnesota Environmental Policy Act (MEPA)]. The SDD is used before preparation of an Environmental Impact Statement (EIS) to reduce the scope and bulk of the EIS by selecting a reasonable range of alternatives for detailed study and identifying the appropriate level of detail for studying project impacts and issues. On behalf of MnDOT District One, we have enclosed the SDD for your review.

This project is being undertaken in response to MnDOT's receipt of a notice in May 2010 that easement rights for a portion of existing US 53 between Virginia and Eveleth are being terminated. The project is located within Saint Louis County, Minnesota.

Copies of the SDD have been provided to the agencies listed on the Minnesota EQB Distribution list and other interested parties, per the attached distribution list. MnDOT is also informing other interested parties of the SDD, including making it available during regular business hours at the following locations:

- Minnesota Department of Transportation - District One Duluth Office, 1123 Mesaba Avenue, Duluth, MN 55811
- Minnesota Department of Transportation – District One Virginia Office, 101 N. Hoover Road, Virginia, MN 55792
- Minneapolis Public Library, 300 Nicollet Mall, Minneapolis, MN 55401
- Virginia Public Library, 215 South 5th Avenue, Virginia, MN 55792
- Eveleth Public Library, 614 Pierce Street, Eveleth, MN 55734
- Gilbert Public Library, 17 North Broadway Avenue, Gilbert, MN 55741
- Mountain Iron Public Library, 5742 Mountain Avenue, Mountain Iron, MN 55768

The document is also available for review online at www.dot.state.mn.us/d1/projects/hwy53relocation/.

Questions or comments may be directed to:

Contact Person: Roberta Dwyer, P.E.
Project Manager
Minnesota Department of Transportation - District One
1123 Mesaba Avenue
Duluth, MN 55811
Phone: 218-725-2781
Email: roberta.dwyer@state.mn.us

To request this document in an alternative format, call Janet Miller at 651-366-4720 or 1-800-657-3774 (Greater Minnesota); 711 or 1-800-627-3529 (Minnesota Relay). You may also send an email to janet.rae.miller@state.mn.us (Please make requests at least one week in advance.)

Enclosures: SDD and Distribution List

SCOPING DECISION DOCUMENT
US 53 VIRGINIA TO EVELETH
MINNESOTA DEPARTMENT OF TRANSPORTATION

State Project Number: S.P. 6918-80

Trunk Highway Number: TH 53

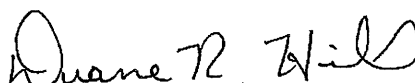
The Minnesota Department of Transportation proposes this project in response to a notice given in May 2010 that easement rights for a portion of existing US 53 between Virginia and Eveleth are being terminated. The project is located within Saint Louis County, Minnesota.

The following person may be contacted for additional information regarding this document.

Roberta Dwyer
Project Manager
Minnesota Department of Transportation, District One
1123 Mesaba Avenue
Duluth, MN 55811
218-725-2781
roberta.dwyer@state.mn.us

9/4/12

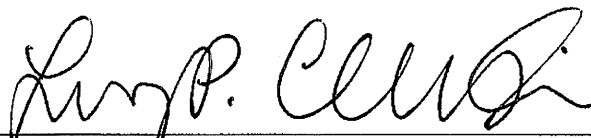
Date Approved



District Engineer

9/5/12

Date Approved



Chief Environmental Officer

*This document is available in alternative formats to individuals with disabilities.
To request this document in an alternative format, please contact the Affirmative Action Office at
651-366-4718 or 1-800-657-3774 (Greater Minnesota); 711 or
1-800-627-3529 (Minnesota Relay). You may also send an e-mail to:
ADArequest.dot@state.mn.us. (Please request at least one week in advance)*

Table of Contents

1.	Report Purpose.....	1
2.	Project Description	1
	2.1 Project Background	1
	2.2 Proposed Action	3
3.	Project Cost, Funding Source, and Schedule	3
	3.1 Project Cost and Funding Source	3
	3.2 Project Schedule.....	4
4.	Responsible Government Unit and Project Manager	4
5.	Alternatives to be Studied in EIS.....	5
	5.1 No-Build (Closure of the Easement Segment of US 53) Alternative	5
	5.2 Existing US 53 Alternative	7
	5.3 Alternative M-1	7
	5.4 Alternative E-2.....	9
6.	Alternatives Not Carried Forward for Study in the EIS	9
	6.1 West Corridor Alternatives	9
	6.1.1 Alternative W-1	9
	6.1.2 Alternative W-2	10
	6.1.3 Alternative W-3	10
	6.1.4 Alternative W-4 (Two Options – “A” and “B”).....	10
	6.2 Middle Corridor Alternative M-2	11
	6.3 East Corridor Alternatives	11
	6.3.1 Alternative E-1.....	11
	6.3.2 Alternative E-3.....	12
	6.3.3 Alternative E-4.....	12
7.	Issues to be Addressed in EIS.....	12
8.	Issues Not to be Addressed in EIS	14
9.	Public and Agency Involvement.....	14
	9.1 Project Management Team (PMT).....	14
	9.2 Project Advisory Committee (PAC)	14
	9.3 Topic-Specific Meetings	15
	9.4 Public Meetings.....	15
	9.4.1 Public Information Meeting (March 2011).....	15
	9.4.2 Scoping Document Public Hearing (March 2012)	16
	9.5 Website	16
	9.6 Cooperating Agencies	16
	9.7 Other Agency Coordination.....	17
10.	Permits and Approvals	18

Exhibits

Exhibit 1: Study Area Map.....2

Exhibit 2: No Build Alternative.....6

Exhibit 3: Build Alternatives to be analyzed in EIS.....8

Appendix

Appendix A: US 53 Scoping Document Comments

Appendix B: US 53 Scoping Public Hearing Transcript

Appendix C: MnDOT Responses to Comments

Appendix D: Agency and Public Coordination Plan

1. Report Purpose

The scoping process is used before the preparation of an Environmental Impact Statement (EIS) to reduce the scope and bulk of the EIS by:

- Selecting a reasonable range of alternatives for detailed study
- Anticipating project impacts and issues

Scoping also helps to identify which issues are potentially most important to evaluate the proposed project and define the EIS format, level of detail, schedule for preparation, preparers, and the permits for which supporting information must be developed.

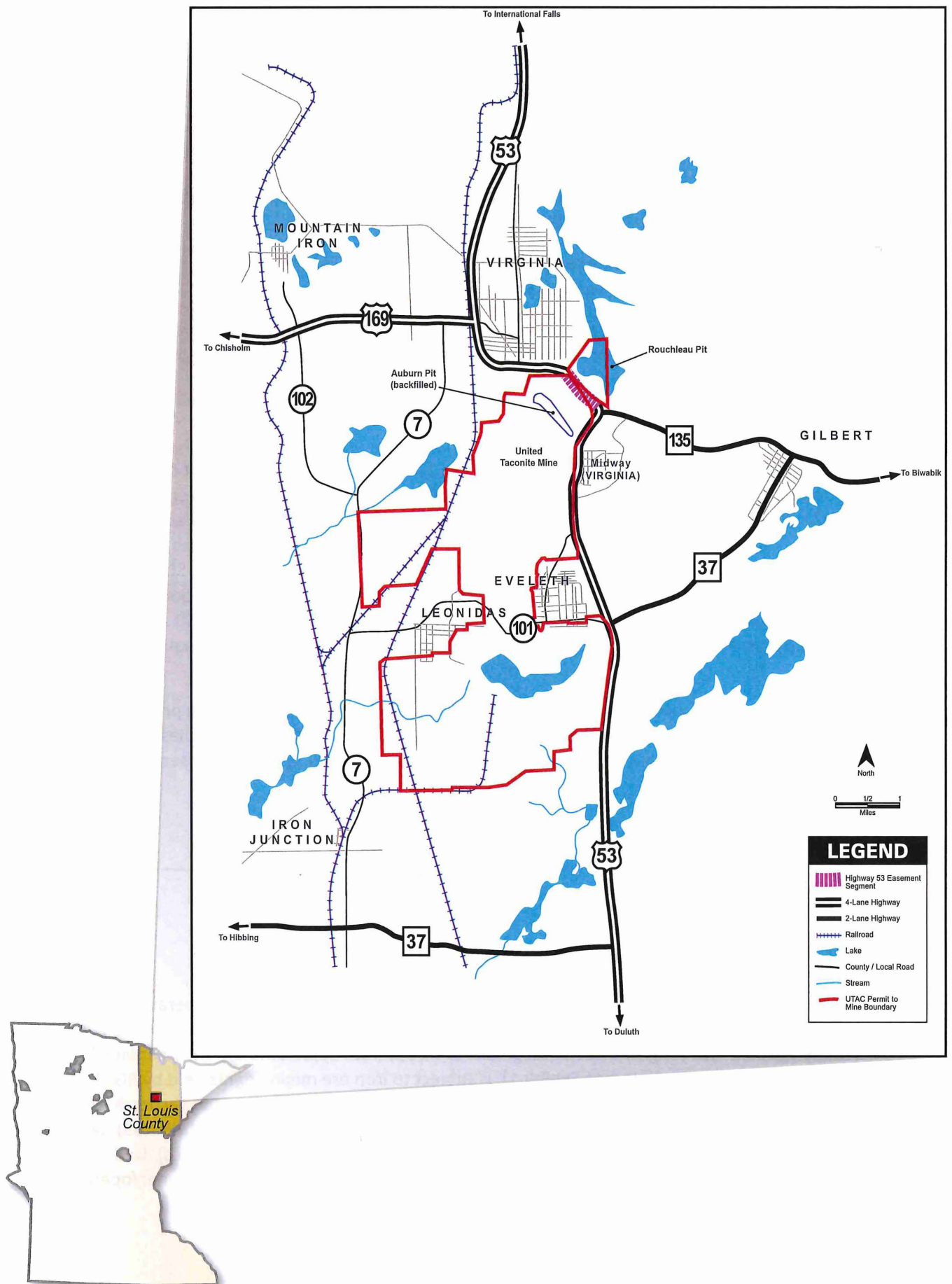
A Scoping Document (SD) was published in February 2012 to provide documentation of the proposed action and need for the US Highway 53 (US 53) project in Virginia, MN and to provide information about alternatives and impacts. The SD was prepared to document the studies completed to-date and early decisions made in accordance with both Federal regulation (42 USC 4321 et seq.), and Minnesota Rules Chapter 4410. A 30-day comment period was held when the availability notice for the SD and a Draft Scoping Decision Document (DSDD) was published in the Minnesota Environmental Quality Board (EQB) Monitor on March 5, 2012. The SD and DSDD were distributed to federal, state and local agencies and the public to provide an opportunity for review of the proposed project and comment on project issues and alternatives. The SD also served the same purpose as a Minnesota Environmental Assessment Worksheet (EAW), required by Chapter 4410.

This final Scoping Decision Document (SDD) provides a summary of the scoping process findings and documents the proposed scope and focus of the EIS. This SDD also includes copies of all comments received during the public comment period (see Appendix A and B) and responses to substantive comments (Appendix C).

2. Project Description

2.1 Project Background

Since May 1960, the Minnesota Department of Transportation (MnDOT) has operated a segment of US 53 on an easement granted by United States Steel Corporation (now owned by RGGS Land and Minerals Co.). This roughly one-mile segment of US 53, from approximately 2nd Avenue West to Vermillion Drive in Virginia (see Exhibit 1), is subject to iron ore mining rights held by RGGS and Cliffs Natural Resources (United Taconite Division)—the mine's owner and operator, respectively. At its east end, the US 53 easement segment connects with MN Trunk Highway 135 (MN 135), which provides the inter-regional link toward the east (to Gilbert and other communities). Under the 1960 easement terms, MnDOT agreed to relocate US 53 upon notice from the mine owner/operator.



Highway 53—Virginia to Eveleth

On May 5, 2010, United Taconite (UTAC)¹ provided notice to MnDOT that the 1960 easement rights would be terminated (see copies of the 1960 easement and the letter of termination in Appendix D of the Scoping Document). Under terms of the original agreement, MnDOT would need to relocate US 53 within three years. MnDOT and UTAC/RGGS have since agreed to seven years for relocation of US 53. Therefore, under these terms, MnDOT must vacate the existing highway and is planning to complete implementation of the preferred alternative selected in this environmental review process by May 2017.

2.2 Proposed Action

The proposed action is to comply with the terms of the above-referenced US 53 easement agreement and any amendments. Sections 3 and 4 of the SD address the need for action and describe project alternatives, respectively. Section 5 of this SDD identifies the alternatives that will be documented in an Environmental Impact Statement (EIS).

3. Project Cost, Funding Source, and Schedule

3.1 Project Cost and Funding Source

Preliminary construction cost estimates have been prepared as part of the development of scoping alternatives. Depending on location, proposed project build alternatives are estimated to have construction costs ranging within approximately \$60 million to \$150 million.

Within this project area, the acquisition of properties and/or iron ore mineral rights can also represent a substantial project cost. For example, as described in Section 4 of the Scoping Document, this cost may be \$400 to \$600 million for the No Build (Close the Easement Segment of US 53) Alternative.

The Draft EIS will include more detailed preliminary cost estimates for the alternatives that have been retained for further study. Additionally, the DEIS will consider various project delivery models to be used for completion of build alternative scenarios. Such project delivery methods may include:

- Design-Bid-Build
- Design-Build
- Public Private Partnerships

Up to \$60 million in state trunk highway bonds have been identified as one possible funding source for the project. Should additional funding be required, other local, state, and federal sources will be considered.

¹ United Taconite (UTAC) is a division of Cliffs Natural Resources, Inc. UTAC operates the mine on behalf of the land and mineral owner, RGGS Land and Minerals Co. For brevity, most references in this document will refer simply to "UTAC."

3.2 Project Schedule

The general time frame/dates for completing the key project activities are listed below. This schedule is subject to change and will be updated as the project advances.

Milestone Tasks	Target Dates
Notice of Intent (state & federal)	August 2011
Scoping Document/Draft Scoping Decision Document	February 2012
Public Scoping Meeting	March 2012
Scoping Decision Document	Summer 2012
Draft EIS	Early 2013
Draft EIS Public Hearing	Early 2013
Identification of Preferred Alternative	Spring/Summer 2013
Final EIS	Fall 2013
FHWA Record of Decision	Late 2013
Notice of Statute of Limitations	Late 2013
MnDOT Adequacy Determination	Late 2013
Detail Design	Late 2013 – Late 2014
Right of Way Acquisition	Late 2014 – Spring 2015
Contracting Letting	Spring 2015
"Open to Traffic"	Late Fall 2016

4. Responsible Government Unit and Project Manager

MnDOT is the Responsible Governmental Unit (RGU) for the proposed project. The Federal Highway Administration (FHWA) is the lead federal agency. The MnDOT Project Manager is:

Roberta Dwyer
 Minnesota Department of Transportation – District One
 1123 Mesaba Avenue
 Duluth, MN 55811
 Phone: 218-725-2781
 Email: roberta.dwyer@state.mn.us

5. Alternatives to be Studied in EIS

5.1 No-Build (Closure of the Easement Segment of US 53) Alternative

The No Build Alternative would respond to the easement terms by closing the easement segment of US 53, resulting in traffic being re-routed to existing highways. Signage would be used to officially mark the re-routing of US 53, which (as shown in Exhibit 2) would follow existing MN 37, Saint Louis County Road 7 (Co. 7), and US 169 (between Co. 7 and existing US 53). Signing and strategic highway safety improvements (such as striping, rumble strips, turn lanes, signal installation, or signal modifications as needed) would be made to address these roads and other connecting roads. No improvement would be made in the No Build Alternative that requires substantial acquisition of new right-of-way.

The No Build Alternative alignment of US 53 – described from south to north – would include the following characteristics:

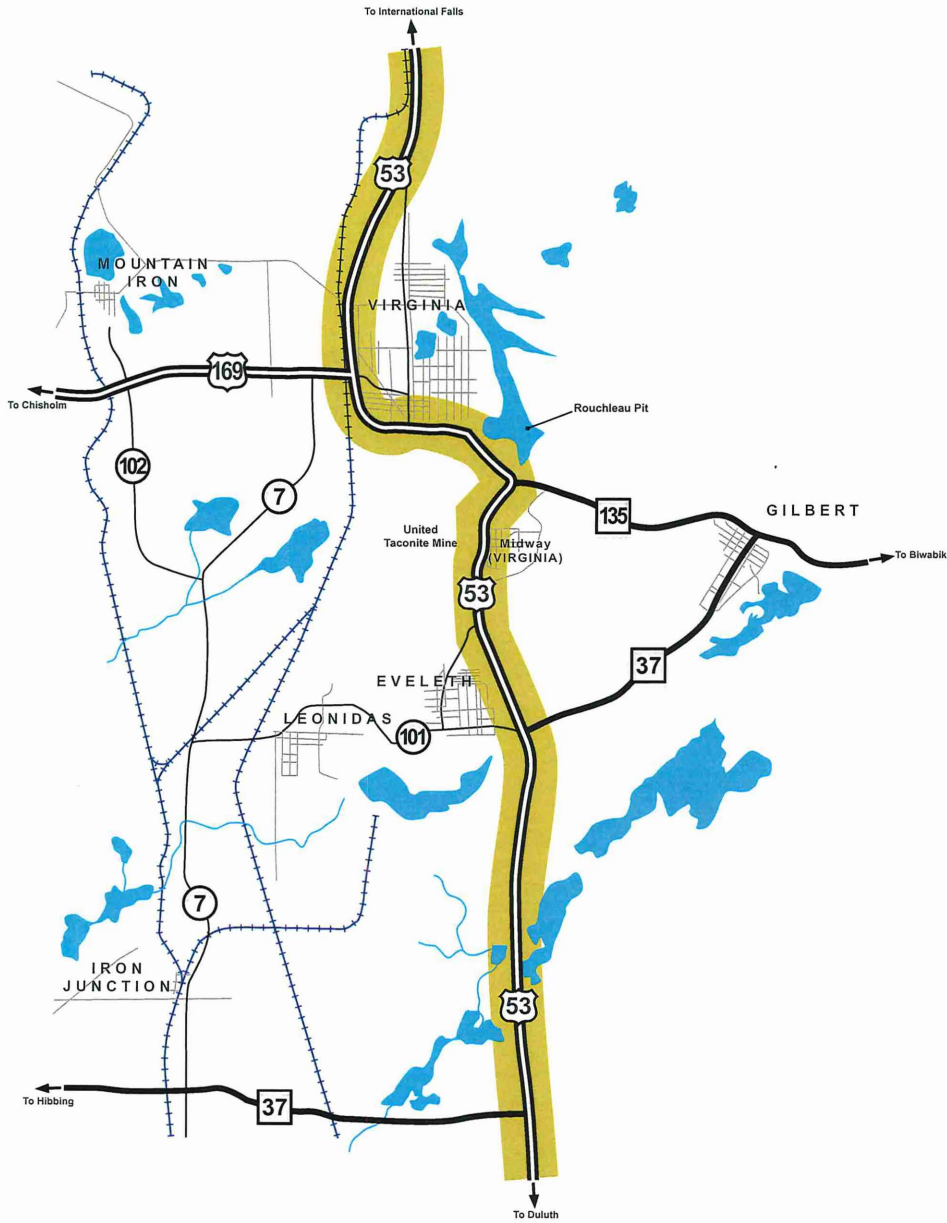
- The interchange of existing US 53 with MN 37 (about 4 miles south of Eveleth) would be the southern terminus of the US 53 re-route route.
- The 4-mile segment of existing MN 37 (to be re-designated as US 53) between existing US 53 and Co. 7 would be a two-lane highway with left and right turn lanes at the intersection with Co. 7.
- The approximately 8.75 mile north-south two-lane segment of Co. 7 between MN 37 and US 169 would be re-designated as US 53, with an at-grade intersection (with US 169) at the northern terminus of this segment. Existing at-grade railroad crossings in this corridor would also remain at-grade.
- The approximately 0.4 mile segment of four-lane US 169 between existing Co. 7 and the existing US 53 in Virginia would be re-designated to include US 53, with the existing US 53/US 169 interchange marking the northern-most terminus of the US 53 re-route.

MN 135 is currently routed from Gilbert through the easement segment and into Virginia. The designation for MN 135 would be re-routed to the south using the existing US 53 alignment from the vacated easement terminus at the MN 135 interchange to the south MN 37 interchange where it would connect to the new US 53 route along the existing MN 37 to the west.

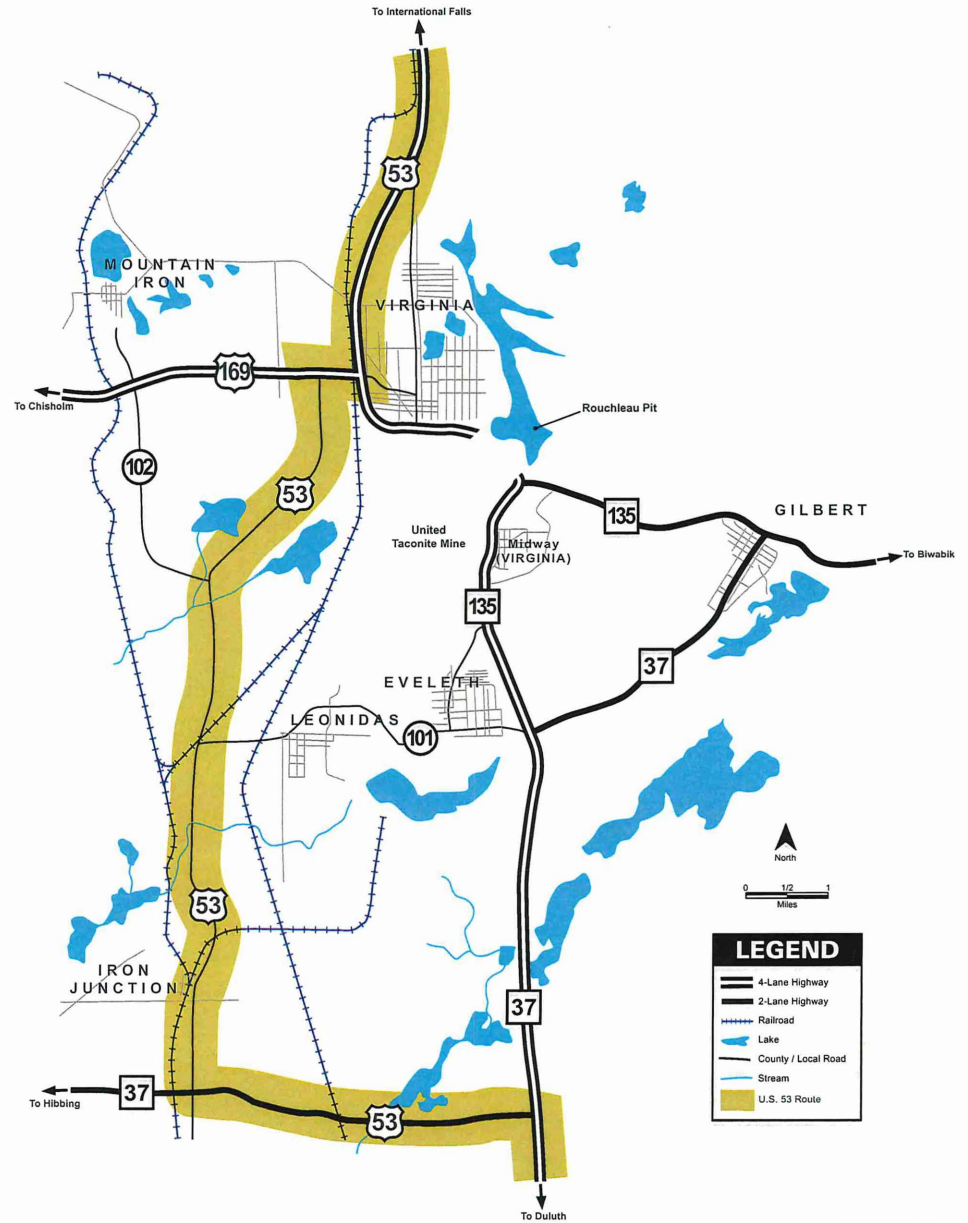
The existing US 53 corridor within Virginia, between the US 169 interchange and the vacated easement terminus near the 2nd Avenue interchange would no longer be designated as US 53. The jurisdictional status of this segment would need to be determined by MnDOT, through discussions with the City and County.

This alternative does not meet the project's purpose and need. However, it is the baseline for the comparison of alternatives, and is required under NEPA to be evaluated in the EIS for comparison purposes.

EXISTING CONDITIONS



FUTURE NO BUILD



Highway 53—Virginia to Eveleth

EXHIBIT 2
U.S. Highway 53 No Build Alternative

5.2 Existing US 53 Alternative

The Existing US 53 alternative, though not in compliance with the terms of the existing easement, would keep US 53 in place and open to traffic by addressing the economic, legal, or engineering issues associated with resolving the terms of the easement agreement. The State of Minnesota would not leave US 53, but would keep the highway open.

Keeping the highway open in its current location would require the State of Minnesota to acquire the property by direct purchase and most likely the use of eminent domain. The eminent domain would likely be challenged by the landowner. Even if the eminent domain action was successful, the cost of the land would equal or exceed the cost of the ore reserves valued at \$400 to \$600 million.²

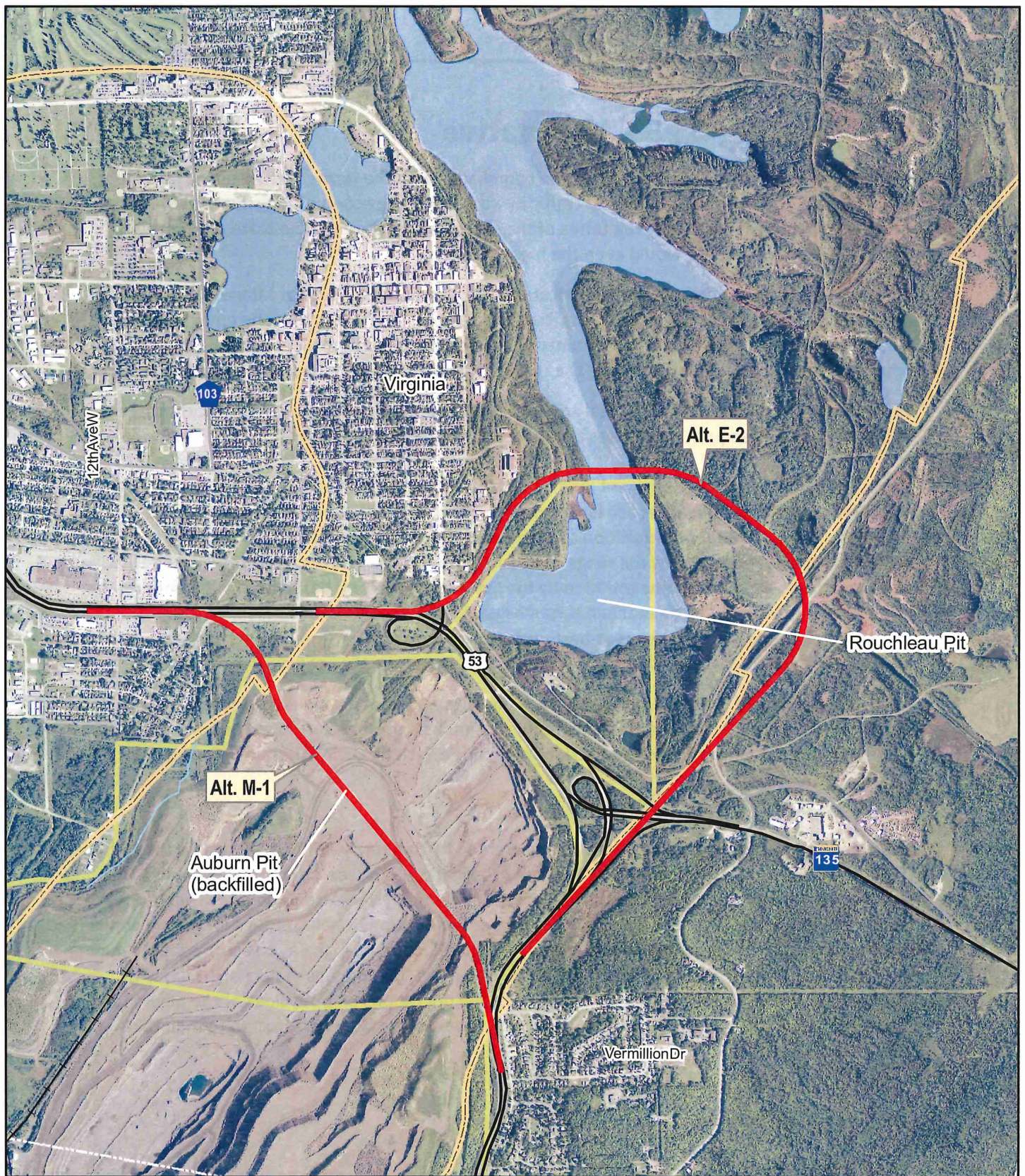
This approach would create many legal and technical challenges, which could add substantial time to the right-of-way acquisition process and/or result in large acquisition costs. But this alternative responds to the notice of easement termination by providing the owners of the land rights with compensation for easement segment land, in order to leave the existing US 53 segment through the easement open. While the approach is not compliant with the easement agreement and its termination, the scenario of acquisition of permanent rights to the existing corridor is necessary to consider in the assessment of a full range of possible project alternatives. The proposed alternative amounts to a legal action and negotiation by the State of Minnesota, based on the assumption that a long-term agreement can be reached through compensation. The legal basis for reaching an agreement under this alternative is at-best unclear. At worst, this alternative puts the State of Minnesota at risk for financial damages if US 53 is not closed per the easement agreement.

While this alternative presents many risks, including the potential for high costs, it succeeds in avoiding other social, economic, and environmental impacts through continued use of existing US 53. This advantage warrants further consideration of the Existing US 53 Alternative in the Draft EIS.

5.3 Alternative M-1

This alternative would mostly follow the grade created by the now backfilled Auburn Pit through the UTAC Mine, providing the most direct route for a realigned US 53 (see Exhibit 3). Alternative M-1 would cross a mine operations area that will be active for many years, requiring mine vehicles and equipment to pass under the highway. Crossing over the Auburn Pit helps reduce long-term conflicts with remaining ore reserves and the potential need to relocate the highway to accommodate mining activities. This alternative would involve construction of up to two miles of new highway, with earthwork and structures required for continued mine operations on both sides of the new alignment. Local roads at each end of the alternative would also be reconstructed to maintain community access.

² The valuation range of \$400 to \$600 million is based on the potential royalty value of the US 53 easement segment (the land & mineral values) plus the potential business volume (margin) that could be derived from mining, processing, and shipping the iron ore. This range was calculated based on publicly available data about the mine, with input from UTAC and the Minnesota DNR Land and Minerals Division. The range is provided for the purpose of comparing alternatives and does not represent a negotiated value between the State of Minnesota and the mine's owners and operators. A large contingency is reflected in this range because of uncertainty in how the alternative would work both legally and physically. This initial cost estimate may change in the DEIS, as additional information is obtained.



Legend

- TH 53 Alternatives
- +— Railroads
- Trunk Highways
- Co. Hwys. & Co. Rds.
- Rivers & Streams
- Biwabik Iron Formation
- UTAC Permit to Mine Boundary
- Lakes

0 1,000 2,000 4,000 Feet



EXHIBIT 3

Highway 53 Scoping
Evaluation Recommendations

Key factors in the determination to retain this alternative for study in the DEIS include the direct route (shortest of new alignment options) reduces impacts to business access and community cohesion, and routing over the Auburn Pit in the UTAC mine reduces iron ore resource encumbrance and natural resource impacts. The corridor also provides a potential utility corridor to retain connections to the Midway area. While business impacts due to air quality permit compliance are a potential concern, the DEIS will explore potential mitigation strategies.

5.4 Alternative E-2

As shown in Exhibit 3, Alternative E-2 crosses the water-filled Rouchleau pit at one of its narrow openings, while at the same time balancing concerns about getting back to the 2nd Avenue interchange by the shortest route in order to minimize community impacts. This alternative is also located strategically to be outside of the UTAC mine permit area on the east side of the pit. These features may simplify right-of-way negotiations, compared to other alternatives. Because this alternative crosses over known iron ore and other mineral resources, an issue to be considered in the DEIS is the potential need to relocate Highway 53 again in the future due to mining conflicts.

Alternative E-2 was retained for further consideration since, compared to other east alternatives, E-2 provides a direct route comparable to existing conditions with minor impacts to the business community and local traffic while potentially allowing for the provision of utilities between Virginia's central business district and the Midway area. This alternative also: (1) had lower estimated construction costs compared to other East alternatives due to crossing the Rouchleau pit at a narrow location; and (2) minimizes the potential business risk for UTAC re: continued compliance with air quality permit requirements, since the roadway alignment would not go through the permitted UTAC mine boundary.

6. Alternatives Not Carried Forward for Study in the EIS

6.1 West Corridor Alternatives

All alternatives in the West corridor make their northern connection to US 53 approximately at the 13th Street South traffic signal on the west side of Virginia. The southern connection to existing US 53 is made either by way of Highway (MN) 37 (Alternatives W-1, W-2, and W-3) or County Road (Co.) 101 (Alternative W-4). The West Corridor alternatives vary in length from 9.4 to 13.5 miles.

6.1.1 Alternative W-1

Alternative W-1 largely follows existing highways (MN 37 and County Road 7). These routes are both 2-lane highways, which could provide a portion of the right of way needed to develop a 4-lane highway. The existing right of way of MN 37 is an average of 150 feet and County Road (Co.) 7 is an average of 66 feet.

Key factors in the decision to eliminate Alternative W-1 from further consideration include that this alternative only partially meets the project Purpose and Need, while also creating substantial

business impacts with a bypass of Eveleth, altered access to Virginia businesses, and potential for dozens of property relocations along the MN 37 and Co. 7 corridors. Additionally, increased travel times for emergency response and school district operations, higher construction costs, and the potential for substantially greater impacts to wetlands and watercourses (compared to middle or east corridors), were factors in the decision.

6.1.2 Alternative W-2

Alternative W-2 includes a new corridor connection back to Co. 7, blending the features of highway- and railroad-based alignments. This alternative would provide a shorter route than Alignment W-1 by diverting from MN 37 at the railroad corridor, and running parallel to railroad line and connecting to Co. 7 north of Co. 101.

This alternative reduces the number of potential property relocations and length of highway corridor compared to W-1 by going on a new alignment parallel to existing railroad tracks. However, this alternative was eliminated from further consideration because, while reducing overall length, the use of new alignment results in greater construction costs and more acres of right of way acquisition. Other factors that warranted the elimination of Alternative W-1 as described above also apply to W-2.

6.1.3 Alternative W-3

Alternative W-3 remains parallel to existing railroad corridors and does not use the Co. 7 corridor, in effect creating a new highway corridor parallel to Co. 7 between MN 37 and US 169. This alternative reduces the number of potential property relocations, stream crossings, and length of highway corridor compared to W-1 by going on entirely new alignment parallel to existing railroad tracks. However, this alternative was eliminated from further consideration because, while reducing overall length, the use of new alignment results in greater construction costs and more acres of right of way acquisition. Other factors that warranted the elimination of Alternative W-1 as described above also apply to W-3.

6.1.4 Alternative W-4 (Two Options – “A” and “B”)

Unlike the other west corridor alternatives, W-4 uses existing Co. 101 from US 53 through the communities of Eveleth and Leonidas, to connect to Co. 7 and turn north toward Virginia. By using Co. 101, more of the existing US 53 highway is retained. Additionally, this alternative recognizes the natural route for motorists travelling from Gilbert to Virginia; travelers would use MN 37 from Gilbert to Eveleth, and then continue on that alignment where MN 37 turns into Co. 101. Unlike the other “W” alternatives, W-4 does not avoid conflict with iron ore reserves.

Co. 101 through Eveleth is heavily developed, with dozens of residential and commercial properties directly adjacent to both sides of the roadway. Due to this urbanized character of the corridor in Eveleth, two options have been considered for this scoping review:

- W-4A (Two Lanes through Eveleth) – This option seeks to limit impacts to adjacent property owners by retaining the 2-lane cross section of Co. 101 through Eveleth. At minimum however, many of the access points in Eveleth would be closed or modified. All existing and other new segments of US 53 outside of Eveleth would be four lanes.
- W-4B (Four Lanes through Eveleth) – This option provides four lanes of traffic, consistent with the rest of US 53 in the project area. This would require a widening of the Co. 101 corridor

through Eveleth, resulting in the acquisition of residential and commercial properties and substantial changes to how the community is accessed.

Alternative W-4A was eliminated from further consideration because it does not meet the project purpose and need. In addition, it does not substantially decrease SEE impacts while causing substantial direct impacts within Eveleth, so there is no reason to retain this alternative as an approach to avoid adverse impacts.

While Alternative W-4B utilizes existing travel corridors for a connection between Virginia and the Gilbert, Midway, or Eveleth areas, it was eliminated from further consideration because the expansion of Co. 101 to a 4-lane facility through Eveleth causes substantial community impacts for right of way, property relocations, and business access. This route, like the other west corridor alternatives, has negative impacts to access in Virginia as well, and does not provide the benefit of avoiding conflict with iron ore resources that is present in other west corridor alternatives.

6.2 Middle Corridor Alternative M-2

Similar to M-1, Alternative M-2 also largely follows the grade created by the now backfilled Auburn Pit through the UTAC Mine. Alternative M-2, however, provides an option that would re-join existing US 53 closer to 2nd Avenue—which is an important connection to Virginia’s central business district (CBD).

The primary benefit of M-2 compared to M-1 is that it runs closer to the existing 2nd Avenue access. In order to gain this relatively minor improvement in travel time to the Virginia Central Business District (a one-way trip from Eveleth to the Virginia CBD would be approximately 10-20 seconds shorter), the alignment must leave the Auburn Pit corridor and cross over known iron ore reserves.

However, Alternative M-2 was eliminated from further consideration because the Alternative M-2 conflict with ore reserves greatly increases anticipated business impacts and related potential compensation and legal costs/risks, similar to the Existing US 53 Alternative. The value of the ore reserves in conflict could be less than the \$400-\$600 million calculated for the Existing US 53 Alternative; however, the compensation values could still rise to hundreds of millions. Furthermore, Alternative M-2 has many transportation performance and construction cost similarities to M-1 and does not avoid the potential for mine air permitting issues. Therefore, the extra expense for the ore reserve conflict is not warranted.

6.3 East Corridor Alternatives

6.3.1 Alternative E-1

E-1 is the closest of the East Corridor alternatives to the existing alignment. One advantage of this route is the potential for limited or no impacts to the existing 2nd Avenue interchange ramps. This alternative maintains that straight east-west route, crosses the Rouchleau Pit at one of its widest locations and then turns south near the existing Landfill Road in order to connect back to US 53.

The key benefit of this alternative is the retention of current US 53 functionality, including access at 2nd Avenue as it exists, or very similar to the existing configuration. However, Alternative E-1 was eliminated from further consideration because, compared to other east corridor alternatives, this benefit is outweighed by the uncertainty of compliance with mine air quality permit requirements (compared to other east corridor alternatives), higher right-of-way costs due to conflicts with the

existing UTAC permit to mine area, and higher construction costs due to crossing the widest portion of the Rouchleau pit.

6.3.2 Alternative E-3

Alternative E-3 is similar to E-2. The primary difference is that E-3 provides a longer route to make the curve from the Midway area back into Virginia. This route still crosses the Rouchleau pit at a narrow crossing location, but has the effect of lengthening the corridor northward into more privately-owned lands before turning back to the existing US 53 alignment at 2nd Avenue. The only currently known advantage of Alternative E-3 versus E-2 is greater distance from the UTAC mine permit area, perhaps reducing the potential for proximity conflicts.

This alternative was eliminated from further consideration because it offers relatively few benefits compared to Alternative E-2. Other features of this route generally require more construction costs or more complex right-of-way acquisition due to greater conflicts with privately owned lands and minerals.

6.3.3 Alternative E-4

This is the only East Corridor alternative that does not reuse the existing 2nd Avenue interchange. Instead of connecting back to US 53 at 2nd Avenue, this alternative is routed to the north side of Virginia, where it uses the 9th Street North corridor. The Rouchleau pit crossing is wider than in Alternatives E-2 and E-3. Additionally, the route runs near the existing water intake for Virginia's water supply, which comes from the pit. This corridor also runs directly by the Virginia Regional Medical Center. For consistency of comparing alternatives, a 300-foot wide corridor centered on 9th Street North was used for this scoping analysis; 9th Street North is an existing 4-lane undivided roadway with multiple private access points provided.

Alternative E-4 was eliminated from further consideration for reasons that include the impacts to business access and community cohesion, as well as the high construction costs. Potential direct impacts to the City of Virginia water supply are also a concern.

7. Issues to be Addressed in EIS

The following issues are expected to influence the selection of the preferred alternative. These issues will receive greater levels of attention and coordination with the public and appropriate units of government as part of DEIS development.

- Right of Way Acquisition & Relocation
- Utility Location
- Water Supply/Groundwater
- Economics and Business Impacts
- Water Body Modification
- Wetlands

- Public Park, Recreational, Wildlife Management, and Section 4(f)/6(f) Lands
- Cultural Resources and Tribal Coordination
- Secondary Impacts
- Cumulative Impacts

The following issues are anticipated to require less detailed analysis in the EIS. The EIS will identify impacts, including analysis in accordance with federal and state requirements where appropriate, for each of these areas of concern.

- Traffic Operations
- Land Use
- Intermodal Transportation
- Surface Water/ Water Quantity and Quality
- Geology and Soils
- Environmental Justice Impacts
- Social, Neighborhood, and Community Facilities Impacts
- Noise
- Transportation-related Air Quality
- Erosion Control and Slope Stability
- Vegetation/Cover Types
- Fish and Wildlife
- Threatened or Endangered Species
- Hazardous Materials and Contaminated Properties
- Visual Impacts
- Construction Impacts
- Excess Materials
- Geotechnical and Earthborn Vibrations
- Relationship of Local Short-Term Uses versus Long-Term Productivity
- Irreversible and Irretrievable Commitment of Resources
- Climate Change

Appendix A of this SDD provides the comments received during the SD comment period. Many of the comments and MnDOT's responses to those comments relate to the issues to be addressed in the EIS. None of the comments resulted in changes to the categorization of issues above. However, the comments have resulted in some modification to the approaches to be used for some DEIS analyses. Also, it should be noted that as more detailed studies and information for each issue are developed for the DEIS, additional impacts may be identified that require a greater level of analysis than identified in the SD or this SDD.

An explanation of how FHWA and MnDOT will track compliance with potential and committed mitigation measures, including those measures that must be undertaken post-NEPA to meet state and/or federal permit requirements for project construction and operation, will also be included in the DEIS.

8. Issues Not to be Addressed in EIS

The following areas of environmental concern are not relevant to this study area and will not be discussed in the EIS:

- Critical Areas
- Coastal Zones and Coastal Barriers
- Wild and Scenic Rivers
- Handicapped Accessibility
- Farmlands
- Floodplains

9. Public and Agency Involvement

MnDOT is committed to public involvement and outreach at all key decisions points of the TH 53 Realignment Project, as is documented in the *Public and Agency Coordination Plan* that has been developed for this project (see Appendix D). MnDOT will continue to engage local communities and organizations, property and business owners, residents, and public agencies in the development of this project. The public involvement efforts that have or will be undertaken for this project are summarized below.

9.1 Project Management Team (PMT)

The role of the PMT, which includes staff from MnDOT and FHWA, is to advance the study to key milestones during development of the Scoping Decision Document and the Environmental Impact Statement (EIS). The PMT also reviews recommendations provided by the Policy Advisory Committee.

9.2 Project Advisory Committee (PAC)

The PAC represents local government units; regional agencies; and other community organizations and associations. This committee reviews and provides comments on the overall study. Invitations to participate on the PAC were extended to:

- City of Virginia

- City of Eveleth
- City of Gilbert
- City of Mountain Iron
- St. Louis County
- Clinton Township
- Iron Range Resources Rehabilitation Board
- Laurentian Chamber of Commerce
- Cliffs Natural Resources (UTAC)
- RGGGS Land and Minerals
- Minnesota Department of Natural Resources
- Minnesota Pollution Control Agency
- Federal Highway Administration
- Eveleth-Gilbert School District
- Virginia School District
- Eveleth Merchants Association
- Iron Range Tourism Bureau
- Minnesota Department of Transportation

9.3 Topic-Specific Meetings

Certain project issues warrant input on a specialized basis. The study team held a workshop on June 29, 2011, for environmental agencies in the study area. This meeting workshop was primarily a forum for interested agencies to review project Purpose and Need, provide input about resource management issues in the area, learn about and provide input regarding project alternatives development, and review project decision timeframes.

As the US 53 project progresses into more detailed environmental review, it is expected that the study team will continue to request information from or meetings with specific agencies or organizations, relative to specific environmental resource categories.

9.4 Public Meetings

9.4.1 Public Information Meeting (March 2011)

A public information meeting was held on March 22, 2011, at the Community Center in Gilbert, MN from 2:30 to 7:00 p.m. A brief Power Point presentation was given at 3:00, 4:15, 5:30, and 6:30 p.m. Approximately 145 people signed in during the meeting.

The focus of this meeting was to provide information on the study purpose, review the study process, highlight initial findings and environmental issues, and to collect comments and feedback from the public. A brief summary of comments received at the meeting are provided below:

- Limited support for the west corridor alternatives for the following reasons:
 - Long re-route of traffic,
 - Detrimental impacts to local business and access, and
 - Concern that removal of US 53 would disconnect the Quad Cities, where shared services such as emergency response and school district programming, would encounter difficulties.
- Questions regarding feasibility of keeping US 53 on the current alignment.
- Concern about mine operations and future mining impact, including:
 - Potential for similar conflict between US 53 and mining operations in the future?
 - Concerns about mining impacts on personal properties.
- Access to 2nd Avenue as a key corridor to downtown Virginia.
- City of Virginia drinking water supply from the Rouchleau pit and potential water quality concerns about mining operations.
- Connectivity of Highways 53 and 135.

9.4.2 Scoping Document Public Hearing (March 2012)

A Scoping Public Hearing was held on March 27, 2012 at the Mountain Iron Community Center. The hearing was held from 4:00 to 8:00p.m., with a presentation and opportunity for public questions and comments at 6:00 pm. Approximately 75 people signed in for the hearing. Comments received at this meeting were considered in finalizing this Scoping Decision Document. A transcript of the presentation and public questions and comments is provided in Appendix B.

9.5 Website

A project webpage has been established as an additional means of distributing information about the project, and is found at the following address:

www.dot.state.mn.us/d1/projects/hwy53relocation

The site will be updated as needed to reflect current project status.

9.6 Cooperating Agencies

The following agencies were invited by FHWA, and have formally accepted, to be cooperating agencies for this project:

- U.S. Army Corps of Engineers (USACE), and
- U.S. Environmental Protection Agency (USEPA)

Cooperating agencies provide input related to relevant areas of expertise during the Scoping process and development of the Environmental Impact Statement. These agencies also receive relevant technical studies and drafts of the Scoping Document and Scoping Decision Document, as well as the Draft and Final Environmental Impact Statements.

Cooperating agencies also participate in meetings to discuss relevant project findings. This included a conference call on May 13, 2011, to introduce the US 53 project to agency staff. Cooperating agency representatives also participated in the environmental agency workshop held on June 29, 2011, referenced in Section 9.3. A review of the draft Scoping Document/DSDD content was also conducted by cooperating agencies; staff from each agency gave preliminary feedback to MnDOT and discussed comments in a conference call held on February 13, 2012.

9.7 Other Agency Coordination

Additional agency coordination has occurred as part of the Scoping process and will be necessary to complete the EIS. Appendix B, the Agency and Public Coordination Plan, provides further information about plans for coordination with other agencies.

For this project, MnDOT, FHWA, USEPA and USACE have also agreed to follow guidance that merges decision-making under the National Environmental Policy Act (NEPA) and Section 404 of the Clean Water Act. The NEPA/Section 404 Merger process recognizes that both NEPA and Section 404 review processes involve the evaluation of project purpose and need, the development of alternatives, the assessment of impacts, and the balancing/mitigation of impacts in a preferred alternative. The USACE, USEPA, and other involved agencies recognize the need to avoid duplication of these processes and to document progress.

The Merger approach includes reference to four concurrence points to establish progress on the above-noted steps. The four concurrence points are: 1) Purpose and Need, 2) Alternatives to be carried forward into the DEIS for detailed study, 3) Preferred Alternative, and 4) Mitigation of impacts due to the US 53 project.³ Written concurrence on purpose and need was provided by the USACE and USEPA late 2011/early 2012; and concurrence on the alternatives to be carried forward was provided in summer of 2012.

³ See also: <http://environment.fhwa.dot.gov/projdev/tdmnepa404.asp>.

10. Permits and Approvals

Permits and approvals that may be required for the proposed project are listed in Table 1.

TABLE 1	
Agency permits and approvals that may be required	
Agency	Permit/Approval
FEDERAL:	
Federal Highway Administration	<ul style="list-style-type: none"> • EIS Approval • EIS Record of Decision • Section 4(f) Evaluations (Draft and Final) (if needed) • Section 106 Tribal Coordination • Section 106 Cultural Resources Determinations • Section 7 Threatened and Endangered Species Act determination
U.S. Army Corps of Engineers	Section 404 Permit (fill in U.S. Waters)
U.S. Fish and Wildlife Service	Section 7 Threatened and Endangered Species Consultation (if needed)
STATE:	
Minnesota Department of Transportation	<ul style="list-style-type: none"> • Scoping Decision Document • EIS Approval • EIS Adequacy Determination • Wetland Conservation Act (WCA) Approvals
Minnesota Department of Natural Resources	<ul style="list-style-type: none"> • Public Waters Work Permit (if needed) • Groundwater Appropriation Permit (if needed for dewatering)
Minnesota Pollution Control Agency	<ul style="list-style-type: none"> • National Pollution Discharge Elimination System (NPDES) Construction Stormwater Permit • Section 401 Water Quality Certification
State Historic Preservation Office	Section 106 Consultation
LOCAL:	
City of Virginia	<ul style="list-style-type: none"> • Municipal Approval of roadway plans (if needed)
City of Eveleth	<ul style="list-style-type: none"> • Municipal Approval of roadway plans (if needed)
City of Gilbert	<ul style="list-style-type: none"> • Municipal Approval of roadway plans (if needed)
City of Mountain Iron	<ul style="list-style-type: none"> • Municipal Approval of roadway plans (if needed)

APPENDIX A – US HIGHWAY 53 VIRGINIA TO EVELETH

US 53 SCOPING DOCUMENT COMMENTS

September 2012



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR 04 2012

REPLY TO THE ATTENTION OF:

E-19J

Phil Forst
Environmental Specialist
Federal Highway Administration
380 Jackson Street, Suite 500
St. Paul, Minnesota 55101-4802

Brian Larson, D1 Project Manager
Minnesota Department of Transportation
1123 Mesaba Avenue
Duluth, Minnesota 55155

Re: US Highway 53 Virginia to Eveleth, Scoping Document and Draft Scoping Decision Document (SD/DSDD), dated February 2012.

Dear Mr. Forst and Mr. Larson:

The U.S. Environmental Protection Agency – Region 5 (U.S. EPA) has reviewed the above referenced Minnesota Department of Transportation/Federal Highway Administration (MnDOT/FHWA) Scoping Document/Draft Scoping Decision Document (SD/DSDD). As a cooperating agency and participant in the NEPA/404 merger process for the US Highway 53 Virginia to Eveleth (US 53) project, U.S. EPA previously reviewed the Agency Review Draft of the SD/DSDD and provided comments in our letter dated February 9, 2012. Our review of the current SD/DSDD indicates that many of our previous recommendations have been incorporated into the current document. We have additional comments for your consideration prior to finalizing the US 53 scoping decision document. The Final Scoping Decision Document (Final SDD) will serve as the basis for inclusion of information to be analyzed in the FHWA/MnDOT Environmental Impact Statement (EIS) for the US 53 project, including alternatives to be carried forward for detailed analysis in the Draft EIS (DEIS).

We refrain from concurring on the range of alternatives proposed in the SD/DSDD to be carried forward for detailed analysis in the DEIS until we have further discussions with you and the U.S. Army Corps of Engineers (Corps) regarding the contents of the Final SDD. Our detailed comments on the SD/DSDD are provided in an enclosure to this letter.

Air Quality

SD/DSDD, Section 6.2.4 - Economic and Business Impacts, states “. . . an additional business impact of potential concern relates to air quality permitting for the existing UTAC mining operation. The right-of-way set aside for US 53 is considered to be public space, and as such, is

subject to the standards set by U.S. EPA's National Ambient Air Quality Standards (NAAQS). The location of US 53 relative to existing and potential future UTAC mining activities has the potential to impact UTAC's ability to comply with air quality permit standards. Therefore, in cooperation with the UTAC, air quality thresholds and permit requirements will be identified relative to the alternatives to be studied in detail in the DEIS. UTAC will work with MnDOT to conduct air quality modeling for an assessment of air quality impacts and potential mitigation."

1

Since the EIS is utilized as a decision-making tool, U.S. EPA requests ambient modeling of all regulated criteria pollutants be included in the DEIS. The modeling would be used to compare the ambient concentrations to which the general public is exposed at the current location of Route 53 to the exposures/impacts related to each of the other DEIS re-routing alternatives.

Human Health Concerns

Section 6.3.16 – Construction, states “. . . Tailings or aggregate from areas east of Biwabik (which may contain fibrous materials that have been identified as potential human health concerns) could potentially have been used as fill material during construction of the existing ‘easement’ section of US 53. The DEIS will describe the planned procedures to be used in abandoning the existing US 53 roadway (for alternatives that include removal of the existing roadway). The DEIS will also describe plans for sampling fill areas prior to excavation, as well as methods for monitoring and handling/disposal . . .”

2

Ideally, the existence of tailings or aggregate (fill) that may pose a human health concern would best be determined and considered in the initial development of US 53 alternatives. If such fill was used as part of the easement area for the current US 53 roadway, it is possible it was used, or disposed of, in other areas currently being considered as alternatives. However, the SD/DSDD does not address the potential for such tailings or aggregate to occur along any of the alternative routes. Having this information up-front during the development of US 53 alternatives would help inform the decision making process. Addressing whether or not these types of materials exist only at the construction stage would result in an inadequate assessment of the potential for human health impacts to workers and/or the general public from construction of any of the build alternatives and/or deconstruction of the existing US 53 segment.

The issue regarding tailings or aggregate from the eastern end of the Biwabik Iron Formation (Biwabik) will need to be addressed in the DEIS more broadly than is proposed in this scoping document. Due to the potential human health concerns associated with these types of materials, we recommend FHWA/MnDOT determine whether the existing US 53 segment and alternative routes contain material from the eastern end of the Biwabik and include these results in the DEIS. This knowledge could then be factored into the decisions regarding available alternatives, to include roadway design, deconstruction and construction, as well as costs associated with the proper handling of such materials, and identification of the specific measures that will be taken to help insure that any proposed construction and/or deconstruction activities will not create an unacceptable human health risk for the workers or the general public.

U.S. EPA looks forward to your responses to our SD/DSDD comments and further discussions with you and the Corps prior to MnDOT/FHWA finalizing the scoping decision document. Please provide me with a hard copy and a CD of the Final SDD when it is available. Also, please send me 8 CDs and 5 hard copies of the Draft Environmental Impact Statement (DEIS) for our review and comment when it is available. If you have any questions please contact Virginia Laszewski at (312) 886-7501 or [laszewski.virginia@U.S. EPA.gov](mailto:laszewski.virginia@U.S.EPA.gov).

Sincerely,



Kenneth A. Westlake
Chief, NEPA Implementation Section
Office of Enforcement and Compliance Assurance

Enclosure (1): U.S. EPA Detailed Comments

cc: Daryl Wierzbinski, USACE, Regulatory Project Manager, USACE, Two Harbors
Field Office, 1554 Highway 2, Suite 2, Two Harbors, MN 55616

U.S. EPA Detailed Comments on the FHWA/MnDOT US Highway 53 Virginia to Eveleth Scoping Document and Draft Scoping Decision Document (SD/DSDD) (February 2012, version)

Our comments follow the same order presented in the SD/DSDD. If we have no comment on the information in a particular section of the SD/DSDD, then that section is not identified.

3. PURPOSE AND NEED

U.S. EPA concurred with the purpose and need for the US 53 project in our letter dated September 2, 2011.

4. ALTERNATIVES

4.4.14 Summary of Scoping Evaluation Recommendations (p. 4-23): The SD/DSDD proposes the following four alternatives be carried forward for further analysis in the Draft Environmental Impact Statement (DEIS):

- 1) **No-Build (Closure of the Easement Segment of US 53) Alternative:** “. . . close the easement segment of US 53, resulting in traffic being rerouted to existing highways.”
- 2) **Existing US 53 Alternative:** “. . . keep US 53 where it is, and open to traffic by addressing the economic, legal, or engineering issues associated with resolving the terms of the easement agreement.”
- 3) **Alternative M-1:** This new alignment southwest of existing segment would “. . . mostly follow the grade created by the now backfilled Auburn Pit through the UTAC Mine . . . would cross a mine operations area that will be active for many years, although little or no long-term conflict with remaining ore reserves is anticipated.”
- 4) **Alternative E-2:** New alignment northeast of existing segment “. . . crosses the water-filled Rouchleau pit at one of the narrow openings . . . located strategically to be outside the UTAC mine permit area while maximizing the use of state-owned lands on the east side of the pit.”

All West Corridor Alternatives (Alternatives W-1, W-2, W-3, and W-4), Middle Corridor Alternative M-2, and East Corridor Alternatives (Alternatives E-1, E-3 and E4) would not be carried forward further analysis in the DEIS.

At this time, we withhold our concurrence on the SD/DSDD identified recommended alternatives to carry forward for detailed analysis in the DEIS until we have further discussions with MnDOT, FHWA and the Corps regarding the contents of the proposed final scoping decision document (Final SDD).

5. COST and FUNDING SOURCE

"Additionally, the DEIS will consider various project delivery models to be used for completion of build alternative scenarios. Such project delivery methods may include: Design-Bid-Build, Design-Build, and Public Private Partnerships."

- 3 | Recommendation: We recommend that the DEIS provide a detailed explanation of each "project delivery method" and identify the advantages and disadvantages of each method in a comparative format. The DEIS should identify the method that would best insure that potential and committed mitigation measures as identified in the EIS would be successfully implemented in a timely manner. We also request the DEIS explain how FHWA and MnDOT track compliance with potential and committed mitigation measures identified in the EIS, including those mitigation measures that will need to be undertaken post-NEPA to meet state and/or federal permit requirements for project construction and operation.

6. SOCIAL, ECONOMIC, AND ENVIRONMENTAL (SEE) ISSUES

"Detailed analysis is not necessary during Scoping, however, a general assessment of each issue has been made to determine the level of analysis needed in the Draft Environmental Impact Statement (DEIS)." This Section focuses on the levels of analysis identified as necessary for examining project issues and making decisions."

- 5 | Recommendation: The Final SDD should acknowledge that as more detailed analysis and/or information is developed for the DEIS, there may be additional impacts identified and/or a greater level of analysis needed than identified in this SD/DSDD or Final SDD.

6.1 ISSUES IDENTIFICATION PROCESS

"DEIS analysis of impacts for the proposed alternatives will ultimately be used to make a preferred alternative decision and identify potential mitigation measures in the FEIS."

- 6 | Recommendation: In addition to identifying "potential" mitigation measures in the FEIS, we recommend that "committed" mitigation measures by MnDOT, City of Virginia, UTAC or others also be identified in the DEIS for the proposed alternatives, and in the FEIS and Record of Decision (ROD) for the preferred alternative.

6.2 ISSUES REQUIRING DETAILED ANALYSIS IN THE EIS

6.2.2 Utility Location (p. 6-2): Power transmission, telephone, fiber optic lines, gas, sanitary sewer and water utilities are all located within the existing US 53 segment.

- 7 | Recommendation: We recommend the DEIS provide an estimate of the costs of relocating each utility and an estimate of the amount each household and/or business would likely incur to cover the relocation costs. If there are Environmental Justice (EJ) populations in the area, an analysis of their share of the burden of these costs may be warranted in order to determine whether or not EJ populations may incur a disproportionate economic impact or temporary loss of essential

services. If needed, mitigation measures should be identified.

6.2.3 Water Supply/Groundwater (pp. 6-2 and 6-3): The eastern alternatives (e.g., E-2 Alternative) would cross the Rouchleau pit, which contains intake wells for the City of Virginia's drinking water supply. The potential to adversely impact water supply/groundwater from hazardous waste or spills also exists during project operation, not only during the project construction stage as this section implies. It is not clear what the source of water is for the City of Virginia's existing water supply intake in the Rouchleau pit. Is it groundwater, pit (surface water) or both? Consequently, surface water/water quantity and quality may need detailed analysis in the EIS.

8 | Recommendation: The DEIS will need to assess the potential for possible adverse impacts to this drinking water supply due to inadvertent release of hazardous materials during a roadway accident and identify mitigation measures that could be undertaken to reduce this risk.

9 | Recommendation: If mine tailings are being considered as construction materials for the new roadway or right-of-way, then the DEIS will need to address the possibility of the mine tailings causing acid mine drainage that may reach and adversely affect surface and/or groundwater quality.

6.2.4 Economics and Business Impacts (pp. 6-3 and 6-4): *"... an additional business impact of potential concern relates to air quality permitting for the existing UTAC mining operation. The right-of-way set aside for US 53 is considered to be public space, and as such, is subject to the standards set by U.S. EPA's National Ambient Air Quality Standards (NAAQS). The location of US 53 relative to existing and potential future UTAC mining activities has the potential to impact UTAC's ability to comply with air quality permit standards. Therefore, in cooperation with the UTAC, air quality thresholds and permit requirements will be identified relative to the alternatives to be studied in detail in the DEIS. UTAC will work with MnDOT to conduct air quality modeling for an assessment of air quality impacts and potential mitigation."*

10 | Recommendation: Since the EIS is utilized as a decision-making tool, U.S. EPA requests ambient modeling of all regulated criteria pollutants be included in the DEIS. The modeling would be used to compare the ambient concentrations to which the general public is exposed at the current location of Route 53 to the exposures/impacts related to each of the other DEIS re-routing alternatives.

6.2.5 Water Body Modification (p. 6-4): *"Physical impacts to waterbodies within the Rouchleau pit will be considered in the DEIS, as any eastern corridor alternative will involve filling the pit to enable highway crossing."*

11 | Recommendation: The assessment of proposed physical modifications to the Rouchleau pit by any of the alternatives will need to consider and identify any impacts of that modification on the quantity and quality of the groundwater, surface water, and consequently the drinking water

supply. This information should be included in the DEIS and taken into consideration prior to choosing a preferred alternative.

6.2.6 Wetlands (p. 6-4): *"Evaluation of the wetlands within the project area for the DEIS will include the identification [of] preliminary wetland impacts of the proposed alternatives based on field estimated wetland boundaries and preliminary construction limits. As part of the analysis, a quality assessment of impacted wetlands will be conducted to include the wetland types and measures of wetland quality. Potential measures to avoid and minimize impacts, including mitigation strategies, will be identified for each alternative carried into the DEIS. A formal delineation will be conducted for the Preferred Alternative to be included in the Final EIS. Coordination with the U.S. Army Corps of Engineers, MnDNR (for any DNR Public Water Wetlands) and the Minnesota Board of Water and Soil Resources (BWSR) will occur as part of the EIS analysis."*

12 | **Recommendation:** The NEPA/404 merger process should be mentioned here. U.S. EPA is a participant in the NEPA/404 merger process and should be identified as one of the agencies that MnDOT and FHWA will coordinate with as part of the EIS analysis. In addition, the DEIS should include the type of mitigation proposed and the cost estimates associated with each alternative.

13 | **6.2.9 Secondary Impacts (p.6-5) and 6.2.10 Cumulative Impacts (p. 6-6):**
Recommendation: The Final SDD should acknowledge that as more detailed analysis and information is developed and brought forward for the DEIS, identification of additional impacts that have not yet been identified in this SD/DSDD or Final SDD may need to be included in the secondary and/or cumulative impacts analysis in the DEIS.

6.3 ISSUES REQUIRING LESS DETAILED ANALYSIS IN THE EIS

14 | **6.3.2 Land Use**
Recommendation: We recommend that MnDOT and FHWA thoroughly analyze existing land-use plans for the area so that any relocated highway is not built in an area that will be mined in the future, if possible. This information should be included in the DEIS. We recommend the DEIS disclose the specific government agencies and business partners, and other organizations that make up the Laurentian Vision Partnership that conducted studies of land-use opportunities surrounding Virginia and the current UTAC mine. Also, please disclose whether or not representatives from EJ populations, historical societies, health officials and environmental groups are represented on "The Laurentian Vision Partnership."

6.3.3 Intermodal Transportation (Bicycle, Pedestrian, Off-road Recreational Vehicles, Trucks, Rail, Transit, & Aviation (p. 6-7): The last sentence under the heading: **Bicycles, Pedestrians, and Motorized Recreational Vehicles** states: *"As noted in Section 6.3.7, recreational trail resources (including the Mesabi Trail) will be discussed in the DEIS."*

15 | Recommendation: We note that Section 6.3.7 Social and Neighborhood Impacts/Community Facility Impacts (p. 6-8) does not mention recreational trails or the Mesabi Trail. We recommend this discrepancy be corrected in the Final SDD.

6.3.4 Surface Water/Water Quantity & Quality (p. 6-7): As we mentioned earlier in our comments under 6.2.3 above, it is not clear what the source of water is for the City of Virginia's existing water supply intake in the Rouchleau pit. Is it groundwater, pit water (surface water) or both? Consequently, surface water/water quantity and quality may need detailed analysis in the EIS.

16 | Recommendation: If mine tailings are being considered as construction materials for the new roadway or right-of-way, then the DEIS will need to address the possibility of the mine tailings causing acid mine drainage that may reach and adversely affect surface and or groundwater quality.

The second sentence in this section erroneously refers the reader to Section 6.3.3 for a discussion of water supply. Section 6.3.3 does not cover water supply, it covers Intermodal Transportation. Did you mean Section 6.2.3 Water Supply/Groundwater?

17 | Recommendation: The above SD/DSDD discrepancy should be corrected in the Final SDD.

6.3.6 Environmental Justice Impacts (p. 6-8): The DS/DSDD is silent on whether or not there are Environmental Justice (EJ) populations within or near the project area.

18 | Recommendation: The DEIS will need to identify whether or not there are EJ populations in the area and assess whether or not those populations may incur any disproportionate impact due to the proposal. The potential for economic and/or health impacts due to deconstruction of the existing US 53 segment and/or the relocation and construction of a new roadway will need to be assessed in the DEIS. Consequently, EJ considerations may need a more detailed analysis in the DEIS than currently proposed in this SD/DSDD.

6.3.14 Hazardous Materials, Contaminated Properties (p. 6-10): *"The DEIS will summarize the results of agency file searches to determine the relative potential for alternatives to impact contaminated property. The Final EIS analysis will be based on a Phase I Environmental Site Assessment for the Preferred Alternative, which will determine any potential contamination source impacts to be avoided or minimized"*

Recommendation: (Please, see our comments and recommendations for the DEIS regarding hazardous materials, alternatives and human health risks under Section **6.3.16 Construction**, next.)

6.3.16 Construction (p. 6-10): This section regarding construction impacts states "... Tailings or aggregate from areas east of Biwabik (which may contain fibrous materials that have been

identified as potential human health concerns) could potentially have been used as fill material during construction of the existing 'easement' section of US 53. The DEIS will describe the planned procedures to be used in abandoning the existing US 53 roadway (for alternatives that include removal of the existing roadway). The DEIS will also describe plans for sampling fill areas prior to excavation, as well as methods for monitoring and handling/disposal . . ."

Recommendation: We recommend this issue also be identified and fully addressed under Section 6.3.14 *Hazardous Materials, Contaminated Properties* in the Final SDD and DEIS (see our additional comments and recommendations below).

Ideally, the existence of tailings or aggregate (fill) that may pose a human health concern would best be determined and considered in the initial development of US 53 alternatives. If such fill was used as part of the easement area for the current US 53 roadway, it is possible it was used, or disposed of, in other areas currently being considered as alternatives. However, the SD/DSDD does not address the potential for such tailings or aggregate to occur along any of the alternative routes. Having this information up-front during the development of US 53 alternatives would help inform the decision making process. Addressing whether or not these types of materials exist only at the construction stage would result in an inadequate assessment of the potential for human health impacts to workers and/or the general public from construction of any of the build alternatives and/or deconstruction of the existing US 53 segment.

- 19** | Recommendation: The issue regarding tailings or aggregate from the eastern end of the Biwabik Iron Formation (Biwabik) will need to be addressed in the DEIS more broadly than is proposed in this scoping document. Due to the potential human health concerns associated with these types of materials, we recommend FHWA/MnDOT determine whether the existing US 53 segment and alternative routes contain material from the eastern end of the Biwabik and include these results in the DEIS. This knowledge could then be factored into the decisions regarding available alternatives, to include roadway design, deconstruction and construction, as well as costs associated with the proper handling of such materials, and identification of the specific measures that will be taken to help insure that any proposed construction and/or deconstruction activities will not create an unacceptable human health risk for the workers or the general public.
- 20** | If environmental sampling (air or soil) is to be done, it should be performed in accordance with a quality assurance project plan (QAPP) that prescribes methods and defines data quality objectives.

There is an on-going 5-year health study now being conducted by the University of Minnesota School of Public Health (see <http://taconiteworkers.umn.edu/index.html>). This study received an appropriation of \$4.9 million from the Minnesota State Legislature to determine whether taconite mining activities may be causing or contributing to an elevated rate of mesothelioma disease in northeastern Minnesota. The University's health study is on schedule for completion in 2013.

- 21** | Recommendation: The findings of the University of Minnesota study mentioned above should be cited and discussed as they become available in this context in the Final SDD and DEIS. Any

findings that are relevant to this highway relocation project should be considered, addressed and incorporated at that time.

The referenced “fibrous materials of concern” specifically include “asbestos-like” elongated mineral particles, some of which may contain nonasbestiform amphibole mineral particles in the form of respirable cleavage fragments.

22 | Recommendations: Worker exposure will be of primary concern during both deconstruction and reconstruction phases, wherever taconite mine tailings are to be disturbed or applied. Where the source of origin of tailings is unknown, unique exposure conditions should be assumed, and personal breathing zone air samples should be used for exposure assessment and the determination of appropriate engineering controls. If the Occupational Safety and Health Administration (OSHA) permissible exposure limit (PEL) exceedances are observed, personal protection and dust control/containment would become warranted. The analysis of bulk tailings samples should not be exclusively relied upon to determine whether the composition of tailings includes potentially hazardous fibrous constituents. The DEIS should identify and discuss all state and federal regulations that apply to working with these types of materials.

6.4 ISSUES NOT ADDRESSED IN THE EIS

23 | If any of the western alternatives are identified in the Final SDD for further consideration in the DEIS, then impacts to floodplains will need to be addressed in the EIS.

7. PUBLIC AND AGENCY INVOLVEMENT

7.6 Cooperating Agencies and NEPA/Section 404 Merger Process (pp. 7-3 and 7-4):

We appreciate the addition of “NEPA/Section 404 Merger Process” into the section’s title and the addition of a paragraph that briefly discusses the NEPA/Section 404 merger process. The paragraph’s footnote also provides the reader with the web address to FHWA’s NEPA/Section 404 Merger Process website for additional information. MnDOT is identified along with FHWA, U.S. EPA and the Corps as one of the agencies that has agreed to follow guidance that merges decision-making under NEPA and the Clean Water Act.

24 | Recommendation: We recommend that the description of the merger process in the Final SDD also identify and briefly disclose the relevance of the four specific concurrence points: 1) Purpose and Need, 2) Alternatives, 3) Preferred Alternative, and 4) Mitigation to this US 53 project.

APPENDICES

APPENDIX A

US53 VIRGINIA TO EVELETH - DRAFT SCOPING DECISION DOCUMENT (February 2012)

3.1 Project Cost and Funding Source (p. 4) (also see our p. 5-1 above): *“Additionally, the DEIS will consider various project delivery models to be used for completion of build alternative scenarios. Such project delivery methods may include:*

- Design-Bid-Build,*
- Design-Build*
- Public Private Partnerships”*

Recommendation: We recommend that the DEIS provide a detailed explanation of each “project delivery method” and identify the advantages and disadvantages of each method in a comparative format. The DEIS should disclose which of the methods would best insure that potential and committed mitigation measures identified in the NEPA document has the best chance of being successfully implemented in a timely manner. The DEIS should also explain how FHWA and MnDOT track compliance with potential and committed mitigation measures identified in the EIS, including those mitigation measures that will need to be undertaken post-NEPA to meet state and/or federal permit requirements for project construction and operation.

5. Alternatives to be Studied in EIS

(Please see our earlier comments on this subject on page 4 of this letter enclosure.)

7. Issues to be Addressed in the EIS (pp. 11 and 12):

(Please see our comments

Expected to influence the selection of the preferred alternative.

- Right of Way Acquisition & Relocation
- Utility Location
- Water Supply/Groundwater
- Economics and Business Impacts
- (Please see the cover letter and our earlier comments on this subject on page 6 of this letter enclosure)
- Water Body Modification
- Wetlands
- Public Park, Recreational , Wildlife Management, and Section 4(f)/6(f) Lands
- Cultural Resources and Tribal Coordination

“ . . . issues of moderate concern . . . ”

- Traffic Operations

- Land Use
- Intermodal Transportation
- Surface Water/Water Quantity and Quality
(Please see our earlier comments on this subject on page 8 of this letter enclosure)
- Geology and Soils
- Social, Neighborhood, and Community Facilities Impacts
- Noise
- Transportation-related Air Quality
- Erosion Control and Slope Stability
- Vegetation/Cover Types
- Fish and Wildlife
- Threatened and Endangered Species
- Hazardous Materials and Contaminated Properties
(Please see our earlier comments on this subject on page 8 of this letter enclosure)
- Visual Impacts
- Construction Impacts
(Please see the cover letter and our earlier comments on this subject on pages 8-10 of this letter enclosure)
- Excess Materials
(Please see our earlier comments on this subject on pages 8-10 of this letter enclosure)
- Geotechnical and Earthborn Vibrations
- Relationship of Local Short-Term Uses versus Long-Term Productivity
- Irreversible and Irretrievable Commitment of Resources
- Climate Change
(Recommendation: We recommend MnDOT create an anti-idle policy for construction vehicles.)

8. Issues Not to be Addressed in EIS

- Critical Areas
- Coastal Zones and Coastal Barriers
- Wild and Scenic Rivers
- Handicapped Accessibility
- Farmlands
- Floodplains
(Please see our earlier comments on this subject on page 10 of this letter enclosure)

9. Public and Agency Involvement

9.6 Cooperating Agencies (p. 15):

25

Recommendation: We recommend that the Final SDD acknowledge and report the dates and topics of all the cooperating agencies meetings/conference calls, and identify all reviewed materials, to date. Some of this information was previously included in this section of the Agency Review Draft (January 2012) version of the SD/DSDD.

9.7 Other Agency Coordination (p. 15)

We appreciate the added information regarding NEPA and the Clean Water Act Section 404 merger process.

26

Recommendation: We recommend that the 4 concurrence points: 1. Purpose and Need, 2. Alternatives to carry forward into the EIS for detailed study, 3. Preferred Alternative, and 4. Mitigation be included here. In addition, we recommend that footnote #1 from page 7-4 of the main body of this SD/DSDD (link to FHWA site regarding U.S. EPA and 404 merger process) be included here as well.

APPENDIX B

AGENCY AND PUBLIC COORDINATION PLAN (February 2012)

The NEPA/404 merger process and concurrence points are not specifically identified and incorporated into the main body of this *Agency and Public Coordination Plan*, as U.S. EPA recommended. The NEPA/404 merger process is mentioned once here in footnote #1.

27

Recommendation: We recommend that the Final SDD (Appendix B) incorporate the 4 concurrence points: 1. Purpose and Need, 2. Range of Alternatives, 3. Preferred Alternative, and 4. Mitigation, in the main text of the *Plan* as well as in *Table 1. Highway 53 EIS Public and Agency Involvement Methods*. We continue to recommend that MnDOT also be identified as a key player in the NEPA/404 merger process for this project. If there is a reason why MnDOT is not specifically identified here as a key player in the NEPA/404 merger process, then this should be explained in the Final SDD. If MnDOT's choice of project delivery models (e.g., Design-Bid-Build, Design-Build, Public Private Partnerships) may have something to do with why MnDOT is not being identified as a key player in the NEPA/404 merger process for this Highway 53 project, then this should be explained in the Final SDD and EIS.

Development of purpose and need – U.S. EPA concurred with purpose and need for this US 53 project based on the information in the January 2012, Agency Review Draft of the SD/DSDD. If the purpose and need changes in the Final SDD, then U.S. EPA reserves its right to reconsider our NEPA/404 merger process concurrence on purpose and need.

Identification of the range of scoping alternatives – As U.S. EPA previously informed MnDOT/FHWA, U.S. EPA requests review of the Final SDD prior to making a concurrence decision on the range of alternatives to carry forward for the EIS under the NEPA/404 merger

process.

Collaboration on impact assessment methodologies – U.S. EPA welcomes the opportunity to further participate in future discussions regarding impact assessment categories and methodologies for the EIS once we have had the opportunity to review the Final SDD.

Completion of the Draft Environmental Impact Statement (DEIS) – *“Review copies of the Draft EIS will be distributed to the members of the Participating Agencies with a 30-day review and comment period to provide feedback.”*

28 |

Recommendation: Since the official comment period for a DEIS is 45-days or more, we request that the Participating/Cooperating Agencies be given at least a 45-day period in which to review and comment on the review copies of the DEIS.



April 4, 2012

Brian Larson
MN DOT District 1
1123 Mesaba Avenue
Duluth, MN 55118

RE: US HIGHWAY 53 VIRGINIA TO EVELETH REALIGNMENT

Dear Mr. Larson:

The Minnesota Department of Natural Resources (DNR) Northeast Region has reviewed the U.S. Highway 53 Virginia to Eveleth scoping document. We have the following comments for your consideration.

1 The Highway 53 realignment through the corridors that have been proposed to the east (E1 through E4) will encumber a known iron ore taconite resource and possibly interfere with a current state metallic mineral lease. In 2008, the DNR Division of Lands and Minerals completed a taconite resource estimate in this area that indicates there are approximately 280,000,000 gross tons of taconite of which about 82,000,000 gross tons has School Trust ownership. At current taconite royalty rates, this represents more than \$150,000,000 in royalty income to the School Trust. MN DOT has estimated that the total economic value of the taconite that is encumbered by the current location of Highway 53 is approximately \$400,000,000 to \$600,000,000 (Section 4.4.2). The proposed east corridors (E1 through E4) would encumber quantities of taconite that would have approximately the same economic value as what is encumbered by the current location of Highway 53.

The School Trust lands in Section 16, east of the iron formation, display high potential to host mineral resources and contain known occurrences of gold mineralization. The eastern route alternatives (E1 through E4), in addition to encumbering substantial known School Trust taconite resources in Section 16 would also negatively encumber an area of active State metallic mineral lease and active non-ferrous mineral exploration in Section 16. The state metallic mineral lease in Section 16 of T58 R17, which has School Trust mineral ownership, is with Lehmann Exploration Management Inc. The state lease number is MM 10182. The mineral lease with Lehmann Exploration Management Inc. in paragraph 5 states: *"The state further reserves the right to grant leases, permits, or licenses to any portion of the surface of the mining unit to any person, partnership, corporation, or other association under the authority of Minnesota Statutes, section 92.50, or other applicable laws, after consultation with lessee. The surface leases, permits, or licenses shall not unduly interfere with the exploration or mining operations conducted on the mining unit."*

Mr. Brian Larson
April 4, 2012
Page 2

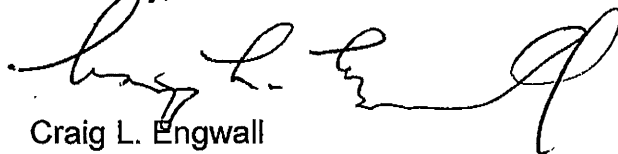
The route alternative identified as E-2, in addition to encumbering substantial known School Trust iron resources in Section 16, would also negatively encumber an area of active State metallic mineral lease and active non-ferrous mineral exploration in Section 16.

The School Trust lands in Section 16, east of the iron formation, display high potential to host mineral resources and contain known occurrences of gold mineralization. MN DNR Lands and Minerals Division has a history of consistently recommending that the high gold resource potential of this area is sufficient to avoid encumbrance of State-owned lands and mineral rights within the area known as the "Virginia Horn". These same issues apply for each of the eastern alternatives E-1 thru E-4.

2 | The DNR recommends that the eastern alternative routes be avoided if possible.

Please feel free to contact me or Rian Reed (218) 999-7826 with any questions you may have.

Sincerely,



Craig L. Engwall
Northeast Regional Director
(218) 999-7913
craig.engwall@state.mn.us



Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, Minnesota 55155-4194 | 651-296-6300

800-657-3864 | 651-282-5332 TTY | www.pca.state.mn.us | Equal Opportunity Employer

March 30, 2012

Mr. Brian Larson
Mn/DOT - District 1
1123 Mesaba Avenue
Duluth, MN 55118

Re: US Highway 53 Virginia to Eveleth Scoping Document and Draft Scoping Decision Document

Dear Mr. Larson:

Thank you for the opportunity to review and comment on the Scoping Document (SD) and Draft Scoping Decision Document for the US Highway 53 Virginia to Eveleth project (Project) located in St. Louis County, Minnesota. The Project consists of the realignment of a one-mile segment of US Highway 53 due to termination of easement rights held by RGGs Land and Minerals Company. Regarding matters for which the Minnesota Pollution Control Agency (MPCA) has regulatory responsibility and other interests, MPCA staff has the following comments for your consideration.

Section 6.2.9 Secondary Impacts

1

The Environmental Impact Study (EIS) should include an analysis and discussion on the secondary environmental impacts the project may have on the new highway corridor, including whether development will be allowed along the proposed project alignment, and any potential air quality impacts as a result of mining near the new highway (Alternative M-1).

6.3.14 Hazardous Materials, Contaminated Properties

2

A search of MPCA databases identified contaminated sites located adjacent to the project corridor, mainly on the north and south ends of the project for Alternatives M-1 and E-2. The document notes that a Phase I Environmental Site Assessment will be conducted as part of the EIS. It is anticipated by MPCA that additional details, including the potential for encountering contamination from known sources during project construction, including the tailings mentioned in 6.3.16, will be discussed in the EIS.

For additional information, see:

- PRP Maps Online: <http://pca-gis02.pca.state.mn.us/prp/index.html>
- MPCA's What's in my Neighborhood database: <http://www.pca.state.mn.us/udgx680>
- MPCA Cleanup Programs and Topics: <http://www.pca.state.mn.us/isri7f3>

Section 8 Permits and Approvals

3

- As indicated in the SD, because the project will disturb a total of one acre or more of land, a National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) Construction Stormwater Permit (CSW Permit) is required from the MPCA. The owner and operator (usually the general contractor) are jointly responsible for obtaining and complying with the conditions of the CSW Permit. A detailed Stormwater Pollution Prevention Plan, containing stormwater management requirements both during and post construction, as well as erosion control and sediment control

3

requirements during construction, must be prepared prior to submitting a CSW Permit application. CSW Permit coverage is required prior to commencing land disturbing activities (i.e., clearing, grading, filling, or excavating) relating to the project. For an overview of this permit and program, please refer to the following factsheet: <http://www.pca.state.mn.us/publications/wq-strm2-05.pdf>. Questions regarding CSW Permit requirements should be directed to Roberta Getman at 507-206-2629.

4

- Also, as noted in the SD, the project will require a Section 401 Water Quality Certification determination from MPCA based upon the anticipated wetland impacts that will result from the project for Alternatives M-1 and E-2.

We appreciate the opportunity to review this project. Please provide specific responses to our comments. Please be aware that this letter does not constitute approval by the MPCA of any or all elements of the Project for the purpose of pending or future permit action(s) by the MPCA. Ultimately, it is the responsibility of the Project proposer to secure any required permits and to comply with any requisite permit conditions. If you have any questions concerning our review of this SD please contact me at 651-757-2508.

Sincerely,



Karen Kromar
Planner Principal
Environmental Review Unit
Resource Management and Assistance Division

KK:mbo

cc: Craig Affeldt, MPCA, St. Paul
Suzanne Hanson, MPCA, Duluth
Tom Estabrooks, MPCA, Duluth



Protecting, maintaining and improving the health of all Minnesotans

March 28, 2012

Mr. Brian Larson
MNDOT - District 1 Office
1123 Mesaba Avenue
Duluth, Minnesota 55118

Dear Mr. Larson:

Subject: Regarding Environmental Impact Statement (EIS) Scoping Document for U.S.
Highway 53, St. Louis County

I'm writing in response to your request for comments on the U.S. Highway 53 Virginia to Eveleth EIS Scoping Document. As indicated in the document, the E-2 alternative would cross the Rouchleau Pit, which is the public water supply for the city of Virginia.

1

In 2003 the city of Virginia completed a Source Water Assessment (see enclosed) that identified their source water as highly susceptible to contamination, and spills related to vehicle transport as a specific concern for their water supply. If this alternative is ultimately selected, it will be important to ensure adequate protection of the city's public water supply, both during construction and operation.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "James F. Walsh", is positioned above the typed name.

James F. Walsh, Hydrologist
Source Water Protection Unit
Environmental Health Division
P.O. Box 64975
St. Paul, Minnesota 55164-0975

JFW:kmc

Enclosure: City of Virginia, Minnesota, Source Water Assessment

cc: Jim Lundy, MDH Hydrologist, St. Paul Office
Beth Kluthe, MDH Planner, Bemidji District Office
Chris Parthun, MDH Planner, Bemidji District Office
Mike Baker, MDH Information Technology, St. Paul Office
Gregory French, Virginia Public Utilities



CLIFFS NATURAL RESOURCES INC.
Cliffs Shared Services
227 West 1st Street, Suite 500, Duluth, MN 55802-5054
P 218.279.6100 F 218.279.6102 cliffsnaturalresources.com

April 4, 2012

Mr. Brian Larson
Minnesota Department of Transportation, District 1
1123 Mesaba Avenue
Duluth, MN 55811

Re: Comments to US Highway 53 Virginia to Eveleth Scoping Document and Draft Scoping Decision Document

Mr. Larson:

Cliffs Natural Resources is pleased to provide the following comments relative to the US Highway 53 Virginia to Eveleth Scoping Document and Draft Scoping Decision Document in order to incorporate Cliffs' position with regards to this project and the potential impact on United Taconite's operations.

First and foremost, Cliffs Natural Resources appreciates the community's long-standing support for United Taconite and maintaining that relationship is vital to our social license to operate. While the community is a key stakeholder in our ability to operate, Cliffs must also accommodate the needs of other stakeholders who rely on our mine operations to provide a product to their businesses. We recognize the impact this highway realignment will have on our neighbors, and remain active participants in the route assessment and selection process that has been undertaken by the Minnesota Department of Transportation (MnDOT).

United Taconite has long range mining plans to develop an iron ore deposit that is located in an area that includes approximately one mile of existing Highway 53 alignment in the City of Virginia. This is a permitted ore reserve that is included in United Taconite's current life-of-mine projection. As stipulated in a May 27, 1960 easement, MnDOT is required to remove this existing portion of the Highway 53 corridor. United Taconite and RGGS submitted a notice of termination of Public Highway Easement on May 5, 2010. Since then, United Taconite/Cliffs has provided support to MnDOT in its process to determine an alternative route that satisfies the transportation needs of the surrounding communities, while allowing for continued mineral development in the area.

Comments to Selected Sections of the Draft Document:

5.2 Existing US 53 Alternative

"This alternative would involve acquisition of permanent or long-term rights to the existing US 53 corridor and would require compensation to the owner of the land containing the highway easement for land and mineral rights lost because the highway would not be vacated. Scoping level valuation estimates of the iron ore reserves made inaccessible to mining place the cost of compensation at \$400 to \$600 million."

1

The area in the US Highway 53 corridor has been identified as a high quality ore reserve and the relocation has been anticipated by United Taconite for years. We oppose the Existing US 53 Alternative, as it is inconsistent with the intent of the 1960 easement, which stipulates the removal of the highway. More importantly, if we cannot mine under that portion of Highway 53, it would reduce the life of the mine, thereby limiting the positive, long-term economic impact of United Taconite's operation on the surrounding communities. Furthermore, we understand that this option represents a cost to the state that is many magnitudes larger than the leading relocation options.

5.1 Alternative M-1

"The alternative would mostly follow the grade created by the now backfilled Auburn Pit through the UTAC mine, providing the most direct route for a realigned US 53. Alternative M-1 would cross a mine operations area that will be active for many years, although little or no long-term conflict with remaining ore reserves is anticipated. The alternative would involve construction of up to two miles of new highway, with earthwork and structures required for continued mine operations on both sides of the new alignment."

"While business impacts due to air quality compliance are a potential concern, air quality modeling can be used to identify potential mitigation strategies."

2

Many concerns remain with respect to United Taconite's ability to demonstrate compliance with National Ambient Air Quality Standards (NAAQs) should the highway traverse the pit. It is highly likely that the Environmental Protection Agency will pursue more stringent NAAQs in the coming years, further exacerbating these compliance concerns. It is critical that MnDOT and other state agencies engage proactively to address and mitigate or minimize the acute operational risks posed by non-compliance with NAAQs as a result of Alternative M-1, and that the additional costs of mitigation and/or operational curtailment are incorporated into the overall cost analysis.

3

In addition to these air quality considerations, United Taconite has other concerns about the implications of Alternative M-1, including health and safety of the public and our workforce, mine operational challenges, and potential ore reserve impediments. Since the route would expose the public to our mine operations on both sides of the highway, we anticipate greater interest and access to our property, which raises mine security concerns that need to be addressed in MnDOT's consideration of Alternative M-1. Safety is the number one core value for Cliffs Natural Resources, so it is imperative that these issues be satisfactorily resolved to ensure the well-being of the public and our employees.

4

Operational challenges include frequent road closures as a result of blasting, transportation of equipment (i.e. shovels, drills, haul trucks) and general accessibility to different areas of the pit. These issues, as well as potential ore reserve impediments are being examined by Cliffs' personnel, and the findings will be shared with MnDOT.

While Alternative M-1 raises a number of potential operational challenges for United Taconite, we are hopeful that MnDOT can enhance the viability of this option by engaging proactively with United Taconite/Cliffs to satisfactorily address the most serious of these concerns, and to ensure the true cost of the alignment is considered as part of the review process.

5.4 Alternative E-2

“Alternative E-2 crosses the water-filled Rouchleau pit at one of its narrow openings, while at the same time balancing concerns about getting back to the 2nd Avenue interchange quickly in order to minimize community impacts. This alternative is also located strategically to be outside of the UTAC mine permit area while maximizing the use of state-owned lands on the east side of the pit.”

5

Essentially, Alternative E-2 would have no impact on United Taconite’s operations, but we recognize other impediments, such as conflicts with currently unused mineral reserves and traffic connectivity. Nonetheless, we ask that MnDOT continue to diligently examine Alternative E-2 considering the numerous remaining risks to United Taconite’s operation associated with Alternative M-1.

We recognize the complexity of this project and the difficult task facing MnDOT as it weighs the remaining Highway 53 alternatives. We remain committed to assisting the agency through this process and believe the State can take steps to ensure that the realignment proceeds in a manner that will serve the public interest and allow for the continued operation of our facility.

Thank you for the opportunity to provide comments on the US Highway 53 Virginia to Eveleth Scoping Document and Draft Scoping Decision Document. Please contact me with any questions at (218) 744-7885.

Sincerely,

Santi Romani
General Manager, United Taconite

Vermillion Gold LLC

c/o LEHMANN EXPLORATION MANAGEMENT INC.
SUITE 1140, PLYMOUTH BUILDING
12 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402
Office: 612-338-5584
Cell: 612-859-4159
Fax: 612-338-5457
Email: geomine@att.net

March 9, 2012

Mr. Brian Larson
Project Manager
Minnesota Department of Transportation, District 1
1123 Mesaba Avenue
Duluth, MN 55118

Re: **U.S. 53 Scoping Document and Draft Scoping Decision**

Dear Mr. Larson:

Vermillion Gold LLC is pleased to have the opportunity to comment on the subject scoping of the realignment of Highway U.S. 53 in the vicinity of Virginia, MN.

Vermillion Gold LLC is a privately held Minnesota corporation actively engaged in exploration for and future development of commercially viable gold deposits, by exploring areas of known gold mineralization in north central Minnesota. Since 2009, one of its prime exploration targets has been in the area geologically known as the Virginia Horn, between the city of Virginia and the town of Gilbert.

We note that the scoping of the proposed EIS for the realignment for Highway U.S. 53 has eliminated several of the original so-called eastern routes (E-1, E-3 and E-4) but retained one, E-2, among the four alternatives to be considered in the planned EIS.

- 1** | Vermillion strongly opposes consideration of alternative E-2 or any variant thereof as a route for the realignment that crosses Section 16 T58N R17W, *which section is school trust fund lands*, on which Vermillion holds a non-ferrous state mining lease (Lease # 10182).

We oppose routes crossing Section 16 for the following reasons:

The northwest part of Section 16 includes major potential iron ore resources whose development will require eventual rerouting of a new and expensive section of Highway

53 resulting from the current rerouting. Additionally, the older Archean age rocks of the Virginia Horn anticline, possibly hosting significant commercial gold deposits, underlie *all* of Section 16.¹

The gold potential of the Virginia Horn was actively explored by several companies who, in the early 1980s, drilled about 30 drill holes, many encountering significant gold values. Because gold prices collapsed at the time, these companies did not further pursue these prospects.

Vermillion has been actively exploring on its leases of 3,600 acres of private and state mineral rights in the Virginia Horn area since 2009 and has drilled nine core drill holes in the area including five in the southeast part of Section 16. Three of these encountered potentially economic grades of gold mineralization over substantial intervals.

2

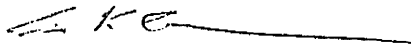
Any new road ways or rights-of-way across Section 16 will seriously affect or prevent exploration and possible development of these resources and may result in Highway 53 having to be rerouted again.

Thank you very much for this opportunity to give our comments. Please contact me if you need further information.

Sincerely,

VERMILLION GOLD LLC

By:



Ernest K. Lehmann, MN Prof. Geologist 30111
Manager

Cc: Hon. Tony Sertich
Sen. Dave Tomassoni
Rep. Tom Rukavina
Douglas Abere, CH2M Hill
Larry Kramka, MnDNR

¹ Section 16 is on the north limb of the Virginia Horn anticline which has an Archean-age core, with the younger Biwabik iron formation wrapped around its west, south and east sides. Thus the potential host rocks for gold deposits exposed at the surface in the southeast part of the Section dip northwestward under the iron formation in the northwest part of Section 16.

Mr. Brian Larson

Re: Relocation of Highway U.S. 53

Hwy 53 the highway of the future? I respectfully suggest that the original route of US 53 to Hwy 37 to Hwy 7 to US 169 be reconsidered.

Is not the main purpose of a highway to expedite traffic? This is the highway of the future. Most of the traffic moving thru Virginia is thru traffic. The intersection of 12th Avenue/12th street contains two traffic lights and much unneeded congestion. An additional traffic light at the 9th street intersection and one at Eveleth just adds to congestion.

1

The highway # 7 route is already there with plenty of room for future improvements if needed. An interchange, or exit at Hwy53/37, 3 Railroad overpasses and an exit from Hwy7/US169 onto Us 53 would provide a smooth flow of traffic along US 53. Exits to and from Virginia are easily accessed. Single lane traffic here would prove faster than the Virginia bottlenecks. With the ever-increasing traffic along our highways, the problems would grow.

Eveleth and east range traffic would use Hwy #37/101 around Eveleth and Leonidas where a good road already exists. It would also provide for future growth of the Eveleth/Gilbert community.

2

A bridge over the mine pit would be costly and other ramifications of a mine lease may create other unseen problems. What other mine operations might cause future problems? The route from Hwy 53/37/7, which already exists, would seem the practical way to go.

Thank you.

William H. Beste
404 9th St N .Apt 320
Virginia, MN 55792

Larson, Brian (DOT)

From: Nurmi Family <posimoke@accessmn.com>
Sent: Tuesday, March 27, 2012 6:22 PM
To: Larson, Brian (DOT)
Subject: Mt. Iron Mtg.

Hello Brian,

1 | Thank you for the information you gave me at the informational meeting. I also thought the United Taconite representatives were very cordial and informative. I wish I could pick one option and say it is the best. Not so... The M1 is my first choice; however, it looks like it will still interfere with traffic when they blast and will certainly alienate the businesses on second avenue. I do not know what costs are involved for a bridge using the Alt E2 corridor verses the costs of a big culvert or elevated roadway through the pit.

2 | I don't see any winners here. The citizens of Virginia are going to get the short stick when it comes to supplying water to Midway (they just put in a new line), power lines, and how about the future drink water reservoir getting contaminated with blasting agents, oils, greases, and diesel fuel when they mine to the edge of the existing old iron ore pit.

I wish I could have stayed to hear the speeches. I'm afraid my back was getting too sore. I will just have to watch the papers and internet. I would love to know what the estimated legal costs would be to tell United Taconite to take a reduced offer for the good of the local population, cities, and state and like it, just as the state does for the average home owner.

Thanks for the meeting,
Lynn Nurmi

Larson, Brian (DOT)

From: The Big Idea ADvice <thebigidea51@gmail.com>
Sent: Tuesday, March 27, 2012 2:58 PM
To: Larson, Brian (DOT)
Subject: Highway 53 relocation

Hello Mr. Larson,

I wanted to show support for the northern most plan for the relocation of Highway 53 over the still water filled pit as defined in this weekends Mesabi Daily Paper. Between the 2 options I think this would create a great picturesque entrance into the Virginia area. Besides the southern option over the active United Tac pit would cause the highway to be closed down every Thursday afternoon just to blast, which isn't ideal either. Also please consider a large rest stop and park along this section of highway for travelers coming into the Northwoods as they have an hour or more left to their travels to the lakes and cabins they frequent. Here the state could really promote the new Vermilion State Park very heavily too, to create future users.

I still favor the option to go down highway 37 and connect with highway 7 coming into Mt. Iron near Dairy Queen. I still believe this option due to the lack of bridges would be the most cost effective...There isn't alot of structure to purchase and remove... so I hope your group will still consider this route... and check further into its feasibility. I believe this option would spur retail and economic development for new businesses along this new stretch of highway... and as you drive into Mt. Iron where land still is available for development.

Thank you,
TJ Murphy

B. LARSON:

1

WHY CANT THE STATE
DECLARE EMINENT
DOMAIN ON HWY 53?

2

WHAT IS THE VALUE
OF THE ORE UNDER
HWY 53?

THAT ROAD - HWY 53
CURRENTLY GOES
AROUND THE PIT

DOES THE STATE
WANT (REALLY WANT)
TO STRAIGHTEN IT
OUT?

David Torrel

Mr David Torrel
100 McKinley Ave Apt 504
Eveleth MN 55734-1651

3

WHO WILL PAY FOR
MOVING THE HWY?

From: Larson, Brian (DOT)
To: Thoreen, Timothy/MSP; Abere, Douglas/MSP
Subject: FW: US 53 relocation comment
Date: Sunday, March 25, 2012 9:31:20 AM

fyi

From: Larson, Brian (DOT)
Sent: Sunday, March 25, 2012 9:31 AM
To: 'Daniel J. Richart'
Subject: RE: US 53 relocation comment

Hello Mr. Richart,

Thank you for taking the time to write regarding your preference for either of the Mine Corridor options. Your request for enhanced access to Second Avenue and for pedestrian/bicycle accommodations are also noted. We will take these comments into consideration as the project moves forward.

Thanks again for writing.

Brian Larson
Mn/DOT D1 Project Manager
1123 Mesaba Ave.
Duluth, MN 55811
218-725-2745

From: Daniel J. Richart [<mailto:daniel.richart@autovaluelink.com>]
Sent: Thursday, March 22, 2012 9:15 AM
To: Larson, Brian (DOT)
Subject: US 53 relocation comment

Hello Mr. Larson,

I am the Manager at Auto Value – Virginia, located in the Hwy 53 Plaza. I would prefer either of the Mine Corridor options.

1

My main request is for access to Second Avenue from the west and an exit from Second Avenue to the west. These options are currently not available, but would enhance accessibility to businesses in that part of town which will be adversely affected by the highway move. It will also reduce congestion and enhance safety on Eighth Street South in Virginia.

2

My second request would be for a bicycle / pedestrian lane.

Thank you for considering these suggestions.
Dan Richart, manager
Auto Value – Virginia
5463 Mt. Iron Dr, suite 200
Virginia, MN 55734

From: [Larson, Brian \(DOT\)](#)
To: [Abere, Douglas/MSP](#); [Thoreen, Timothy/MSP](#)
Subject: FW: option 1
Date: Monday, April 02, 2012 9:07:05 AM
Attachments: [Hwy53 Exhibit4-7.pdf](#)

fyi

-----Original Message-----

From: Larson, Brian (DOT)
Sent: Monday, April 02, 2012 9:06 AM
To: 'Casey Hallin'
Subject: RE: option 1

Hello Casey,

I've attached a drawing which shows the approximate location of where alternative "M-1" would tie back into the existing highway. As you will note on the drawing, this would be just to the east of the Target and Super One stores.

We are in a preliminary engineering stage right now so detailed design information is not available. More detailed drawings will be developed in the next phase of the project development process.

Thank you very much for writing. Please let me know if you have any other questions.

Sincerely,

Brian Larson
Mn/DOT D1 Project Manager
1123 Mesaba Ave.
Duluth, MN 55811
218-725-2745

-----Original Message-----

From: Casey Hallin [<mailto:challin@mesabieast.k12.mn.us>]
Sent: Monday, April 02, 2012 7:57 AM
To: Larson, Brian (DOT)
Subject: option 1

Hello Mr. Larson,

I just have a question about option 1 of Hwy 53 project near Virginia. I am currently residing at 629 13th St. S. Which is very close to the intersection of 13th St. S. and 9th Ave. S.

The article in last weeks Mesabi Daily stated that option 1 would come into town on 9th Ave. However, the article wasn't specific to where on 9th. Can you be more specific?

I am just worried about my house being closer the highway.

Thank you for your time,
Casey Hallin

Casey Hallin
Mesabi East Schools
601 N. 1st. St. W.
Aurora, MN 55705
218-229-3321 x 4117

From: Larson, Brian (DOT)
To: Thoreen, Timothy/MSP; Abere, Douglas/MSP
Subject: FW: Highway 53
Date: Sunday, March 25, 2012 9:05:08 AM

fyi

-----Original Message-----

From: Larson, Brian (DOT)
Sent: Sunday, March 25, 2012 9:05 AM
To: 'josette@mchsi.com'
Subject: RE: Highway 53

Hello,

Thank you for taking the time to write. As you mentioned in your note, one of the goals of the Highway 53 project is to provide convenient access to Virginia for you and others. As you also noted, bridges to some degree will likely be a part of a new highway. Your thoughts about the view and an overlook being developed for tourists are also understood and appreciated.

When it comes to thoughts, the "older" generation typically has experience working in their favor. Thanks again for writing.

Brian Larson
Mn/DOT D1 Project Manager
1123 Mesaba Ave.
Duluth, MN 55811
218-725-2745

-----Original Message-----

From: josette@mchsi.com [<mailto:josette@mchsi.com>]
Sent: Monday, March 19, 2012 2:29 PM
To: Larson, Brian (DOT)
Subject: Highway 53

1 | My husband and I live in Midway. We are an older couple who have lived in our house since 1966. Hopefully we will have an easy access to Virginia. It's just a thought, but why can't a bridge be built over the mine somewhere into the area of the mall. The bridge could be a tourist attraction for people to see how mining is up here. You could even have the viewpoint in the sky at one end. Just a thought from an older lady!!!

From: [Larson, Brian \(DOT\)](#)
To: [Thoreen, Timothy/MSP](#)
Subject: FW: Highway 53 re alignment
Date: Monday, April 09, 2012 3:28:52 PM

One more e-mailed comment...

From: Mike Ralston [mailto:mralston-lenci@qwestoffice.net]
Sent: Wednesday, April 04, 2012 4:21 PM
To: Larson, Brian (DOT)
Subject: Highway 53 re alignment

Good afternoon Brian

As a city councilor of Virginia I am quite interested in the re-alignment of highway 53.
After reviewing the scoping document numerous times I have developed more questions than answers

At this time I feel the E2 route deserves further study along with the M1

1

More detail for both routes as they interface with the second avenue connection should be provided

For the E2 route how will that impact the southeast area of the City , how much land will be required, how will the Rouchleau pit be crossed

Will there be a frontage road along the north west side of the highway when it enters the city

Will there be a interchange from second avenue

Would E2 be better or worse for connection to the City of Gilbert and east

2

All these questions can be answered with a more detailed location of the highway route regardless of which route is chosen so I strongly urge your department to further the study on the E2 route along with the M1

Thank you for your time

Mike Ralston
City Councillor
Virginia Mn
218 741-3482



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	<i>Ed Roskoski</i>	MAILING ADDRESS <i>5409 North Court Mountain Iron MN 55768</i>
PHONE #	<i>218-749-3767 218-749-4204</i>	
E-MAIL	<i>/</i>	

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1 | *Alt M-1 Would work the best for everyone concerned. Or move proposed Alt M-1 closer to present 53 alignment*



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	Ann Nelson	MAILING ADDRESS 302 Fifth Ave So Virginia, MN 55792
PHONE #	218-741-8724	
E-MAIL		

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1

I am concerned to hear that M-1 is not to be the
best route - I'm not, economically, or really. We still
want to see it built through the MND as a bridge
or pillars — what a "thru" for drivers, tourists, etc.

Additional space on back side, including a project area map for reference.



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	MICHAEL MOORE	MAILING ADDRESS 1518 12 TH ST SOUTH VIRGINIA, MN 55792
PHONE #	218-780-7037	
E-MAIL	MEKE.MOORE@US STORES MCD.COM	

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1 | MI DEFINATLY IS THE BEST ROUTE.
PLEASE ADVISE ME ON YOUR PROGRESS.
THANKS
MER Moore



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	Thomas F. Bartol	MAILING ADDRESS 209 W. 4th Ave No. Anond Minn. 55705
PHONE #	218-229-3173	
E-MAIL		

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1 | Leave the existing 53 the way it is.
and pay 500 million for mineral rights.



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	ALLEN DAHL	MAILING ADDRESS 1211 21 st St. S. VIRGINIA, MN 55792
PHONE #	218-749-5450	
E-MAIL		

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1 | For the sake of possible future expansion of
United Taconite Alt E-2 would be the best choice.
It would eliminate the need to relocate the highway
again in the future.



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

MARCH 27, 2012

NAME	Dwayne W. Pankratz	MAILING ADDRESS	7756 Ely Lake Dr. Eveleth, MN. 55734
PHONE #	218-744-1375		
E-MAIL	dwpankratz@yahoo.com		

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

1

When It May Concern: I urge that consideration be given for relocating the recreational snowmobile currently lying adjacent to ^{on the} west side of Hwy #53 to be part of the new highway development. Issues associated with recreational trail development are similar to those in the siting of a highway.



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING COMMENT FORM

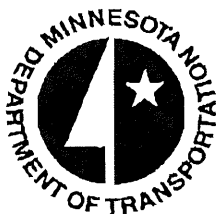
MARCH 27, 2012

NAME	Jim Hufsmann	MAILING ADDRESS 3351 S. Corn Lk Rd Aurora, Minn. 55705
PHONE #		
E-MAIL		

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

Seems like there's way too much paper shuffling -
Scoping, environmental reviews, etc. Just figure out
the most practical route & build the road -
before we're all dead of old age.



HIGHWAY 53 VIRGINIA TO EVELETH

SCOPING DOCUMENT PUBLIC HEARING

COMMENT FORM

MARCH 27, 2012

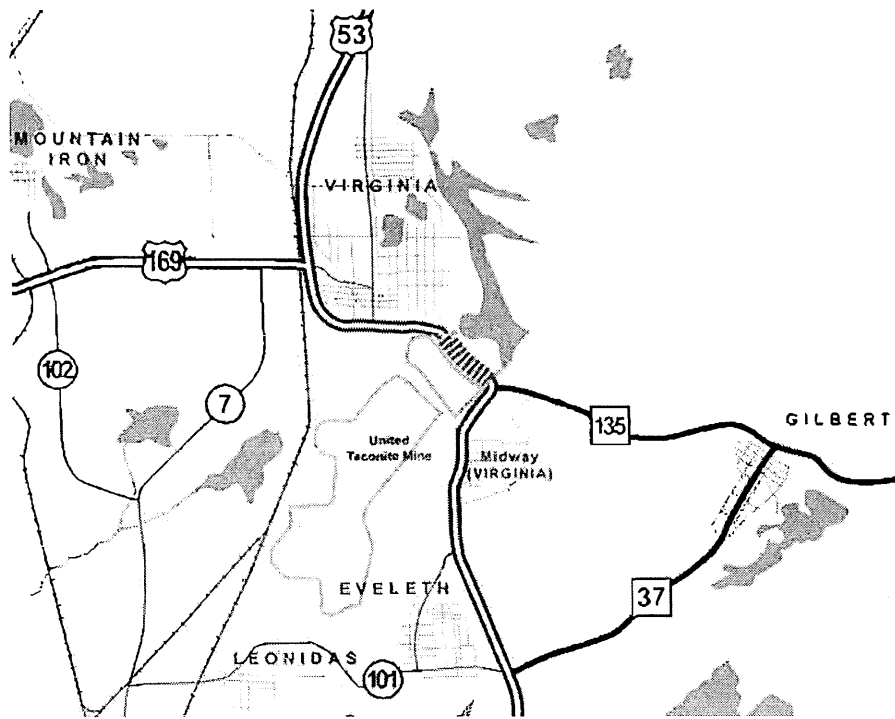
NAME	Jean M. Kolal	MAILING ADDRESS	(Midway) 26 W. Parkway St. Virginia, MN 55792
PHONE #	(218) 749-2994		
E-MAIL			

You may leave this completed form with us today by dropping it into the COMMENT BOX. This form may be mailed to the address shown on back of this form. You may also e-mail your comments to Brian Larson, MnDOT Project Manager, at Brian.Larson@state.mn.us

All comments are welcome. Your input on alternatives, issues, or resources of concern is especially helpful at this stage of the project. We suggest that any comments given in favor of or opposed to specific alternatives also include reasons for your comment.

I have repeatedly through the years complained to United Nucorite about the damage I have incurred to my property due to the inexperience or nonchalant attitude of your blasting department at United Nucorite. All the blasting has caused my house to have multiple cracks in the sheetrock that we have replaced more than once. The slabs on my quality windows have been broken allowing air to invade and cloud up my glass. Pictures have fallen off walls and shelves. A glass mirrored tile portion fell off my wall downstairs - we were compensated for that! My basement walls have cracked and, now, I have water coming into my basement with the changes (over)

Additional space on back side, including a project area map for reference.



Highway 53 - Virginia to Eveleth Project Area Map

to the water table. I have had United Taconite people at my house through the years to complain - to no avail! My house has always been well maintained as I have lived there since 1968. My deck, and siding and windows continue to be coated with dirt and Taconite dust. We cannot in our area hang out a wash when it is "blasting day" as it will be covered! "Blasting Day" always goes on as planned even if the weather is different and not conducive to having a blast - Very poor decisions by the blasting department! I'm very concerned about the poisonous chemicals used that float over us through air. What will the future bring when things are deplorable now? Please consider the close by residents!!

This form may be mailed at a future date to:
 Brian Larson; Mn/DOT District 1; 1123 Mesaba Avenue; Duluth, MN 55811

1 THOMAS BARTOL: It's about a quarter mile.
2 It's a quarter mile to Rouchleau there, from the pit
3 (inaudible).

4 BRIAN LARSON: Right. I don't see anymore
5 hands. Again, thank you all for coming. Again, Kate
6 did the best to capture the comments that were brought
7 up here orally, but if you want to pass them on by
8 writing, please do that also. Thanks for coming.

9 (End of formal hearing.)

10 * * * * *

11 STATEMENTS GIVEN TO THE COURT REPORTER:

12 DEBBIE KEATING-BABBINI: My name is Debbie
13 Keating-Babbini. Barbara Leinonen, who is my mother,
14 will be 81 years old, and she lives at 1701 Cottage
15 Lane, Virginia, Minnesota. She has been there for
16 62 years, still lives on her own, does not accept any
17 help, outside help or services. She is all up in the
18 air of will she have to prepare to go to another place
19 as a resident or will she be able to live in the home.

20 She's very anxious about this whole thing.
21 She thinks about it all the time. She has noticed the
22 berms on the mine in back of her house; the lights
23 come in her bedroom at night; she hears the beeping of
24 the backing up of the trucks; she feels the shake when
25 they have a mine blast. In fact, it shakes her buffet

1 display that keeps all of her china and glassware.
2 She gets concerned because the blasting is getting so
3 enormous for her, that she's afraid that it's going to
4 tip over her buffet display.

5 Now, she signed the house over to myself and
6 my two brothers about nine years ago, in case anything
7 happened to her. So we have ownership with her life
8 residence being at that home. And all of us siblings
9 are concerned because we need to prepare her and
10 prepare ourselves in the event that she's going to
11 have to move.

12 Both of my brothers, both of her sons, work
13 at Eveleth Taconite. One is retired from there and
14 the other is still employed. She's a firm believer
15 that the mines are an important part of the Iron
16 Range, important employment for the people. She has
17 no qualms about expansions because it has always been
18 the mines that have kept Virginia -- still when other
19 economic crises are going on, mines are still keeping
20 their workers.

21 She would never complain -- she has
22 complained to the siblings about the mine blasts, the
23 beeping of the trucks, the lights that come on in her
24 bedroom, but would never even consider calling the
25 company about it. And being at her age and gentle

1 nature, I suppose is what I would call it, and my dad
2 would always say, I don't care how dusty it is up
3 here, that's work for our boys; and he went to his
4 grave saying that, and so she is on the same mind
5 level as that.

6 I would prefer her to be able to die in her
7 house because that is what her wishes are, and not
8 have to have her move or have it get any worse or
9 closer, because those berms, you can see those guys in
10 those trucks backing up and hearing the beep, and darn
11 it, it's getting close.

12 My husband also works in the mine, he works
13 up at U.S. Steel, almost 30 years, and has been laid
14 off for, I think it was two weeks in that 2009
15 economic problem. But now that the car markers are
16 all going up, he doesn't -- you know, all of us want
17 the mines to be there, but if it's going to eat up
18 everybody around it, we're just hoping for time to
19 prepare.

20 Right now it's all skeptical. We don't get
21 an answer, this is where it's going to go. It's
22 giving three alternatives. Well, my mom is in, I'm
23 sure, one of those alternatives; and I think it's
24 important for these people that it's going to affect
25 where they're going to live, that they get notified so

1 they can prepare; and not a week notification, give us
2 a couple years so we can prepare my mom for the
3 inevitable. Okay.

4 STEVE HUNTER: Basically I'm open-minded to
5 all decisions here. I basically have lived here all
6 my life and have always been one to look toward the
7 future. And concerns about the existing situation is
8 I've seen many accidents on that current highway
9 that's there right now. And to me it seems like
10 everyone is avoiding the issue that the mining
11 companies are going to keep growing; and personally I
12 don't believe in spending billions of dollars, but I
13 do understand that maybe we need to reroute this thing
14 completely out of the way of the mining companies,
15 because the concerns now are business and the word
16 would be inconvenience for people.

17 Well, without the mining companies, there
18 won't be any people, and so we need to let the mining
19 companies keep growing and maybe -- I'm not saying I'm
20 for this -- but maybe rerouting this west and south of
21 United as close as we can to them, but yet leaving a
22 buffer zone big enough so that we don't have to do
23 this in another 30 years. I honestly have been
24 listening since I've gotten here and I do believe I'm
25 the only person who feels this way. You know,

1 everyone is worried about today and not tomorrow, and
2 that's part of the problem that's been created up in
3 this area, is that we don't look far enough in the
4 future for the mining companies. We all want to say,
5 well, the mining companies cause us pollution and
6 cause us health problems, but the bottom line is that
7 we've tried to develop different areas of economic
8 development and really it all comes back to the mining
9 companies, that we need them to survive.

10 So I'd like that to go on record, I guess, to
11 work something out that everyone benefits from. And,
12 I mean, there's congestion problems with the current
13 situation, and what they're proposing, some of those
14 sure as heck aren't going to help the congestion
15 problems. So let's kind of move forward here and
16 let's do some good thinking as a Quad City; not
17 Mountain Iron is going to benefit from this and
18 Virginia is going to lose from this, because if
19 Mountain Iron benefits, Virginia benefits also. And
20 this goes with schools; I mean, that's a whole other
21 subject. But we need to cooperate and work together.
22 That should do it. Thank you.

23 (End of proceedings.)
24
25

APPENDIX B – US HIGHWAY 53 VIRGINIA TO EVELETH

US 53 SCOPING PUBLIC HEARING TRANSCRIPT

September 2012

1
2
3
4 SCOPING DOCUMENT PUBLIC HEARING
5

6 On Highway 53 - Virginia to Eveleth Project
7

8 held at the Mountain Iron Community Center
9

on

10 March 27, 2012

11 Commencing at 4:00 p.m.
12
13

14 PRESENT:

15 Brian Larson, PE
16 MN Department of Transportation

17 Timothy G. Thoreen, PMP
18 CH2M HILL
19
20

21 REPORTED BY
22 KATE UNDELAND, RPR.
23 Braden, Undeland Court Reporters
24 P.O. Box 131.
25 Virginia, MN 55792.
218-741-7624 / 800-450-7624

BRADEN, UNDELAND
Duluth, MN (218)727-4255/Virginia, MN (218)741-7624

1 (Open house at 4:00 p.m.)

2 (Slide presentation by Brian Larson as follows:)

3 BRIAN LARSON: It's 6:00; I think we'll get
4 the formal presentation for the project underway. I
5 want to thank you all for coming here tonight and
6 joining us. My name is Brian Larson. We don't have
7 an audio system so hopefully I'm going to be able to
8 talk loud enough where you can hear me over the fan
9 and everything else. For whatever reason, you in the
10 back or anywhere, if you can't hear me, give me the
11 old thumbs up and let me know to start speaking a
12 little louder.

13 Again, my name is Brian Larson, I'm a project
14 manager with the Minnesota Department of
15 Transportation. I'm helping lead the effort here to
16 determine the future of Highway 53 here between
17 Virginia and Eveleth.

18 General outline of what we're going to cover
19 in the presentation is right here. But before we get
20 into this, I guess, we've developed for this project a
21 project advisory committee. If you are part of that
22 project advisory committee, if you could just please
23 stand up so the people know who you are. These
24 people -- we depend on these individuals, they're
25 local individuals, they're there to help you if you

1 have questions. You can go to them if you don't want
2 to go to me. So we've got Julie Elkington in the
3 back.

4 JULIE ELKINGTON: Julie Elkington with Cliffs
5 Natural Resources.

6 BRIAN LARSON: And we also have Mike --
7 (inaudible).

8 UNIDENTIFIED: Hello and welcome to St. Louis
9 County.

10 BRIAN LARSON: Is there anybody else on the
11 project advisory committee?

12 This group, like I said, they kind of help us
13 -- we bounce ideas off them at different times
14 throughout the development of the project. They help
15 us determine if we're on the right track, if we need
16 to change courses, what other things we should be
17 looking at. So again, these people, and there's many
18 others who are not here tonight, are really a valuable
19 assistance to us. Some of the other people -- Charlie
20 Baribeau was here earlier with the City of Virginia,
21 Virginia city councilor, he is on the PAC. City of
22 Eveleth is also represented, the City of Gilbert is
23 represented, the school districts are represented. So
24 people like that, the chamber of commerce, the Eveleth
25 business community, Eveleth merchants are represented.

1 So again, if you know any of those people, please feel
2 free to contact those groups if you have questions
3 about the project.

4 Again, as far as tonight goes, the outline
5 for the presentation; we'll talk a little bit about
6 the background, why we're here, why we have to do
7 something with the highway. We'll talk about some of
8 the alternatives that have been identified, review how
9 we came up with those alternatives and what the future
10 holds for those alternatives. We'll talk about some
11 of the future public involvement steps that are going
12 to be occurring. And again, the next step is going to
13 be the overall development of the project, what can
14 you expect to happen in the future.

15 So the background: Why are we here? Most of
16 you probably know, but if you don't, the highway,
17 where it's currently located here, you've got Eveleth,
18 Midway, Virginia. There's a segment of highway in
19 here, 53, that's located -- we don't own the property
20 rights. We don't own the actual right-of-way for the
21 highway. Back in 1960 we were granted an easement to
22 put the highway there, and the easement conditions
23 stipulated that once the mining companies -- that was
24 U.S. Steel at the time -- once the mining companies
25 needed access to the ore that that highway laid over,

1 they would give us notice, they would terminate our
2 easement rights, and we would have to take some action
3 to move the highway. That was back in 1960 when we
4 entered into that agreement.

5 In May of 2010, we got that notice of
6 termination from United Taconite and RGGS. And U.S.
7 Steel, like I said, they were the original owners.
8 The successor, RGGS, took over the land rights, the
9 acquisitions of United States Steel. So RGGS is now
10 the controller of the lands and they lease out the
11 mineral rights, the mining rights to different mining
12 companies that U.S. Steel used to own; so United
13 Taconite is under contract to be able to do the
14 mining.

15 So again, in May of 2010 we got the notice of
16 termination. The original agreement that was signed
17 back in 1960 provided for three years to move the
18 highway or determine a new location for the highway.
19 Things must have been a whole lot easier back in the
20 1960s as far as environmental to be able to move
21 things and determine new locations. We've been
22 talking with United Taconite over the years and RGGS
23 that when the time comes, we're going to need more
24 than three years to determine a new location to build
25 a new highway, and seven would be the minimum.

1 So we're in negotiations right now for that
2 seven years that we're going to need; and then the
3 schedule for the new highway would be May of 2017, to
4 come up with a new highway with traffic on it.

5 So how does scoping fit in; why are we here,
6 what's the purpose of tonight's meeting? This, again,
7 is a public hearing for the scoping document that was
8 published back in early March. Scoping is the first
9 part of the process of determining where the new
10 location is. It takes a look at the whole range of
11 possible alternatives of where a highway could be
12 located. And you try to put some sense on it, but
13 when you take -- you kind of keep an open mind; what
14 are the possibilities?

15 So we're in the current right now, the
16 scoping phase, that started back in early 2011; we're
17 almost finishing it up, after the scoping hearing
18 tonight, public hearing. The public comment period
19 ends April 4th. We'll be publishing a scoping
20 decision document, final scoping decision document,
21 and that will be done here in early 2012.

22 Once that's done, we'll be moving into the
23 draft environmental impact statement phase, the EIS
24 phase. We hope to complete that by early 2013; and at
25 that time we'll be moving into making a final

1 determination on where the highway would be located
2 at. Then we'll be moving into the final design,
3 right-of-way acquisition and whatnot.

4 Kind of like it says, the purpose of scoping
5 is to streamline the EIS. It's to take this whole big
6 array of possible alternatives and narrow things down
7 to, okay, what really makes sense and what doesn't
8 make sense, which ones should we study further and
9 which can we throw out and say we don't have to spend
10 anymore time looking at those anymore.

11 It's also a chance to hear from you as far as
12 what do you think of all the alternatives; have we
13 considered all the alternatives, is there something
14 we've missed, are we on the right track, or are we not
15 on the right track.

16 Some of the key issues we've heard through
17 the scoping process through our public involvement;
18 we've had meetings. Back in March of 2011 we had a
19 public information meeting. Like I said, we met with
20 the project advisory committee a number of times. We
21 met with different agencies, the mining companies.
22 These are some of the key issues we've heard from
23 these different groups. When the final location of
24 the highway is determined, it's got to consider the
25 community connections. How do you get from Eveleth to

1 Virginia? How do you get from Gilbert to Virginia,
2 from the east range to Virginia? How do all those
3 connections work? It's got to be considered and
4 considered strongly; you know, the traffic patterns,
5 the shared services, the schools.

6 There's different programs that the school
7 districts between Eveleth and Virginia run with the
8 bussing and the classes, and that's got to be
9 considered. Emergency services, the hospital,
10 ambulance; how is that all going to work? That's got
11 to be considered in determining the future location of
12 the highway.

13 Also, the feasibility of just leaving the
14 highway where it is, that should be considered. Why
15 can't you just leave the highway where it is and
16 through whatever means you need to just compensate
17 RGGS and United Taconite for the value of the land,
18 the value of the ore, what's underneath it. That's
19 got to be considered. It does not come without cost,
20 though, and we'll get into that later.

21 Also consider the location of the highway
22 versus the location of the ore, and we'll get into
23 alternatives. Where does the Biwabik formation sit?
24 Which alternative to avoid the Biwabik formation,
25 which need to cross the Biwabik formation, which ones

1 have ore reserves underneath them that will probably
2 be mined out in the future? That needs to be
3 considered in determining the future location.

4 What's the business impacts? People depend,
5 their businesses depend on traffic on 53. If you
6 start moving that traffic away from their business,
7 how is it going to impact them, their access to their
8 businesses? In regards to the business impacts to
9 United Taconite, how are those impacts going to be
10 considered and addressed; whether it's air quality or
11 just the movement of the trucks underneath the highway
12 for continued operation. So business impacts need to
13 be considered in making the decision, also.

14 You've also got to look at utilities. Right
15 now along 53, the City of Virginia has a number of
16 utilities that follow the corridor; sewer, water,
17 there's power, fiberoptic possibly. They're going to
18 be needing a place to go in the future, also. And
19 then also the drinking water supply to the City of
20 Virginia is coming out of -- I use it generically,
21 Rouchleau Pit. I know there's different pits when you
22 progressively move to the north. How are the
23 different alternatives being considered; how do they
24 affect the drinking water that the City of Virginia
25 gets out of the pit?

1 The normal different impacts we always
2 consider: What are the natural resource impacts;
3 wetlands, streams, vegetation, fish, wildlife and
4 whatnot; how is that all going to be affected by these
5 different alternatives that we're going to look at?

6 So after going through all those, we came up
7 with some different alternatives that were brought up
8 as a result of the scoping process. One was the
9 no-build alternative. We've got an easement that's
10 being terminated; we're just going to walk away from
11 the highway; people can find their own way; we'll let
12 them use local roads; you're on your own. Again, it's
13 just something we've got to carry forward. It's just
14 part of the normal environmental review process. So
15 it's a no-build; we just have to carry on when you
16 take a look at it.

17 Again, the existing highway alternative,
18 leave it where it is, don't make any changes,
19 compensate RGGGS and United Taconite for the value of
20 the ore. That's an alternative that we recognize and
21 are considering.

22 We've also got to look at where could the
23 highway be moved to then? If we can't leave it where
24 it is, you know, if we can't buy out the mineral
25 resources, where can it be moved to? We came up with

1 three general corridors. Again, this was taking into
2 consideration all those different things that were
3 brought up through public involvement.

4 You can move the highway way off to the west,
5 37 down here south of Eveleth that runs toward
6 Hibbing; take it and move everything off to the west,
7 following kind of County Road 7 generally.

8 You could cross in this area, the mine
9 alternative, we call it the mine middle alternative.
10 This is the old Auburn Pit, which essentially has been
11 mined out; it's now depleted. Or you can go up to the
12 north and the east and put a new highway up in there.
13 So those are just general corridor areas that if you
14 had to move the highway, maybe you should look at.

15 Within those broad corridors then, we started
16 going down to a little bit more detail. Well, where
17 specifically could a highway be located in those
18 corridors? And we came up with a number of different
19 western alternatives that we looked at. As you can
20 see, there's four of them. Everything to the west
21 you're looking at ten plus miles in length, very long,
22 very costly. The middle mine alternative, a couple
23 different M alternatives that were looked at, very
24 short, shorter, more direct options, not much change
25 as far as travel times for people. And then from the

1 eastern, four different eastern alternatives were
2 identified and looked at in a little more detail.

3 Here's just a better, closer view of the
4 mine, the middle alternatives, and then the eastern
5 alternatives. One thing you'll note on the slide is
6 if you start moving up to the north and the east,
7 these yellow areas are old underground mine workings,
8 underground mine tunnels. We've had some problems up
9 in Hibbing/Chisholm area with some subsidence issues.
10 So that's one of the considerations we need to take
11 into account when you start looking at alignments and
12 options up in this area; you know, what's the
13 potential for future subsidence of the highway?

14 So as we're looking at these different
15 alternatives, you know, kind of like what we were
16 talking about earlier; what are the primary issues we
17 need that we should evaluate these alternatives on?
18 These were the ones that we came up with. Again, the
19 primary need is in response to the easement
20 termination terms back in 1960. So that's one of the
21 main needs that these alternatives need to be
22 evaluated on.

23 Also, like I said, how do they meet the local
24 travel patterns, the regional connectivity needs and
25 travel plan needs? And do they provide for the

1 current and future capacity needs of the state highway
2 system?

3 Other factors: The cost of right-of-way due
4 to mineral rights, or even if you go off to the west
5 there's a lot of private parcels. It would be a huge
6 impact on private individuals as far as right-of-way
7 goes. What's the potential for the different
8 alternatives to accommodate utilities and what's the
9 potential impacts on, again, the drinking water supply
10 for the City of Virginia? And also, how do the
11 alternatives avoid or minimize the natural environment
12 impacts?

13 So those were kind of some of the key
14 criteria we used in screening; and this matrix -- and
15 it sits on a board back here, and I'm hoping all of
16 you had a chance to look at it; but again, all the
17 different alternatives are listed. The different
18 alignment alternatives are listed here on the left
19 side, and evaluating on a number of different criteria
20 as far as screening goes, whether it has an impact in
21 that area or whether it doesn't. Then there were some
22 recommendations made as far as whether to retain that
23 for further study or eliminate it from consideration,
24 those alternatives.

25 So what do we recommend for further study?

1 Okay. After going through that screening process,
2 here's kind of what we recommend through the scoping
3 documents right now. The no-build, again, it's kind
4 of a -- not a good one, but it's something we're
5 required to carry through and just use it for a
6 baseline for consideration. So the no-build is going
7 to be retained. It's basically just walking away from
8 the highway and improving some of the local roads.

9 Retain the existing highway, leave it where
10 it is, compensate United Taconite and RGGGS for the
11 mineral rights.

12 The M-1 alternative we're recommending to
13 retain, and also the E-2 alternative we're
14 recommending to retain. All the western alternatives,
15 we're recommending eliminating them, don't consider
16 them any further.

17 As far as some of the advantages,
18 disadvantages, again E-2, that's this one that goes up
19 around the Rouchleau Pit, it's outside of the current
20 area that United Taconite plans on mining, so there's
21 no immediate conflicts with mining, but there is
22 potentially some long-term out in the future. There
23 are ore reserves that the State of Minnesota, DNR,
24 school trust controls, and at some point in the future
25 mining companies are more than likely going to want to

1 get access to those. So this alternative would be at
2 risk to have to be moved again in the future.

3 Alternative M-1, again, Midway is here; it
4 would take off through the old Auburn Pit area. The
5 existing highway is this area. 135 comes in right
6 here. We're going to retain M-1. The advantages are
7 it's probably the most direct, most cost-effective,
8 cheapest, and it's in an area that's essentially been
9 mined out, so the conflict with future ore reserves is
10 minimized. So it's potentially a permanent route; it
11 could be considered a permanent route, although there
12 are some issues again with air quality and permitting
13 and just general operational issues with United
14 Taconite that we need to discuss and work out in a
15 little more detail.

16 I guess if you're looking at M-1, I know that
17 there's concern -- E-2 would provide better access to
18 businesses along Second Avenue; that we've heard from
19 some of these businesses with concern that if M-1 is
20 developed, how are people going to get back to Second
21 Avenue. That's something we would consider or look at
22 in more detail as part of the next phase of the
23 project. I guess the preliminary thought is we take
24 and build a new connection here and people would have
25 to back track along the existing Highway 53 to Second

1 Avenue, and that's how they would get back to Second
2 Avenue.

3 Like I said, right now we're in a 30-day
4 formal public comment period for the scoping document.
5 Again, if we're missing the boat on something, whether
6 we're not considering all the possible alternatives,
7 we'd like to hear from you if there's other
8 alternatives we need to consider. If you think we're
9 making mistakes on which alternatives we're
10 eliminating, which we retain, we want to hear that.
11 So those are the kind of things we're looking to hear
12 from you.

13 Also, if you have any general thoughts on
14 some of these connections, Second Avenue, 135, any
15 specific business access issues, please pass them on
16 now so we can consider them as we move into more
17 detail in the design phase of the project.

18 You can submit your comments tonight. Kate
19 is here, the reporter. She was available earlier in
20 the back room. I know she had some people stop in.
21 You can also -- there's a form in the back that you
22 can use, write them down, drop them off with us or
23 mail them into me or you can e-mail them to me.

24 The technical, the formal comment period ends
25 April 4th. Please feel free to contact me at any

1 time. I'm always wanting to hear from you if you have
2 thoughts, concerns, whatever, please let me know.

3 So once the scoping period closes, again
4 we're going to take whatever feedback we get, whatever
5 comments we get from you, use it to either validate
6 our decisions or recommendations that we made in our
7 draft decision document, or we'll make whatever
8 modifications we think are necessary for moving the
9 project forward.

10 If you want to sign up for e-mail updates,
11 there's a website listed here. As things move
12 forward, if there's things we want to share, it just
13 gives us an opportunity to send out an e-mail if you
14 signed up on it. It's just a good way to stay up to
15 speed on the project.

16 Again, thank you. Doug, is there anything
17 else you wanted to add? We've got a consultant on
18 board; you probably already know that, CH2M HILL is
19 the consultant team that's helping us develop the
20 environmental work.

21 DOUG ABERE: I'd just say, please let us know
22 what questions you have, and it's really important to
23 get your comments down. If we can get a record of
24 what your comments are either by submitting in writing
25 tonight, submitting in writing later, or talk to our

1 court reporter here if you want to get that done
2 tonight, and we'll get all these comments together.
3 It really helps to create a good record for us.

4 BRIAN LARSON: So with that, probably no big
5 surprise; I think everybody was kind of anticipating
6 or knew that the west alternatives were not really
7 good choices, really served this area poorly. They
8 had a relatively major impact on not just businesses
9 in the area, connectivity, and also natural resource
10 impacts also. I'm sure there's no surprises there.
11 And I know that was one of the biggest areas of
12 concern as this project was moving forward, is why are
13 you wasting your time with stuff out to the west of
14 Eveleth along County Road 7. It's just part of the
15 process we have to go through to look at everything
16 and make the right decision so that we consider all
17 the different options. But hopefully that alleviates
18 some of your concern tonight, that the recommendation
19 that we've got is to eliminate all the western
20 alternatives.

21 We continue forward looking at one of the
22 other routes from the Auburn Pit and one of the routes
23 up to the north and east. I'll just go back as far as
24 questions go; so advantages and disadvantages with
25 both, and we're just going to have to spend a little

1 more time on those different, the M-1 and E-2, just to
2 flush them out a little bit better.

3 So with that, it's your turn. If you do want
4 to speak, again, there's different ways. Kate will do
5 her best to try to capture your statements. It's
6 probably, if you want, it would be easier for her and
7 probably for us because there is no sound system in
8 here or no way to record things, if you provide
9 written or e-mail; but please feel free to get up and
10 stand if you want to orally make a comment right now,
11 Kate will do the best that she can. Again, please
12 state your name so we can get it into the transcript
13 for the meeting.

14 Could I get your name?

15 HEATHER SURLA: Heather Surla. You addressed
16 the connectivity to Second Avenue with the M-1 route,
17 but can you speak to the connectivity to 135 with that
18 route?

19 BRIAN LARSON: Yes. Again, my preliminary
20 thoughts on that are to -- again, here is where 135
21 comes in right now to 53. We've got the interchange.
22 I guess what I see happening is 135 would follow again
23 old 53 down through this area and then you would have
24 some kind of new connection down in the Midway area.

25 ARVID KOSKI: My name is Arvid Koski. The

1 best options offered is if they can build ramps and
2 everything with their trucks with their stripping.
3 Would that be a good -- (inaudible) ask them to get
4 the job done?

5 BRIAN LARSON: It is, and actually that's
6 definitely one the benefits of that M-1 route.

7 ARVID KOSKI: That's right.

8 BRIAN LARSON: United Taconite with their
9 normal operations, they generate a lot of material,
10 and they can --

11 ARVID KOSKI: Build half of the road, the
12 base.

13 BRIAN LARSON: Yes, and that is one of the
14 considerations, and that's some of the discussions
15 we're having with United Taconite. Could I get your
16 name?

17 ANNA LORE (phonetically): (Inaudible) The
18 screen with the pockets, the underground hollow
19 pockets affect the (inaudible)?

20 BRIAN LARSON: Yeah, these green areas --
21 excuse me, yellow areas like this, those are old
22 underground mine workings, the tunnels. So I think
23 the DNR might have gone through and did a mapping
24 exercise a few years back identifying -- or over the
25 years anyway -- they've identified areas where

1 underground mining had occurred and where you've got
2 potential of encountering those old underground
3 tunnels and underground mines. Again, over time
4 things can -- underground with the dirt, stuff can
5 settle and that starts reflecting back up to the
6 surface.

7 ANNA LORE: Is that affecting one of those
8 alternative routes for development?

9 BRIAN LARSON: Right, E-2 is one we are
10 recommending to retain. There's underground mining
11 here and here, it doesn't necessarily reflect itself
12 to the top, but there's some in the area.

13 ANNA LORE: The higher red line is --

14 BRIAN LARSON: Well, it's one that we were
15 considering earlier, but we are dismissing that, yes,
16 eliminating.

17 TIM GRAHEK: My name is Tim Grahek. Is the
18 M-1 (inaudible) in regards to the permits? (Inaudible)
19 air permitting (inaudible).

20 BRIAN LARSON: United Taconite has been doing
21 some modeling; and Julie, I don't know if you want to
22 talk about that, or Sandy. I can give him the update
23 as far as what I know about it. Do you want me to?
24 All right. They have done some initial modeling on
25 the M-1 route, but it does look rather promising that

1 they can meet the current thresholds that have been
2 set for dust emission. It's going to take some effort
3 on their part maybe as far as watering or whatever to
4 be able to achieve the permitting thresholds, but
5 that's based on current thresholds.

6 The EPA was, about a year ago, thinking about
7 making the thresholds more restrictive, so that's a
8 concern that if those thresholds change in the future,
9 what's that going to mean for the operation, the
10 permitting, the ability to meet the permit by United
11 Taconite. And again, the modeling efforts were not
12 based on those thresholds that were being looked at in
13 the past to be more restrictive. Julie or Sandy,
14 anything else you want to add there?

15 THOMAS BARTOL: Thomas Bartol from Aurora.
16 What are the chances of the State of Minnesota paying
17 that 500 million for that mineral?

18 BRIAN LARSON: Well, when you've got options
19 that are only 60 to 70 million, I think it would be a
20 better investment to spend the money to move the
21 highway. You know, let the -- you've got a mining
22 company that's generating jobs, providing income to
23 people. It just seems like that would be a better use
24 of the money.

25 THOMAS BARTOL: Those jobs are temporary.

1 BRIAN LARSON: Well, they've been going on
2 for many years; and yeah, there's no guarantee they
3 will be forever, but for people that are working it
4 right now, it's very important to them. But, no, this
5 was from a state standpoint. I mean, if you've got an
6 option to move the highway for 60 to 70 million, why
7 would you spend 400 to 500 million just to leave it
8 where it is.

9 THOMAS BARTOL: Well, at \$12 per gallon of
10 gas, it will get to 500 million pretty quick, the
11 reroutes. And believe me, it will be \$12 a gallon.

12 BRIAN LARSON: But again, the M-1 route or
13 E-2 isn't a huge change. But I understand, yeah.

14 STEVE HUNTER: Steve Hunter. Personally I
15 think taking the western corridor off the table is a
16 mistake. We have talked about cooperation with Quad
17 Cities, everyone is worried about business and people,
18 and we seem to want to pull these mining companies
19 around. Well, without the mining companies we don't
20 have anything, there won't be business, there won't be
21 people. We're putting a Band Aid through what we have
22 right now; and we can avoid everything that the mining
23 companies, their area, they will expand and we will
24 grow and adjust to their needs.

25 BRIAN LARSON: Thank you. That's a different

1 perspective, but, yeah, I've heard that from other
2 people, too, that they do see some advantages for
3 future development with the west alternatives.

4 JANET EICHHOLZ: Janet Eichholz. Does the
5 City of Virginia have input (inaudible) close to
6 Virginia property? Does the city have a say in it or
7 is it whatever MNDOT decides?

8 BRIAN LARSON: They do, and that's why
9 they're part of the project advisory committee. They
10 are providing input. Charlie Baribeau is part of that
11 advisory committee. John Tourville is part of it, so
12 they are providing input. But ultimately there is --
13 we've got to take the input from everybody, not just
14 the City of Virginia, to make a decision, and it will
15 ultimately be MNDOT's decision, but definitely
16 Virginia has some say in the decision-making.

17 JANET EICHHOLZ: This is a loaded question
18 then, because if the sewer, water, all of those city
19 utilities have to be moved, is that part of the MNDOT
20 project or would be that the responsibility of the
21 City of Virginia?

22 BRIAN LARSON: That would be the
23 responsibility of the City of Virginia. The general
24 rule, the utilities we allow them to be placed within
25 our MNDOT right-of-way, but if there is ever a time

1 where we need that right-of-way for highway purposes,
2 the cost to relocate or move that facility, it would
3 be the City of Virginia that would bear the cost of
4 moving.

5 CHRISTINE (inaudible): My name is Christine
6 (inaudible), and I'm just wondering which options are
7 most seriously being considered, like the ones that
8 haven't been eliminated; which ones are you really
9 thinking of doing?

10 BRIAN LARSON: Well, the M-1 route really
11 has, from a highway standpoint, a transportation
12 standpoint, probably has the strongest advantages. It
13 also has the least risk to have to be moved in the
14 future because of conflicts with ore reserves. So
15 there's a lot of advantages with the M-1 route. But
16 there are some challenges because of the air quality
17 permitting and the issues with having to accommodate
18 United Taconite's operations on each side that we need
19 to work with. So I would say that M-1 is a very
20 strong contender.

21 But again, if things become unworkable, we
22 can't deal with some of the issues that we see right
23 now with M-1, E-2 would be the fallback. But again,
24 there's a lot of -- I mean, the DNR has given a mining
25 lease to Vermilion Gold. So there's some speculation

1 that there might be some nonferrous gold or other
2 minerals that are up in this area. There's ore
3 reserves, taconite that mining companies are going to
4 want to get to. So a lot of issues with that E-2
5 route that -- again, that's why it's a fallback. But
6 I would say M-1 is probably -- would be preferred from
7 a transportation standpoint.

8 CHRISTINE (inaudible): Are those the only
9 two strong contenders at this point?

10 BRIAN LARSON: I would say yes. Again,
11 leaving the highway where it is and then buying the
12 mineral resources, not a strong contender. Simply
13 walking away from the highway and saying, traffic, use
14 existing roads, not a strong contender.

15 ANN NELSON: My name is Ann Nelson, I'm
16 wondering with the M-1 alternative, what air quality
17 are you talking about? For traffic or what?

18 BRIAN LARSON: It is; it's dust. Again, it's
19 kind of hard to understand, but with the highway being
20 located here now, there could be mining operations
21 occurring on both sides, so technically the public is
22 now exposed to mining operations, so it's subject to a
23 different permitting standard, and it's dust for the
24 people driving on the highway being exposed to.
25 Julie, I don't know if you want to explain that in

1 anymore detail from a permitting standpoint?

2 JULIE ELKINGTON: The question is about --

3 BRIAN LARSON: What's the issues with air
4 quality in M-1 from a permitting standpoint?

5 JULIE ELKINGTON: (Inaudible).

6 BRIAN LARSON: Right now where the highway is
7 located, it's outside the permitted boundaries so you
8 don't have to consider the public being exposed on the
9 highway to the dust.

10 ANN NELSON: We live in Virginia and we are
11 exposed to dust every day, every day.

12 BRIAN LARSON: And I've heard that from many
13 of you.

14 SANDY KARNOWSKI: (Inaudible). Our question
15 is once -- we believe once (inaudible) considering
16 what we know (inaudible) and that wouldn't change, but
17 from a modeling standpoint limiting our ability to be
18 permitted, (inaudible) public corridors to the pit
19 makes it more complicated.

20 BRIAN LARSON: Chuck Ramsey.

21 CHUCK RAMSEY: Is there a situation where
22 United Taconite (inaudible)?

23 BRIAN LARSON: There are times where, yes,
24 they do because of the blasting they have to stop the
25 traffic on 53. Again, like Sandy was saying, well,

1 that's all taken into consideration, another existing
2 permit and the exposures and whatnot. But those
3 instances do occur, yes.

4 ANNA LORE: A very small triangle is needed
5 long-term that we can't use it (inaudible) temporary?

6 BRIAN LARSON: I'm sorry, I didn't quite
7 follow.

8 ANNA LORE: The access of the mining
9 companies (inaudible) long-term issue, that we're not
10 considering a temporary diversion on --

11 BRIAN LARSON: For M-1?

12 ANNA LORE: No, on existing routes. So
13 they're going to be in that area a long, long time?

14 BRIAN LARSON: They actually are going to be
15 there for a long time working this area once it's
16 available to them. It's a very deep body; it goes
17 down. That's why the value -- I was surprised when I
18 heard the number -- to compensate them. Again, that's
19 just, you know, what we would consider profit. It's
20 taking out the wages and the equipment cost. When you
21 take a look at the entire economic benefit, it's in
22 the billions of dollars.

23 ANNA LORE: It looks like a small patch, how
24 long (inaudible).

25 BRIAN LARSON: Right.

1 THOMAS BARTOL: It's about a quarter mile.
2 It's a quarter mile to Rouchleau there, from the pit
3 (inaudible).

4 BRIAN LARSON: Right. I don't see anymore
5 hands. Again, thank you all for coming. Again, Kate
6 did the best to capture the comments that were brought
7 up here orally, but if you want to pass them on by
8 writing, please do that also. Thanks for coming.

9 (End of formal hearing.)

10 * * * * *

11 STATEMENTS GIVEN TO THE COURT REPORTER:

12 DEBBIE KEATING-BABBINI: My name is Debbie
13 Keating-Babbini. Barbara Leinonen, who is my mother,
14 will be 81 years old, and she lives at 1701 Cottage
15 Lane, Virginia, Minnesota. She has been there for
16 62 years, still lives on her own, does not accept any
17 help, outside help or services. She is all up in the
18 air of will she have to prepare to go to another place
19 as a resident or will she be able to live in the home.

20 She's very anxious about this whole thing.
21 She thinks about it all the time. She has noticed the
22 berms on the mine in back of her house; the lights
23 come in her bedroom at night; she hears the beeping of
24 the backing up of the trucks; she feels the shake when
25 they have a mine blast. In fact, it shakes her buffet

1 display that keeps all of her china and glassware.
2 She gets concerned because the blasting is getting so
3 enormous for her, that she's afraid that it's going to
4 tip over her buffet display.

5 Now, she signed the house over to myself and
6 my two brothers about nine years ago, in case anything
7 happened to her. So we have ownership with her life
8 residence being at that home. And all of us siblings
9 are concerned because we need to prepare her and
10 prepare ourselves in the event that she's going to
11 have to move.

12 Both of my brothers, both of her sons, work
13 at Eveleth Taconite. One is retired from there and
14 the other is still employed. She's a firm believer
15 that the mines are an important part of the Iron
16 Range, important employment for the people. She has
17 no qualms about expansions because it has always been
18 the mines that have kept Virginia -- still when other
19 economic crises are going on, mines are still keeping
20 their workers.

21 She would never complain -- she has
22 complained to the siblings about the mine blasts, the
23 beeping of the trucks, the lights that come on in her
24 bedroom, but would never even consider calling the
25 company about it. And being at her age and gentle

1 nature, I suppose is what I would call it, and my dad
2 would always say, I don't care how dusty it is up
3 here, that's work for our boys; and he went to his
4 grave saying that, and so she is on the same mind
5 level as that.

6 I would prefer her to be able to die in her
7 house because that is what her wishes are, and not
8 have to have her move or have it get any worse or
9 closer, because those berms, you can see those guys in
10 those trucks backing up and hearing the beep, and darn
11 it, it's getting close.

12 My husband also works in the mine, he works
13 up at U.S. Steel, almost 30 years, and has been laid
14 off for, I think it was two weeks in that 2009
15 economic problem. But now that the car markers are
16 all going up, he doesn't -- you know, all of us want
17 the mines to be there, but if it's going to eat up
18 everybody around it, we're just hoping for time to
19 prepare.

20 Right now it's all skeptical. We don't get
21 an answer, this is where it's going to go. It's
22 giving three alternatives. Well, my mom is in, I'm
23 sure, one of those alternatives; and I think it's
24 important for these people that it's going to affect
25 where they're going to live, that they get notified so

1 they can prepare; and not a week notification, give us
2 a couple years so we can prepare my mom for the
3 inevitable. Okay.

4 STEVE HUNTER: Basically I'm open-minded to
5 all decisions here. I basically have lived here all
6 my life and have always been one to look toward the
7 future. And concerns about the existing situation is
8 I've seen many accidents on that current highway
9 that's there right now. And to me it seems like
10 everyone is avoiding the issue that the mining
11 companies are going to keep growing; and personally I
12 don't believe in spending billions of dollars, but I
13 do understand that maybe we need to reroute this thing
14 completely out of the way of the mining companies,
15 because the concerns now are business and the word
16 would be inconvenience for people.

17 Well, without the mining companies, there
18 won't be any people, and so we need to let the mining
19 companies keep growing and maybe -- I'm not saying I'm
20 for this -- but maybe rerouting this west and south of
21 United as close as we can to them, but yet leaving a
22 buffer zone big enough so that we don't have to do
23 this in another 30 years. I honestly have been
24 listening since I've gotten here and I do believe I'm
25 the only person who feels this way. You know,

1 everyone is worried about today and not tomorrow, and
2 that's part of the problem that's been created up in
3 this area, is that we don't look far enough in the
4 future for the mining companies. We all want to say,
5 well, the mining companies cause us pollution and
6 cause us health problems, but the bottom line is that
7 we've tried to develop different areas of economic
8 development and really it all comes back to the mining
9 companies, that we need them to survive.

10 So I'd like that to go on record, I guess, to
11 work something out that everyone benefits from. And,
12 I mean, there's congestion problems with the current
13 situation, and what they're proposing, some of those
14 sure as heck aren't going to help the congestion
15 problems. So let's kind of move forward here and
16 let's do some good thinking as a Quad City; not
17 Mountain Iron is going to benefit from this and
18 Virginia is going to lose from this, because if
19 Mountain Iron benefits, Virginia benefits also. And
20 this goes with schools; I mean, that's a whole other
21 subject. But we need to cooperate and work together.
22 That should do it. Thank you.

23 (End of proceedings.)

24

25

APPENDIX C – US HIGHWAY 53 VIRGINIA TO EVELETH

MnDOT RESPONSES TO COMMENTS

September 2012

Appendix C

Responses to Agency and Public Comments

US Highway 53 – Virginia to Eveleth

Scoping Document and Draft Scoping Decision Document

Introduction – Agency and Public Comments

MnDOT's US Highway 53 Virginia to Eveleth Scoping Document (SD) public comment period ran from March 5, 2012 through April 4, 2012. During this timeframe, a Public Hearing was held at the Mountain Iron Community Center on March 27th. MnDOT received written comments about the SD at the hearing as well as comments given to a court reporter. Other comments were provided to MnDOT by email throughout the comment period.

A total of 24 comments were received during the SD comment period; 17 from the general public, 3 from businesses, and 4 from government entities. MnDOT has prepared responses to substantive comments in this Appendix. A comment is considered substantive if it includes information that affects: 1) the decision to keep or eliminate alternatives for study in the Draft Environmental Impact Statement (DEIS), or 2) the level of detail or approaches used for analysis of specific issues in the DEIS.

The responses below are numbered to correspond with the captioned comments, highlighted in Appendix A.

Responses to Written Comments

United States Environmental Protection Agency

1	<p>Discussions with EPA staff in June 2012 regarding this comment resulted in the EPA rescinding their request for ambient modeling of all regulated criteria pollutants in the DEIS. However, EPA staff indicated that analysis of PM10 and PM2.5 should be performed for the DEIS. Since particulates are the criteria pollutants that UTAC and MPCA have also indicated as being of primary permitting concern for the mine, analysis of emissions of these pollutants from the existing UTAC mine will be included as part of the assessment of potential business impacts for alternative M-1 (see Section 6.2.4 of the SD). Analysis methodology and assumptions are being coordinated with MPAC air quality permitting staff.</p> <p>Analysis of PM10 and PM2.5 with respect to potential transportation-related emissions will not be provided in the DEIS, rather, a qualitative approach will be used. This approach is appropriate since, as described in Section 6.3.9 of the SD, the TH 53 project is not located in an area where air quality conformity requirements apply; and since the scope of the proposed project does not indicate that negative air quality impacts from transportation-related air emissions would be expected (since the project involves potential relocation of a portion of TH 53, which would not substantively change traffic volumes compared to existing conditions). Therefore, a qualitative approach to describing transportation-related emissions is appropriate for the DEIS. [Note: if a potential 'hotspot' is identified in the project area as part of the DEIS traffic analysis, an analysis would be performed using EPA-approved hotspot screening methods.]</p>
2	<p>The potential for human health impacts related to possible use of aggregate from areas east of Biwabik, MN will be included in the Hazardous Materials/Contaminated Properties section of the DEIS.</p>

United States Environmental Protection Agency

	MnDOT will conduct a review of historical construction records to determine the potential for existence of fill from the area of concern. MnDOT will also conduct physical sampling of the fill beneath Highway 53 during development of the DEIS to determine the potential existence of asbestos-like mineral particles. MnDOT has a Best Practices Manual that provides guidance for how to proceed if such particles are determined to exist. If appropriate, based on the DEIS assessment, MnDOT will prepare a plan to mitigate the potential human health risks of disturbance, including measures to protect construction workers and the public based on Occupational Safety and Health Administration (OSHA) requirements and other applicable regulations and guidance.
3	The DEIS will provide a description of the processes or features of each project delivery method and how MnDOT's commitments are kept. Regarding ability to provide committed mitigation measures, MnDOT and FHWA see no important differences among project delivery methods.
4	MnDOT will use a "greensheet" tracking system to document and manage all environmental and design commitments made for the US Highway 53 project.
5	The final SDD will acknowledge that a greater level of analysis may be determined necessary as part of the investigation into each issue area during development of the DEIS.
6	Per response #4 above, MnDOT will track potential and committed mitigation measures.
7	As described in the SD, MnDOT is not obligated to relocate utilities and/or pay for the cost of relocating utilities as part of the project. Therefore, the DEIS will not estimate the cost to relocate utilities. The costs of utility relocations (paid by the utilities) would be part of their business operation. It is beyond the scope of the EIS to determine if or how these costs would be passed on to consumers. There is no information provided in the comment that provides a basis for assuming that the costs would be borne in any way other than equally by all utility ratepayers in the utility service area, as a basis for requiring analysis of EJ impacts with respect to this issue.
8	As noted in the Scoping Document (Section 6.2.3) the 2003 Minnesota Department of Health City of Virginia Source Water Assessment will be used in the EIS assessment of the risks and mitigation measures related to spills of hazardous materials.
9	The DEIS will address water quality in two ways: 1) in regard to the City of Virginia water supply; and 2) other surface water features not connected to the public water supply (e.g. streams or wetlands). Both will address potential water quality impacts from use of mine tailings, if this material is identified as a potential source for project construction.
10	See response to comment #1
11	Water supply issues, including impacts to the Rouchleau Pit (which is fed by groundwater) will be considered as part of the Water Supply section in the DEIS. The Water Body Modification section of the DEIS will consider physical impacts to any other water bodies (including wetlands and streams) identified in the project area.
12	The DEIS will describe the NEPA/404 merger process including U.S. EPA and USACE participation in the process. The DEIS wetlands section will include the types of mitigation proposed along with estimated costs.
13	The final SDD acknowledges that a greater level of analysis may be determined necessary as part of the investigation into each issue area during development of the DEIS, and that additional

United States Environmental Protection Agency

	impacts may be identified.
14	Coordination with local and state agencies, as well as the private property owners with mineral rights, will be considered in the development of the DEIS. This information will allow for comparison of risks for highway relocation alternatives as requested.
15	The DEIS will include discussion of recreational trails including the Mesabi Trail in the subject section.
16	See response to comment #9 above.
17	The incorrect cross-reference has been removed from the SDD.
18	Based on preliminary reviews, there is limited potential for EJ populations in conflict with alternatives M-1 and E-2. See also response to comment #13 regarding level of detail.
19	See response #2 above. It is unlikely that tailings or fill from east of Biwabik are present in the alternative route locations, since there is a large local supply of tailings, if fill were needed. To address the concern raised in this comment, a qualitative assessment of these routes will be made in the DEIS, including contact with Saint Louis County regarding its use of aggregate for the Landfill Road, located within the E-2 corridor.
20	MnDOT quality assurance standards, including those applicable from the Best Practices Manual for "Management of Buried Asbestos Containing Waste Material," will be applied to environmental sampling efforts.
21	MnDOT Environmental Investigation Unit (EIU) staff have contacted members of the University of Minnesota study team, and they are aware of the preliminary findings of the study. If available for use in the DEIS, and to the extent relevant, findings from the University of Minnesota study will be incorporated into the DEIS.
22	MnDOT's Environmental Investigation Unit (EIU) has published best practices for regulated materials management. As part of developing the DEIS, consultation with EIU will occur to incorporate the best practices and other applicable state and federal regulations for working with asbestos-containing materials.
23	Western alternatives are not recommended for analysis in the DEIS.
24	MnDOT will describe the NEPA/404 merger process including MnDOT, FHWA, U.S. EPA, and USACE participation in the process as part of the DEIS. The series of concurrence points will also be described.
25	The Final SDD is updated to reflect key meeting dates with cooperating agencies
26	The NEPA/404 merger process including MnDOT, FHWA, U.S. EPA, and USACE participation in is described in the Final SDD. The referenced footnote is included in the SDD.
27	The NEPA/404 merger process including MnDOT, FHWA, U.S. EPA, and USACE participation in is described in the Final SDD.
28	A 30-day review period is the standard time allocated for cooperating agencies document review.

Minnesota Department of Natural Resources

1	<p>The Scoping Document [Section 6.2.1] acknowledges the need to evaluate the value of ore resources within each of the alternatives to be evaluated in the EIS. The additional information provided in this Scoping Document comment – plus other available information – will be included in the EIS analysis. Conflicts with mineral resources, related costs, and the potential risks of future highway relocations due to such conflicts will be evaluated in the DEIS.</p> <p>Alternative E-2 offers the opportunity to avoid conflicts with foreseeable iron ore mining activities. MnDOT recognizes that the alternative would encumber minerals and potentially conflict with other lease agreements as noted. However, MnDOT's intent is to use the DEIS process as a means to evaluate such impacts and determine if there are opportunities to avoid or minimize the impacts.</p>
2	<p>Comment about east corridor alternatives noted. MnDOT will retain Alternative E-2, based on the merits described in the Scoping Document, for evaluation in the DEIS.</p>

Minnesota Pollution Control Agency

1	<p>The DEIS will address potential for secondary impacts such as potential for changes in land use or accelerated development resulting from a new highway location for each alternative, as described in SD Section 6.2.9. Potential air quality impacts related to mining activity (e.g., for Alternative M-1) will be addressed in the Economics and Business Impacts section of the DEIS (as described in Section 6.2.4 of the SD).</p>
2	<p>MnDOT will conduct a review of historical construction records to determine the potential for existence of fill from the area of concern. MnDOT will also conduct physical sampling of the fill beneath Highway 53 during development of the DEIS to determine the potential existence asbestos-like mineral particles in tailings materials used as fill. If such particles are determined to exist, MnDOT will prepare a plan for identifying and properly handling these materials.</p> <p>The listed additional sources of information will be consulted in development of the DEIS.</p>
3	<p>The need for an NPDES Construction Stormwater permit was acknowledged in the SD and in the Permits and Approvals table in Section 10 of the SDD.</p>
4	<p>Comment noted. The need for Section 401 Water Quality Certification is included in the Permits and Approvals table in Section 10 of the SDD.</p>

Minnesota Department of Health

1	<p>The 2003 Minnesota Department of Health City of Virginia Source Water Assessment will be used in the DEIS assessment of the risks and mitigation measures related to spills of hazardous materials. These and other potential risks of contamination to the City's water supply will be described in the DEIS. The City of Virginia is preparing a Source Water Protection Plan. Coordination with the City is ongoing to incorporate information from that project into the DEIS as appropriate.</p> <p>Potential mitigation measures for the E-2 alternative will be assessed as part of the DEIS analysis.</p>
---	--

Cliffs Natural Resources

1	<p>Comment noted. As described in Section 4 of the Scoping Document, the Existing US 53 Alignment Alternative is being carried forward due to its ability to minimize environmental impacts. Other social and economic impacts will occur with this alternative, and those will also be weighed in the evaluation of alternatives.</p>
2	<p>Section 6.2.4 of the Scoping Document states that the potential business risks of maintaining compliance with the National Ambient Air Quality Standards (NAAQS) will be assessed in the DEIS. MnDOT will engage</p>

	with the MPCA as part of the evaluation of impacts and mitigation related to this issue.
3	The DEIS will evaluate these issues, including options for reducing safety risks on the M-1 alignment.
4	The DEIS will address these issues, including review of Cliff's assessment of the issues.
5	Alternative E-2 remains in MnDOT's range of alternatives for evaluation in the DEIS.

Vermillion Gold LLC

1	<p>The Scoping Document [Section 6.2.1] acknowledges the need to evaluate the value of ore resources within each of the alternatives to be evaluated in the EIS. The additional information provided in this Scoping Document comment – plus other available information – will be included in the EIS analysis. Conflicts with mineral resources, related costs, and the potential risks of future highway relocations due to such conflicts will be evaluated in the DEIS.</p> <p>Alternative E-2 offers the opportunity to avoid conflicts with foreseeable iron ore mining activities. MnDOT recognizes that the alternative would encumber minerals and potentially conflict with other lease agreements as noted. However, MnDOT's intent is to use the DEIS process as a means to evaluate such impacts and determine if there are opportunities to avoid or minimize the impacts.</p>
2	The Scoping Document [Section 6.2.1] acknowledges the need to evaluate the value of ore resources within each of the alternatives to be evaluated in the EIS. Conflicts with mineral resources, related costs, and the potential risks of future highway relocations due to such conflicts will all be evaluated in the DEIS.

William Beste

1	MnDOT is not retaining West Corridor Alternatives for several reasons including poor local connectivity and greater adverse environmental and social/economic impacts, as described in Section 4 of the SD. As discussed in Section 3.2.3 and as shown in the traffic volumes in Exhibit 3-1 of the SD, a substantial portion of the traffic moving across the easement segment of TH 53 is local traffic.
---	--

Lynn Nurmi

1	Comment about alternative M-1 noted. Assessment of the issues noted by the commenter will be included in the DEIS.
2	The DEIS will assess impacts to utilities and water supply, as noted in the SD and SDD.

TJ Murphy

1	The Scoping Document describes preliminary estimates of construction cost for the west corridor alternatives (i.e., the MN 37 and CR 7 route identified in this comment). The west corridor alternatives are more expensive than Alternatives M-1 and E-2. The higher costs are due in part to the need for new bridges and construction through wetlands. In addition, the Scoping Document describes other factors considered in comparing the West Alternatives to other scoping alternatives, and the rationale for eliminating the West Alternatives from further study.
---	---

David Torrel

1	As described in Section 5.2 of the SDD, the Existing US 53 alternative would retain the use of the current corridor, which could result in the use of eminent domain for acquisition.
---	---

2	Section 4.4.2 of the Scoping Document describes a scoping-level valuation of iron ore reserves in the US 53 easement segment as in the range of \$400 to \$600 million.
3	Section 5 of the Scoping Document identifies up to \$60 million in state trunk highway bonds as a possible funding source for the project. Should additional funds be necessary, other local, state, and federal sources will be considered.

Dan Richart

1	MnDOT will conduct an evaluation of intersections and access as part of the DEIS. Access at 2 nd Avenue, including access from both directions on US 53 will be considered in the evaluation.
2	Assessment of project impacts to existing pedestrian/bicycle facilities will be studied in the DEIS.

Casey Hallin

No response necessary.

Josette (Unidentified)

1	Community access to/from Virginia was an important screening criteria in development of the Scoping Document, as reflected in the alternatives that remain for detailed study in the DEIS.
---	--

Mike Ralston

1	Alternative E-2 has been retained for analysis in the DEIS.
---	---

Ed Roskoski

1	Comment noted. The Alternative M-1 location is routed over the Auburn Pit in the UTAC mine. In addition to being a direct connection across the mine, this route also minimizes the iron ore encumbrance created by the new highway corridor. Based on studies conducted for the Scoping Document, any shift of a corridor through the mine would also result in substantially greater iron ore encumbrance costs.
---	--

Ann Nelson,

1	Comment regarding preference for an alternative has been noted.
---	---

Michael Moore

1	Comment regarding preference for an alternative has been noted.
---	---

Thomas Bartel

1	Comment regarding preference for an alternative has been noted.
---	---

Jim Hofsommer

No response necessary.

Jean Kobal

No response necessary. These comments relate to the mine operation, not to the proposed US 53 project.

Allen Dahl

1	Both new alignment alternatives are located over iron ore resources. Conflicts with mineral resources, related costs, and the potential risks of future highway relocations due to such conflicts will all be evaluated in the DEIS.
---	--

DeLyle Pankratz

1	Section 6.2.7 of the SD identified the snowmobile trail in the project area. Project impacts related to the recreational snowmobile trail will be discussed in the DEIS.
---	--

Statements given to the Court Reporter**Debbie Keating-Babbini**

1	The DEIS analysis will include identification of parcels that potentially could be affected by right-of-way acquisition. Following identification of a preferred alternative, property acquisition will be conducted consistent with state and federal requirements of the Uniform Relocation Act, including timely notification of affected property owners.
---	---

Steve Hunter

No response needed.

APPENDIX D – US HIGHWAY 53 VIRGINIA TO EVELETH

AGENCY AND PUBLIC COORDINATION PLAN

September 2012

Agency and Public Coordination Plan

The purpose of the Highway 53 Agency and Public Coordination Plan is to facilitate and document FHWA's and MnDOT's structured interaction with local government units, regulating agencies, and the public. The Plan is also intended to inform these agencies and the public of how project coordination will be accomplished throughout the project development process. The Highway 53 project has identified several key coordination points¹, as listed below.

- Implementation of a Concurrence Point process—In a process parallel to the coordination described in this Plan, the MnDOT is also using a National Environmental Policy Act (NEPA)/404 merger process with the United States Environmental Protection Agency (USEPA) and the United States Army Corps of Engineers (USACE) acting alongside the lead Federal agency (FHWA) toward “concurrence points” at key stages of project development.
- Notice of intent publication and scoping activities—A notice of intent was issued by FHWA on August 1, 2011 and published in the Federal Register on August 10, 2011. An Environmental Agency Workshop was held on June 29, 2011 to discuss project issues, prior public involvement activities, Scoping Document process, and Agency feedback on purpose and need, alternatives, and environmental impact categories. Review copies of the Scoping Document/Draft Scoping Decision Document were distributed to this group in October 2011 for comment prior to publication of the document in February 2012. A March 2012 public scoping hearing was held as part of the 30-day public review and comment period.
- Development of purpose and need—The purpose and need for the Highway 53 project was initially presented to Environmental Agencies at the June 29, 2011 Agency Workshop and in follow-up document reviews. Feedback from the workshop and following agency discussions was used to refine the purpose and need. FHWA and MnDOT will be requesting specific input during the 30-day public review and comment period following publication of the Scoping Document/Draft Scoping Decision Document. The USEPA and USACE gave their concurrence on purpose and need prior to publication of the Scoping Document.
- Identification of the range of scoping alternatives—The initial range of scoping alternatives were presented at the June 29, 2011 Agency Workshop. Feedback from the workshop and following agency discussions was used to refine the alternatives for presentation in the Scoping Document. FHWA and MnDOT will be requesting specific input on the range of alternatives during the 30-day public review and comment period following publication of the Scoping Document/Draft Scoping Decision Document. The NEPA/404 merger process concurrence point #2 occurred in the summer of 2012, during preparation of the Final Scoping Decision Document.
- Collaboration on impact assessment methodologies—Preliminary determinations about impact assessment methodologies were presented at the June 29, 2012 Agency Workshop. Feedback from the workshop was used to refine the impact assessment categories and methodologies for presentation in the Scoping Document. FHWA and MnDOT requested specific input from environmental agencies during the 30-day public review and comment period following publication of the Scoping Document/Draft Scoping Decision Document.
- Completion of the Draft Environmental Impact Statement (DEIS)—Review copies of the Draft EIS will be distributed to the members of the Participating Agencies with a 45-day review and comment period to provide feedback. The Draft EIS will then be revised and published for public/agency review and comment. It is anticipated that agency review and feedback will be requested in the fall 2012 before publication of the Draft EIS. A public hearing will be held during the official 45-day comment period on the published Draft EIS to afford an opportunity for the public and agencies to ask questions and submit formal comments.
- Identification of the preferred alternative and the level of design detail—A second Environmental Agency Workshop is planned for the refinement of alternatives during development of the Draft EIS. Following the

¹ More on the NEPA/404 merger process may be found at: <http://environment.fhwa.dot.gov/projdev/tdmnepa404.asp>.

official 45-day comment period on the Draft EIS, MnDOT will request specific input from the Participating Agencies on the identification of a preferred alternative. Comments received on the Draft EIS will be shared with the Participating Agencies. Mn/DOT and FHWA will be requesting specific input from the Participating Agencies on the identification of a preferred alternative. The NEPA/404 merger process concurrence point #3 will be used to mark formal determination of a preferred alternative

- Completion of the final environmental impact statement (FEIS)—Review copies of the Final EIS will be distributed to members of the Participating Agencies with a 30-day review and comment period. The Final EIS will then be revised and published for public/agency review. MnDOT anticipates that agency review and feedback will be completed in summer 2013. NEPA/404 merger process concurrence point #4 will be used to mark agreement on measures to mitigate impacts due to the US 53 project.
- Completion of the Record of Decision (ROD)—The ROD will be distributed to all members of the Participating Agencies, which is anticipated in the fall 2013.
- Completion of permits, licenses, or approvals after the ROD—Numerous permits and/or approvals will need to be obtained from several agencies. Project permits/approvals will be requested following the final design phase when funding for construction becomes available.

A Highway 53 EIS Public Involvement Plan has been prepared in addition to this Coordination Plan. Shown below in Table 1 is a matrix presenting opportunities for public and agency involvement scheduled as part of the Highway 53 project development process.

Table 1. Highway 53 EIS Public and Agency Involvement Methods

Activity		Who's Involved	Purpose	Frequency	Products
Project Management Team (PMT)		District 1/Consultant MnDOT OES FHWA	Project Management Deliverable Review Issue/Conflict Resolution	Approximately monthly	Agendas Project Decisions and Direction Meeting Summaries
Participating Agency Meetings	Project Advisory Committee (PAC)	PMT Staff from State, County, Cities, and Townships Business representatives School Districts	Advisory input regarding project direction and communications Build consent on decisions and plan approval	Approximately quarterly	Project feedback and comments Agendas Meeting Summaries
	Environmental Agency Coordination	PMT USEPA USACE DNR SHPO USFWS MPCA	Determine environmental issues Gain input on Scoping and EIS content – including alternatives and impact assessment Build consent on preferred alternative	2 Environmental Agency Workshops	Scoping Document feedback EIS feedback Agendas Meeting Summaries
Public Meetings		District 1/Consultant State and local officials Environmental Agencies Local residents Media	Provide opportunity for public review and comment on project development – alternatives, impacts, and decisions	Up to 4 public meetings 2 formal public hearings (Scoping and DEIS)	Open house presentations and displays Press releases Comment summary Meeting transcript
Local Meetings		District 1/Consultant Local government, landowners, businesses, and special interest groups	Better understand local concerns and provide insight into project decisions	Up to 10 as necessary to address local concerns during project development	Meetings and presentations Meeting Summaries
Project Communications		District 1/Consultant	Information/progress report Feedback opportunities	At key project milestones and decision points	Newsletters or flyers MnDOT web site Email communications

Contact Information

*Roberta Dwyer, Project Manager
MnDOT*

1123 Mesaba Avenue

Duluth, MN 55811

(218) 725-2781

