

Taconite Mining Grants

One in a Series of Division Fact Sheets



Division of Lands and Minerals • Minnesota Department of Natural Resources • 2002

What is this program and why is it important?

The Minnesota Legislature established two Taconite Mining Grant Programs in 2001 to provide funds that will lead to improvements in taconite pellet quality, reductions in pellet production costs, and investments in value-added products in Minnesota taconite plants. The first grants will be awarded in September 2002.

The programs depend on the royalties generated by taconite mining on school and university trust lands. The Legislature established that 20 percent of school and university land taconite royalties would be certified as the state's cost for administering and managing these trust lands. Under the programs, 20 percent of the royalties from each trust land type are transferred into the state's General Fund. Funds are then appropriated to the Commissioner of the Department of Natural Resources (equivalent to school trust royalties) and the Director of the University of Minnesota's Coleraine Minerals Research Laboratory (equivalent to university trust royalties) to award grants to Minnesota taconite companies.

The program is in effect for royalties generated in FY 02–06. On September 1, 2002, an estimated \$600,000 in grant monies will be available from mining on school trust lands and about \$500,000 from mining on university trust lands. The actual amounts will be determined in May 2002. Grant monies in future years will depend on future mining activity on school and university trust lands.

What are the criteria for the grants, and who is eligible?

For monies generated from school trust royalties, the Department of Natural Resources will issue a Request for Proposals (RFP) in April, with grants awarded in September. The DNR will evaluate the grant proposals based on the following weighted criteria:

- Broad applicability to the taconite industry in Minnesota (25%)

- Cost reduction, energy savings, or value-added products (25%)
- Installation of demonstration technology and the applicability of that technology to other Minnesota taconite plants (10%)
- Critical technical improvements (10%)
- Availability of private matching funds (10%)
- Environmental emission reduction (10%)
- Joint proposals by two or more Minnesota taconite companies (10%).

Grants will be available to all seven Minnesota taconite mining companies:

- EVTAC Mining, LLC;
- Hibbing Taconite Company;
- Ispat-Inland Mining Company;
- Minnesota Ore Operations of USX Corp.;
- National Steel Pellet Company;
- Northshore Mining Company; and
- Cliffs Erie LLC (formerly LTV Mining Company).

What projects have been proposed?

While no formal proposals have been made, areas of known interest to the state and the taconite companies include:

- High Pressure Roller Press Installation
- In-pit Magnetic Cobbing and Conveying
- New Taconite Concentrator Flowsheet
- Pre-classification of Flotation Feed Concentrate
- Rod Mill Feed Cobbing
- Use of Hydrated Lime for use in Fluxed Pellets
- Use of Hydrated Lime as a Substitute for Bentonite
- Concentrator Flowsheet Changes from Application of Process Models
- Use of Magnetic Flocculation in Hydro-separators
- Use of Vertimills to Grind Screen Oversize in Rodmill-Ballmill plants