

Good Afternoon.

Usually when I come to northeastern Minnesota, I look forward to talking about the beauty of this part of the state, the great hunting and fishing, and the wonderful celebrations of heritage of the people who live here. But this time the circumstances are different -- they are serious. The pending closure of the LTV mine has placed a damper on the otherwise pleasurable task of being your Governor.

As you know, the day LTV announced the bad news, I flew to Duluth to get the story face-to-face from Richard Hipple, the CEO of LTV. I wanted to know why they were closing the mine and if there was anything that, in his view, the state could do to change their mind.

In response to my questions, Mr. Hipple told me that no amount of reasonable state money would change their minds. He said that it was a purely business decision caused by the taconite pellets being too expensive to produce. He assured me that the decision was not made because of any dissatisfaction with the workers, the community, or the state. It was a business decision and it was clear to me that no amount of me getting in their face was going to change their minds.

I left Duluth that evening saddened and depressed. The world is a difficult place when a company can close up shop even though there are plenty of good workers and enormous support from the community. It is hard to deal with. I want you to know that I understand how tough it is and that I am committed to doing what I can to make the situation better.

We have already taken some action. The Department of Economic Security sent our rapid response team here last week to introduce the Dislocated Worker Program. Most of you by now aware of the benefits that this program offers. Additionally, I know that the timing of this tragedy couldn't be worse for graduating seniors with plans for college, so we have engaged the Minnesota Higher Education Services office to make all aware that even though current family income levels might preclude you from financial assistance, each case can be looked at individually and exceptions made. Chancellor Martin at UMD has also given assurances to Commissioner Swift that no child of an LTV miner would be turned away based on finances.

These are the things that we have done immediately. Now let me tell you about our next steps to address the bigger issues. I believe that the assets we have direct the course of action we should take. These assets are significant. As I see it, they are the iron ore, the existing taconite plant, and the employees. Based on these three assets, I believe that we should simultaneously pursue three different courses of action.

First, I have asked the DNR to analyze the quality of the ore and determine if there is any economic potential to use the existing ore. While it might not be possible to use the plant as it currently is operated, there may be some possibility of operating it for a different, ferrous purpose with some modifications.



Second, I have asked for a review of the plant facility and the possibility of modifying its existing process. It may be impossible to continue to use the plant for ferrous processes, but it may be possible to convert it to use for non-ferrous purposes. Last week, Commissioner Carlson convened the "Mining Mini Cabinet" where my commissioners explored ways to fast track alternative mining scenarios while not compromising environmental concerns.

I pledge to aggressively pursue these avenues and my commissioners have assured me that my questions will be answered in the coming weeks.

Finally, the single greatest asset that exists on the Range is all of you. You are all well trained, competent and hard working. It is my belief that there is a company or companies that exist that would kill to have access to the type of workforce that you represent. Minnesota workers are the best -- I know it, you know it - and I aim to make sure the nation and the world knows it.

Therefore, I have instructed Commissioner of Trade and Economic Development to work closely with Commissioner Swift in developing a campaign to go after major industrial companies that might be looking for what we offer. Fourteen hundred highly skilled, well-educated workers with an unparalleled work ethic. With the economy as strong as it is today, and with the frustration of finding good workers, I believe that we should be able to attract attention.

This campaign will be big and bold. It will involve national and international advertisements as well as old-fashioned shoe leather. I pledge to you that I will go into any boardroom anywhere in the world and tell them about northern Minnesota and the great people here who are ready to go to work.

I believe in this state and I believe in you. I have always admired the self-reliant spirit of the people of the Iron Range and I know that together we can work through this and come out stronger. We have got a tough row ahead of us and a big hill to climb but I am sure if we work together good things will happen.

Thank you very much.