



October 14, 2026

Debi Durham
Iowa Economic Development Authority
Via email director@iowaeda.com

Re: Mesabi Metallics agreement

Dear Director Durham:

As you negotiate the terms of the incentive package that will be given to Mesabi Metallics, Sierra Club suggests that you include the following items that will benefit the public and improve the business case for the project. A mill of this type, could be among the cleanest and most modern in the country; however, failure to adequately enforce the below items jeopardizes this prospect as dirtier steel and iron is priced out of international markets, fossil fuel prices create uncertainty for primary manufacturers, and communities and workers organize to oppose projects that increase local burdens:

1. The company must commit to procuring or producing new renewable energy generated from wind, solar, geothermal, and/or batteries for its operations' electricity and heat needs;
2. The company must work with the utility to ensure that the cost of any new electric generation and infrastructure or upgrades to existing infrastructure to service the facility does not raise rates for residential ratepayers;
3. The company must commit to using energy efficiency and demand-side management strategies available;
4. Mesabi Metallics must install as much electric equipment as possible, including but not limited to, boilers, furnaces, hot water heaters, and process reheaters;
5. The steel plant facility must adopt best available control technologies for criteria air pollution and air toxics from the facility, including fugitive dust;
6. Mesabi Metallics must use covered- and zero-emissions trucks and contained indoor storage of ore, scrap, slag, and any other inputs and waste;
7. Mesabi Metallics should develop a credible path to procure and use 100% green and/or geologic hydrogen in the direct reduction process;
8. Mesabi Metallics should commit to a minimum number of local hires;
9. Mesabi Metallics should commit to a union neutrality pledge where the company will not interfere with union organizing activities and will fairly negotiate labor contracts;
10. The company must commit to work with local universities, community colleges, and high schools to develop workforce training programs aimed at developing a fully local workforce;
11. An additional negotiated and legally binding good neighbor or community benefits agreement should be developed with and agreed upon by the local community, including but not limited to union locals, public interest and environmental groups, small business or economic development councils, community-based organizations, and local government representatives;
12. Mesabi Metallics should agree to optional fair-value buy outs, to include adequate rental assistance as well, for any residents and property owners who will be impacted by the facility and its operations;
13. All commitments must be credible and put in writing and the Economic Development Authority should make publicly available the Company's compliance with these commitments. Further, any commitments germane to permits Mesabi Metallics seeks to build and operate must be written into said permits. Failure to follow through on any stipulations above should result in revocation



of state-level subsidies, including if, in the relevant permit application, Mesabi Metallics fails to pursue or otherwise consider these commitments.

Sierra Club is the oldest and largest grassroots environmental organization in Iowa. We have members in every county in Iowa, including Lee County and the surrounding counties.

Thank you for considering these suggestions.

Pam Mackey Taylor
Director
Sierra Club Iowa Chapter