

January 8, 2008

Mr. Richard A. Hargis, Jr.  
National Energy Technology Laboratory  
P.O. Box 10940  
Pittsburgh, PA 15236-0940

Re: U.S. Department of Energy's Draft Environment Impact Statement  
Mesaba Energy Project proposed by Excelsior Energy  
DOE/EIS-0382D

Dear Mr. Hargis

Thank you for this opportunity to comment on the above referenced document. The process to complete an Environment Impact Statement is a huge undertaking and our empathy goes out to you and all those involved.

Based on a review of the document, the public process, public input, state and federal agency involvement we believe the Draft EIS adequately and completely discloses information about the project's significant impacts and adequately and completely describes mitigation as prescribed in the Environmental Impact Statement Scoping Decision. Without qualifying that statement we do offer the following comments for your consideration in finalizing the EIS.

Itasca Economic Development Corporation (IEDC) has participated from the beginning of this process since the first public meetings. Please note our organization's legal name has changed from Itasca Development Corporation in 2006 which is referenced on page 3.11-8. IEDC is the economic development organization in the Itasca County area and works with many other organizations to improve quality of life for all residents. IEDC's main emphasis is on the economic well being of area residents. As such our comments are primarily on the Socio-Economic impact of the Mesaba Energy Project.

Section 3.11.3.2 West Range Site and Corridors – This section should note that Itasca County is a federally designated HUB Zone because of the high unemployment rate and low wages. The Federal Government contracting office gives preferential treatment in awarding contracts to projects located in a HUB Zone which would favor locating the Mesaba Project in Itasca County.

Section 3.11.4.2 West Range Site and Corridors – This section references key businesses in Itasca County including UPM Blandin Paper Mill in Grand Rapids and Ainsworth Grand Rapids OSB Plant. This section should also note that in early 2003 UPM Blandin permanently shut down two paper machine lines and reduced its workforce from 800 to 500 with 300 jobs eliminated. Further, the Ainsworth Grand Rapids OSB Plant was shut down in September of 2006 with the layoff of 135 employees. This plant remains shut down today.

There are a number of potential large capital projects proposed in northern Minnesota that will require power in the future and this local project will add significant base load electricity. The Mesaba Energy Project will produce electricity from state-of-the-art technology on Minnesota's Iron Range. Basic industries requiring significant amounts of electricity have been the foundation of our local economy for a hundred years. In September 2007 Minnesota Steel completed its permitting process and that facility will have a demand for approximately 450 megawatts of electricity. The economic and environmental benefits of locating a long term producer of electricity on Minnesota's Iron Range, where several large capital projects are proposed or under construction, should be highlighted in the EIS.

We at IEDC are advocates for jobs and quality employment opportunities, but not by disregarding other factors of the quality of life. We rely on environmental advocates, the general public and finally governmental bodies to provide the necessary feedback, investigation and permitting to determine whether the Mesaba Energy Project is good for our area.

Thank you for your consideration.

Sincerely,

Mike Ives  
Chairman of the Board

Peter McDermott  
President