



## Caterpillar exec sees minimal impact from potential Wisconsin mine

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By Kay Nolan  
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A proposed iron ore mine in northern Wisconsin is unlikely to create jobs at Caterpillar Global Mining near Milwaukee, and even if it did, those workers would likely come from out of state, a company executive said Tuesday.

John Disharoon, vice president of industry relations for Caterpillar, told the Milwaukee Rotary Club that mining is a vital industry that produces the minerals and fuels needed for the world's rapidly growing and increasingly urbanized population. He noted that the Caterpillar products being made right now in Wisconsin are destined to be exported.

"More than half of our sales are outside the United States," said Disharoon.

What tends to be imported by Caterpillar, however, is workers.

Wisconsin simply doesn't have enough workers with the right skills, said Disharoon. He said local technical colleges aren't teaching robotic forms of welding and other advanced skills.

"Most of the people that we get in our skilled trade shop come from someplace else," he said. "We're a very high-tech engineering firm. The welding that you will do in South Milwaukee for us at Caterpillar, you can't come out of a two-year welding program and walk right out in the shop. We have to train you on our tools and our processes."

Disharoon said the company is working to promote improved training at tech schools. But in the meantime, he said, "There's a very limited population of welders out there. They might come from Johnson Controls or Joy (Global) or somewhere else and join Caterpillar or they might relocate from another state, or they might come down from the oil sands in Canada or come up from the oil wells in Texas, but it's a very finite number there."

Disharoon told WisBusiness.com afterward that it's impossible to predict if the proposed Gogebic Taconite mine would mean new welding jobs at Caterpillar's Wisconsin plants, which employ about 2,000 people, mostly in Oak Creek and South Milwaukee.

"Mines open and close every week," he said. "If this mine opens up and is permitted in Wisconsin, one is probably going to shut down in Brazil. We don't add production lines based on a mine opening or closing; we just try to serve the industry as a whole. As early as it is in this process, not having seen an equipment order out there, it's very tough for anybody to say how many jobs are going to be created -- sustained jobs -- if the order is placed and CAT wins the business."

Disharoon refrained from discussing details of the proposed Wisconsin mine, but in response to audience questions about its potential for pollution and future abandonment, Disharoon said Wisconsin's permitting process would address reclamation.

"I'm not aware of any mine in the regulated world today that doesn't have to file a closure plan -- what are you going to do with this mine site 25 years hence or 30 years, 40 years hence?" he said.

Rotarians in the audience continued to press Disharoon about environmental concerns.

"What does a closed mine look like and what toxins are there in the soil?" one man asked.

"I could give you a slideshow presentation of re-forested and reclaimed lands, whether it's coal mines in West Virginia, copper mines in Arizona or some of the copper properties down in Peru and Chile, where literally, flying over in a helicopter, you can't tell that there was a mine there a few years ago," Disharoon said.

"But it's concerns like that, that can make people tread lightly when a new mine or such immense operation comes on plan," he agreed.

Disharoon told WisBusiness.com that he approves of the new mining bill that is making its way through the state Legislature because it streamlines the permitting process and will help get mining under way. He said he's satisfied that the permitting process in the bill ensures adequate environmental precautions.

The mining industry continues to soar globally, Disharoon told the Rotary Club.

Caterpillar, which moved its headquarters to Wisconsin after taking over the former Bucyrus International in 2011, posted \$66 billion in sales last year, he said. The firm has nearly 500 locations across the globe, with more than 125,000 employees. The company makes drilling rigs, mining shovels, drag lines, haul trucks and other earth-moving equipment.

With the world population increasing by 1 million people every four days, the demand for electricity alone is skyrocketing, as is the need for other minerals, Disharoon said.

Pointing to a chart showing that a newborn American baby will need an estimated 2.92 million pounds of minerals, metals and fuel in his or her lifetime, Disharoon noted that other developing nations are striving to attain a similar lifestyle.

"You can see why we're so bullish on the long-term prospects for the extractive industries," he said.

Ever more powerful and sophisticated drilling and digging equipment is needed, Disharoon said, because "when you look at the extractive industries, the iron ore, the copper, the coal, for the most part, the easy stuff has already been accessed -- so the mines are going more remote, they're going deeper, they're going underground, they're getting to ore bodies that have less amounts of concentration -- so consequently you have to move more material to get to the good stuff."

"That actually spells good news for companies that are in the business that Caterpillar is in," he said

In addition, the Caterpillar exec foresees brisk sales for earth-moving and construction equipment.

"If you look at the state of infrastructure in the United States, we have underinvested in infrastructure for a long time," he said. "President Obama mentioned in his State of the Union address that we've got a thousand bridges right now being red-tagged by the Department of Transportation that need rehabilitation."

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*The Milwaukee Rotary Club recently launched a series of discussions on the mining issue. Earlier this month, the club hosted Mike Wiggins, tribal chair of the Bad River band of the Lake Superior*

*Chippewa, who strongly opposes the proposed iron ore mine that would encroach the tribe's reservation. Last week, the club invited Scott Manley, a spokesman for Wisconsin Manufacturers and Commerce, to present a pro-mining viewpoint. The WMC business lobby sees the iron ore mine as a pathway to hundreds of jobs. [Read a WisBusiness.com story from the presentations by Wiggins and Manley.](#)*



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