

**Interviewee:** Peter Waselk

**Interviewer:** Jordan Stish

**Date:** December 6, 2021

**Format:** Video Recording, Zoom

**Location of Interview:** Virginia, MN

**Transcriber:** Jordan Stish

**Additional Transcription Equipment:** Otter.ai

**Project in Association With:** University of Wisconsin-Eau Claire

**Abstract:** Peter Waselk is a sales and account manager of Komatsu, a company that manages iron ore mines and sales of mining equipment based out of Virginia, MN that services Northern Minnesota, Northern Wisconsin, Southern Wisconsin, and Northern Michigan. Virginia, MN is located about 30 minutes west of the Wisconsin/Minnesota border, but Peter often works with iron ore industries in Northern Wisconsin (Superior, WI) as well as Milwaukee, WI, and Detroit, MI. In this interview, Peter discusses how the pandemic has impacted the iron mining industry, as well as how the pandemic has slowed infrastructure progress, including the automobile industry, appliances and cellphone production, and international shipping costs that have driven up the cost of so many products in the Midwest and in the United States as a whole. Peter also discusses how the mining industry will most likely change over the next five years due to labor shortages and technological shifts to mining and industry as a whole.

### **Jordan Stish 0:03**

Great. So, good afternoon. Today is Monday, December 6, 2021. The time of this interview is 1:30 PM Central Standard Time. Just to give a little bit of context about the COVID-19 situation in the United States before we begin this interview, according to the Centers for Disease Control and Prevention, as of November 17, 2021, there have been 47,352,367 reported cases of COVID-19 in the United States, and the current seven day average of daily cases is up 16% from last week, as COVID cases are on the rise again at the end of 2021. Uncertainty about our day-to-day life is growing in preparation for another potential global shutdown [with the

emergence of the Omicron variant of COVID-19]. Some other important data important data to note, according to National Public Radio 59.4% of the US population has received at least one dose of their COVID-19 vaccine. Minnesota has approximately 62.6% of their population fully vaccinated, and Wisconsin has approximately 59.86% of its population fully vaccinated. Some information that is relevant to this interview today is, according to CNBC, iron and steel prices have fluctuated greatly throughout this pandemic, leading to several infrastructure shortages, like transportation and the automobile industry, and building development. Someone who can bring us a little bit more insight into this pandemic and how it's impacted the mining and steel industry in the Midwest and in the United States is Pete Waselk. Hi, Pete, I'm really excited to be talking to you today. Before we really get started, I'd like to just know a little bit about you and what you do for work. So, if you wouldn't mind sharing just a little bit of demographic information where you live, what-what company you work for, things like that.

### **Peter Waselk 1:56**

Not a problem. I'd like to say hi to you, and I appreciate the interview-interview [Zoom audio cuts in and out]. So yes, hi, my name is Peter Waselk. I've lived in northern Minnesota for most of my life, Hibbing Minnesota. In my career, my career consists of working for companies supplying equipment and technology, parts and service to the iron mining industry. My job title at Komatsu where I work, as a sales and commercial manager for our region, which includes Minnesota, Wisconsin, and Michigan. I'm responsible for all sales and services provided to our customers in the region. The region--regional mines, supply taconite pellets to the steel mills that are used in the United States. So they are in United States, they're not sent out of the country. So, the steel is used for making products like you had mentioned, appliances, cars, tubular height, and ideas for construction.

### **JS 3:08**

Great, thank you so much. So, you already kind of elaborated a bit about your job duties at Komatsu. Could you elaborate a little bit on what Komatsu does as a company kind of as a whole, and its relation to mining both regionally and nationally, if you could?

**PW 3:26**

Sure. Komatsu basically provides the essential equipment, technologies and services for the construction, mining, forestry and energy and manufacturing industries. We're a global service. And our distributing network supports customer operations using the power of data and technology. This is to help enhance safety, productivity, and performance. Our company basically is there. We have to we have our facilities are set close to where the mine sites are, so that we can have quick response to the mine's needs. So, our facility is located in Virginia, Minnesota, which is in the middle of seven iron ore mines located in northern Minnesota. So, we're based right in the middle. So, the farthest distance for any one of our mind sites is just under an hour, so that we can respond to their needs.

**JS 4:32**

That's great. How many employees approximately does Komatsu have?

**PW 4:42**

I would guess that our employees at this point is probably around 80 to 90 people.

**JS 4:47**

So, the mining an iron ore industry, it looks a lot different across the United States and even across this region. Can you tell me a little bit about how the mining industry is different compared to maybe northern Minnesota to maybe Milwaukee or even Detroit?

**PW 5:04**

So, the iron, the iron industry is located in, it's called, [pauses] there's only a certain area where the iron is, and it's basically from Grand Rapids, Minnesota, all the way out to Upper Michigan.

So, the so the iron ore is mined in that area. So, the industry is-- really depends on the demand, the location of the minerals that we have the depth, and you know how safe it is to remove these materials from the ground. Wisconsin, they do have iron deposits in the state of Wisconsin, but at this point they do are not doing any mining of iron ore. They do other mining, like frac sand and stuff like that in that area. So right now, the Iron Range to Michigan, the mining of iron ore is pretty close to the same, mostly the same companies own those mines that are working there.

**JS 6:08**

Yeah, so would you say most of the iron mined that's going into the steel industry right now is coming from those seven iron ore mines in northern Minnesota?

**PW 6:18**

So that the local that, yes. So, if you're talking about the mines and mills that are in the United States, yes, that is coming from this area. But there's other countries to provide it and do ship it into our countries.

**JS 6:36**

Great. Thank you so much for that bit of that background information. I'd like to switch gears just a little bit now and talk about how the pandemic has kind of thrown a wrench into the mining industry. Because as we're seeing as this pandemic is continuing for almost over 20 months, no industry is safe from the impacts of COVID 19. So first, I kind of just like to talk about your typical workday. So pre-pandemic, could you just explain a little bit on what your typical workday would look like?

**PW 7:09**

Well, our-- our workday, basically, we're dealing with the customers on a, you know, face-to-face deal. So basically, our salespeople go out to the mine sites and meet with customers and really go

over their needs. And we're here to serve them and try to support them to make sure that their--our equipment is running, you know, 24/7, because that's what they're there for. So that is what our businesses at that time. So, we do have service people that also have wanted the field to in the COVID 19 pandemic has changed a lot of that. So, I don't know if you want me to lead into that.

**JS 7:54**

Yeah, I would love that--Yeah, that would be great.

**PW 7:57**

So yeah, so our mining industry runs 24/7 7 days a week. And they have struggled with people, you know, calling in with COVID symptoms, when you have COVID symptoms, they would have to basically be tested and they come back negative positive, they may have to stay out for 10 to 14 days, when you're running the company that needs the people there to run these pieces of equipment, it's very difficult to try to fill in with a shortage of people that we have now. The supervisors at the mines, you know, their whole day changed from working to make sure that the mine was running mechanically, to adjusting people's schedules and complications with COVID. With--with the people, they also had to disinfect all their equipment, because you had operators [operators of mining equipment] changing every 12 hours or eight hours, depending on the mines. They'd have to disinfect that equipment before the next person came. So yes, it did definitely, you know, change the minds part of it. I'll come on to the side. You know, we--we work closely with our team to make sure that we follow the protocols of the CDC [Centers for Disease Control]. We as a management team had weekly calls and discussed any changes and relate them for employees. But yes, so it was a weekly thing that we--we dealt with.

**JS 9:29**

Great. And has that changed up into this point of the pandemic? Are you still kind of following that same protocol as you did when the pandemic started?

**PW 9:39**

The protocol has changed. I think that was one of the hard things that we had is that the protocol kept changing so quickly because they didn't know what they were dealing with first and haul, you know, how it was transmitted and what you know. So, yeah, at the beginning, you know, we weren't even able to To the sites. But then they started doing health screening for the people that were going on site. Some of them had requirements that we had to be vaccinated before we can go on site. social distancing, and remote work was was part of that. But like you said, after that it started, the slowdown on the mind was there for a while, but then the mind started ramping back up. And, you know, that was that was one of the struggles, they had a shortage of workers into complications of COVID-19. And, you know, if you were exposed and come a positive, you have to be out 10 or 14 days, which is a huge amount of time. When you when you don't have enough people.

**JS 10:47**

Definitely. Yeah, that seems to be the party line. It's not enough people and lots of work to be done. So, seems as if the minds were not immune to that. You might not know the answer to this question. This is just a quick follow up that kind of popped into my head. Were there masking requirements at the mines? Or was it mostly just social distancing?

**PS 11:11**

There was mask requirements at the mines. And then after they, they push[ed] for vaccinations. If you were vaccinated, you did not have to wear a mask unless you were with somebody that was not vaccinated. So, if you had two people working together, and they were vaccinated, you didn't have to wear it. So yes, there was mass regulations, both in the mind and in our facility. Right now, even in our office, we have to have masks on if you are out of your office, or if you're walking through the facility. Mass need to be repaired [?] or or--.

**JS 11:50**

Okay, thank you. That's really good to know. Let's see. So, what issues about the pandemic have concerned you and your team at Komatsu or people at the mines? What has concerned you the most? I know, we already kind of talked about labor shortages, but is there maybe like supply and demand issues or other infrastructural things that have really concerned your team at Komatsu?

**PW 12:17**

Supply and demand is a huge issue. Trucking is a huge issue. We have locations across the United States that have warehouses, and just to get trucks to be able to haul some of the stuff here really puts a damper on it, we just haven't been on time, they may be out, three, four days, whatever. And then also, some of our raw materials and stuff like that comes from out of the United States, which you have no control when you have can--canister sitting on--on ships on the ocean waiting to get unloaded. So that is a huge part of our businesses to make sure that we get the parts here for our customers.

**JS 13:02**

Right, that makes sense. Have you employed any independent truckers? I know a lot of truckers belong to different unions and things like that, or have you kind of just been relying on the staff that you have to do that?

**PW 13:13**

Yeah, in our area, we because we are, what a piece of equipment is down, the--the cost per hour is a huge number to the mind. So, we try our best to be able to use the standard--standard trucking companies and stuff like that. But if we have to go outside that to try to get trucking companies or independent contractors to be able to come, we will do that if we need to get the parts here. If we can get the parts. Correct.

**JS 13:44**

Right. Okay. So, the mining industry, I think this is kind of common knowledge. But the mining industry has always been pretty volatile economically, with booms and busts pre-pandemic, could you talk just a little bit about how the mining industry has fluctuated? And if that has changed at all, during the pandemic?

**PW 14:07**

Yes. Well, like you said before, the pandemic, the mining industry has been volatile. And, you know, we fluctuated and it fluctuated by the market, when the market demands for high for steel and we were going full out and when they weren't, you know, we slowed down the mining industry. So, the mining industry is tied to global--global supply and demand for this material. United States is only around 1.9% of the world in mined production of iron ore, so we're a very small part of iron ore production across the globe. If larger producers are ramping up on their production and have to have surplus, then that really affects the local mines here. too. So yeah, it really depends on the big picture, not just United States itself.

**JS 15:10**

Thank you. It's one of those things that most people don't think about. But iron ore is in pretty much everything. It's in our cell phones, it's in our automobiles, obviously. And so, it takes a toll on our daily lives. And I don't think a lot of people realize that.

**PW 15:17**

Correct.

**JS 15:18**

So, we've been experiencing the COVID-19 pandemic for almost 21 months at this point, it's kind of hard to believe. Let's see. what do you think has changed most about the mining industry? I know we've kind of alluded to this question already. But is there anything that is really outstanding, that has changed either the way you do business, the way you meet with customers, or the way that mining itself has changed over the last 12 months?

**PW 15:56**

So also, in the sales business, so we're, we're in sales, and the guys that worked for me are, are out there to talk to the customers. So, their conversation now are more on the phone, or basically, on a WebEx or basically zoom or whatever. So, they aren't-- they don't have that true face to face contact with the person. The salespeople here are--they're supposed to build relationships. And that's a little bit harder to do that when you're not there with people. And you're there, try to help them. Some of the mine sites do not have cameras. So basically, you're talking to a person you're trying to sell them something, you don't see their facial expressions. It's hard to read. So yes, things have definitely changed. And I think some of this is going to stay and be here for a while. We have another wave [of the pandemic] coming. So, we don't know what's going to be the future.

**JS 16:58**

Yeah, so that's a great segue into a follow up question I have. So obviously, we might be seeing another potential wave [of the pandemic] coming up [and another] potential--another shutdown. Is there anything that Komatsu implemented in the first kind of wave of the pandemic that you did for a while you decided, "oh, this didn't work out too well, we're going to try something new?" Or is there anything that you thought worked really well, with this new kind of digital age of customer service that you're going to keep implementing in the future?

**PW 17:32**

Well, it is, it is a lot easier to be able to jump on a computer screen and get somebody up on it on a Teams [Microsoft Teams, a tele-broadcasting service] call, as long as everybody has that ability to do it. And I could see definitely using that more. When you're, I mean, I'd rather talk to you and looking at your face and getting expression back then being on phone and, and not being able to get that. So, I definitely think that that is going to go on for a long time. Because it's just a quick easy way of getting hold of somebody and being, not having to run an hour up to go see. So that definitely will stay, you know, mask wearing and other things that we have here. I don't see that going away for a while. Maybe that's on an individual person if they want to wear it or not. But I think I think that'll be here for a while.

### **JS 18:28**

Yeah, one thing that I've noticed is, it's becoming much more individualistic, which is, like you said, and so I agree, I think that's going to be around for a while in any industry, not just mining. Okay, so I kind of want to switch gears a little bit and talk about the mining industry now. So, it seems like for many different mining industries, things are starting to look up. So according to Forbes in 2021, copper prices are up 29% Compared to where they were in 2020. And gold is up 26% The highest it's been since 2012. Can you see this happening in the iron ore industry as well? Or is it a little bit different?

### **PW 19:12**

I would say that upward trends and iron ore, you know, basically if you're watching the pricing on a monthly basis, which we usually do, because the--the pricing of both iron ore pellets, and steel are related to our business very close. So that peaked in June for--for the highest price that we've seen, I think even, and the steel market is still trending upwards so that that's a good sign on our side as long as the steel keeps trending up. We do hope that that trend lasts into 2022 and beyond. And that's going to be dependent on the demand for new appliances and automobiles and everything that People are planning on buying, which doesn't seem like it's going to stop anytime soon. So.

**JS 20:09**

Yeah, it seems like one thing that happened during the pandemic was everybody decided to switch out their appliances or buy a new car. So that is definitely a good thing that came out of the pandemic both for Komatsu and the mining industry, and just for the economy as an as a whole.

**PW 20:25**

That's correct.

**JS 20:26**

So, we spoke a little bit about shipping delays, but I would like if you could just elaborate a little bit more, especially in like shipping delays for your equipment, I'm not really sure how different parts for mining equipment are assembled, if that's done, on-site at Komatsu or if you get those from other plants across the region, could you just explain a little bit about how that process goes?

**PW 20:56**

So, for the mining industry, which we're related to our main offices out of Milwaukee, and Milwaukee, they manufacture large and large, a large number of the parts for the equipment there. So, some of our equipment is so big that it never gets put together at in Milwaukee, and the engineers and the people in that they never see the complete piece of equipment, because it's put together on site. So also, we have another manufacturing facility that's found in Longview, Texas does a lot of our manufacturing there. So, we do have to two huge manufacturing places in the United States, we also do get some of our, the raw material out of the United States, basically, a lot of our large equipment, they're built mainly out of steel--steel plate. So, we use a lot of steel, which was steel prices going up, that means that our equipment prices are going up also,

extended lead times on this raw material has affected the delivery of our equipment. So basically, our equipment, you know, if our normally time was say, you ordered a piece of equipment, and it was six to eight months, now, it's probably pushed out to 12 to 14 months, just because of delays. And it, it doesn't mean that it's a delay on every part. I mean, we could only have one or two parts that we need for that machine. And that can delay the whole delivery. We don't expect to see these lead time sharpening, at least in the next year or two, just because of the demand is so high right now. So, we have to work with that in working with our customers to just make them understand that you can't go to the store and buy everything you want right now because it's not there.

**JS 22:50**

Right. Have you had any trouble with customers not understanding that [reasoning for shipping delays]? I'm assuming that most people kind of get what's happening right now. And that will probably be at least a little bit understanding. But have you come into any problems with that?

**PW 23:06**

No, most of them are pretty understanding. Like they're--they're seeing that in their daily lives, when they're going to the grocery store and your shelves are empty. Or they want to go get a new phone or something and they don't have it, you have to wait three months to get it. So, it if it was just us, that would, that would be different, but they're seeing it in their own personal lives too. So no, it's--it's been even across the board.

**JS 23:32**

That's good. At least that's one thing is people are becoming a bit more understanding after out of all of this. So that's probably been good. I didn't realize that most of your equipment parts were made out of steel. So, it's almost kind of like a cyclical effect. If one thing goes down, everything slows down. So that that's really interesting. Let's see, I only have a few more questions for you, and then I'll cut you loose. But let's see. You spoke a bit about the labor shortage. Have you seen

kind of a labor shortage at Komatsu? Or is it more on--on the ground operations that you're seeing a lot of that labor shortage?

**PW 24:18**

We have seen the shortage, you know, on the Iron Range, I'm not saying this narrate [?], it's all over the mining industry. You know, they've they're struggling with a labor shortage. We are also we've had open racks for people to hire, that we can't sell because we can't find qualified people to take those positions. So, I mean, yeah, we have struggled that way. We also have, you know, the option at Komatsu because we have other facilities around the United States that are in different types of minerals. So, like you're saying gold is up and you know, but maybe, you know, coal is down, right? So, we can share labor. So, if somebody is in a region that is slow, we can ask, "we need a couple of people up here for six months to come help us out", or whether we can share with that, or else we could send some of our people somewhere else to share, so that we don't have to always go outside. And then we have skilled laborers. I mean, it doesn't always work out. But we would definitely like to get new people into the roles to fill them.

**JS 25:35**

So, that's really interesting. I didn't know that you could kind of swap workers like that. Is that kind of like a volunteer basis type thing, or if the company tells you, "you got to go to Texas, you go to Texas?"

**PW 25:49**

Ideally, volunteer. They will put out a list and they'll say, "alright, we have a project going on for the next three months in Texas, or say, Mesa, Gillette, or Elko," depending on where it is. And if somebody is interested, and we can let them go, because we're so--yes, they have the opportunity to do that.

**JS 26:11**

Interesting. Have you seen a lot of people volunteering to do that?

**PW 26:17**

Some people do just because they want to see a different area of the country that, you know, they may be, you know, they know what's temporary, they're only going to be there for three months, or whatever it is. So, we do get some that do that just--just to be able to move for a while and see--see that another location.

**JS 26:35**

Interesting, and does come out to provide temporary housing for folks that decide to do that, or--

**PW 26:36**

[nods] Yes.

**JS 26:36**

Okay, interesting.

**PW 26:44**

Yes. That would be that would be part of their deal.

**JS 26:49**

So, it seems like a lot of different regions, and different mineral mining industries are kind of working together at this point. Would you? Has that been going really well, communication wise? Does it seem like everybody's kind of on the same page? Or has it been an adjustment?

**PW 27:44**

It has been an adjustment, but it seems to be going well. I mean, we, in this age, with technology and being able to communicate with so many different areas. I think that open communications, it doesn't matter where you are, what industry you are, if--if you have that, things will work out and work smooth. So, I think that's a plus on our side, we're able to get a Teams [Microsoft Teams] meeting, I'll tell you new products that we have here. We would get a Teams meeting with our engineering group, Milwaukee, we could have people in Texas at our manufacturing, but all in on--on a call and we can get answers and be able to get things moving forward that much quicker just because we have that ability to do that. So yeah, communications is a big thing.

**JS 28:08**

That's great. So, my last group of questions has to deal a bit with like the public, as well as the future of Komatsu. So, we talked a bit about how mining companies probably understand shipping delays and all of that stuff. Do you think the public has a decent understanding of how the pandemic has impacted the mining and steel industries? I'm thinking about how my sister works for Kohler Chevrolet [car dealership and service center in Duluth, MN], and they have people calling and complaining that there aren't any cars for sale anymore. Do you think that the public kind of grasps what's happening to the steel industry due to the pandemic? Or do you think that's kind of off their radar?

**PW 28:55**

Oh, I think they are. I think they're seeing some of that. In the case of the cars, it's not all, it's not all about the steel part of the two, it's about the chips that they can't get for the computers, which

are coming from a different country. But--but they are seeing that there are delays, and the delays are because of manufacturing or minerals that they can't get. So, I think that's a good thing. Because you need to educate everybody on you know, yes, on your day-to-day life. You need minerals, and they have to come somewhere. And if we can do it in our area, we have more controls on how we do it. Right. So, I'm hoping that yes, more people are--are getting that just because of what's happening right now.

**JS 29:46**

Yeah, I hope so too. So, my last two questions for you have to do with the future. So, this is kind of a prediction, your opinion. Do you think there's going to be any long lasting problems in either the mining industry Are out Komatsu that were created by the pandemic?

**PW 30:07**

I think I would say in my opinion, yes, the pandemic has affected every employee in the mining industry, both at work in personally, it has changed the way we interact with our coworkers and other family members is--is affected the purchasing power and availability of products in the store? So, I say yes, it definitely has long lasting. And I think it's changed the way we look at the way we get products now, what is it? That's gonna totally go away? It's gonna be there.

**JS 30:49**

Great. And my last question for you today is, what do you think the future of Komatsu looks like in a post-pandemic world? Do you have any predictions as to how the industry might look one year from now or even five years from now?

**PW 31:07**

Well, you know, that, that is a tough question [laughs], I would say that, you know, in the near future, I would say that it is going to be upward, I think, a good-good time, good time for steel,

good time, for a lot of businesses, I think there's gonna be, it's gonna take a while for everybody to get their own new phone or a car, you know, it just, it's going to take a while. So, I think that part of it will be, will be good, that trend will go upwards. Five years from now. That's so-- if I had a crystal ball. I think I would be a millionaire by now [laughs]. But we're hoping that things stabilize. One of the things that the mining business has changed in our area is the, the company is like, like one of the companies used to just do mining. Well, now the purchase companies that build the steel also. So now they're responsible for mining and supplying that material to make steel. So, when you have control on both ends, I think it can stabilize the market better that way. And with technology, they can change or adjust their production rates, depending on the demand. And that was one of the things that made mining fluctuate so much before because they would, they would just keep running and they wouldn't adjust to the market. So, I'm hoping that everything is positive moving forward. And that's just my opinion.

#### **JS 32:45**

Great. Well, that's kind of all the questions I have for you today. I want to thank you one more time for agreeing to participate in this oral history project, you'll be able to find Pete's interview on the Midwestern-- Western Wisconsin COVID-19 archive website. And also, Arizona State University, Indiana University, and the University-- Eau Claire, of Eau Claire's edition of *Journal of the Plague Year* coming up this next year. Pete, I want to thank you one more time, it's been an honor to chat with you and learn a little bit about the mining industry. Because I think kind of like I said at the beginning of this interview, a lot of people don't realize how much iron ore and mining affects their daily lives. And it's good to shine some light on a part of life in the United States and in the Midwest, that has been impacted by the pandemic. So hopefully, we were able to educate some people and they'll be a little bit more mindful of some of the things that they see and have in their daily lives.

#### **PW 33:49**

I appreciate opportunity and good luck with the rest of your schooling.

**JS 33:55**

Great. Thank you so much. Have a great rest of your day.

**PW 33:59**

Have a nice Christmas.

**JS 34:00**

Thanks.

**PW 34:01**

Bye.