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MINE Update

MINING INDUSTRY NEWS E-COMM UPDATE

Issue 12 | December 16, 2020

Brought to you by the National Mining Association

This Week in The News

Stars may be aligning for a major legislative package this week that could include a \$1.4 trillion omnibus spending bill, as well as COVID-19 response actions and even an energy and tax extenders title. The National Mining Association (NMA) government affairs team and member companies remain actively engaged in representing mining's interests in the fast-paced and fluid year-end negotiations. Plus we have updates on how the mining and energy markets are faring.

Note: *MINE Update will be on hiatus over the holidays, returning to your inbox on January 6, 2021.*

Safety Share

As a good chunk of the country gets clobbered by a major winter storm this week, let's review [winter weather safety](#).

Minerals Provisions in Energy Bill



Earlier this week, an agreement was reached on a [bipartisan energy bill](#) that includes key mineral provisions from the House and Senate energy packages. The bill is expected to be included in the omnibus appropriations package. Specific items found in the bill include the NMA-backed Federal Register Process language, the establishment of a Department of Energy (DOE) program to support more efficient use of critical materials across the full supply chain, and advanced critical material extraction, production, separation, alloying, or processing technologies. The bill also includes NMA-backed provisions to support research and development for separation technologies to extract rare earth elements and other critical materials from coal and coal byproducts.

While House Natural Resources Committee Chairman Raul Grijalva (D-AZ) strongly objected to any permitting streamlining provisions in the bill, the NMA was able to advocate for broadening the focus beyond the list of 35 designated critical minerals by requiring the Department of the Interior to publish a list of host minerals from which critical minerals are recovered as byproducts in addition to a list of critical minerals themselves. For additional information on the package, please find the NMA's memo [here](#).

Congress Focuses on Carbon Capture in Year End Legislation

In the same [bipartisan energy bill](#), lawmakers also authored the first major overhaul of the nation's energy policies in over a decade. The bill would allocate \$35.2 billion in spending authorizations to boost technologies such as advanced nuclear power, energy storage, carbon capture utilization and storage (CCUS), and direct air carbon capture. The bill also provides \$2.6 billion to fund the demonstration of carbon capture projects attached to coal and natural gas plants and for industrial purposes. Finally, the bill is expected to be paired with other bipartisan carbon capture utilization and direct air capture legislation, [the S. 383, the Utilizing Significant Emissions with Innovative Technologies \(USE IT\) Act](#). This legislation directs DOE to support carbon utilization and direct air capture research, directs the President's Council for Environmental Quality to establish guidance to assist developers of CCUS projects and CO₂ pipelines including applying permit streamlining, and extends and expands the 45Q tax credit to provide certainty to utilities and other industrial sources and incentivize the build-out of CCUS projects.

Congress Closing in on New COVID-19 Relief Legislation with PPP

This week a bipartisan and bicameral group of senators and House members released the legislative text of the COVID-19 relief legislation the group [outlined last week](#). The

legislative text was released in two parts. The [first portion of the text](#) features additional funding for the Paycheck Protection Program (PPP), unemployment insurance, funding for primary and secondary education, funding for vaccine development and distribution among other goals. (Here is a [summary of those provisions](#).) The [second portion of the text](#) contains the more controversial aid to state and local governments and liability protections for business. (Here is a [summary of those provisions](#).) These proposals do not represent the COVID-19 relief bills on which Congress will vote, but they are pushing further negotiations among Congressional leadership to reach a compromise bill.

Department of the Interior (DOI) Continues Progress on Endangered Species Act (ESA) Reform

DOI's Fish and Wildlife Service today reached another milestone in their planned ESA reforms with the finalization of its [rule](#) to add a regulatory definition of habitat. The lack of a definition has created confusion about the scope of the Act and the Services' designation of critical habitat. NMA's [comments](#) supported the inclusion of the definition to provide much needed transparency, clarity, and consistency for stakeholders.

Biden Picks DOE Head and Domestic Climate Policy Chief

President-elect Joe Biden this week named former Michigan Gov. Jennifer Granholm to lead the Department of Energy (DOE) and former EPA Administrator Gina McCarthy as Domestic Climate Policy Chief.

As Secretary, former two-term Michigan Gov. Jennifer Granholm will lead the Department of Energy in helping develop the technologies needed to fulfill President-elect Biden's pledge to move the country off fossil fuels. Granholm's experience with Michigan's auto

industry and her ability to appeal to blue-collar workers and the manufacturing sector for a transition to electrified transportation could play a defining role. The transportation sector now surpasses power generation as the largest source of greenhouse gas emissions in the United States, so Biden's quest to achieve net-zero greenhouse gas emissions by 2050 requires large-scale adoption of electric cars, trucks, buses, trains and planes. DOE and its laboratories are heavily involved in research and development into advanced vehicles and batteries.

President-elect Biden will also name former EPA head Gina McCarthy to lead the new White House office of domestic climate policy. McCarthy served as EPA's air chief in Obama's first term and as EPA administrator in his second. While there, she oversaw development of a suite of climate regulations that have been dismantled under the Trump administration. As the White House's domestic climate policy chief, however, McCarthy will have a broader mandate to advance climate action across the government.

McCarthy will serve as the domestic counterpart to former Secretary of State John Kerry's new role as the Biden administration's international climate liaison created to reassure foreign leaders about Biden's intent to reengage on climate change internationally.

McCarthy's position does not require Senate confirmation.

NMA Webinar on COVID-19 Vaccine - Employer Access and Distribution

The NMA will host a webinar tomorrow, Dec. 17, at 3:00 p.m. Eastern on the vaccination phase of the U.S. response to the COVID-19 pandemic. Health, safety and employee law experts from the Husch Blackwell law firm will be presenting and answering questions. To attend the webinar, please register [here](#).

NMA and Third-Party Voices

The NMA team has been actively working with reporters and third parties to push our messaging on a variety of topics.

The [Deseret News](#) (UT) ran an op-ed by NMA's Rich Nolan in which he argues that metals and mineral mining are essential to our economic recovery and future prosperity.

Rich Nolan is quoted widely in outlets including [Politico Pro](#), [Inside EPA](#), [E&E Greenwire](#), [Argus](#), [News 18](#), [Deseret News](#) and [Science Magazine](#) covering the EPA's cost-benefit rule.

Both the NMA's Katie Sweeney and Conor Bernstein are quoted in an [E&E Greenwire](#) story on Forest Service and the Bureau of Land Management plans to propose rules this month that could have a significant impact on mining on public lands, according to the regulatory agenda released last week by the White House.

An [Inside Sources](#) story on COVID-19 economic impacts quotes the NMA in its prediction that, if the metals market is any indication, the long-term prospects for the economy are looking up.

[The Hill](#) named the NMA's Ryan Jackson a top lobbyist for 2020.

Mining and Energy News

Politico published: "How the road to renewables [runs through mining](#)."

[Reuters reported](#) that President-elect Joe Biden's plan to spend \$2 trillion on infrastructure is expected to support metals prices in the coming months as the economy moves towards greener policies that are metal-intensive.

[The World Gold Council's recent report](#), *Gold and Climate Change: The Energy Transition*, provides analysis on gold mining's energy transition and climate impacts over the next decade.

[The Silver Institute's recent global silver jewelry report](#) projects that U.S. silver jewelry demand “will grow by 10 percent in 2021 primarily due to a recovery in consumer spending, offsetting the 10 percent forecasted loss in 2020. The longer-term outlook is for steady growth to emerge, primarily due to steadier economic expansion, with record levels of silver jewelry consumption achieved by the mid-2020s.”

[Argus Coal Daily reported](#) that “steep cuts to U.S. coal production have tapered off in the final weeks of 2020 amid rising natural gas prices and shrinking coal inventories in some areas of coal country.”

S&P Global reported U.S. coal train loadings [jumped to a 10-month high](#) in the week ended December 4.

E&E News published: “With mega-emitters closed, [coal's 'cleaner fleet' persists](#).”

[The Energy Information Administration's \(EIA\) Short-term Energy Outlook](#) shows [coal production up 20 percent to 624 million short tons next year](#), with demand for coal consumption at power plants totaling 537 million tons, a 23 percent increase. Higher natural gas prices and colder first quarter temperatures are expected to encourage gas to coal fuel switching.

[The latest U.S. Energy & Employment Report](#) from the National Association of State Energy Officials and the Energy Futures Initiative estimates that [there were 185,689 total coal industry jobs in 2019](#), including coal production, coal-based utility generation, and coal-related wholesale trade, distribution, and transport sector jobs.

[EIA's recent Today in Energy release](#) indicates that EIA expects CO₂ emissions in 2020 to fall due to COVID-19 economic impacts by 19 percent for coal, by 13 percent for petroleum, and by 2 percent for natural gas. Coal emissions are forecast to hit a record low

this year.

Utility Dive dug into the [environmental challenges](#) faced by wind and solar energy.

President-elect Joe Biden selected former Michigan Governor [Jennifer Granholm as Secretary of Energy](#).

Washington Post profiled how controversy over the potential appointment of Mary Nichols as EPA Administrator [exposes divisions](#) within the Democratic Party.

North Carolina Department of Environmental Quality Secretary Michael Regan was floated as [another potential choice](#) for EPA Administrator.

Happy Holidays from the NMA!

A lot of things changed in 2020.



When your home became your office and kids' school, **mining was there.**

Ag Al Au Coal Cu Li



When hospitals needed advanced technologies and antimicrobial materials to keep patients and workers safe, **mining was there.**

Ag Au Cu Pt



When you needed affordable, reliable energy to keep the lights on and to cool and heat your home, **mining was there.**

Ag Coal Mo U



In the new year, as always, **mining will be there** to help support our recovery, providing the essential materials and energy to make America stronger than ever.

Cu Fe Gypsum Kyanite Mo

Happy Holidays

from the National Mining Association



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