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# MINE Update

MINING INDUSTRY NEWS E-COMM UPDATE

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## This Week in The News

With a \$1.9 trillion COVID relief package completed along party lines, policymakers turned attention to what is likely the next two major initiatives – infrastructure and climate change. Cabinet appointments picked up steam, with new heads of Interior and Environmental Protection confirmed. As the policy landscape begins to shift, the National Mining Association (NMA) remains focused on actively engaging to advance mining's interests at both ends of Pennsylvania Avenue. Plus we have updates on how mining and energy markets are faring.

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## Safety Share

The National Safety Council reported that despite a 13 percent drop in miles driven in 2020, the estimated traffic death rate [spiked 24 percent](#) over the previous year.

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## NMA Meets with Chairman Joe Manchin



Yesterday NMA President & CEO Rich Nolan met with U.S. Senate Energy and Natural Resources (ENR) Committee Chairman Joe Manchin. Rich shared the NMA's joint agenda with the Chairman who committed to working together to build solutions to challenges facing the mining industry. The two discussed a wide range of mining issues including: cleanup of hardrock abandoned mine land sites funded by a prospective royalty and fees; further Department of Energy (DOE) investments in coal technology including carbon capture and coal-to-products through the Senator's work on the Appropriations Committee; reauthorization of the coal abandoned mine land (AML) program; and the Black Lung excise tax with reforms and financial relief for the industry. The NMA, the Chairman and the ENR staff committed to follow the meeting with further sit downs to continue building out potential solutions to our shared agenda. The meeting follows direct Senate engagement with many other bi-partisan members of the Senate ENR Committee in support of the NMA agenda.

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## NMA Meets with Congressman Pete Stauber



This week, the NMA met with Congressman Pete Stauber (R-Minn.) in his new role as ranking member of the House Natural Resource Committee Subcommittee on Energy and Mineral Resources. Congressman Stauber has already introduced legislation this Congress protecting mineral production, and is eager to reintroduce tax, expensing, and permitting reforms to encourage domestic mining. Representing part of the iron range in Minnesota, Congressman Stauber regularly includes domestic mining production as part of his legislative agenda in Congress.

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## Coal AML Hearing and Reauthorization

In conjunction with the House Natural Resources Energy and Mineral Resources Subcommittee “Restoring Abandoned Mine Lands, Local Economies, and the Environment” hearing on [Thursday, March 18](#), Representative Liz Cheney (R-Wyo.) is planning to introduce legislation to reduce fees levied under the Surface Mining Control and Reclamation Act of 1977 on each ton of domestically produced coal by 40 percent for surface, underground and lignite mining.

Originally created in 1977, the fee is set to expire on September 30, 2021. The bill reauthorizes fee collection for seven years, until September 30, 2028, to allow lawmakers and stakeholders to review and revise the program more frequently as industry conditions change. Since the fee was last reauthorized in 2006, U.S. coal production has fallen by 53

percent. The bill will reduce the per ton tax on surface-mined coal from 28 cents to 17 cents, underground coal from 12 cents to 7 cents, and lignite coal from 8 cents to 5 cents.

Similar to the legislation introduced last Congress by Sen. John Barrasso (R.-Wyo.), the bill is projected to accelerate reclamation grants to pay down the \$2.2 billion AML fund balance to uncertified states, exempts AML grants from sequestration and releases \$150 million in sequestered funds since fiscal year 2013 to certified and uncertified states, increases Mineral Leasing Act revenue sharing from 50 percent of the amount received to 60 percent, and provides for the delegation of emergency AML programs to states.

The bill includes language from “The Community Reclamation Partnerships Act” to expand protections to non-governmental organizations who participate in cleaning and re-purposing AML sites. It also requires the Department of Interior (DOI) to conduct three separate studies on technological innovations for use in the AML program to improve reclamation and reduce costs, identify opportunities to reduce costs within the AML program, and an additional audit of the Appalachian AML Economic Development Grants pilot program. Over the last five years, the pilot has received \$655 million to accelerate the reclamation of abandoned mine lands and other related activities for economic and community development in Appalachia and to federally recognized Indian Tribes.

The NMA will continue to advocate for AML reauthorization efforts in both the House and Senate that support the industry objectives.

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## **NMA Engages with the Biden-Harris Administration**

As the administration settles in, the NMA has been lining up meetings to continue to build relationships and ensure key agencies understand the industry’s priorities.

### **EPA, DOE, MSHA**

The NMA met recently with the U.S. Environmental Protection Agency (EPA) to highlight the association’s water priorities including retention of the waste treatment exclusion from

the definition of waters of the U.S. The NMA also had the opportunity to discuss synergies with Jennifer Wilcox, the principal deputy assistant secretary for fossil energy at DOE and five other members of her team. Ms. Wilcox is the highest-ranking political appointee over not only traditional fossil fuel issues but the new DOE lending program for mineral production and the new DOE Minerals Sustainability Division. One outcome of that dialogue was NMA's submission of [comments](#) in response to DOE's recent Request for Information on Critical Minerals Sustainability.

More recently, the NMA met with the Mine Safety and Health Administration (MSHA) in advance of the release of its new COVID [guidance](#). Notably, the guidance does not impose an emergency temporary standard to address COVID at mine sites. Additionally, in the coming weeks, the NMA will be participating in a series of U.S. Army Corps of Engineers [sessions](#) to provide input and recommendations for implementation guidance on any provisions in the Water Resources Development Act of 2020.

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## Rep. Haaland Confirmed as Secretary of the Interior

On Monday, the Senate voted to confirm Rep. Debra Haaland (D-N.Mex.) to be the next Secretary of DOI. Floor proceedings leading up to the confirmation vote were drawn out as a result of two separate holds from Senators Steve Daines (R-Mont.) and Cynthia Lummis (R-Wyo.). Rep. Haaland was confirmed by a [vote of 51 to 40](#) with four Republicans voting in support.

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## Western Caucus Bicameral 30 x 30 Letter Sent to President



On Tuesday, 64 members of the House and Senate [expressed strong concern](#) regarding the Biden Administration's goal to conserve at least 30 percent of U.S. lands and waters by 2030 (30 by 30), as established in a recent [Executive Order](#) (EO). The letter, originally drafted by the NMA and circulated by the Western Caucus, argues that information provided on the 30 by 30 plan is woefully inadequate and that the Western U.S. will be disproportionately impacted should the administration move forward on the plan. The letter further requests a detailed briefing for the signers of the letter on the plan within 60 days, or March 28, of the signing of the EO.

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## Senate Energy Committee Focuses on Mineral Supply for Transportation Technologies

Yesterday, the Senate Committee on Energy and Natural Resources held a hearing on "[Transportation Technologies](#)" to inform upcoming infrastructure legislation and how to best support battery development and recycling, the infrastructure needed to support alternative zero-carbon fuels such as hydrogen, critical materials supply chains, and supporting them with good paying domestic jobs. Witness testimony was given by experts at DOE, Cummins, the United Nations, Toyota, and domestic battery manufacturer Clarios.

The hearing focused mainly on research and development to recycle and reuse an expected 2 million metric tons of lithium-ion electric vehicle batteries in the U.S. that are nearing end-of-life use in the next 20 years. Senator Mark Kelly (D-Ariz.) asked Kelly Speakes-Backman, Principal Deputy Assistant Secretary and Acting Assistant Secretary, Energy Efficiency and Renewable Energy at DOE, if this capability will come to fruition anytime soon to supplant the need to develop domestic minerals reserve. She said that

growing the domestic EV industry will require a secure and resilient domestic supply chain, “from minerals to markets,” and that the DOE is “leading the way to reduce U.S. dependence on imported critical materials like lithium, nickel, graphite, and cobalt by reducing the amount of these materials needed for battery production, developing substitute materials, improving reuse and recycling, and exploring domestic sources that can be developed in an environmentally responsible manner.”

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## House GOP E&C Release Energy Plan in Advance of First CLEAN Future Act Hearing

Republican members on the House Energy and Commerce Committee Monday unveiled their plan to secure America’s energy future and global competitive edge. According to their [release](#), this [package of individual bills](#) will address climate change risks and spur the development and deployment of clean energy infrastructure and promote an all-the-above energy strategy.

The plan focuses on several areas including innovation, construction and manufacturing. The package includes the following bills of interest to mining members:

- H.R. 1599, Securing America’s Critical Minerals Supply Act (Rep. Fred Upton, R-Mich.), amends the DOE Organization Act to secure the supply of critical energy resources, including critical minerals and other materials.
- H.R. 1761, the Carbon Capture, Utilization and Storage (CCUS) Innovation Act (Rep. David McKinley, R-W.Va.), promotes the development of innovative carbon capture, utilization, and storage projects through the DOE loan guarantee program.
- H.R. 245, New Source Review Permitting Improvement Act (Rep. Morgan Griffith, R-Va.), provides regulatory certainty and encourages investment, particularly in emissions reducing upgrades, by reforming the New Source Review (NSR)

program for industrial facilities and power plants to clarify when facility upgrades require permits.

The release occurs in advance of the committee's first hearing on H.R. 1512, the "CLEAN Future Act" on Thursday, March 18, 2021, at 11 a.m. (EDT). The hearing is entitled, "The CLEAN Future Act: Industrial Climate Policies to Create Jobs and Support Working Communities." The hearing is the first in the series to cover areas of jurisdiction within the nearly 1,000-page bill.

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## **Bipartisan CCUS Bills Introduced in House and Senate**

Senators John Hoeven (R-N.Dak.) and Tina Smith (D-Minn.) and Rep. David McKinley (R-W.Va.) last week reintroduced the "Carbon Capture Modernization Act", as bicameral, bipartisan legislation to modernize the Section 48A tax credit for coal facilities to better support the use of CCUS technology.

This legislation would modernize the Section 48A tax credit's requirements to make it easier for businesses to receive the tax credit based on the capabilities of existing technology. This will help promote the adoption of CCUS and reduce emissions. The Section 48A tax credit was first established in 2005, and carbon capture projects were made eligible in 2008; however, updates to the credit are needed to help make CCUS retrofit projects eligible for the tax credit. The full bill text and a summary of the legislation can be found [here](#) and [here](#), respectively.

In addition to Sens. Hoeven and Smith, the legislation introduced in the Senate is cosponsored by Senators Kevin Cramer (R-N.Dak.), Joe Manchin (D-W.Va.), John Barrasso (R-Wyo.), Jon Tester (D-Mont.), Steve Daines (R-Mont.) and Shelley Moore Capito (R-W.Va.). In addition to Rep. McKinley, the House legislation is cosponsored by Representatives Terri Sewell (D-Ala.), Kelly Armstrong (R-N.Dak.), Liz Cheney (R-Wyo.), Alex Mooney (R-W.Va.), Pete Stauber (R-Minn.), Marc Veasey (D-Texas) and Carol Miller (R-W.Va.).

Later today, Sens. Chris Coons (D-Del.) and Bill Cassidy (R-La.) and Reps. Marc Veasey (D-Texas) and McKinley will reintroduce the “Storing CO2 And Lowering Emissions (SCALE) Act” that would invest billions to support the buildout of the infrastructure necessary to transport carbon from where it is captured to where it can be utilized in manufacturing or safely and securely sequestered underground. The SCALE Act would create a new low-interest loan program based on the success of programs to finance highway and water infrastructure projects, establish a carbon capture pilot center, and build on an existing DOE grant program. It would also authorize increased funding to EPA to thoroughly review permit applications in a timely manner for Class VI CO2 storage wells and provide grants for states to establish and operate their own Class VI permitting programs.

Rep. McKinley also introduced the “Carbon Capture, Utilization, and Storage Innovation Act”, otherwise known as the CCUS Innovation Act. This legislation will help develop carbon capture projects by making them eligible for loan guarantees from DOE. DOE’s Loan Guarantee Program funds energy infrastructure projects in the United States. Specifically, the bill clarifies the scope of CCUS projects eligible for loans and expands eligibility to include CCUS infrastructure and pipelines. Cosponsors include Liz Cheney (R-Wyo.), John Curtis (R-Utah), Garret Graves (R-La.), and David Schweikert (R-Ariz.).

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## Congressional Panels Evaluate Corporate Disclosures from Climate Change Risks

Tomorrow, the Senate Banking Committee will hold an oversight hearing titled, “[21st Century Economy](#): Protecting the Financial System from Risks Associated with Climate Change.” This follows a [legislative hearing](#) in the House Financial Services Committee focused in part on newly introduced legislation addressing financial disclosure requirements. Additional Securities and Exchange Commission (SEC) reporting requirements are also proposed in the new [Clean Future Act \(§§853-853\)](#), by Energy and Commerce Committee Chairman Frank Pallone (D-N.J.). Members of Congress are also closely following legislative developments and new developments at SEC. During the

nomination hearing for SEC Commissioner-nominee Gary Gensler, Senators Kevin Cramer (R-N.Dak.) and Cynthia Lummis (R-Wyo.) [joined in a question for the nominee](#) concerning new requirements following statements from the SEC Chairwoman that she plans to expand on reporting requirements.

## NMA Leadership Visits Arch Resources - Leer Mining Complex



Last week, the NMA's President & CEO Rich Nolan, accompanied by Katie Sweeney, Executive Vice President & General Counsel, and Jerry Mullins, Senior Vice President of State Government Affairs and External Relations, recently had the opportunity to visit with Arch Resources CEO & President Paul Lang and other Arch executives at the company's flagship Leer Mining Complex in Grafton, West Virginia. During a tour of the Complex, the NMA team saw the advance longwall system and continuous miner units in action. Aboveground, they learned more about Arch's award-winning safety and environmental practices, as well as the company's plans to expand its metallurgical coal production with the opening of Leer South.

## NMA and Third-Party Voices

The NMA is quoted in [Argus](#), [Bloomberg Government](#) and other reports on AML reauthorization legislation from Reps. Matt Cartwright (D-Pa.) and Glenn Thompson (R-Pa.).

The NMA is mentioned in the [Washington Examiner](#)'s reporting on Canada's green economy push behind its production of critical minerals such as lithium, nickel, cobalt, and rare earth elements.

[Politico](#) and E&E reported that the NMA has hired a former chief of staff to Senator Joe Manchin.

The NMA's support for Sens. John Kennedy (R-La.) and Kevin Cramer's (R-N.Dak.) Fair Access to Banking Act is mentioned in coverage from [The Ouachita Citizen](#).

The NMA is quoted in [E&E Climatewire](#)'s coverage of Swiss Re's plans to stop underwriting insurance companies worldwide that support thermal coal projects by 2040 and a decade sooner in developed countries.

From our third parties, [MSN](#) (USA), [Pottstown Mercury](#) (PA), [Towanda Daily Review](#) (PA), [Exton Daily Local](#) (PA), [Swarthmore Times Herald](#) (PA), [Lansdale Reporter](#) (PA), [Delaware County Daily Times](#) (PA), [Phoenix Reporter and Item](#) (PA), [Mainline Times](#) (PA), [Montgomery News](#) (PA), [Elko Daily Free Press](#) (NV), [Colorado Springs Gazette](#) (CO), [Las Vegas Sun](#) (NV), [St. Joseph News Press](#) (MO), [Miami Valley Today](#) (OH), [Fort Myers News Press](#) (FL) and [Naples Daily News](#) (FL) all ran an op-ed by John Adams, retired Army brigadier general, in which he argues we must support domestic supply chains for essential minerals, including those used in electric vehicles.

[Las Vegas Review-Journal](#) (NV) carries an op-ed by Jaak Daemen, a professor emeritus, mining engineering, at the University of Nevada, Reno, in which he argues that new mining projects face political obstacles which should be removed to address our growing need for

minerals and metals.

[The Eastern New Mexico News](#) (NM) carries an op-ed by Jim Constantopoulos, a geology professor at Eastern New Mexico University, in which he argues we must modernize the mine permitting system in order to support domestic minerals mining.

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## Mining and Energy News

[Wood Mackenzie](#) reported that a mining super-cycle is on the horizon, with significant implications for producers and investors alike.

[E&E News](#) reported that “copper prices reached 10-year highs last month, a rally that analysts say is fueled by economic recovery in China and expectations the red metal will play a central role in the clean energy transition.”

[Wall Street Journal](#) reported that the U.S. is racing to catch up with China on lithium production needed for batteries, and that a company in North Carolina, Piedmont Lithium, is part of the solution.

[The Wall Street Journal](#) reported lithium prices are surging, sparking concerns about limited supplies of the battery metal that is crucial to the electric-vehicle boom.

[Mining.com](#) reported on Tesla’s recent success with use of lithium-iron-phosphate batteries over nickel cobalt manganese and nickel cobalt aluminum batteries.

U.S. Energy Information Administration (EIA) reported annual U.S. coal exports [dropped 26 percent](#) between 2019 and 2020.

[EIA’s March Short-term Outlook](#) shows an upward adjustment in coal-based power consumption to account for the extreme cold weather in February that drove up coal burn in parts of the country.

EIA also lowered its 2021 coal production forecast, but the forecast remained [7.8 percent higher](#) than last year.

Argus Media reported on Association of American Railroads [data](#) showing U.S. railroads moved more coal last week than any other period this year as carriers caught up on February shipment delays.



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