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# MINE Update

MINING INDUSTRY NEWS E-COMM UPDATE

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## This Week in The News

With Congress in recess for Easter and Passover, the White House moved forward with [major initiatives](#) including splitting an expected \$3 trillion infrastructure proposal into two parts and planning a virtual international climate summit for late April. 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 U.S. Department of Labor announced availability of \$10.5 million for [mine safety training grants](#). The funding will provide training and retraining of miners and mine operators working at surface and underground coal, metal and nonmetal mines.

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## President Biden's Infrastructure, Jobs and Tax Proposal Announced



Today, the White House held its first outreach session to multiple sectors of the economy including the mining industry. White House Office of Public Engagement Director Cedric Richmond and National Economic Council Director Brian Deese briefed participants on the key components of the plan. Also today, President Joe Biden traveled to Pittsburgh to [unveil his infrastructure and jobs initiative](#). The plan is estimated to cost \$2 trillion over the next 10 years. Principal components of the initiative include hundreds of billions of dollars for the traditional infrastructure of roads, bridges, waterways, rail, and transit; the broad initiative also provides hundreds of billions for veterans' centers, commercial and residential energy retrofits, and schools.

The initiative includes \$100 billion for electricity transmission line build outs, extension of the investment tax credits and production tax credits for renewable energy generation and

storage for reportedly 10 years, and calls for an energy efficiency and clean electricity standard. The initiative also provides \$16 billion for oil and gas well as well as coal, hardrock, and uranium mine reclamation.

The initiative promotes new research and development on emissions reductions at the U.S. Department of Energy (DOE) and highlights carbon sequestration tax credits like 45Q and the newly introduced *Storing CO2 and Lowering Emissions (SCALE) Act* to incentivize lending for carbon dioxide pipeline construction.

The initiative includes a Made-in-America Tax Plan to raise \$2 trillion over the next 15 years taking steps to incentivize reshoring, calling for the largest federal corporate tax increase since 1993, raising rates to 28% and reimposing industry payments to the Superfund Trust Fund which expired in 1995, among other changes.

Capitol Hill Republicans including the lead Republican member of the House Transportation and Infrastructure Committee [have already come out strongly opposed](#) to the initiative saying, “Thankfully, it’s Congress’ job to write legislation and not the Administration’s.”

This is the beginning of a process involving multiple congressional committees to attempt to move the President’s initiative, and as expected, one of the first procedures to do that is through another reconciliation legislation process.

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## **NMA Hosts Senator Hickenlooper's (D-Colo.) Chief of Staff**



Kirtan Mehta, chief of staff for Senator John Hickenlooper, joined the NMA’s special Government Affairs Committee call this morning. Kirtan has previously worked in state and federal roles, directing the Washington office for New Jersey Governor Phil Murphy and working as Senator Joe Manchin’s (D-W.Va.) legislative director and chief counsel in addition to roles in the financial sector including as senior vice president for the American Banking Association. Kirtan introduced himself and some of Senator Hickenlooper’s priorities for this Congress to an audience of nearly 50 NMA member companies. He received multiple invitations on the spot to visit our member companies’ operations in Colorado. NMA’s government affairs team will continue to build our bipartisan relationships on both sides of Capitol Hill as Congress begins the process of moving major infrastructure and tax legislation.

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## NMA-Supported Bipartisan CCUS Tax Credit Amendment Act Introduced in Senate

U.S. Senators Tina Smith (D-Minn.) and Shelley Moore Capito (R-W.Va.) last week introduced the NMA-backed S. 986, *Carbon Capture Utilization and Storage (CCUS) Tax Credit Amendments Act*. Working with the Carbon Capture Coalition, this bipartisan legislation will reduce greenhouse gas emissions by making tax credits that encourage

carbon capture projects more available and easier to use. The bill extends 45Q until 2030 and revises 48A credit to make it work for CCUS retrofits. It establishes a direct pay option for the 45Q and 48A tax credits. Additionally, this bill includes modifications to the 48A tax credit aligned with the recent *Carbon Capture Modernization Act*. This section of the bill updates the thermal efficiency and capture efficiency requirements for advanced coal CCUS retrofit projects to make it technically feasible to access these credits. A summary of the bill is provided [here](#) and full text of the bill is [here](#).

A copy of the Carbon Capture Coalition's press release including a statement from NMA President and CEO Rich Nolan is available [here](#).

Bill endorsements include: United Steelworkers, Utility Workers Union of America, The Nature Conservancy, Clean Air Task Force, C2ES, Bipartisan Policy Center Action, Growth Energy, Carbon Capture Coalition, Carbon Utilization Research Council, National Rural Electric Cooperative Association, National Wildlife Federation, World Resources Institute, Prairie State Generating Company, National Mining Association, Lanza Tech, Svante Inc., Occidental, Citizens for Responsible Energy Solutions, ClearPath Action, Third Way, Calpine, Summit Agricultural Group, Portland Cement Association, and Carbon Engineering.

The legislation is also supported by Senators Sheldon Whitehouse (D-R.I.), Kevin Cramer (R-N.Dak.), Brian Schatz (D-Hawaii), John Hoeven (R-N.Dak.), Joe Manchin (D-W.Va.), John Barrasso (R-Wyo.), Chris Coons (D-Del.), Chuck Grassley (R-Iowa), Ben Ray Lujan (D-N.Mex.) and Joni Ernst (R-Iowa). The NMA continues to work with allies and coalitions to build support and momentum for our priorities in Congress.

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## **Court Affirms MSHA Revocation of Mine Ventilation Plan was Arbitrary and Capricious**

In a [welcome decision](#), the United States Court of Appeals for the District of Columbia Circuit last week denied a petition from the Secretary of Labor to review a Federal Mine

Safety and Health Review Commission decision that the Secretary had arbitrarily revoked a ventilation and dust control plan. In a shocking declaration, the decision explicitly states that the Mine Safety and Health Administration (MSHA) improperly relied on its bias against perimeter mining in revoking the plan. This is an important decision for all underground coal mines that take perimeter cuts in retreat mining and where MSHA has issued enforcement actions and/or revoked ventilation plans (or any statutorily mandated mine plan) due to agency preference. See the NMA's [March 30 memorandum](#) for more detailed information about the decision.

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## NMA Member Scott Melbye Testifies Before Congress on Uranium



Last week the Senate Committee on Energy and Natural Resources hearing on “Nuclear Energy” explored the benefits of advanced nuclear reactor technologies and the regulatory and legislative mechanisms to increase investment in research and development of the domestic uranium supply chain. Both witnesses and members were unanimous in their agreement that safe, advanced nuclear energy is essential for a clean energy future, national security, and U.S. diplomacy.

In [testimony](#), NMA member Scott Melbye, President of Uranium Producers of America and Executive Vice President of Uranium Energy Corporation, described uranium's role in fueling defense resources and said this reason alone is "the pure essence of what it means to be a critical mineral." Melbye said that Congress should appropriate \$150 million in annual funding over the next ten years to the DOE strategic uranium reserve, as requested in DOE's 2021 budget request, to "preserve the industrial base, create a fuel reserve to guard against global supply disruptions, and create a source of U.S.- origin uranium for future defense needs."

Of note, Senator Joe Manchin (D-W.Va.) criticized efforts to reduce emissions using only renewable energy as "aspirational" and said an all-the-above energy mindset would provide reliable, clean and affordable baseload energy, support national security, and enable U.S. energy leadership abroad. Senator John Barrasso (R-Wyo.) said that our near complete reliance on foreign producers for uranium must end by preventing further closures of nuclear reactors. He called for continued progress to be made in advanced nuclear reactor research and development, permitting efficiency, and to begin purchasing domestic uranium for the DOE strategic uranium reserve this year. Sen. Manchin said legislation is needed to correct energy markets short-term focus on capacity needs that do not factor in nuclear plants' competitive ability to amortize capital costs over decades-long lifetimes. The NMA's full summary of the hearing can be found [here](#).

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## Chairman Grijalva Targets Hardrock Mining for Further Regulation

Last Friday, a Democratic member of the House Natural Resources Committee made us aware of [a letter that full committee](#) Chairman Raul Grijalva (D-Ariz.) and subcommittee Chairman Alan Lowenthal (D-Calif.) are circulating. The letter authored by Earthjustice requests Department of the Interior (DOI) Secretary Deb Haaland and Department of Agriculture (USDA) Tom Vilsack to undertake a number of reviews for further regulation of the mining industry. The NMA is conducting extensive bipartisan outreach on Capitol Hill concerning mining law and mining regulation including sessions with Chairman Grijalva's

staff. The NMA has also conducted outreach to key members of the House Democratic Caucus urging them to consider not joining this letter. However, the letter is only another demonstration that mining law and mining regulation are very relevant to congressional legislation and the attention of the administration despite the importance of minerals to a variety of new technologies which further the Biden-Harris administration's electrification goals. The NMA will continue congressional and administration outreach to promote our alternatives to some congressional and administration regulatory proposals.

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## Senator Smith Urges Mineral Withdrawal and Study in Northern Minn.



On Friday, March 26, Senator Tina Smith (D-Minn.) [wrote](#) to USDA Secretary Vilsack and DOI Secretary Haaland urging them to restart a mineral segregation and withdrawal process to study copper-nickel sulfide ore mining in the Rainy River Watershed in northeastern Minnesota for potential environmental impacts. The request is directed at the Twin Metals Minnesota (TMM) Project, which faced significant challenges during the Obama Administration, including the cancelation of two long-standing lease renewals and the initiation of a mineral withdrawal on top of the deposit mere days before President

Trump was sworn into office. As part of the 2017 proposed withdrawal, the Forest Service began an environmental assessment to study the effects of a proposed withdrawal on the Superior National Forest. The study was canceled, and the withdrawal rescinded, in October 2019 by President Trump.

In response to Senator Smith's request to the administration, TMM put out the following [press release](#) stating that "the only way to accurately assess the potential impacts of a mining project and its surroundings is through this rigorous, law- and science-based regulatory review process." They further argued that the nonspecific study called for by Senator Smith erodes trust in the regulatory system and chills investment. Instead, DOI and the USDA should use TMM's existing mining proposal to review the project for any potential impacts.

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## NMA and Third-Party Voices

[The Wheeling Intelligencer](#) (W.Va.) carries an op-ed by Rich Nolan in which he argues coal mining is necessary for the infrastructure projects America needs.

[S&P Global](#) quotes Rich Nolan in a report on how U.S. energy producers are aiming to have key industry priorities addressed as President Joe Biden and congressional lawmakers work to draft massive legislation to upgrade the country's aging infrastructure.

The NMA is mentioned in an [Inside EPA](#) report that the Senate Environment and Public Works Committee March 24 approved President Joe Biden's nominations of Brenda Mallory to head the White House Council on Environmental Quality and Janet McCabe to be EPA deputy administrator by slim margins, clearing the way for floor votes.

The [Atlantic Council](#) quotes NMA statistics in an article on how future energy tech will require more minerals and a focus on supply chains from Africa.

In third-party news, the [Pottstown Mercury](#) (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.), [Towanda Daily Review](#) (Pa.), [Elko Daily Free Press](#) (Nev.), [Wichita Falls Times Record News](#) (Tex.), [St. Joseph News Press](#) (Mo.), [Salem News](#) (Ohio), [Lisbon Morning Journal](#) (Ohio) and [East Liverpool Review](#) (Ohio) all ran an op-ed by Michael Stumo, the CEO of the Coalition for a Prosperous America, in which he writes that a semiconductor shortage highlights the need to reshore U.S. production and the mineral supply chains that support critical U.S. industries.

The [Concord Monitor](#) (N.H.) and [Valley News](#) (N.H.) carry an op-ed by Howard Shaffer, a retired nuclear engineer, in which he argues we must improve the permitting process for minerals production.

[Washington Examiner](#) (D.C.) carries an op-ed by Mark Perry, a professor of economics at the Flint campus of the University of Michigan and a scholar at the American Enterprise Institute, in which he argues energy policy must value coal capacity to support renewable energy on the grid.

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## Mining and Energy News

Moody's Investors Service forecasted the global metals and mining industry's earnings will [increase by about 30 percent](#) through the first quarter of 2022.

[Mining.com reported](#) that mining profits reached US\$230 billion a year, topped only by oil & gas, and pharma.

[Mining.com](#) reported the U.S. and Canada are working to integrate supply chains for critical minerals.

[S&P Global](#) reported that U.S. coal default risk is down in 2021, but raising capital is still a challenge.

[The International Copper Study Group](#)'s recent preliminary data that world copper mine

production remained essentially unchanged 2020, with concentrate production increasing by 0.4% and solvent extraction-electrowinning declining by about 2%.

[Argus](#) reported U.S. coal-fired power plants are positioned to make greater profits selling generation into wholesale markets this summer amid higher power prices and expectations of increased electricity demand.

[Argus Media \(subscription, 3-25-21\) reported](#) on the Energy Information Administration electricity [data](#) showing coal generation surged 26% in January.

Moody's Investor Services forecasted [improved profitability](#) for thermal coal producers in 2021.



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