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MINE Update

MINING INDUSTRY NEWS E-COMM UPDATE

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This Week in The News

House members returned and, following contentious debate among the Democratic Caucus, voted to move forward on a budget process that could allow for filibuster-free consideration of a \$3.5 trillion social infrastructure and tax package. The vote also set up a House vote on the Senate's recently passed infrastructure package no later than Sept. 27. 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 the mining and energy markets are faring.

Safety Share

The Mayo Clinic published safety tips for [returning to school](#) during COVID-19.

Nevada Tour and Hardrock Briefings for Sen. Cortez Masto and Manchin Energy Staff



This week Sen. Catherine Cortez Masto (D-Nev.), chairwoman of the Senate Subcommittee on Public Lands, Forests and Mining, and Chairman Joe Manchin's (D-W.Va) staff director and hardrock mining staff for the Senate's Energy and Natural Resources Committee received briefings from NMA member companies and the Nevada Mining Association in Reno and toured Nevada Gold Mine operations in Elko, Nevada. The briefing discussions centered on hardrock mining, answering staff questions, and allowing member companies to provide real world examples of mining projects, reclamation work, stakeholder support and outreach, and permitting timing, especially on federal lands. The timing of the trip comes as Congress turns to legislation considered through the budget reconciliation process as well as further House and Senate legislative priorities for later this year and next. Discussions also centered on progress made in the Senate-passed infrastructure bill to encourage mineral production, reauthorization of the Federal Permitting Improvement Steering Council, and a new permitting review within Department of the Interior. Sen. Cortez Masto was especially interested in the example from Nevada

regarding federal and state permitting. A link to a graphic of that process may be found [here](#). Despite some positive initial steps on permitting efficiencies in the infrastructure bill, Sen. Cortez Masto is already expressing interest in the next steps to further improve the process. The NMA appreciates the work Barrick and the Nevada Mining Association did to make this trip such a success and to work hand-in-hand with Sen. Cortez Masto, Senator Manchin and others on mining issues in the reconciliation legislation this fall.

Drama in the House, What it Means for the Senate Infrastructure Bill and What's Next

This week, the House of Representatives convened to pass a [rule](#) to govern floor debate for [S. Con. Res. 14](#), the Senate-passed \$3.5 trillion congressional budget resolution that starts the budget reconciliation process and [Senate Amendment to H.R. 3684](#), which is the Senate-passed infrastructure bill. The rule passed the House by a party-line vote of 220 to 212. Significantly, the rule, which was subject to much negotiation, requires the House to consider the Senate infrastructure bill by Sept. 27, allowing it to be signed by the President ahead of the Sept. 30 deadline. Additionally, the rule strongly indicates that the House may not amend the Senate infrastructure bill further. The Sept. 27 vote will be to simply approve the Senate-passed bill and send it to the President for signature.

The Senate will return the week after Labor Day. The House will return for floor votes the week of Sept. 20, but all eyes will be on the emerging reconciliation bills coming from all congressional committees on the House and Senate sides beginning negotiations on a wide variety of issues affecting the mining industry.

Bipartisan Critical Materials Caucus Introduces Rare Earth Magnet Tax Credit



On August 10, Critical Materials Caucus Co-chairs Eric Swalwell (D-Calif.) and Guy Reschenthaler (R-Pa.) introduced the Rare Earth Magnet Manufacturing Production Tax Credit Act ([H.R. 5033](#)) to support the domestic production of Rare Earth Magnets (REM). The bill would address the growing demand for REMs in everything from electronics to motors for wind turbines and electric vehicles, and support their domestic production. Specifically, the bill would amend the tax code to provide targeted incentives to encourage and accelerate developments in domestic manufacturing. The bill provides a \$20.00 per kilogram Production Tax Credit (PTC) for magnets manufactured in the U.S. and a \$30.00 per kilogram PTC for magnets that are *both* manufactured in the U.S. and for which all component rare earth material is produced wholly within the United States. Eligibility for the PTCs excludes any magnets that include component materials produced in non-allied foreign nations which include China, Iran, North Korea and Russia. The PTCs are phased out on a sliding percentage beginning on December 31, 2030, and ending after Dec. 31, 2033. The NMA will continue working with Reps. Swalwell and Reschenthaler, as well as other members of the Critical Materials Caucus, to support domestic critical mineral supply chains and help grow our economic and national security.

Senate Finance Committee Chairman Unveils Draft International Tax Changes

Wednesday morning Senate Finance Committee Chair Ron Wyden (D-Ore.) and fellow committee members Sherrod Brown (D-Ohio) and Mark R. Warner (D-Va.) released a draft of their proposed overhaul of the international tax regime. The [draft bill](#) expands on the international tax framework the three senators outlined earlier this year. Unlike a proposal from President Biden that would more broadly roll back the international tax provisions from the 2017 Tax Cuts and Jobs Act (TCJA), the Senate Finance Democrats said their bill would retain the basic architecture of the 2017 law while “ensuring mega-corporations pay their fair share.” According to the released [section by section summary](#), the draft bill would overhaul the TCJA’s global intangible low-taxed income regime, foreign-derived intangible income regime, and base erosion and anti-abuse tax. The proposal would raise the global intangible low-taxed income (GILTI) tax rate and move to a country-by-country system that would exclude income from countries where it is already taxed at a higher rate than the GILTI rate while subjecting income in lower-tax countries to GILTI taxation. The NMA will be developing comments on the draft bill for committee staff to review.

New NMA Polling from Morning Consult



The NMA this week released two polls conducted by Morning Consult on key issues for our members: [strengthening our domestic supply chains for minerals](#) and [grid reliability](#).

The [first poll](#) found that, as part of the current focus on infrastructure, 84 percent of Americans feel it is important that the raw materials required for our nation's bridges, roads, water and energy systems are sourced domestically. The same number of Americans also said that any "Made in America" agenda aimed at rebuilding the nation's manufacturing sector and bringing critical industries and jobs home from overseas should also use materials sourced from the U.S.

The [second poll](#) looked at American attitudes around the energy transition. Seventy-two percent of Americans are concerned that the speed of the transition to variable sources of power is coming at the cost of grid reliability. Within the energy transition, 63 percent of Americans believe that policymakers should proceed with caution and maintain traditional sources of power as a grid reliability insurance policy. And when considering the threat of cyberattacks, 60 percent of Americans support policymakers providing a fuel security incentive to power plants that keep weeks or even months of fuel on site, such as coal and nuclear power plants.

Register Now for NMA Fall Board Meeting

After two years apart, we are looking forward to seeing you in-person at the NMA Fall Board of Directors and Annual Members Meeting, held in conjunction with MINExpo INTERNATIONAL® 2021, in Las Vegas, Nev. The meeting will be held at the Wynn Las Vegas on Sunday, Sept. 12, 2021. The program will begin with keynote speaker Charlie Cook at 1 p.m., immediately followed by the Board of Directors and Annual Members Meeting. As in the past, there will not be CEO breakout sessions or a Manufacturers and Service Board of Governors meeting.

Your health and safety are our top priority. The Centers for Disease Control, in line with Nevada state and local health protocols, now recommend masks be worn indoors for all participants at indoor meetings. Such is the case for the NMA board meeting. Moreover, they continue to recommend that participants be fully vaccinated.

We hope that you will stay in Las Vegas after the Board Meeting to attend MINExpo INTERNATIONAL® 2021. NMA producer and resource developer members may register at no cost, but please be sure to use your company email address when registering to ensure fees are waived. Register for the [NMA Board Meeting](#) and visit the [MINExpo website](#) to register for MINExpo INTERNATIONAL® 2021.



NMA and Third-Party Voices

The [Northwest Indiana Times](#) (Ind.) carries an op-ed from Rich Nolan, in which he argues the U.S. can lead the EV revolution but it won't happen if we supercharge domestic mineral demand while failing to ramp up U.S. mineral production.

[Creamer Media's Mining Weekly](#) quotes Rich Nolan in its report that electric vehicles (EVs) are the frontrunners for the future of sustainable transportation.

The [Associated Press](#), [PBS](#), [The Washington Post](#), [Enid News & Eagle](#), [The Colorado Sun](#), [MarketWatch](#), [St. Joseph News Press Now](#), [Oil Price.com](#), and [Courthouse News Service](#) all quote the NMA in their coverage of the U.S.

government review of coal leasing on public lands as the Biden administration expands its scrutiny of government fossil fuel sales that contribute to greenhouse gas emissions.

[E&E Daily](#) quotes the NMA in its coverage of the news that Congress is on the verge of making a historic investment in mining communities through the cleanup of abandoned mines while also cutting the coal industry some slack.

[S&P Global](#) quotes the NMA in its coverage of a potential land withdrawal to protect the sage-grouse.

From our third parties, [The Providence Journal](#) (R.I.) carries an op-ed by Mackubin Owens, a senior fellow of the Foreign Policy Research Institute, in which he argues that industrial policy to support essential industries, such as critical minerals production, is an overdue recognition of the limited ability of the market to address America's strategic vulnerabilities.

And [The Washington Times](#) (D.C.) carries an op-ed from William Shughart, research director of the Independent Institute, Oakland, Calif., and the J. Fish Smith Professor in Public Choice at Utah State University's Huntsman School of Business, in which he argues that President Biden's energy policies are threatening the affordability of the nation's energy supply and our grid reliability.

Mining and Energy News

[Bloomberg](#) reported that EV makers are looking at inking deals with miners to get direct access to battery materials supply chains.

[The Las Vegas Review-Journal](#) carried an editorial pointing out that despite the alarm over climate change, environmentalists have become the biggest barriers to producing the minerals for EVs and other clean energy technologies.

[The Hill](#) carried an op-ed from Jordy Lee and Morgan Brazilian, from the Colorado School

of Mines, arguing that if the U.S. wants to take direct action to fight climate change, then it will need the mining and metals industry.

[EIA's recent Uranium Production Quarterly report](#) shows that during the second quarter of 2021, three U.S. uranium facilities produced uranium, the same number as in the first quarter of 2021.

[The Department of Energy announced](#) the selection of six projects in which it is investing nearly \$1 billion to create a sustainable supply chain of critical minerals.

[The International Copper Study Group's preliminary data for May 2021](#) indicates that world copper mine production increased by 4.8 percent over the first five months of 2021, with concentrate production increasing by around 6.5 percent and solvent extraction-electrowinning (SX-EW) declining by about 2 percent.

[The World Steel Association's](#) data for July shows world crude steel production was 161.7 million metric tons (Mt) in July 2021, a 3.3 percent increase compared to July 2020.

[NPR](#) reported that mining companies are struggling to hire miners, particularly critical minerals mine workers.

CNBC published: "How [one rare earth mine](#) could change the U.S.'s dependence on China."

[Argus Media reported](#) that industry leaders believe U.S. coal exports may remain robust through at least the end of the year and possibly into next year. And [S&P Global](#) reported that the amount of coal shipped from U.S. shores rose during the second quarter, buoyed by robust demand from international markets, particularly in Asia.

[Argus](#) reported that U.S. coal production is outpacing 2020 third quarter levels but continues to lag 2019 output. Argus also reported on EIA data showing hourly electricity demand reaching a [record high](#) across most of the U.S. on August 12.

[S&P Global](#) reported that Powder River Basin coal production increased 26.6 percent in

the second quarter due to higher demand.

[CNBC](#) reported that soaring global coal demand resulted in a thermal coal price jump of 106 percent this year.

[Powder River Basin coal train loadings fell to a 10-week low](#), dragging down the U.S. average by 1.3 percent to 78 trains per day.

Uinta Basin coal production [increased](#) in the second quarter.

BTU Analytics wrote about “Europe’s [gas-to-coal conundrum](#).”

National Public Utilities Council published an infographic summarizing U.S. [coal plant closures](#).

North American Electric Reliability Corporation reported “operator-initiated firm load shedding” has [reached new highs](#).



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