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MINE Update
MINING INDUSTRY NEWS E-COMM UPDATE

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The World's Largest Mining Show Returns to Las Vegas!

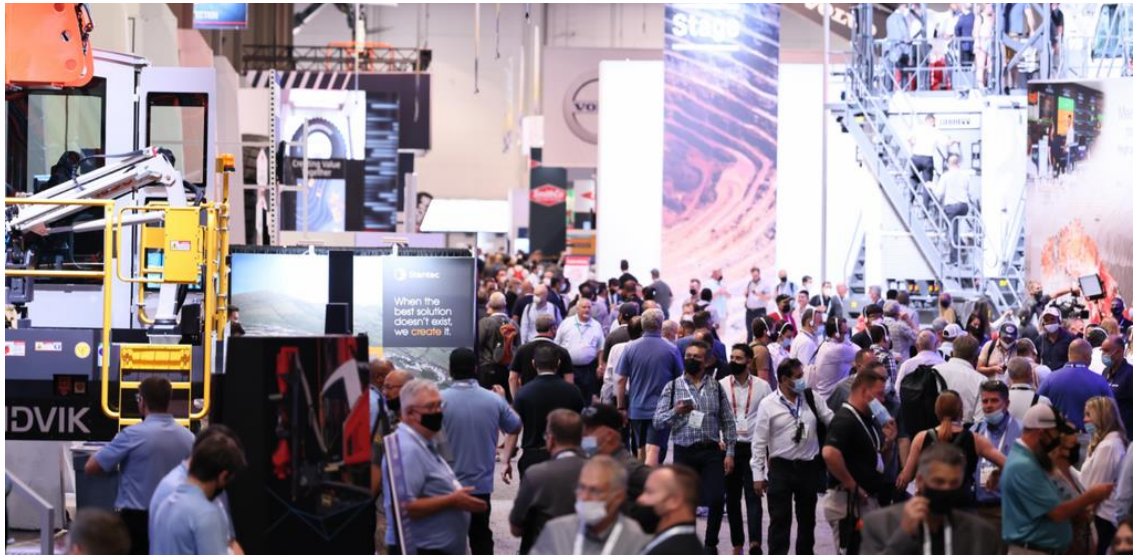
After a five-year hiatus, MINExpo INTERNATIONAL® was back this week in Las Vegas and it has been a remarkable show for all attendees, exhibitors and the National Mining Association (NMA), which organizes and sponsors the show. Chaired by Komatsu Mining's Jeff Dawes, MINExpo®2021 welcomed more than 1,300 exhibitors and 21,000 registrants from 80 countries. For a glimpse of the show's first day, watch a video from the floor and around the show [here](#).

Spanning space equal to that of 10 football fields, show participants had the opportunity to see our industry's best: from groundbreaking equipment, technologies and solutions, to the industry leaders from around the globe who gathered at the show to share their expertise.

Given the impact of the COVID-19 pandemic, the team went to great lengths to safeguard all participants, including strictly upholding the mask mandate that is in place in Clark County; adhering to the guidance of the CDC, state and local authorities, as well as the Las Vegas Convention Center; and implementing additional protocols above and beyond what health experts have recommended. MINExpo also included on-site COVID testing and, to show our industry's unwavering support and advocacy for widespread vaccination, there was an area where individuals could receive a supplemental booster or could either start or complete their vaccination process.







Day 1 of MINExpo® had so many great moments -- here's a video recap of the day:



Nev. Gov. Sisolak Kicks-off the Show with Ribbon Cutting

The show began with a ribbon cutting ceremony outside the Convention Center, and featured remarks from [Nevada Gov. Steve Sisolak](#), NMA Chairman and CONSOL President and CEO Jimmy Brock, MINExpo Chairman and Komatsu Mining President and CEO Jeff Dawes, and Barrick Gold President and CEO Mark Bristow.





Leaders Dig into Hot Topics at Opening Session

Featuring leaders from across our industry, MINE expo's Opening Session discussion covered a wide range of topics that are on the minds of industry observers, leaders and media. Moderated by journalist A.B. Stoddard, featured speakers included: Mark Bristow, President and CEO, Barrick Gold Corporation; Jimmy A. Brock, President and CEO, CONSOL Energy; Jeffrey Dawes, President and CEO, Komatsu Mining Corp.; Denise C. Johnson, Group President for Resource Industries, Caterpillar Inc.; and Paul A. Lang, President and CEO, Arch Resources, Inc. A recording of the full video is available [here](#).

The discussion, which was livestreamed and open to the public, included the panel's thoughts on post-pandemic lessons learned, Environmental, Social and Governance (ESG) and climate, challenges associated with recruiting talent for the future, diversity and inclusion, technology breakthroughs for the future, and safety.

The dominant theme was a celebration of the great technologies on display at the show. As Mark Bristow said, "What we're seeing here today is the ability for this country to lead the world in technology and innovation." Jimmy Brock highlighted how that reality is often in conflict with dated perceptions of industry, saying, "Most people today still have the

impression that if you go down in a coal mine you're going to see people with pick and shovels. Doesn't happen like that. It's highly technologically advanced... it's so sophisticated, it's like you're running your computer at home." And Paul Lang emphasized the safety and efficiency advantages that accompany today's advancements: "Anybody that's been on a tractor for 12 hours knows how you feel when you get off. You feel a little beat up at times. The ability now to put somebody in a remote station and operate three, four to five tractors just as efficiently or more efficiently, is an amazing change for all of us.... We can also take a person from a place of high risk and eliminate that completely with (remote) technology."

Another key area of focus around the show was ESG. During a discussion of challenges and how industry is overcoming them, Jeff Dawes discussed the new collaborative relationship that exists between the equipment manufacturers and producers, saying, "There has been a marked change in the relationship we have with our customers. We're going from more of a transactional relationship that existed 10, 15, 20 years ago, when we just sold them machines and parts, to now we're collaborating together to solve problems for the future." Reporters took note of the industry's emphasis on ESG in [lead coverage](#).

The panel ended with an in-depth discussion of talent, and how industry will build the next generation of leaders in industry. Denise Johnson commented: "As you look at millennials and what they're looking for, they're really looking for purpose. ...there's no greater purpose than helping the world grow and grow sustainably. So if you can tie to that purpose statement and build on that with an exciting career and you think about how technology is changing with mining, what's happening in the industry, the flexibility that's allowed through the use of technology as we move forward. And it's a pretty exciting future and a really exciting place to be."



Educational Sessions Offer Insight into Best Practices Across Industry

Always a popular aspect of the show, throughout the week MINExpo hosted [educational sessions](#) with speakers from member companies including Barrick Gold, Caterpillar, Coeur, CONSOL, Hecla, Komatsu, NACCO Natural Resources, Newmont, PolyMet Mining, Prairie State Generating Company, Sandvik and Stantec, among others.

The educational sessions provided in-depth discussions on everything from safety and environmental concerns to ESG issues and how to integrate ESG planning into mine site operations. A session on technological advances – many of which were on display on the show floor – provided an interesting view of how today’s innovations help companies accomplish more in terms of safety, environmental responsibility and productivity.











Outstanding Accomplishments Honored with Awards for Safety and Technology

On Tuesday, the NMA presented its Sentinels of Safety Awards and the U.S. National Institute of Occupational Safety and Health's (NIOSH) Mine Safety and Health Technology Innovation Awards to honor outstanding achievements in mine safety and technology. In total, 40 American mining operations – 12 coal mines and 28 mineral/metal mines – received the Sentinels award, and three companies received honors from NIOSH. For a full list of awardees, see the NMA's press release [here](#).





Back in D.C., the Debate over Social Infrastructure Continues as the House Finishes Committee Markups with Provisions Impacting Mining

Even as many in our industry gathered together in Nevada, Congress continued its work on the partisan reconciliation bill in Washington, and members of the NMA Government Affairs team remain engaged on a variety of fronts. This week, the U.S. House of Representatives continued marking up reconciliation bill in a number of committees completing two weeks of moving reconciliation legislation through committee. Two of the committees the NMA is following are Ways and Means and Energy and Commerce.

Key points in the Ways and Means markup include:

- **General corporate tax rate** increase to 26.5 percent (currently 21 percent) for taxable years beginning after December 31, 2021
- **Black Lung Tax** (currently scheduled to expire on December 31, 2021) extend through December 31, 2025

- **Top individual tax rate** increase to 39.6 percent for taxable years beginning after December 31, 2021 (applicable to couples with income over \$450,000 and single taxpayers with income over \$400,000)
- **Individual surcharge** of 3 percent on individual income in excess of \$5 million, for taxable years beginning after December 31, 2021
- **Top capital gains** rate increase to 25 percent (currently 20 percent) applying to gains recognized after September 13, 2021
- **No change to percentage depletion** rules for coal or mineral production
- **Wind and Solar Electricity Generation:** Renewable electricity production tax credit (PTC) (e.g., wind, solar) extend through 2031 with decreases to 80 percent level in 2032 and a 60 percent level in 2033. The renewable energy investment tax credit (ITC) (e.g., solar) extend through 2031 with decreases for 2032 and 2033
- **Carbon Oxide Sequestration (Sec. 45Q) extend** for carbon oxide sequestration facilities that begin construction before the end of 2031. Enhanced credit for direct air capture facilities at a base rate of \$36 and a bonus rate of \$180 per metric ton of carbon oxide captured for geological storage and base rate of \$26 and a bonus rate of \$130 per metric ton of carbon captured and utilized for an allowable use by the taxpayer
- **Direct Pay:** The PTC, ITC, carbon oxide sequestration credit (Sec. 45Q), and other renewable energy credits under the bill, are generally available as “direct pay” credits that taxpayers can claim even if they would not have sufficient tax liability for the credits to offset

The Ways and Means Committee released its legislation in phases. To find the legislation on general corporate rates and revenue raisers, [here](#) is a link to the statutory text, including the tax-increase proposals as a new subtitle I. [Here](#) is a link to the section by section summary of the tax-increase proposals. To find legislation on energy tax provisions, the text of that legislation may be found [here](#). A section-by-section summary can be found [here](#).

The House Energy Committee advanced key climate and portions of its share of the reconciliation bill. Please find a link to the energy legislative text [here](#). A section-by-section summary of the legislation is available [here](#) and the NMA’s memo outlining the allocations can be viewed [here](#).

Central to the committee's massive suite of climate and environmental policies is the \$150 billion Clean Electricity Performance Program (CEPP). As previously reported, the CEPP would give grants beginning in 2023 to electricity suppliers that increase clean electricity at least 4 percent over the previous year and hand out fees to those who do not. It's essentially a clean electricity standard designed to fit the Byrd rule that governs filibuster-proof reconciliations bills in the Senate. The language precludes any fossil fuel power production that does not capture nearly all the greenhouse gas pollution. In advance of the markup, the [NMA actively engaged](#) with House Energy and Commerce Committee and Senate Energy and Natural Resources Committee leadership in opposition to the CEPP as proposed.

Early Tuesday morning, lawmakers rejected on a 25-30 vote an amendment from Rep. Michael Burgess (R-Texas) that would have eliminated the CEPP from the bill. Rep. Kurt Schrader (D-Ore.) voted for the proposal against the rest of his party.

House committees are on schedule to complete their reconciliation ahead of the Sept. 15 deadline set by leadership. Further details on the markups are forthcoming. Leadership hopes to move the social spending package ahead of the Sept. 27 deadline to take up the bipartisan infrastructure package. Despite calls from the center to pause consideration of the \$3.5 trillion reconciliation package, Senate Majority Leader Chuck Schumer (D-N.Y.) is charging ahead to meet the deadlines. We will notify you as more details become available.

NMA Victory in ONRR Coal Valuation Rule Litigation

In a victory for the mining industry, last week the U.S. District Court for the District of Wyoming [vacated](#) the coal valuation provisions of the Office of Natural Resources Revenue's (ONRR) July 2016 Consolidated Federal Oil & Gas and Federal Indian & Coal Valuation Rule. As a result, the pre-2016 valuation provisions, including the benchmarks,

govern the valuation of federal coal. The oil and gas industry challengers were not as fortunate as the court upheld the 2016 oil and gas rule.

Similar to the preliminary injunction decision, in vacating the coal rule the court focused primarily on the provisions that require the value of coal to be based on electricity sales. The judge repeats his preliminary injunction conclusions that “trying to value coal based on the sale of electricity is akin to valuing wheat based on the sale of a cake; there may be a relationship between the two, but it is weak and several other factors potentially play a much larger role in determining the sales price of the end product.” Moreover, the court pointed to the fact that at a Sept. 2019 hearing, the government could not articulate how this provision could work in practice. The court also concurred with the NMA’s concerns about the rule’s requirements when there is never a first arm’s-length sale of the coal, noting that the rule’s lack of methodology “provides the lessee with no clear, consistent standard to anticipate its royalty obligations and make business determinations.”

BLM to Grant Request for Extension of Comment Period for Review of Federal Coal Program

In response to the many requests by the NMA and its members, the Bureau of Land Management (BLM) agreed to extend to a short extension of the comment period regarding its notice of intent to conduct a review of the Federal Coal Leasing Program. Recall, the comment was set to expire on Sept. 20, 2021. The new [deadline](#) is Oct. 5



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