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# MINE Update

MINING INDUSTRY NEWS E-COMM UPDATE

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## This Week in the News

Congress returned to a major work session in the sprint to the Memorial Day recess as the heads of the Environmental Protection Agency (EPA), Department of Energy (DOE), and Department of the Interior (DOI) headed to the Hill to defend the administration's budget requests. 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.

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## Safety Share

April is Distracted Driving Awareness Month. [Just drive.](#)

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## Partisan Mining Law Legislation Introduced



Yesterday, U.S. House Committee on Natural Resources Chairman Raul Grijalva (D-Ariz.) and U.S. Senate Energy and Natural Resources Committee member U.S. Senator Martin Heinrich (D-N.M.) introduced similar legislation both advocating for changes to the General Mining Law. Both members of Congress have been part of similar bill introductions in past congresses, and the expected introduction of bills this Congress was delayed a year due to negotiations on mining law changes contained in the failed Build Back Better Act. Chairman Grijalva's bill is the same legislation he has introduced in prior Congresses, replacing the claims system with a leasing system; increasing claims maintenance fees; imposing 12.5 percent gross royalties on new mining and 8 percent gross royalties on existing mining on federal land, a 7 cent per ton dirt tax; and new consultation requirements and land withdrawals. You can find a copy of the Grijalva legislation, the Clean Energy Minerals Reform Act of 2022, [here](#) and a one pager [here](#). Senator Heinrich's bill is different in that it also increases claims maintenance fees, imposes a range of new gross royalties between 5 percent and 8 percent as determined by the U.S. Department of the Interior on new production on federal land and exclude existing production and mines with approved plan of operations and creates new withdrawal processes. You can find a copy of the Heinrich legislation, the Hardrock Mining and

Reclamation Act of 2022, [here](#) with a summary [here](#) and section by section of the bill [here](#). The U.S. House Energy and Mineral Resources Subcommittee plans a legislative hearing on the House bill on May 12. There is no hearing scheduled yet on the Senate bill. Just as the NMA was highly involved in similar anti-mining provisions proposed in the failed Build Back Better Act last year, we will be similarly engaged with allies in Congress, educating key members of Congress and working to prevent anti-mining provisions from being enacted either through this legislation or other legislation this year.

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## STB Announces Notice of Proposed Rulemaking for Shipper Relief



Last Friday, the Surface Transportation Board (STB) issued a Notice of Proposed Rulemaking (NPRM) to amend its emergency service rules to provide relief for shippers in situations that require immediate relief. The STB proposes to clarify that it may act on its own initiative to direct emergency rail service, and to establish an accelerated process for acute service emergencies. In addition, the NPRM would create a new section to accelerate relief from an STB board member within 24-48 hours after receipt of the filing and exempts the parties from oral arguments before the STB. The NPRM also proposes an expedited timeframe for incumbent carriers to reply to a petition, as well as a rebuttal

from the requesting party. The NPRM has a 30-day comment period, with comments due by May 23, 2022.

In related news, the [NMA testified](#) today at the STB public hearing on recent rail service problems and recovery efforts involving Class I carriers. The STB scheduled the hearing after receiving informal complaints from a range of stakeholders, including the U.S. Secretary of Agriculture and others, about the impacts of inconsistent and unreliable rail service on rail users, particularly shippers of agricultural and energy products. The NMA's testimony highlighted examples from several NMA coal members of extremely poor rail performance as one member has experienced this year with only 30 percent of its trains showing up. The testimony also focused on implications of these shipping backlogs such as delayed product to customers, the need to permit of auxiliary stockpiles, unrecoverable costs and costs of adding employees to help load trains that do show up.

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## **House Hears from Administration Officials on Upcoming Spending Priorities and New Regulations**

This week, the House of Representatives is holding numerous hearings on individual Fiscal Year 2023 agency budgets. This is the annual appearance for the heads of federal departments like the U.S. Environmental Protection Agency, U.S. Department of Energy and the Army Corps of Engineers to answer questions from members of Congress on a variety of rulemakings, programs and parochial priorities as well. The hearings are occurring as deadlines near for members of Congress to submit final agency programmatic spending requests to the House and Senate Appropriations Committees. In addition to submitting formal spending requests with specific members, the NMA is continuing to engage appropriations subcommittee members on the NMA's priorities. The NMA is also working with key congressional allies in advance of the hearings to support their preparation providing key oversight questions and material on upcoming regulations these

federal departments are considering. Links to various budget hearings and budget requests follow:

- [FY 2023 Budget Request for the U.S. Army Corps of Engineers and Bureau of Reclamation](#)
- [Department of Defense FY 2023 Budget](#)
- [FY 2023 Budget Request for the Department of Energy](#)
- [The Fiscal Year 2023 DOE Budget](#)
- [Fiscal Year FY2023 Budget Request for the United States Department of the Interior](#)
- [Fiscal Year FY2023 Budget Request for the Environmental Protection Agency](#)
- [Fiscal Year FY2023 Budget Request for the United States Forest Service](#)

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## NMA and Third Party Voices

Rich Nolan is quoted in stories from [Oil Price.com](#) and [Baystreet.ca](#) noting that the metals mining industry is at a crossroads. Key energy transition metals need trillions of U.S. dollars in investment to meet electrification goals.

Katie Sweeney is quoted in [E&E News PM](#)'s report that House Natural Resources Chair Raúl Grijalva and Sen. Martin Heinrich announced they introduced two bills that would update the nation's primary mining law. The NMA is also quoted in [Politico Pro](#)'s coverage.

The NMA is quoted in a [Duluth News Tribune](#) report on the White House's recent announcement that President Biden will invoke the Defense Production Act to "support production and processing of minerals and materials used for large-capacity batteries" as part of a plan to accelerate the creation of a domestic supply chain for electric vehicle manufacturing, and Maine is a site for lithium.

From our third parties, [RealClearEnergy](#) (D.C.) carries an op-ed by Dan Ervin, a Professor

of Finance in the Perdue School of Business at Salisbury University, in which he argues the U.S. must decrease its reliance on foreign, particularly Russian influenced, uranium.

[Tennessean](#) (Tenn.) carries an op-ed by G. Ivan Maldonado, a professor in the Department of Nuclear Engineering at the University of Tennessee at Knoxville, in which he argues we must diversify our uranium base and reduce our reliance on imports.

## Mining and Energy News

[Argus](#) reported that electric power capacity shortfalls in some regions of the MISO power system are resulting in an increased risk of controlled outages over the next year due to the ongoing shift away from coal-fueled generation and increased reliance on natural gas and renewable energy.

[Argus](#) reported that U.S. coal output climbed last quarter from a year earlier as producers worked to meet higher demand.

[Argus](#) reported that U.S. coal exports from Hampton Roads, Virginia, climbed by 23 percent in March amid stronger international demand.

[Bluefield Daily Telegraph](#) published: “Kaine: Biden’s steel requirement could be boon to metallurgical coal.”

Bloomberg published: “Russia’s war is turbocharging the [world’s addiction to coal](#)” and profiled an Indonesian coal investor who is now worth [more than \\$6 billion](#).

[Bloomberg](#) published: “U.S. Natural Gas Is on a Path to ‘Crazy Prices’ With No Relief in Sight.”

[Mining.com](#) published: “[Zinc price soars](#) to near 15-year high in China.”

[Reuters](#) published: “Analysis: Musk’s tweets fuel mining industry’s hopes of a buyout by

Tesla.”

[E&E Energy Wire](#) reported that Elon Musk says metal shortages are threatening Tesla’s growth, and that the supply crunch will limit adoption of not just Teslas, but of all electric vehicles.

[Utility Dive](#) reported that Tesla is placing an emphasis on diversifying battery chemistries, and nearly half of the vehicles it produced in the first quarter had lithium iron phosphate batteries, which contain no nickel or cobalt.

[The Silver Institute’s](#) *World Silver Survey 2022* report release recently estimates that “The global silver market realized growth in every demand category in 2021, marking the first time all key sectors rose in tandem since 1997. Surpassing pre-pandemic volumes, total global silver demand achieved its highest level since 2015, surging 19 percent to 1.05 billion ounces (Boz) last year.” In the U.S., output rose by 2.6 percent to 32.5Moz (1,011t). This was primarily due to higher silver production from Hecla’s Lucky Friday mine which resumed full production in early 2020 following a strike of almost three years by unionized workers.

[Oil Price.com](#) and [Baystreet.ca](#) reported that the global metals mining industry is at a crossroads and in need of trillions of U.S. dollars in investment.

The [International Copper Study Group](#) (ICSG) reported that “preliminary data indicates that world copper mine production increased by about 4.5 percent in January 2022, with concentrate production increasing by around 5.5 percent and solvent extraction-electrowinning (SX-EW) by about 0.3 percent.”

## Mining Action Strategy Team

Access the latest snapshot of the NMA’s ongoing regulatory efforts. The MAST tracker is updated weekly to the extent new actions have occurred.

Current password: Mining

[Mining Action Strategy Team](#)



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