

## In this issue...

National Mining Association  
Pete Dye Classic  
underway...page 2

Rep. Costa, congressional  
staff tour Nevada gold  
mines...page 3

Mining market snapshot...  
page 3

Newsbits...page 3

## Reid emphasizes need for compromise in debate over Mining Law reform legislation

Senate Majority Leader Harry Reid (D-Nev.) this week said Congress must “find a steady compromise” on the shape of Mining Law reform legislation or risk subjecting the domestic hardrock mining industry to an uncertain future characterized by fluctuating shifts in federal mining policy.

Reid emphasized the need for a compromise bill in testimony before a standing room only crowd during an Aug. 21 field hearing held by the House Energy and Mineral Resources Subcommittee in Elko, Nev., to examine the Hardrock Mining and Reclamation Act of 2007 (H.R. 2262).

Reid warned that a failure by Congress to agree on a compromise covering key Mining Law issues will leave the fate of the industry in the hands of future administrations, leaving the door open to unpredictable and unwelcome policy shifts. “So, rather than crossing our fingers every four years and hoping that the newly elected president understands the

*See Mining Law, page 2*



*Senate Majority Leader Harry Reid (D-Nev.) (right), House Subcommittee on Energy and Mineral Resources Subcommittee Chairman Jim Costa (D-Calif.) (center) and Rep. Dean Heller (R-Nev.) (left) were present for an Aug. 21 subcommittee field hearing held in Elko, Nev., to examine the “Hardrock Mining and Reclamation Act of 2007” (H.R. 2262).*

## New federal-state task force report targets CTL production to reduce import dependency

A preliminary report recently released by the Task Force on Strategic Unconventional Fuels highlighted the production of clean, domestic coal-to-liquid (CTL) transportation fuels as a key strategy for reducing America’s increasing reliance on costly foreign oil, and called for a series of policy initiatives that would spur the construction of domestic CTL plants.

The task force, established under the Energy Policy Act of 2005, released the preliminary report on Aug. 6 and found “America’s increasing dependence on oil imports underscores the need for greater domestic fuels production and more diverse sources of supply.” The report said reducing the demand for foreign energy and increasing the supply of domestic fuels are “necessary to reduce import dependence and enhance U.S. energy supply security,” adding that America “has substantial unconventional fossil fuels resources that could be produced and converted to liquid fuels.”

Kentucky Gov. Ernie Fletcher (R) and Utah Gov. Jon Huntsman (R) co-chaired the task force, which also included the federal secretaries of energy, the interior and defense, as well as the governors of Colorado, Mississippi and Wyoming.

The preliminary report said CTL fuels made using indirect liquefaction technologies offer a potential source for “quality transportation” fuels and noted the ongoing commercial

*See CTL, page 2*

## About Mining Week...

*NMA Mining Week* is a weekly publication of the National Mining Association. *Mining Week* archives are always available online at [www.nma.org](http://www.nma.org).

## Mining Law *continued from page 1*

West and understands the importance of mining, let us work together to guarantee a bright future," said Reid.

Saying "now is the right time to develop a responsible minerals policy," Reid said a "bipartisan group of senators" are willing to work with the House of Representatives to agree on compromise reform legislation.

Reid said claims that the Mining Law has not undergone meaningful change since it was first enacted are "simply without basis" and emphasized that the mining industry has evolved and changed. However, he said Congress has failed to respond to these changes and has instead allowed each passing administration "to develop the rules and regulations they see fit to guide the industry," often yielding negative results.

Reid said he agreed that a Mining Law reform bill should create a minerals royalty, with Nevada Mining Association President Russ Fields urging that the proposed net smelter return royalty endorsed in H.R. 2262 be abandoned in favor of a net income production payment. Such a royalty would be based on production from new mining claims on public lands and would "provide the public with a fair return, but would also appropriately take into account the need to foster a strong domestic minerals industry." Fields said the net smelter royalty currently proposed "is unfair and will lead to mine closures."

Subcommittee Chairman Jim Costa (D-Calif.) acknowledged that H.R. 2262 is "a starting point for the discussion" and that the bill "can be improved." Costa said the bill must cover mining reclamation, provide a fair return to the public in the form of a royalty from public lands, contain environmental standards and ensure a "stable predictable environment for mining."

Following the hearing, Costa told *Mineweb* that he will work with House Natural Resources Committee Chairman Nick Rahall (D-W.Va.) to ensure that the bill is revised to make it a "good,

common sense" piece of legislation that enjoys bipartisan support in the House and Senate and is backed by the mining industry and other groups.

Reid underscored the importance of the mining industry to his state, noting that Nevada ranks as "one of the richest gold regions in the world." Subcommittee member Rep. Dean Heller (R-Nev.) said at the hearing that "as mining goes, so goes the state of Nevada."

Both Reid and Heller warned of international trade dangers should Congress fail to devise a workable Mining Law reform bill, with Heller warning of America becoming increasingly more reliant on imported mineral resources. ✕

---

## CTL *from page 1*

success of CTL fuels in South Africa. The task force took note of a report released last year by the National Coal Council, which concluded that domestic CTL production could reach 2.6 million barrels per day by 2025, consuming 475 million tons per year of coal.

In addition, the report noted that domestic CTL production could also spur increased production of traditional petroleum-based fuels by using carbon dioxide captured during CTL production to help recover conventional crude oil. Known as enhanced oil recovery, carbon dioxide captured at CTL plants would be pumped underground into nearly depleted oil fields and would help free crude oil that is currently unreachable. The captured carbon would then remain trapped underground and fill the space between rock formations vacated by the now-freed crude oil. Such an operation has already proved successful in North Dakota, where a coal-gasification plant currently sends carbon dioxide via pipeline to oil fields in Western Canada. As a result of this carbon capture and storage process, CTL fuels would emit less carbon dioxide than the imported fuels they replace.

Among the policy recommendations contained in the preliminary report are a number of tax credits, including

production credits and research and development credits to spur technology development. The report also calls for purchase agreements for fuels produced from unconventional resources and price floors and collars. In addition, the report calls for loan guarantees or other repayment assurances that would reduce risk premiums on debt and encourage lenders to fund projects, and calls on the federal government to work with industry to develop and deploy advanced technologies to reduce emissions, such as carbon capture and storage technologies.

The Task Force is now completing a mandated program plan that will detail proposed program objectives, strategies, key activities, timelines and provide the basis for subsequent program implementation planning.

A copy of the report is available at: [www.futurecoalfuels.org/documents/082107\\_task\\_force.pdf](http://www.futurecoalfuels.org/documents/082107_task_force.pdf). ✕

---

## National Mining Association Pete Dye Classic underway



The 2007 Nationwide Tour's National Mining Association Pete Dye Classic teed off at the Pete Dye Golf Club in Bridgeport, W.Va., on Aug. 23 and will conclude with the championship round on Aug. 26. The tournament's pro-am event was held Aug. 22.

The host club is built on a reclaimed mine site, making the tournament, part of the PGA-sanctioned Nationwide Tour, an excellent vehicle for highlighting the industry's commitment to land reclamation.

The Golf Channel has aired live coverage of the first two rounds and will continue airing live coverage through the tournament's final two rounds beginning at 1 p.m. Eastern on Aug. 25 and 26. Full coverage of the tournament will appear in the Aug. 31 edition of *Mining Week*. ✕

## Rep. Costa, congressional staff tour Nevada gold mines



House Subcommittee on Energy and Mineral Resources Chairman Jim Costa (D-Calif.), Republican and Democratic staff from the House Natural Resources Committee and staff from Senate Majority Leader Harry Reid's (D-Nev.) office toured two Nevada gold mines this week. The tours were led in conjunction with a subcommittee field hearing held Aug. 21 in Elko, Nev., to examine the Hardrock Mining and Reclamation Act of 2007 (H.R. 2262).



Costa (top photo, left) joined NMA Vice President of Government Affairs Rich Nolan (right) for a tour of Barrick Gold Corporation's Goldstrike Rodeo Mine, located near Elko.

During the tour of the 1,200 foot deep Barrick mine, Costa (middle photo, right) had the chance to inspect a recently installed rescue chamber, capable of providing air-conditioned shelter to 12 miners in the event of an emergency.



Costa and committee staff also visited Newmont Mining Corporation's Gold Quarry mine, where Newmont Director of Environmental Affairs John Mudge (bottom photo, far right) led the tour of the surface gold mine.

According to Nevada's Division of Minerals, the state produced 6.3 million ounces of gold in 2006, valued at \$3.8 billion. In 2006, Nevada accounted for 12 percent of world gold production. ✕

**Looking ahead:** Here's a look at what's ahead for the mining community in Washington, D.C., next week:

- The House and Senate are adjourned for their summer recess and will return to Washington, D.C., on Sept. 4.

## Newsbits

Peabody Energy recently announced a series of personnel moves, including the appointment of **Walter J. Scheller III** as senior vice president and group executive of Colorado Operations. Scheller will be responsible for the day-to-day mine operations, including safety, continuous improvement, environmental management and the review of strategic growth opportunities in Colorado. Scheller joined the company in 2006 as senior vice president of strategic operations improvement. In addition, **Larry B. Ellgen** has been named group controller for Colorado operations, reporting to Scheller, effective Sept. 1, with **Charles F. Meintjes** joining the company as senior vice president of operations improvement, replacing Scheller. More information on these and other recent Peabody personnel changes is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsArticle&ID=1041764&highlight=...ASTM International> recently publishing a new manual entitled *Routine Coal and Coke Analysis: Collection, Interpretation, and Use of Analytical Data*. The manual includes 10 comprehensive chapters covering the latest information on routine coal and coke analysis and contains descriptions of over 35 ASTM standard methods and discussions of the utilization of these methods in industry and the significance of the data collected using these methods. More information is available by contacting Marsha Firman at [mfirman@astm.org](mailto:mfirman@astm.org) or (610) 832-9612.

### Mining Market Snapshot

Coal Figures	Cumulative year to date	Change over last year
Week ended August 11, 2007		
EIA Coal Production (000 tons)	697,294	-2.3%
Edison Electric Institute Electricity Output (GWh)	2,508,436	1.6%
American Iron and Steel Institute Raw Steel Production (000 tons)	64,734	-5.7%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 8/10/07		\$7,693.15
Gold Prices (\$/troy ounce - week avg. London Final) 8/3/07		\$669.22
Source: NMA Weekly Statistical Summary/Platts Metals Week		

## NMA Mining Week

*Mining Week is published as a service to members of the National Mining Association, James Roberts, chairman, Kraig R. Naasz, president and publisher.*

### Staff

*Carol Raulston,  
Senior Vice President, Communications  
Corey Henry Kelly Metzler  
Leslie Coleman Luke Popovich*

Executive and editorial offices: Communications Department, 101 Constitution Ave., NW Suite 500E, Washington, D.C. 20001, telephone 202/463-2600. [www.nma.org](http://www.nma.org), fax: 202/463-2614. Change of e-mail address should be directed to [mphelleps@nma.org](mailto:mphelleps@nma.org).



Mining Week, National Mining Association, and NMA are registered trademarks of the National Mining Association