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NMA urges Senate to support reasonable Mining Law reform legislation



Hecla Mining President and CEO Phillips Baker, Jr. testified on behalf of NMA at a July 14 Senate Energy and Natural Resources Committee Mining Law reform hearing.

NMA this week urged the Senate Energy and Natural Resources Committee to support reasonable efforts to amend the Mining Law in order to keep mining jobs in the U.S. and reduce our reliance on foreign sources of minerals while providing a fair return to the government.

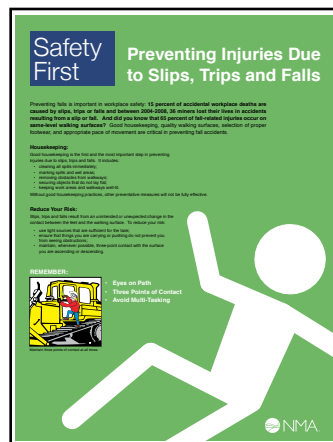
"Any change to the current mining law must focus on promoting and keeping mining jobs in the U.S. and diminishing the nation's reliance on foreign minerals while effectively protecting the environment and bringing fair return to the American public," said Hecla Mining President and CEO Phillips Baker, Jr., testifying on behalf of NMA at a July 14 Senate Energy and Natural Resources Committee hearing.

The hearing was the first held on "The Hardrock Mining and Reclamation Act of 2009" (S. 796), introduced by committee Chairman Jeff Bingaman (D-N.M.) and "The Abandoned Mine Reclamation Act of 2009" (S.140), authored by Sen. Dianne Feinstein (D-Calif.).

"As we look at a world of increasing competition for minerals and metals needed to sustain economic growth and high-wage mining jobs, now is the time for thoughtful and

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NMA launches "Safety First: Stay Alert" campaign



As part of the mining community's on-going effort to further improve health and safety at the nation's underground and surface mines, NMA this week launched the "Safety First: Stay Alert" safety initiative. The new program is the second in an ongoing series aimed at reducing accidents and fatalities associated with unsafe behavior and practices at mining facilities.

NMA and its member company safety professionals developed a range of safety training and awareness materials based on analyses of actual accident reports. The materials highlight specific actions that should be avoided.

NMA is providing these materials to the safety directors at NMA member companies and making them available to all U.S. mining companies as part of a commitment to bring every miner home safely at the end of every shift; this initiative is part of the mining community's larger efforts that helped make 2008 a record-breaking year for safety in U.S. coal and minerals mines.

To request copies of the new safety materials, please visit: [Safety First: Stay Alert](#). ✕

Mining Law continued from page 1

reasonable amendments that will provide that fair return while preserving critically important land tenure rights," said Baker

"At a time when unemployment is high and job creation is critical, mining can help drive a strong recovery by keeping jobs at home and providing more of the metals and minerals that are vital to our modern economy," said Baker.

Interior Secretary Ken Salazar testified that the Obama Administration supports an approach "to modernize this law and ensure that development occurs in a manner consistent with the needs of mining and the protection of the public, our public lands, and water resources."

Salazar emphasized the tremendous economic benefits of mining, noting that domestic gold mining creates more than 66,000 jobs and nearly \$2 billion in earnings annually. "In my view, our own security depends on maintaining a viable domestic mining industry, said Salazar. "

At the hearing, Chairman Bingaman submitted an opening statement that indicated he hopes the committee will approve Mining Law reform legislation sometime this fall.

Ranking Committee Member Lisa Murkowski (R-Alaska) said any reform legislation must strike "the right balance between protecting the environment, obtaining a fair return for taxpayers, creating jobs and maintaining a secure supply of American minerals."

"If we get mining reform wrong, we risk trading our reliance on foreign oil for a reliance on foreign minerals, warned Murkowski.

A copy of Baker's testimony is available at: [NMA Testimony](#).

A copy of Salazar's testimony is available at: [Salazar Testimony](#).

Other witness testimony from the hearing is available at: [Hearing Testimony](#). ✕

Show your support for mining, visit ACT Online and contact your elected officials



Now more than ever, members of the mining community need to take an active role in advocating the critical role mining plays in providing jobs and shaping America's economic and national security.

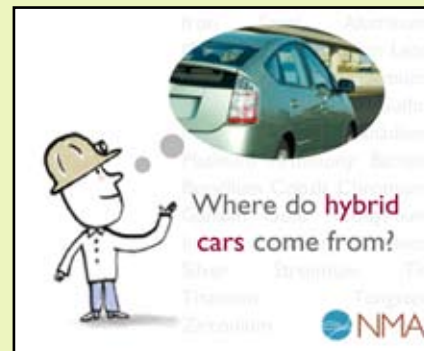
NMA's Advocacy Campaign Team for Mining (ACT) is an online national network of mining community members who recognize the importance of

being involved in the political process and are willing to make their voice heard. So far this year, ACT Online supporters have sent more than 33,000 letters to Congress on key mining issues.

In Congress and state capitols across the nation, issues of enormous importance to the mining community are being debated. NMA's ACT Online homepage offers supporters the chance to contact their elected officials on a wide range of coal, mineral, metal, economic and environmental issues.

Visit [ACT Online](#) today and show your support for America's mining community. ✕

NMA promotes domestic minerals in new advertising campaign



To coincide with a July 14 Senate committee Mining Law hearing, NMA launched a week-long online advertising campaign to highlight the many benefits of domestic mineral mining.

A series of ads appeared in *Environment and Energy Daily*, a widely read electronic Capitol Hill publication, touting the wide range of products used in everyday life made possible by domestic mineral and metals.

The ads also promoted NMA's support for congressional action to adopt reasonable reforms to the General Mining Law. ✕

Mining Week archives

are available on the

NMA web site.

www.nma.org

Congressional investigation shows coal mining permits remain in regulatory black hole

An investigation led by Rep. Zack Space (D-Ohio) and eight fellow House members representing districts with coal mining operations throughout the Ohio River Valley has revealed the extent of the regulatory limbo plaguing Eastern U.S. coal operations.

In response to a letter the nine House members sent to the Army Corps of Engineers early last month, the Corps recently wrote to Rep. Space and noted that 235 permits are still undergoing review at five district Corps offices, with 22 individual permits and an additional 17 nationwide permits in the final stages of review.

NMA President and CEO Hal Quinn in a July 10 statement said the efforts by the nine House members had "succeeded in exposing the regulatory black hole that coal mining permits have fallen into."

However, in detailing the current permitting logjam, Quinn stressed that the Corps offered "no timeline or clearly defined process for when the fate of these permits finally will be resolved, including the fate of those now in final review."

In explaining the backlog, the Corps said that it only received information on June 11 from the U.S. Environmental Protection (EPA) agency detailing the factors EPA will use to review

pending permits.

"While NMA appreciates a final clarification of the number of permits in the review process, we share the deep concern expressed by the nine members of Congress for the grave consequences for our constituents and local economies as these permits continue to languish in a regulatory process that is frustrating rather than promoting job creation, economic development and energy independence," said Quinn.

He added that though "EPA has made assurances over the last few months that 42 permits would soon be issued, we have seen no evidence of any change." In effect, "the de facto moratorium on permits that commenced on March 4, 2009, continues without any meaningful progress. The thousands of coal miners in Appalachia and their home communities deserve better treatment than this," said Quinn.

A copy of the congressional letter to the Corps is available at: [House Letter](#).

A copy of the Army Corps of Engineers' Letter is available at: [Corps Letter](#). ✕



Mining Calendar Events and conferences covering important mining issues are routinely held across the nation. The following may be of interest to members of the mining community:

July 23-25 San Francisco, Calif. 55th Annual Rocky Mountain Mineral Law Institute The two and a half day program features presentation by leading public and private sector representatives focused on the latest energy, environmental, land management and international issues. More information is available at: [55th Annual Rocky Mountain Mineral Law Institute](#).

July 28 Bluefield, Va. Coal Summit The West Virginia Coal Association in partnership with the Greater Bluefield and Princeton/Mercer County Chambers of Commerce and the Pocahontas Coal Association will hold the first "Coal Summit" on Tuesday, July 28 at the Fincastle Country Club in Bluefield, Va. Confirmed to speak are Gene Kitts, senior vice president of mining services with International Coal Group and Myron Ebell, director, energy and global warming policy with the Competitive Enterprise Institute. There is no cost to attend the event. Reservations are necessary and can be made with the Bluefield Chamber at (304) 327-7184 or the Princeton/Mercer County Chamber at (304) 487-1502.

August 2-6 Morgantown, W.Va. Energy & Mineral Law Foundation Coal Law Short Course A comprehensive 25-hour course developed for lawyers new to the practice of coal and energy law, covering laws and regulations impacting coal mining and transactions, mineral ownership concepts and synthesizing environmental, labor and safety law concepts. More information available at [www.emlf.org](#)

August 4-6 Prestonburg, Ky. Appalachian Regional Reforestation Initiative Conference The Kentucky Department for Natural Resources, the University of Kentucky and the Office of Surface Mining will host the ARRI conference, which will address the role of industry in forestry reclamation by providing permitting and inspection guidance to coal applicants. Panels of industry and regulatory personnel will present case studies, success stories and topics of concern. The registration deadline is June 30. More information is available at: [ARRI Conference](#).

August 6-9 White Sulphur Springs, W.Va. West Virginia Coal Association Annual Meeting The event will be held at The Greenbrier. For more information, call (304) 342-4153.

August 11 Paducah, Ky. 61st meeting of the Inland Waterways Users Board The 61st meeting of the Inland Waterways Users Board will be held on Tuesday, Aug 11, 2009, in Paducah, Ky., at the Luther F. Carson Four Rivers Center. More information is available by contacting Kenneth Lichtman with the Inland Waterways Users Board at (703) 428-8083 or Mark Pointon, executive secretary, Inland Waterways Users Board at (202) 761-4691.

September 21-24 Belo Horizonte, Brazil Brazilian Mining Show The U.S. Commercial Service of the U.S. Embassy in Brazil will again organize a pavilion for U.S. exhibitors for the show, which is expected to draw more than 40,000 visitors. This show is the most important mining sector event in Brazil and is held every two years. Exhibition space has sold out in the last editions and U.S. companies planning to participate are encouraged to contact the Commercial Service as soon as possible. More information is available at: [Brazilian Mining Show](#).

October 28-30 Lexington, Ky. 34th Kentucky Mineral Law Conference sponsored by the Energy and Mineral Law Foundation. Watch for more information at [www.emlf.org](#).

November 30-December 4 Reno, Nev. Northwest Mining Association 2009 Annual Meeting and Exposition More information, including online registration, is available at: <http://www.nwma.org/convention.asp>.

February 4-6, 2010 Captiva Island, Fla. Winter Workshops on Energy Law sponsored by the Energy and Mineral Law Foundation. Watch for more information at [www.emlf.org](#).

May 9-11, 2010 Amelia Island, Fla. Energy & Mineral Law Foundation Annual Institute Sponsored by the Energy and Mineral Law Foundation. Watch for more information at [www.emlf.org](#).

EPA targets hardrock mining operations for possible CERCLA regulation

The U.S. Environmental Protection Agency (EPA) this week announced that it will target the hardrock mining sector as a priority for future financial assurance regulation under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), commonly referred to as Superfund.

EPA's announcement responds to a February 2009 court order that directed the agency to publish a notice identifying classes of facilities it determined were "high risk" and thus in need of financial assurance obligations under CERCLA. The court order stems from a citizen suit filed by a number of environmental organizations that argued that EPA was obligated under CERCLA Section 108(b) to promulgate and implement financial assurance requirements. The mining sector, along with several other industries, was targeted in this lawsuit as allegedly having inadequate financial assurance for their facilities.

EPA's July 10 announcement exclusively identified hardrock mining facilities that extract, beneficiate or process metals, such as copper, gold, iron, lead, magnesium, molybdenum, silver, uranium and zinc and non-metallic, non-fuel minerals, including asbestos, gypsum, phosphate rock and sulfur as operations on which it will seek to impose Superfund obligations.

However, EPA said additional "research, outreach to stakeholders, proposed regulations, review of public comments, and finalization of those regulations are needed before hardrock mining facilities are subject to financial responsibility requirements."

EPA plans to issue a proposed rule-making in the spring of 2011.

Following EPA's announcement, NMA President and CEO Hal Quinn said the agency "ignored critical facts and used inappropriate data in singling out U.S. hardrock mining for financial assurance requirements under Superfund."

Quinn said EPA erroneously used Toxic Release Inventory (TRI) data to identify

"high risk" facilities, noting that TRI reports are not an appropriate mechanism for evaluating potential risks posed by reporting facilities, as even EPA has cautioned that such reports are not intended to assess risk to the public or the environment and should not be used for that purpose.

Quinn also said EPA ignored other state and federal laws that subject hardrock mining operations to financial responsibility regulations. He stressed that these existing regulations provide financial assurance for cleanup, closure and post-closure care of hardrock mining operations, including those subject to bankruptcy or operator abandonment.

In addition, Quinn said EPA failed to consider design, operation and monitoring requirements implemented at modern mining operations that assure protection of the environment.

NMA also charged EPA with inappropriately basing its notice on historic events rather than modern mining practices. The hardrock mining sites on the CERCLA National Priorities List are nearly all "legacy" sites that were operated and abandoned long before the advent of detailed regulation at the federal and state level, including the requirement for financial assurance for closure and reclamation.

A complete copy of NMA's statement is available at: [NMA Statement](#).

EPA's Press Release is available at: [EPA Announcement](#). ✕

NMA Outreach: *NMA regularly participates in various conferences, events and other forums to highlight key association initiatives and spotlight important developments in the mining community. Here's a look at upcoming events.*

- **NMA General Counsel Katie Sweeney** will give a Mining Law update at the Rocky Mountain Mineral Law Institute in San Francisco, Calif., on July 25.

DOE takes next step in advancing FutureGen project

The U.S. Department of Energy this week issued a National Environmental Policy Act (NEPA) Record of Decision (ROD) that will help advance construction of the FutureGen project in Mattoon, Ill. Work on the world's first near zero-emission coal-fueled power plant could not commence until DOE issued the ROD.

"The carbon capture and sequestration technologies planned for this flagship facility are vitally important to America and the world," said Energy Secretary Steven Chu. "This step forward demonstrates the administration's commitment to developing clean energy technologies, creating jobs, and reducing emissions of greenhouse gases."

The ROD and a cooperative agreement signed by DOE and the FutureGen Alliance, a private consortium of some of the world's largest coal producers and electric utilities, allows the alliance to proceed with site-specific activities for the project.

DOE's total anticipated financial contribution for the project is slightly more than \$1 billion, most of which was approved as part of the nearly \$790 billion economic stimulus bill President Obama signed into law earlier this year. The FutureGen Alliance's total anticipated financial contribution is \$400 million to \$600 million.

The total cost estimate of the project is \$2.4 billion. DOE said the alliance will pursue options to raise additional, non-federal, funds needed to build and operate the facility.

When fully operational, the facility will be designed to capture 90 percent of carbon emissions by the third year of operations. The technology should capture and store 1 million tons of carbon dioxide annually when full commercial operation is achieved.

More information is available at: [FutureGen Announcement](#). ✕

Army Corps moving to prohibit NWP 21 permit use in Appalachia

The U.S. Army Corps of Engineers recently issued a notification announcing its intent to modify the Nationwide Permit (NWP) 21 in order to prohibit use of the permit by Appalachian mining operations. NWP 21 is the general permit that authorizes discharges of fill material associated with coal mining operations.

The Corps issued a notice in the *Federal Register* on July 15 and will accept comments on the proposed changes for 30 days.

The Corps is proposing to modify NWP 21, until the permit's March 18, 2012, expiration, to prohibit its use in the Appalachian region, which the agency defines using a list of select counties in Kentucky, Ohio, Pennsylvania, Tennessee and Virginia and all counties in West Virginia. The notice states that the proposed modification would not affect use of the permit in the rest of the United States.

In addition, the Corps also proposed suspending NWP 21 use in Appalachia while the agency considers its modification proposal and makes a final decision.

A copy of the Corps' notice is available at: [NWP 21 Notice](#). ✕

Senators seek support for bill to eliminate depletion allowance

Three senators this week circulated a letter seeking support from other senators for legislation that would eliminate the Percentage Depletion Allowance for minerals mined on public lands.

Sens. Russ Feingold (D-Wisc.), Maria Cantwell (D-Wash.) and Dianne Feinstein (D-Calif.) circulated a letter to their Senate colleagues on July 14, urging them to support the "Elimination of Double Subsidies for the Hardrock Mining Industry Act of 2009"

The bill would create a \$125 million Abandoned Mine Reclamation Fund using revenue generated by repealing the depletion allowance.

The senators set a July 27 deadline for signing-on to the bill as an original co-sponsor.

A copy of the July 14 letter is available at: [Senate Letter](#).

A copy of the bill is available at: [Bill Text](#). ✕

New House bills aim to strengthen mineral security, aid restoration efforts

Two new bills introduced in the House of Representatives this week target reforming the General Mining Law to reduce America's growing dependence on imported minerals, while helping facilitate clean-up of abandoned mine sites.

Reps. Doug Lamborn (R-Colo.) and Rob Bishop (R-Utah) on July 14 introduced the "Locatable Mineral Royalty and Reclamation Act" (H.R. 3201) and the "Good Samaritan Bill" (H.R. 3203).

"The two proposals introduced by Reps. Lamborn and Rob Bishop are good steps forward in updating the General Mining Laws," said NMA President and CEO Hal Quinn. "For the last 15 years, NMA has sought changes to the law that would provide the statutory certainty needed to attract investment in U.S. minerals mining and to keep high-paying mining jobs here at home."

"NMA has also been a long-time supporter of Good Samaritan legislation to provide limited liability protection for entities that voluntarily cleanup abandoned mine sites that are the legacy of historic mining activities pre-dating modern environmental requirements," said Quinn.

"The consequences of getting mining reform right are substantial," said Quinn. He noted that U.S. metal and mineral mining employed nearly 50,000 people in 2007 and accounted for another 200,000 jobs.

"With a total payroll of \$12.5 billion, these jobs generated \$4.2 billion in personal income and payroll taxes," said Quinn. "Mining is the economic engine of rural communities throughout the West and provides the materials for much of U.S. manufacturing."

"If the United States is going to attract more than its current 7 percent share of worldwide investment in metals mining, we need a modern mining law," he said.

"Only then will we be able to meet our growing need for metals in an economy that will increasingly rely on metals in electronics, new energy sources and battery technologies as well as in national defense." ✕

Mining Market Snapshot		
Coal Figures	Cumulative year to date	Change over last year
<i>Week ended July 4, 2009</i>		
EIA Coal Production (000 tons)	553,269	-5.5%
Edison Electric Institute Electricity Output (GWh)	1,985,009	-3.9%
American Iron and Steel Institute Raw Steel Production (000 tons)	27,686	-51.5%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 7/4/09		\$5,046.10
Gold Prices (\$/troy ounce - week avg. London Final) 7/4/09		\$934.05
Source: NMA Weekly Statistical Summary/Platts Metals Week		

NMA cites flaws in EPA coal preparation plant proposal

NMA this week cited numerous flaws in a U.S. Environmental Protection Agency (EPA) proposal to revise the new source performance standards (NSPS) for new, modified and reconstructed coal preparation plants. NMA submitted comments to the agency on July 13 in response to EPA's proposed *Standards of Performance for Coal Preparation Plants*, which was issued in late May.

NMA's comments took issue with EPA's proposed rules regarding what constitutes the best demonstrated technology (BDT) for controlling fugitive particulate emissions, as well as the methodology and limits proposed for the NSPS opacity standard applied to affected facilities.

NMA provided the agency with visible emissions data, collected by NMA members from various well-controlled affected coal preparation plants, which refuted EPA's conclusion that an across-the-board opacity standard of 5 percent is achievable at all types of preparation facilities throughout the country. NMA argued that its data demonstrates different opacity limits should be assigned to various affected facilities, and that those limits should be set well above 10 percent.

EPA's revised proposed opacity monitoring requirements would prove to be incredibly burdensome and unnecessarily stringent for no discernible reason, argued NMA. NMA urged EPA instead to apply the NSPS monitoring policy the agency recently issued for nonmetallic mineral processing plants.

In addition, NMA reiterated its contention that EPA has failed to conduct a proper process to justify revising the existing performance standards for affected facilities and has not justified extending the standards to new facilities such as truck dumps, roadways and open storage piles.

A copy of NMA's comments is available at: [NMA Comments](#). ✕

Arch Coal subsidiary mine achieves new safety milestone

Employees at the Black Thunder mine, an Arch Coal Inc. subsidiary mine, on July 9 surpassed 3 million employee-hours without a lost-time injury, setting a new company record for the most consecutive hours worked without a lost-time incident.

"The continued commitment and dedication of the men and women at Black Thunder has proven that working safely is an achievable goal," said Kevin Hampleman, mine manager at Black Thunder mine, located near Wright, Wyo.

"Each employee's direct involvement in reducing exposure to risk has resulted in this outstanding accomplishment," said Tim McCreary, safety manager for the Thunder Basin Coal Company. "Continuing to achieve these milestones demonstrates the willingness and fortitude of our employees to drive our safety performance to the next level."

Separately, Arch Coal also recently announced that its Skyline mine earned top honors for underground mine safety among an eight-state region for the third consecutive year.

The Rocky Mountain Coal Mining Institute (RMCMI) awarded the employees of Skyline mine with the 2009 Safety Award for underground mines due to an outstanding and ongoing safety performance during calendar years 2006, 2007 and 2008.

"I want to commend the people of Skyline for focusing on best-in-class safety year after year," said John W. Eaves, Arch's president and chief operating officer.

The Skyline mine is located near Helper, Utah, and employs more than 175 people. ✕

New study highlights economic benefits of Arizona copper project

A recent study from the Arizona Department of Mines and Mineral Resources, conducted by the Arizona State University L. William Seidman Research Institute, documents the significant economic benefits the proposed Rosemont Copper project would yield for Arizona.

According to the report, the construction phase of the project will generate an average annual increase of \$82 million in economic activity in the region over a four-year pre-production/construction period, with additional wages, salary and income benefits of \$29.5 million per year.

Regarding the production phase, the report found that the project would generate \$745 million annually in economic activity over a 20-year production period and employ a total of 2,000 people.

Additionally, "the overall impacts will be \$15.7 billion in additional output,

\$9.6 billion in gross regional product, \$2.6 billion in personal income and \$306 million in local government revenues."

The report concluded that the post-production phase would have lasting positive impacts on the local economy as a result of increased economic activity associated with the project at an amount of some \$75 million per year.

A copy of the study is available at: [Arizona Study](#). ✕

**Mining Week archives
are available on the
NMA web site.
www.nma.org**

Newsbits

The **West Virginia Coal Association** in partnership with the **Greater Bluefield** and **Princeton/Mercer County Chambers of Commerce** and the **Pocahontas Coal Association** will hold the first "Coal Summit" on Tuesday, July 28 at the Fincastle Country Club in Bluefield, Va. Confirmed to speak are Gene Kitts, senior vice president of

mining services with International Coal Group, and Myron Ebell, director, energy and global warming policy with the Competitive Enterprise Institute. There is no cost to attend the event. Reservations are necessary and can be made with the Bluefield Chamber at (304) 327-7184 or the Princeton/Mercer County Chamber at (304) 487-1502.



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