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NMA Mining Week is a weekly publication of the National Mining Association. Mining Week archives are always available online at www.nma.org.

House legislation would encourage increased domestic refining capacity, including CTL facilities

At press time, legislation that would encourage increased domestic refining capacity – including the construction of coal-to-liquids (CTL) facilities – was awaiting a vote in the House.

The "Gasoline for America's Security Act of 2005" (H.R. 3893), sponsored by Energy and Commerce Committee Chairman Joe Barton (R-Texas), is a direct response to the impact of hurricanes Katrina and Rita on the nation's supply of refined petroleum products.

While containing no specific CTL financial incentives, the bill focuses on expediting construction of U.S. refinery capacity and includes an amendment NMA helped develop that extends the definition of "refinery" to include those facilities that use coal as a feedstock – meaning refineries using coal liquefaction technologies. Through liquefaction, a proven, existing modern technology, coal can be converted into clean, zero-sulfur synthetic oil and oil products.

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MSHA seeks input for developing guidelines addressing miner drug, alcohol risks

The Mine Safety and Health Administration (MSHA) this week published an Advance Notice of Proposed Rulemaking (ANPRM) seeking public input to guide the agency in addressing the risks of miners using alcohol and drugs in the work environment.

"We are concerned that miners' use of and impairment from alcohol and other drugs can create considerable (but preventable) risks to miner safety," the ANPRM said. "Our preliminary review of our fatal and non-fatal mine accident records revealed a number of instances in which alcohol or other drugs or drug paraphernalia were found or reported, or in which the post-accident toxicology screen revealed the presence of alcohol or other drugs," the agency said.

NMA said it welcomed efforts by MSHA that "address the cause of any workplace accident, including those involving substance abuse," and that it "looks forward to working with the agency on this effort."

The ANPRM, which includes a series of questions that will guide the agency in developing regulatory and non-regulatory actions, also included announcement of seven public hearings in late October and early November. The meeting schedule is:

- Oct. 24, Salt Lake City, Utah
- Oct. 26, St. Louis, Mo.
- Oct. 28, Birmingham, Ala.
- Oct. 31, Lexington, Ky.
- Nov. 2, Charleston, W.Va.
- Nov. 4, Pittsburgh, Pa.
- Nov. 8, Arlington, Va.

The Federal Register notice can be accessed at <http://edocket.access.gpo.gov/2005/05-19846.htm>. NMA members seeking additional information should contact Bruce Watzman at bwatzman@nma.org or (202) 463-2657. ✕

Final PSD for NOx allows states flexibility to implement alternative approaches

Final Environmental Protection Agency (EPA) rules governing Prevention of Significant Deterioration (PSD) requirements for nitrogen oxides (NOx) do not modify the existing increment system, but allow states the flexibility to implement alternative approaches, NMA said this week.

In addition, the requirements discuss a future rulemaking focused on the use of cap-and-trade programs to fulfill the objectives of the PSD program.

Last February, the agency proposed three alternative options: (1) retaining the existing increment system; (2) allowing states to adopt an EPA-administered cap-and-trade program for NOx; and (3) allowing states to use alternative state planning measures in lieu of a NOx increment system.

Rather than promulgate a specific alternative program of the type proposed in options 2 and 3, EPA is allowing states the flexibility of submitting any type of alternative for consideration on a case-by-case basis to determine if it is consistent with the Clean Air Act's PSD requirement.

Option 2 would have permitted states to use a cap-and-trade program such as the Clean Air Interstate Rule (CAIR) in lieu of the current nitrogen dioxide (NO₂) increment system. However, the agency says it plans to issue a supplemental proposal "to show how implementation of the model cap-and-trade program under the 2005 (CAIR) can meet the requirements for a state to use this approach in lieu of the existing NO₂ increments in order to prevent significant deterioration of air quality from emissions of NOx."

NMA members seeking additional information should contact Todd Johnston at ajohnston@nma.org or (202) 463-2668. ✕

NMA's Watzman appointed to CDC mine safety panel

NMA's Bruce Watzman, vice president – safety, health and human resources – has been appointed to the Centers for Disease Control and Prevention's (CDC) Mine Safety and Health Research Advisory Committee (MSHRAC). The appointment was made by Secretary of Health and Human Services Michael O. Leavitt.

The committee is charged with advising Leavitt, the assistant secretary for health, the CDC director and the National Institute for Occupational Safety and Health (NIOSH) director on priorities in mine safety and health research, including grants and contracts. ✕

House *from page 1*

H.R. 3893 also allows presidential designation of appropriate federal land sites (including closed military facilities) for new refineries and provides expedited permitting and funding to cover cost of delays due to litigation or in obtaining necessary permits.

NMA aggressively supported H.R. 3893, including preparing a special document, "Liquid Fuel from U.S. Coal" (see link in last paragraph) that was widely distributed on Capitol Hill and to administration officials; sending letters to all House members urging support of the measure; activating the ACT Online grassroots network; and issuing a press release endorsing the bill.

"Our country is obviously vulnerable to energy disruptions, but much can be done to minimize this risk by using coal as a feedstock for refineries," said NMA President and CEO Craig R. Naasz. "By encouraging the conversion of our most abundant domestic energy source, coal, to transportation fuel, Congress can supplement our nation's limited supplies of refined energy products and minimize our dependence on foreign energy."

Originally developed in the 1920s, coal liquefaction has been updated and modernized through years of research, much of it conducted by the U.S. government, both directly and through industrial partnerships and international cooperation. A modern version of the technology is used today in South Africa, which has produced more than 700 million barrels of synthetic fuels from coal since the early 1980s. China is

spending \$6 billion on new liquefaction plants (based in part on U.S.-developed technology) that will eventually produce up to a combined 440 million barrels of liquid fuel annually.

However, no commercial CTL plants exist in the U.S., due primarily to the historic volatility of oil prices, high front-end costs and long lead times needed to build a coal refinery. Naasz said the current energy situation demands "bold action to create incentives and minimize these disadvantages so the U.S. can act decisively to facilitate use of its own abundant energy supplies, such as coal. Our nation's energy needs and security demand that we take advantage of technology to broaden our options."

In addition to the House measure, CTL incentives are included in S. 1772, "Gas Petroleum Refiner Improvement and Community Empowerment Act," introduced by Senate Environment and Public Works Chairman James Inhofe (R-Okla.), which is still awaiting committee action.

For more information on the CTL issue, visit www.nma.org/pdf/liquid_coal_fuels_100505.pdf. ✕

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

CONSOL conducts Hurricane Katrina relief campaign

NMA member CONSOL Energy recently conducted a Hurricane Katrina relief campaign, resulting in nearly \$150,000 being donated to the American Red Cross during a celebration at

the company's headquarters in Pittsburgh, Pa.

The company matched all donations by its employees in six states, who gave a total of \$48,257. Also, CONSOL donated an additional \$50,000 in support of the Red Cross and its relief efforts.

CNX Land Resources Inc., a CONSOL Energy subsidiary operating in the Gulf Coast area, donated use of a 74,000 square foot warehouse in Beaumont, Texas, to the Salvation Army. From this staging center, the agency is distributing relief supplies to storm victims in Louisiana, Mississippi and Alabama. A four-month lease valued

at \$100,000 has been donated to the Salvation Army.

"We recognize the good work done by both the American Red Cross and the Salvation Army," said Thomas F. Hoffman, vice president – external affairs. "And we also recognize that there are ongoing local community needs that these two agencies deal with on a daily basis. To help meet those needs, CONSOL Energy is donating an additional \$5,000 to both the American Red Cross and the Salvation Army for local aid."

As chronicled in recent issues of *Mining Week* (see all issues for September), many NMA members have donated millions of dollars in direct contributions and additional assistance to aid the Gulf region in hurricane recovery. Member companies that have not already been mentioned, but would like to be cited in future stories, should send materials to Tom Johnson at tjohnson@nma.org. ✕



Employee donations and company matching donation presented to American Red Cross and The Salvation Army. Pictured here (from left) are: Denny Stanhagen, president of CNX Land Resources Inc.; Michael Mingrone, business development officer for SW PA Chapter of American Red Cross; Patricia Lang, vice president of human resources, CONSOL Energy Inc.; Richard Layton, president of Fairmont Supply Company; and Major James LaBossiere of The Salvation Army.

Cat says it is increasing production to meet 'extraordinary' mining equipment demand

Caterpillar Global Mining President Chris Curfman says the company is taking steps to increase production for mining trucks and equipment to meet unprecedented demand.

"Using 6 Sigma methodology, we have already made great progress to significantly increase production to help meet the extraordinary demand for mining products globally," Curfman told customers present at the Cat Global Mining Forum. He added the company is "working closely with our dealer network to respond to our customers' needs for our products."

The current increase in demand for mining products also includes growing customer needs for underground mining equipment. During the forum, Curfman explained Caterpillar's current and future plans to respond to customer needs for the underground mining industry.

Approximately 150 representatives from some of Caterpillar's largest mining customers attended the Cat Global Mining Forum in Peoria. For more than three decades, Caterpillar has hosted the annual event as a way for mining industry professionals from around the world to share best practices

and to provide Caterpillar with ideas for continuous product improvement in the mining industry.

In addition to the increased production for all mining equipment, Caterpillar will deliver the first group of its new 793D production trucks to customers in October. The trucks are produced at Caterpillar's Decatur, Ill., facility, which in addition to increasing production through 6 Sigma, has also recently upgraded manufacturing facilities to further increase production capacity and improve operating efficiencies. ✕

Peabody Energy acquires interest in industrial coal gasification technology company

Peabody Energy this week said it has reached agreement to purchase a 30 percent interest in Econo-Power International Corp., which owns and markets modular coal gasifiers for industrial applications.

The EPIC Clean Coal Gasification System(TM) uses air-blown gasifiers to convert coal into a synthetic gas that is ideal for industrial applications.

"Americans are paying record prices for natural gas, and traditional gas intensive industries are incurring severe economic harm," said Executive Vice President of Resource Management

and Strategic Planning Roger B. Walcott Jr. "We believe that the EPIC process offers industrial natural gas customers a compelling coal-based alternative."

Peabody will invest up to \$6 million for the 30 percent interest in EPIC and will assist in marketing coal for customers of the technology. The EPIC process works particularly well using coal products from the Illinois Basin and Powder River Basin. A typical industrial application would use more than 200,000 tons of coal per year to fuel four gasifiers, producing the equivalent of 4 billion cubic feet of natural gas.

Peabody said the EPIC system has lower capital costs and greater reliability than large-scale gasification technologies under consideration for electricity generation, and can produce syngas at a lower cost per Btu for small- and medium-sized users. EPIC has identified a broad target market of cogeneration and industrial process plants that would be suitable for the gasification system.

Peabody believes that Btu conversion technologies that turn coal into natural gas, transportation fuels and hydrogen are expanding coal's traditional markets beyond electricity generation and steel-making. ✕

Newsbits

Thirty-two domestic violence shelters will share a \$165,000 grant announced last week by the **Phelps Dodge Foundation**, the charitable giving arm of **Phelps Dodge (PD) Corp.** The grants are the culmination of a three-year PD commitment to address domestic violence totaling \$525,000. Organizations receiving support include eight shelters in Maricopa County, Ariz., seven elsewhere in Arizona, 15 in other states and two outside the United States. In a separate announcement, PD said agreements have been executed for debt financing facilities totaling \$450 million in

connection with the expansion of the **Sociedad Minera Cerro Verde S.A.A.** copper mine near Arequipa, Peru. PD is the majority owner and operator of the facility . . . **Carl O. Bauer** has been named director of the **Department of Energy's National Energy Technology Laboratory (NETL)**, succeeding **Rita Bajura**, who retired in February 2005. Bauer, who has held a number of positions at DOE headquarters, has been serving as NETL acting director. He manages approximately 1,200 federal and contractor staff in four locations, Pittsburgh, Pa., Morgantown, W.Va.,

Tulsa, Okla., and Fairbanks, Alaska . . . **Steven A. Elmquist** has been named vice president and chief technical officer, a newly created position, at **Cleveland-Cliffs Inc.** In addition he has also been elected an officer of the Corporation. Elmquist, 55, has been employed by Cliffs since 1990 and has progressed through a number of technical and operating roles with increasing responsibility . . . **Hecla Mining Co.** announced the resignation of its vice president of exploration and strategy, **Ian Atkinson**. Atkinson is leaving to take a position with another mining company.

Mining Week is published as service to members of the National Mining Association, John Brinzo, chairman, Kraig R. Naasz, president and publisher.

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