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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](http://www.nma.org).

## House committee begins consideration of Mining Law reform

The House Natural Resources Committee this week began consideration of legislation to amend the General Mining Law and is scheduled to resume consideration on Oct. 23.

An Oct. 18 committee meeting was expected to see the "Hardrock Mining and Reclamation Act of 2007" (H.R. 2262), introduced by Committee Chairman Nick Rahall (D-W.Va.), win committee approval and move to the House floor for a vote as early as next week. However, the committee was forced to postpone final approval until next week due to the number of amendments still to be considered and the House schedule.

In an Oct. 17 letter to all committee members, NMA President and CEO Kraig R. Naasz said H.R. 2262 "fails to provide the certainty necessary to maintain and grow a healthy and sustainable domestic mineral and mining industry; an industry that, in 2005, supported 169,500 direct and indirect jobs, produced metals valued at more than \$16 billion and paid direct personal and payroll taxes totaling \$830 million."

"NMA appreciates the efforts of both Chairman Rahall and Minerals and Energy Subcommittee Chairman Jim Costa (D-Calif.) to make constructive improvements to the

*See Mining Law, page 2*

## Seven House Democrats call for full MINER Act implementation before considering new safety legislation

Seven House Democrats recently called on House Education and Labor Committee Chairman George Miller (D-Calif.) to wait for the full implementation of the Mine Improvement and New Emergency Response (MINER) Act of 2006 before proceeding with new safety legislation.

In an Oct. 10 letter to Miller, Rep. Jason Altmire (D-Pa.) and six fellow House Democrats stressed that the MINER Act "agreed to by industry and labor alike, and passed by an overwhelming majority, is still in the process of being implemented." Before advancing new legislation, the seven Democrats said that the committee should wait to advance new legislation until after the conclusion of safety studies called for in the MINER Act and the "implementation of all the major requirements of the MINER Act." The letter praised the MINER Act's "carefully considered program of studies, mandates, and enforcement provisions," saying many of the studies, which are due in December, are relevant to provisions contained in the "Supplemental MINER Act" (H.R. 2768), introduced by Miller. "We feel it would be prudent for Congress to incorporate the scientific analysis produced by the panels of engineers, labor representatives, and academics called for in the MINER Act into any new mine safety legislation," Altmire and his fellow Democrats said.

"As representatives of districts with histories of both underground and surface mining we are also aware of the unintended consequences regulations can have on ongoing safety efforts," the letter said. "Therefore, we want to make sure that any new mine safety legislation is compatible with current mine safety regulations and takes into account the most rigorous available science on the issues it seeks to address."

*See MINER Act, page 2*

## Mining Law *continued from page 1*

legislation and wishes to thank them, as well as ranking members Don Young (R-Alaska) and Steve Pearce (R-N.M.) for their efforts in this regard," wrote Naasz. "Despite recent improvements made to the bill in a proposed substitute amendment, NMA remains opposed to H.R. 2262."

The bill was made worse after an amendment by Rep. Maurice Hinchey (D - N.Y.) that would impose a 4 percent gross royalty on current hardrock mining operations was approved by a voice vote during committee consideration of the bill on Oct. 18.

By levying the highest royalty in the world on America's minerals mining industry, Naasz said the bill goes far beyond providing for a fair economic return to taxpayers and "and would cause a significant reduction in mineral and mining investment."

Naasz wrote that several provisions of H.R. 2262 provide "new sweeping au-

thorities" to the federal government to reject mine permits after all applicable requirements have been met. "These provisions, if enacted, would stifle new investments in mineral exploration and development because, even after significant investment and meeting all applicable environmental laws, there would be no certainty that a project could ever be developed," Naasz wrote.

In addition Naasz said NMA opposed the local/state land withdrawal petitioning process in the bill because it presumes the granting of a withdrawal unless the Secretary of the Interior determines that the withdrawal is not in the national interest, which would lead to most withdrawal petitions being granted, thus "precluding mining on untold acres of federal lands."

Also this week, all 18 committee Republicans called for the committee to delay action on the bill until additional hearings on H.R. 2262 could be held that would specifically focus on the it's impact on America's economic and military se-

curity. In an Oct. 16 letter to Chairman Rahall, the committee Republicans noted that America now imports anywhere from 40 to 100 percent of 24 minerals deemed critically important to America's armed forces, with the Department of Defense 100 percent dependent on imports for eight critical minerals.

"Reducing our military to import the strategic and critical minerals it needs from hostile foreign nations puts our military on its knees before the battle begins," the letter said and called for joint hearings with the House Armed Services Committee to explore the impact of H.R. 2262 on the nation's armed forces.

The letter also warned that it would be premature to advance the bill out of committee prior to the completion of analyses showing the impact the bill would have on the overall U.S. economy. The letter noted that during previous committee hearings on the bill no witnesses testified that the bill would increase mining activity in the U.S., but many testified that the bill would be "devastating to our domestic production of minerals, will be crippling to our economy and will send more jobs overseas."

A copy of NMA's Oct. 17 letter is available at: [http://www.nma.org/pdf/101807\\_abcrombie\\_letter.pdf](http://www.nma.org/pdf/101807_abcrombie_letter.pdf).

A copy of the Oct. 16 Republican letter is available at: [http://www.nma.org/pdf/misc/101807\\_mining\\_law\\_reform.pdf](http://www.nma.org/pdf/misc/101807_mining_law_reform.pdf). ☒

## White House says energy bill must support alternative fuels, omit RPS

A senior White House official this week urged Congress to send President Bush energy legislation that supports the production of alternative domestic fuels and omits a mandatory renewable portfolio standard (RPS).

In an Oct. 15 letter to House Speaker Nancy Pelosi (D-Calif.), National Economic Council Director Allan Hubbard spelled out a framework for an energy bill, which if followed, would be supported by President Bush, thus avoiding a presidential veto. Hubbard's letter stressed that the administration is committed to working with Congress to produce "balanced legislation" that improves America's energy and economic security and protects the environment.

Hubbard's framework calls for an "ambitious alternative fuels standard" comparable to one President Bush proposed in his 2007 State of the Union address that requires the use of 35 billion gallons of alternative energy sources, including coal-to-liquid (CTL) fuels, by 2017. Hubbard said energy legislation must not reduce, "but instead increase domestic energy production."

Hubbard also called on Congress to send President Bush legislation that does not contain a mandatory RPS. In August, the House approved the "New Direction for Energy Independence, National Security, and Consumer Protection Act" (H.R. 3221) that included a mandatory 15 percent RPS for electric utilities. The bill's RPS would act as a tax that falls heaviest on consumers from states without adequate supplies of renewable fuels to meet the standard.

Hubbard's letter comes amid efforts by House and Senate leadership to avoid convening a formal conference committee and instead informally reconcile

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## MINER Act *continued from page 1*

Joining Atlmire in signing the letter were fellow House Democrats John Salazar (Colo.), Lincoln Davis (Tenn.), Dan Boren (Okla.), Leonard Boswell (Iowa), Christopher Carney (Pa.) and John Barrow (Ga.).

A copy of the letter is available at: [http://www.nma.org/pdf/misc/101607\\_sminer.pdf](http://www.nma.org/pdf/misc/101607_sminer.pdf). ☒

**Energy Bill** *continued from page 2*

differences between respective energy bills each body passed earlier this year. Congressional staff are believed to be informally working on compromise language for issues considered non-controversial, while more difficult issues will be left to leadership to iron-out.

Separately, the Coal-to-Liquids Coalition (CTLC) wrote to President Bush this week urging him to insist that Congress include critical CTL provisions in any energy legislation they send to the him for his signature.

In an Oct. 19 letter, NMA President and CEO Kraig R. Naasz, writing on behalf of the CTLC, said provisions to accelerate domestic CTL production are a must if Congress is going to meet the challenge the president laid down in his 2007 State of the Union address that called for a mandatory fuels standard that requires the use of 35 billion gallons of renewable and alternative energy sources by 2017.

“Should Congress opt against supporting CTL fuels, it will be turning its back on the realistic road map you presented

for moving America towards true energy independence,” Naasz wrote.

Naasz said Congress can help turn “CTL’s enormous potential into reality by extending the life of the existing 50-cents per gallon alternative fuels excise tax credit and granting the Department of Defense the necessary authority to negotiate long-term fixed-price supply contracts. Naasz also wrote that Congress should approve a “price collar”

for CTL fuels, which can “effectively mitigate the predatory pricing tactics of foreign energy cartels eager to eliminate an emerging competing industry.”

A copy of the Oct. 15 White House letter is available at: [http://www.nma.org/pdf/misc/101607\\_pelosi.pdf](http://www.nma.org/pdf/misc/101607_pelosi.pdf).

A copy of the Oct. 19 CTLC letter is available at: [www.nma.org/pdf/misc/101007\\_admin\\_conf\\_letter.pdf](http://www.nma.org/pdf/misc/101007_admin_conf_letter.pdf). ✕

<b>Mining Market Snapshot</b>		
<b>Coal Figures</b>	Cumulative year to date	Change over last year
<i>Week ended October 6, 2007</i>		
EIA Coal Production (000 tons)	878,316	-1.5%
Edison Electric Institute Electricity Output (GWh)	3,195,894	2.8%
American Iron and Steel Institute Raw Steel Production (000 tons)	81,531	-4.8%
<b>Metal Figures</b>		
Copper Prices (\$/mt - week avg. Grade A Cash) 10/5/07		\$8,216.20
Gold Prices (\$/troy ounce - week avg. London Final) 10/5/07		\$733.25
Source: NMA Weekly Statistical Summary/Platts Metals Week		

**Rep. Ross meets with NMA Government Affairs Committee**



NMA Government Affairs Committee (GAC) Chairman and Foundation Coal Vice President of Government and Community Affairs Jon Wood (right) welcomed Rep. Mike Ross (D-Ark.) (left) to an Oct. 17 meeting of NMA’s GAC.

During his visit, Ross, a co-chair of the moderate Blue Dog House Democrats group and member of the House Energy and Commerce Committee, stressed the need for significant federal investments

to accelerate the development of clean coal technology. Ross said that America’s vast coal reserves must be used to meet the nation’s future energy needs. “We’ve got to continue to use coal and do it in a more environmentally friendly way,” said Ross.

Ross discussed his effort to work with a group of nine fellow Democrats on the Energy and Commerce Committee to ensure that any climate change initiatives advanced by the committee recognize and account for current technological capabilities. Ross also underlined his support for technological investments that will enable the use of 9 billion tons of lignite coal located in his district.

Regarding on-going efforts between the House and Senate to reach accord on compromise energy legislation, Ross emphasized that Congress must support legislation that promotes increased production of domestic energy sources, noting that he

is a co-sponsor of the “Coal Liquid Fuel Act” (H.R. 2208) introduced by House Energy and Air Quality Subcommittee Chairman Rick Boucher (D-Va.).

Ross also noted that as the House considers the adoption of new mine safety legislation, House members must appreciate the limitations of current communications technology and support efforts to advance the development of such technology and highlighted his support for the “Mine Communications Technology Innovation Act” introduced this week by Rep. Jim Matheson (D-Utah). The bill requires the director of the National Institute of Standards and Technology to establish an initiative to promote the research, development, and demonstration of miner tracking and communications systems and to promote the establishment of standards regarding underground communications to protect miners in the United States. ✕

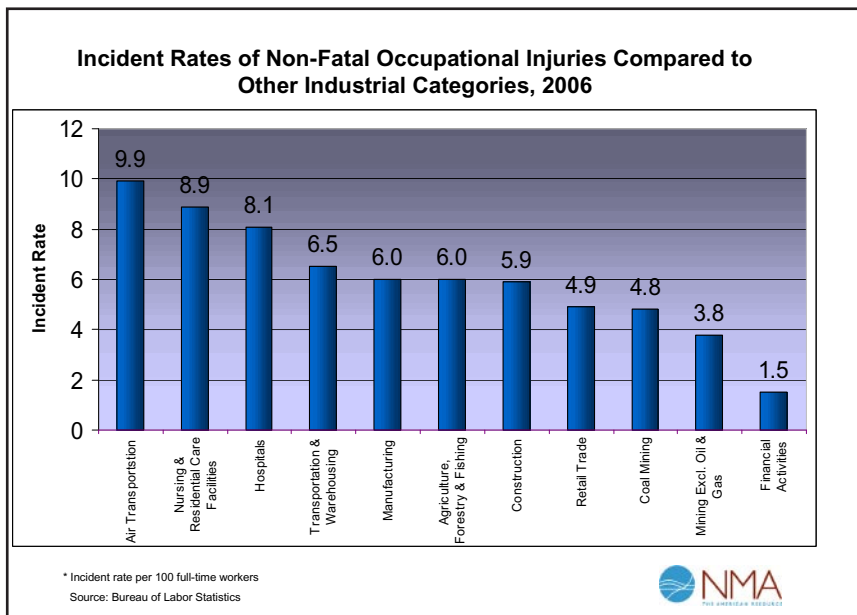
## New Labor Department data show mining industry's injury rate among lowest

New workplace injury information released this week by the Department of Labor found that the mining industry had the second lowest non-fatal injury rate of all goods producing sectors surveyed by the department's Bureau of Labor Statistics (BLS). The industry's non-fatal injury rate for 2006 stood at 3.8 cases per 100 full-time workers, down from the 2005 rate of four cases per 100 full-time workers.

"This week's BLS information demonstrates the mining community's commitment to achieve constant improvements in safety performance and ensure the health and well-being of our workforce," said NMA President and CEO Kraig R. Naasz.

A summary of BLS's data is available at: [www.bls.gov/iif/oshwc/osh/os/osnr0028.pdf](http://www.bls.gov/iif/oshwc/osh/os/osnr0028.pdf).

More information is available on NMA's web site at: [www.nma.org/pdf/s\\_nonfatal\\_rates\\_comparative.pdf](http://www.nma.org/pdf/s_nonfatal_rates_comparative.pdf). ✕



## EPA commits to writing carbon dioxide storage rules

The U.S. Environmental Protection Agency last week announced that it will soon begin developing regulations governing the underground storage of carbon dioxide. EPA said on Oct. 11 the regulations will be designed to ensure "a consistent and effective permit system under the Safe Drinking Water Act" for commercial-scale storage programs meant to help mitigate climate change.

The Safe Drinking Water Act established the Underground Injection Control (UIC) program, which permits the safe underground injection of fluids in a manner that does not endanger current or future underground sources of drinking water. EPA said it plans to propose regulatory changes to the UIC program in the summer of 2008 and will invite the public and stakeholders to provide input throughout the rules development process. "Addressing global climate change will require fundamental changes in the way the world generates and uses energy," EPA Administrator Stephen L. Johnson said in an Oct. 11 press release. Johnson said the underground storage of carbon dioxide will help usher in "a new age of clean energy – where we can be both good stewards of the Earth, and good stewards of the American economy."

Senate Clean Air, Climate Change and Nuclear Safety Subcommittee Chairman Thomas Carper (D-Del.) welcomed EPA's announcement, saying clean-coal technologies that can capture and store carbon dioxide emissions are "critical to meeting our energy and environmental needs of the future." Carper said the rules EPA will develop will ensure the "promise of clean-coal technology will become closer to a reality."

More information is available at: <http://yosemite.epa.gov/opa/admpress.nsf/eebfaebc1afd883d85257355005afd19/84bd1ef19c00eb7a85257371006b6a21!OpenDocument>. ✕

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

- The House Oversight and Government Reform Committee, chaired by Rep. Henry Waxman (D-Calif.), will hold a hearing on Oct. 23 entitled "Environmental and Health Impacts of Uranium Mining on Navajo Lands." The hearing will begin at 10 a.m. in room 2154 of the Rayburn House Office Building. The committee has not issued a witness list.
- House Education and Labor Committee consideration of the "Supplemental Mine Improvement and New Emergency Response Act of 2007" (H.R. 2768) and the "Miner Health Enhancement Act of 2007" (H.R. 2769) could occur next week. However, committee Chairman George Miller (D-Calif.) has not set a firm date for committee action.
- A hearing on a "low-carbon energy economy" by the House Select Energy Independence & Global Warming Committee, originally scheduled for Oct. 11, remains pending as committee Chairman Rep. Edward Markey (D-Mass.) has yet to announce a new date for the hearing.

## Peabody employee named “Reclamationist of the Year” by American Society of Mining Reclamation

The American Society of Mining and Reclamation (ASMR) recently honored Peabody Energy’s Vern Pfannenstiel as its Reclamationist of the Year in recognition of his sensitivity to cultural traditions and leadership in creating a global model for sustainable practices.

Pfannenstiel serves as Peabody’s reclamation manager for environmental services - West, with responsibility for research and best practices in restoring mined lands at Peabody’s operations in Arizona, Colorado, New Mexico, Montana and Wyoming.

The company’s robust reclamation program creates up to 20 times more livestock forage than native range; a cultural plant program that restores plants and herbs used by Native Americans for medicine and ceremonies; and a managed grazing program for residents that provides access to productive reclaimed lands under Peabody control.

“Vern and our entire worldwide team of

## Fourth graders get mining lesson



Fifty-four fourth graders from Flint Hill Elementary School in Oakton, Va., visited NMA’s headquarters on Oct. 16 following a class field trip to the Smithsonian National Museum of Natural History to learn about minerals. During their visit to NMA, the class took part in a number of activities to learn about coal and minerals mining and the important contributions to their way of life made possible by mining. ✕



environmental experts live the principles of Peabody’s mission by returning mined lands to a condition that is equal to or better than before mining occurred,” said Robert C. Hammond, Peabody’s group executive for southwest operations in an Oct. 16 press release. “Vern has always pushed for innovative practices to match cultural needs

with economic and environmental goals.”

Pfannenstiel joined Peabody in 1981 as an environmental scientist serving Colorado, Montana and Wyoming.

More information is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsArticle&ID=1063657&highlight>. ✕

## Newsbits

**Chevron Mining’s** Questa Mine was recently honored by the New Mexico State Mine Inspector and the New Mexico Mining Association as the state’s “Safe Operator of the Year” in the underground metal category. Additionally, nine departments at the Questa Mine received “Zero Frequency” certificates recognizing their superior safety performance. “Receiving these awards is very significant for us,” said Mark A. Smith, president and CEO of Chevron Mining Inc. in an Oct. 15 press release. “Safety is one of our company’s core values and these awards memorialize the outstanding safety achievements of our employees. This year’s honors follow a 2006 “Safety Innovator” award the State Mine Inspector gave to the Questa Mine for successfully implementing the employee-led “Triangle of Prevention Program”...The **North American Electric Reliability Corporation** this week released its *2007 Long-Term Reliability Assessment*, which projects that electricity usage in the United States will grow more than twice as fast as committed resources over the next 10 years, with some areas in the U.S. falling below their target capacity margins

within two or three years. A complete copy of the report is available at: [ftp://www.nerc.com/pub/sys/all\\_updl/docs/pubs/LTRA2007.pdf](ftp://www.nerc.com/pub/sys/all_updl/docs/pubs/LTRA2007.pdf)...**Peabody Energy** Chairman and Chief Executive Officer **Gregory H. Boyce** was recently honored with a Distinguished Service Award from the University of Arizona College of Engineering. Boyce was recognized for his contributions to the energy industry and his leadership in developing innovative clean coal technology energy solutions. “There is no greater challenge we face as a nation and as a global community than to find a long-term, sustainable solution to our energy needs,” said Tom Peterson, dean of the University of Arizona’s College of Engineering, in an Oct. 12 press release. “Coal is the backbone of our energy resource portfolio, and we honor Greg for his leadership and innovation as chairman and CEO of the world’s largest coal company.” Boyce is a University of Arizona alumnus and has extensive U.S. and international management, operating and engineering experience. More information is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsAr>

## Newsbits

[ticle&ID=1062219&highlight=...](#) Peabody also recently named **Gary T. Kacich** as new vice president and assistant controller for operations. And named **Kenneth L. Wagner** as new vice president and assistant general counsel with legal responsibility for corporate governance and Securities and Exchange Commission (SEC) Compliance Peabody also announced that **David R.L. Barham** has been named

to the new position of director of global freight trading for Peabody COALTRADE International Limited, while **Scott Paul Knights** takes the newly created position of general manager of thermal coal marketing -- Japan for COALTRADE International. More information is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=IROL-news>. ✕



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