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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 approved Mining Law reform bill endangers availability of domestic minerals; administration threatens veto

The House of Representatives this week approved Mining Law reform legislation despite warnings from the Bush Administration and industry that the bill will choke-off investment in domestic mineral operations, causing whole industries and thousands of high-paying jobs to move offshore, all while making the U.S. even more dependant on foreign sources of critical minerals.

"The bill approved this week by the House falls far short of the reforms we have worked hard to achieve to provide a fair return to the taxpayer for the use of federal lands and greater regulatory certainty," said NMA President and CEO Kraig R. Naasz in a Nov. 1 statement. "The enormous costs that would be imposed on the hardrock mining industry by the bill and the failure to provide mining companies with greater security when operating on federal lands will only increase the nation's growing reliance on imported minerals vital to our economy and our national defense."

The House approved the "Hardrock Mining and Reclamation Act of 2007" (H.R. 2262) on Nov. 1 by a vote of 244-166. Importantly, less than two-thirds of House members voted for the bill, meaning the House cannot override a threatened veto by President Bush. By comparison, 72 fewer members voted for this version of Mining Law reform than the last Mining Law reform bill to come before the House, which was approved by a vote of 316-108 in 1993.

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House committee approves new safety legislation, industry warns of impact on MINER Act implementation efforts

The House Committee on Education and Labor this week approved new mine safety legislation despite objections from industry and the Bush Administration that the new legislation threatens the industry's ongoing efforts to implement the Mine Improvement and New Emergency Response (MINER) Act that Congress approved overwhelmingly last year.

The committee approved a modified version of the "Supplemental MINER (S-MINER) Act" (H.R. 2768) and the "Miner Health Enhancement Act" (H.R. 2769) along party lines at an Oct. 31 committee meeting.

During the committee's consideration of the bill, Ranking Member Buck McKeon (R-Calif.) warned that despite safety advancements achieved through the ongoing implementation of the MINER Act, "my colleagues have proposed undoing the progress that has been made by layering on a new set of regulations and requirements." McKeon said the S-MINER Act "is premature, at best," adding the he fears it could "undermine critical efforts to enhance mine safety."

"The U.S. mining industry is making substantial progress in implementing the MINER Act," said NMA President and CEO Kraig R. Naasz. "Complying with this new law is challenging for mine operators, equipment and technology suppliers and regulators," said Naasz. "The mining industry opposes the legislation passed this week by the House Edu-

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Before the House voted on the bill, the Office of Management and Budget issued a statement of administration policy (SAP) that said senior White House officials would advise President Bush to veto the bill in its current form.

According to the Nov. 1 SAP, the ad-

ministration opposes the bill because it “imposes a royalty on claims where property rights already have been vested, could reduce the continued domestic production of hardrock minerals, re-states and expands some environmental standards and permitting requirements

that are unnecessary and redundant and establishes new public participation standards rather than utilizing existing and well-established processes to engage the public.”

The bill imposes an 8 percent gross royalty on new domestic minerals mining operations and a retroactive 4 percent royalty on existing operations. The bill also establishes new prohibitions on future mining on certain public lands, includes environmental standards that conflict with existing state and federal regulations and does not go far enough in ensuring that mining investments on public lands will not be placed at risk by arbitrary and capricious restrictions and decisions made by federal regulators.

Following the vote Senate Majority Leader Harry Reid (D-Nev.) said he looks forward to “working with my colleagues in both the Senate and House who care about mining, public lands and rural America to provide a new vision for industry and conservation in the West.” However Reid said he “cannot support many of the provisions in the House bill” while emphasizing he believes “the opportunity still exists for common sense reform.”

Before this week’s vote, Reps. Thelma Drake (R-Va.) and Robin Hayes (R-N.C.) wrote House Natural Resources Committee Chairman Nick Rahall (D-W.Va.), who authored the bill, urging that consideration of the bill be delayed to allow the committee along with the House Armed Services Committee, of which they are members, to review the national security implications of the bill.

The Oct. 31 letter warned that the bill “could threaten U.S. national security by limiting the domestic availability of metals and minerals strategic and critical to the U.S. military.”

NMA was joined by the National Association of Manufacturers (NAM) and the U.S. Chamber of Commerce in opposing the bill.

“If enacted, H.R. 2262 would hamper
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Where our minerals come from

While the domestic mining industry currently supplies slightly more than 50 percent of the minerals and metals that are vital to America’s economic well-being and national security, the “Hardrock Mining and Reclamation Act of 2007” (H.R. 2262), approved by the House this week, threatens to curtail domestic mining and increase our growing reliance on foreign minerals.

Already, America relies on 25 nations to supply at least 95 percent of nearly 30 critical minerals, with China being a major supplier of 10 such metals and minerals. This situation is further evidence of the need for Congress to enact responsible Mining Law reform, which unlike H.R. 2262, will help lessen our reliance on foreign minerals. ✕

Import Reliance of Minerals by Source Country	
Country	Minerals
Australia	Bauxite & Alumina, Manganese
Austria	Vanadium, Yttrium
Belgium	Mica, Thallium, Gemstones, Bismuth
Brazil	Bauxite & Alumina, Columbium, Graphite, Mica, Quartz Crystal
Canada	Asbestos, Columbium, Graphite, Indium, Quartz Crystal, Rubidium, Vanadium, Platinum
Chile	Arsenic
China	Arsenic, Flourspar, Graphite, Indium, Manganese, Mica, Rare Earths, Yttrium, Gallium, Bismuth
Czech Republic	Vanadium
Estonia	Columbium
France	Rare Earths, Thorium
Gabon	Manganese
Germany	Columbium, Quartz Crystal, Strontium, Platinum
Guinea	Bauxite & Alumina
India	Mica, Gemstones
Israel	Gemstones
Jamaica	Bauxite & Alumina
Japan	Indium, Rare Earths, Yttrium, Gallium
Madagascar	Quartz Crystal
Mexico	Arsenic, Flourspar, Graphite, Strontium, Bismuth
Mongolia	Flourspar
Morocco	Arsenic
Russia	Indium, Rare Earths, Thallium, Gallium, Thorium
South Africa	Flourspar, Manganese, Gemstones, Platinum
Ukraine	Gallium
United Kingdom	Bismuth, Platinum

Source: U.S. Geological Survey, *Mineral Commodity Summaries 2007*

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domestic minerals production, igniting a chain reaction that would force American businesses dependent on these minerals to increase their reliance on foreign sources, which would accelerate a burgeoning loss of basic industries and high-wage manufacturing jobs to the international market," wrote R. Bruce Josten, the chamber's executive vice president of government affairs, in an Oct. 31 letter to all House members.

Josten warned that thousands of high-paying mining jobs "will almost certainly be exported," resulting in "mine workers who depend on these jobs" having "fewer places to turn in order to earn a living." Josten emphasized that the chamber and its members are committed to a Mining Law reform measure "that results in fair and predictable public policy, maintains a strong domestic mining industry and does not unnecessarily sacrifice American jobs."

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and Labor Committee that would impose additional requirements, including some that would overturn regulatory processes that are required by the MINER Act, before the industry has had an opportunity to implement the current law and its effectiveness is assessed."

"The U.S. mining industry is determined to advance mine safety as its highest priority," said Naasz. "But this legislation will make that goal more difficult to achieve by impeding our efforts to implement current law and the recommendations of the independent Mine Safety Technology and Training Commission, which NMA established in 2006."

On Oct. 29, NMA and a coalition of five industry allies wrote to Committee Chairman George Miller (D-Calif.) and McKeon, warning that the legislation would do little to improve mine safety and jeopardizes the industry's ability to fully implement the MINER Act.

"We have carefully reviewed the elements of these bills and have determined that they will harm, rather than enhance, our industries' diligent efforts to meet the requirements of the MINER Act, which garnered overwhelming bipartisan support and was endorsed by labor and industry prior to its passage last year," NMA and its industry allies said in the Oct. 29 letter.

Joining NMA on the letter were the Industrial Minerals Association - North America, the National Lime Association, the National Stone, Sand & Gravel Asso-

ciation, the Portland Cement Association and the Salt Institute.

The letter said the new safety legislation introduced by Chairman Miller forces the industry to implement new regulatory requirements "that will create confusion and threaten our continued progress in implementing the safety improvements required by the MINER Act." The letter also warned that the bill circumvents notice and comment rule-making, "thereby thwarting the development of safety and health standards and policies based upon sound science" and changes the roles and responsibilities of the Mine Safety and Health Administration (MSHA) and the National Institute for Occupational Safety and Health in a number of key respects.

In addition, the letter faulted Miller's legislation for imposing a "one-size-fits-all approach that fails to recognize that mines are unique." If enacted, NMA and its industry partners warned that the legislation "will result in many mines installing inappropriate or unnecessary technology that could be counterproductive to our shared goal of improving miner safety and health."

Assistant Secretary for Mine Safety and Health Richard Stickler also wrote to Miller on Oct. 29 to detail MSHA's objections to the S-MINER Act. Stickler said regulatory mandates contained in the S-MINER Act would, "in many cases, overturn ongoing regulatory processes created by the MINER Act."

Stickler warned that the bill threatens to

NMA Mining Law advertising urges responsible reform efforts

Don't let our future become our next big export.

Do you care about American industry? Do you support continued American job growth? If you said "yes," you should be saying "no" to the Hardrock Mining and Reclamation Act of 2007 (H.R. 2262).

This bill would: Impose the world's highest royalty on hardrock minerals, export thousands of high-paying jobs, waste investments by allowing political appointees to halt mining projects, and increase our nation's reliance on foreign sources of minerals.

The National Mining Association is committed to mining law reform done right. To protecting the interests of American workers, to fostering self-reliance and economic stability, to ensuring a fair economic return to the American public. H.R. 2262 simply won't accomplish these things.

We urge all members of Congress to oppose H.R. 2262 and support a more balanced approach to mining law reform. Because when mining is strong, America is strong.

www.nma.org

NMA
THE STOPP AMERICAN'S TRADE CO.

In advance of this week's House floor vote on "The Hardrock Mining and Reclamation Act of 2007" (H.R. 2262), NMA placed advertising in the Oct. 30 and 31 editions of *Congress Daily*, *The Hill* and *Roll Call*. The ad placements in these widely-read inside the beltway newspapers highlighted NMA's support for responsible updates to the Mining Law that ensure a fair economic return to taxpayers, prevent the export of high-paying American jobs, lessen our dependence on foreign minerals and facilitate the clean-up of abandoned mine lands.

A full copy of the ad is available at: http://www.nma.org/pdf/misc/103007_mining_law.pdf. ✕

"cause serious administrative problems for MSHA, weaken several critical safety standards, and in some instances, impose new safety requirements that are unrealistic or unlikely to make a substantive improvement in mine safety and health."

A copy of the Oct. 29 industry letter is available at: www.nma.org/pdf/103007_sminer_letter.pdf.

A copy of MSHA's Oct. 29 letter is available at: www.nma.org/pdf/sago/103007_miner_miller.pdf. ✕

Senate subcommittee approves Lieberman-Warner climate change bill; Lieberman says bill will cost industry “hundreds of billions”

A Senate Environment and Public Works (EPW) subcommittee this week approved climate change legislation introduced by Sens. Joe Lieberman (I-Conn.) and John Warner (R-Va.), setting the stage for the full EPW Committee to consider the bill later this month. Should the full committee approve the “America’s Climate Security Act” (ACSA) (S. 2191), the bill is unlikely to come before next year.

The Subcommittee on Private Sector and Consumer Solutions to Global Warming and Wildlife Protection, chaired by Lieberman, approved the bill on Nov. 1. During the subcommittee’s consideration of the bill, Lieberman conceded that complying with the bill would cost the electrical and industrial sectors “hundreds of billions of dollars.”

“It’s hard to imagine that [it] will not cost, over time, these two sectors hundreds of billions of dollars to comply with the demands of this bill,” Lieberman said. James Inhofe (R-Okla.), the subcommittee’s ranking member, warned that the bill is “real economic pain, for no climate gain.” Inhofe said the bill will burden American families with additional energy costs and significantly harm the United States economy.”

Looking ahead to a possible vote by the fully Senate, John Manley, a spokesman for Senate Majority Leader Harry Reid (D-Nev.), told reporters this week that a vote by the full Senate on the bill is “definitely not going to be this year.” “The best I can do is say early next year,” Manley told reporters.

The bill requires the electric power, transportation and manufacturing sectors to reduce greenhouse gas emissions to 15 percent below 2005 levels by 2020 and 70 percent below 2005 levels by 2050. Under the bill, the U.S. Environ-

Rep. Costello visits NMA

Rep. Jerry Costello (D-Ill.) (right) talks with Dan Scherder, representing Foundation Coal Holdings, Inc. (left), while visiting NMA’s Washington, D.C., offices on Nov. 1. During his visit, Costello expressed his support for ensuring coal continues to play a vital role in meeting the nation’s current and future energy needs and detailed his efforts to educate House members and leadership on the importance of coal to the nation’s well-being. In January



Costello will begin his third decade of service in the House of Representatives and will become the dean of Illinois’ congressional delegation. ✕

Mining Market Snapshot

Coal Figures	Cumulative year to date	Change over last year
<i>Week ended October 20, 2007</i>		
EIA Coal Production (000 tons)	922,874	-1.4%
Edison Electric Institute Electricity Output (GWh)	3,347,454	2.9%
American Iron and Steel Institute Raw Steel Production (000 tons)	85,790	-4.4%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 10/19/07	\$8,049.15	
Gold Prices (\$/troy ounce - week avg. London Final) 10/19/07	\$761.05	
Source: NMA Weekly Statistical Summary/Platts Metals Week		

mental Protection Agency has the authority to assess and distribute emissions allowances, which decline in tonnage on a set schedule, to covered entities at the beginning of each calendar year.

“The measure approved this week by a Senate EPW subcommittee mandates reductions in greenhouse gas emissions without providing the means for achieving such reductions,” said NMA President and CEO Kraig R. Naasz. “As a consequence, American consumers, businesses and working people will bare the brunt of the costs and economic dislocations that will result from S. 2191.”

“Meaningful efforts to address climate change in a sustainable manner must account for America’s future energy needs, preserve our standard of living and encourage continued economic

growth and competitiveness,” said Naasz. “As such, our first priority ought to be the development and deployment of advanced clean coal and carbon capture and storage technologies that will enable our continued utilization of America’s most versatile, abundant and affordable energy resource—coal.”

Senate EPW Committee Chairman Barbara Boxer (D-Calif.) has not set a date for committee consideration of the bill, however a vote could occur as early as Nov. 15. Boxer has stated her preference for moving the bill out of committee before she departs for a series of United Nations climate change negotiations set for early December in Bali, Indonesia.

Prior to a committee vote on the bill, Boxer appears likely to hold legislative hearings on Nov. 8 and Nov. 13. ✕

House committee adds industry-supported amendment to mercury export ban legislation

The House Energy and Commerce Committee this week approved legislation banning the export of elemental mercury after adding an amendment that establishes a practical and workable storage solution. The committee approved the "Mercury Export Ban Act of 2007" (H.R. 1534) by a vote of 42-2 on Oct. 30.

The committee approved the bill after Rep. Thomas Allen (D-Maine) offered an amendment that requires the Department of Energy (DOE) to create a facility capable and ready to accept elemental mercury produced in the U.S. for the purpose of long-term management and storage. The amendment specifies that this facility must be ready no later than Jan. 1, 2010. The amendment contains language regarding the application of Resource Conservation and Recovery Act provisions to the mining industry should the DOE facility not be ready on-time to accept elemental mercury.

The bill, which bans the export of elemental mercury, was approved by the Subcommittee on Environment and Hazardous Materials on Aug. 2. Following subcommittee approval, a bipartisan committee effort was launched to bring stakeholder groups together to reach consensus on solutions to outstanding concerns regarding the bill before consideration by the full committee.

Allen's amendment reflects compromise language agreed to by NMA, the American Chemistry Council, the Chlorine Institute, the Natural Resources Defense Council and the Environmental Council of States. NMA President and CEO Craig R. Naasz and the heads of each of NMA's allied organizations sent a letter to Committee Chairman John Dingell (D-Mich.) and other committee leaders on Oct. 23 urging them to support the amendment. ✕

Newsbits

Freeport-McMoRan Copper & Gold Inc. (FCX) this week named **L. Richards McMillan, II** as the company's new senior vice president and general counsel. McMillan joins the company after a 30-year career with the law firm of Jones, Walker, Waechter, Poitevent, Carrère & Denègre L.L.P. McMillan replaces **S. David Colton**, who is retiring after a 20-year career with Phelps Dodge, most recently as FCX's general counsel since its March 2007 acquisition of Phelps Dodge. "We are pleased to welcome Rick McMillan to our executive team," said **FCX CEO Richard C. Adkerson** in an Oct. 31 release. "[McMillan] has worked with Freeport as outside counsel for over a decade and has a strong record of accomplishment." More information is available at: www.fcx.com... The **Arizona Department of Mines and Mineral Resources** this week released its *Directory of Active Mines in Arizona – 2007*, which lists 187 companies, operating 402 mines. Accompanying the directory is a 1:1,000,000 scale, color map that includes sand and gravel operations for the first time. The directory covers more than 20 mined commodities and was compiled in late-2006 through mid-2007 using direct contact with producers. The directory includes a review of the 2006 Arizona mining industry, which had a total mineral production value of \$6.7 billion, with companies listed directly employing over 15,800 people in the state. The directory is available from the Department of Mines and Minerals Resources' office located at 1502 West Washington, Phoenix, AZ 85007 for \$20.00, plus \$6.00 postage and handling... **Anglo-Canadian Uranium Corp.** this week announced the appointment of **Norbert Jerome** to the company's advisory board effective immediately. Jerome has 44 years of industry experience, including expertise

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

- Following approval this week by the House Education and Labor Committee, the full House of Representatives could vote on the "Supplemental Mine Improvement and New Emergency Response Act of 2008" (S-MINER Act, H.R. 2768) as early as the week of Nov. 12.
- A House floor vote on the "Mercury Export Ban Act of 2007" (H.R. 1534) could take place later this month following approval of the bill on Oct. 31 by the House Energy and Commerce Committee.
- The Senate Environment and Public Works Committee is set to hold two legislative hearings in mid-November on the "America's Climate Security Act" (ACSA, S. 2191) and is likely to vote on the bill later this month or in early December. The Subcommittee on Private Sector and Consumer Solutions to Global Warming and Wildlife Protection approved the bill on Nov. 1.
- The House Transportation and Infrastructure Committee has delayed a vote on the "Clean Water Restoration Act of 2007" (H.R. 2421) until it holds a legislative hearing on the bill, which could take place later this month.

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Newsbits

in the development and mining of uranium deposits in the Rocky Mountain Uranium District. Jerome will focus on the development and implementation of the company's exploration programs at its Colorado uranium projects. In addition, the company also announced the appointment of **Donna Moroney** as corporate secretary. Moroney has

been a self-employed consultant, providing regulatory compliance and corporate secretary services to public companies since 1992. Moroney currently serves as a senior officer of several public companies reporting in Canada and the United States. More information is available at: www.anglocanex.com.

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NAM also wrote to all House members detailing its objections to H.R. 2262. "Not only would the bill seriously impact the U.S. mining industry, it would increase the cost of raw materials for U.S. manufacturers, make our products less competitive in global markets and adversely affect thousands of high-paying manufacturing jobs," wrote Jay Timmons, NAM's senior vice president for policy and government relations.

"Moreover, we remain concerned that this sets an unwise precedent in targeting specific industries with new and burdensome tax increases," Timmons wrote, noting that the U.S. is becoming "increasingly dependent upon foreign sources of minerals for products that are strategically important to both our national and economic security."

A copy of the Nov. 1 SAP is available at: www.nma.org/pdf/misc/110107_sap_2262.pdf.

A copy of the Oct. 31 letter by Reps. Drake and Hayes is available at: www.nma.org/pdf/misc/110107_pelosi_letter.pdf.

Copies of the Chamber of Commerce and NAM letters are available at: www.nma.org/tmp/102407_hr2262.asp. ✕



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