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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.

NMA's Naasz touts industry's prospects at major investment conference

NMA President and CEO Kraig R. Naasz this week highlighted the future prospects for the nation's mining industry and detailed how coal, mineral and metal producers are ideally positioned to provide the affordable energy and raw materials needed to ensure continued American economic growth. Naasz surveyed the opportunities and political challenges facing the industry in a Nov. 28 keynote address at Bear Stearns' third annual Commodities and Capital Goods Conference in New York, N.Y.

The conference drew global analysts from Bear Stearns, a leading investment banking, securities trading and brokerage firm, as well as institutional investors, energy company executives and chief executives from many NMA member companies.

As America's energy needs continue to grow, Naasz noted that America's coal reserves contain more energy than Middle East oil reserves, noting that the Energy Information Administration has predicted that coal's share of the electricity market will climb from 50 percent to 57 percent by 2030. Naasz stressed that through gasification, domestic coal can meet an increasing share of the nation's future needs for energy in the industrial sector and pointed to a projected additional 475 million tons of coal needed annually to produce clean, domestic coal-to-liquid fuels as more evidence of the vital role coal will play in meeting the nation's growing energy needs.

"Coal is an enormously valuable domestic resource," said Naasz. "We do not have to import coal, spend enormous sums to find it, or worry about a foreign government nationalizing it."

See Naasz, page 2

NMA urges OSM against extending reach of Stream Buffer Zone rule

NMA recently expressed its support for portions of a proposed Office of Surface Mining (OSM) rule that would clarify the applicability of an existing Stream Buffer Zone (SBZ) rule regarding the placement of excess spoil and coal mine waste. However, NMA urged the agency against finalizing a proposed provision that would greatly expand the regulatory reach of the SBZ rule, arguing that such an extension could cause adverse environmental impacts.

In comments submitted to OSM on Nov. 21, NMA lauded the proposed rule for clarifying that the SBZ rule does not apply to mining activities occurring in or through streams. NMA also praised the proposal for revising current rules governing the placement of excess spoil and coal mine waste associated with surface and underground coal mining operations under the Surface Mining Control and Reclamation Act (SMCRA).

However, NMA cautioned against including language to expand the SBZ rule from covering only perennial and intermittent streams to covering all "waters of the United States." NMA also urged OSM to reconsider a provision that would require an alternatives analysis when the disposal of excess spoil or coal mine waste will occur in such waters.

Expansion of the SBZ rule to include "waters of the United States" and requiring an

See SBZ, page 2

Naasz *continued from page 1*

Citing increased congressional efforts to advance climate change legislation and new mine safety legislation, Naasz detailed how the industry is responding to both issues. On safety, he pointed to the coal industry's 46 percent drop in the number of serious injuries over the past decade and an 81 percent reduction in fatalities since 1970, accomplished as production jumped 89 percent, as evidence of the industry's commitment to safety improvement.

In addition, Naasz discussed the industry's commitment to implementing the sweeping recommendations of the independent Mine Safety Technology and Training Commission and implementation of the bipartisan Mine Improvement and New Emergency Response Act of 2006.

On climate change, Naasz said most in the industry do not "quarrel with the objective of reducing greenhouse gas emissions," but rather "quarrel only with the means some propose for reducing carbon emissions, especially if they ignore the technology pathway that should precede mandatory reductions."

Naasz warned that aggressive caps on carbon dioxide emissions, such as those envisioned in the "America's Climate Security Act" (ACSA) (S. 2191), introduced by Sens. Joe Lieberman (I-Conn.) and John Warner (R-Va.), "will drive up energy costs and drive jobs offshore," costing approximately 2.3 million jobs and increasing wholesale electricity prices 65 percent by 2015.

Naasz said "a growing number in Congress are turning to our major policy te-

net – that a technology pathway should be built before we impose mandatory carbon controls."

Turning to issues confronting the nation's mineral industry, Naasz said legislation approved by the House of Representatives that imposes an 8 percent royalty on new operations on federal lands, the highest royalty in the world, and a 4 percent royalty on existing operations stands little chance of being signed into law. He pointed to opposition to the legislation from Senate Majority Leader Harry Reid (D-Nev.) and a threatened White House veto as indications that such a bill will not be signed into law.

"Our industry supports reasonable hard rock Mining Law reform," said Naasz. "Specifically, we support a production fee that affords taxpayers a fair return for the use of federal lands in return for greater security of tenure and decent prospects for future investment."

Naasz said if these conditions are met the "U.S. mineral industry is well positioned to capitalize on the commodity boom that shows no sign of abating," saying the industry is poised to meet the economy's growing appetite for the minerals needed for "hybrid cars, computers, cell phones and the materials needed for massive energy and infrastructure projects."

Looking ahead, Naasz noted that mining states such as Kentucky, Nevada, New Mexico and West Virginia "with their 23 electoral votes" could determine who will win next year's presidential election and highlighted a new \$40 million coal industry communications and advertising campaign that began last month in the presidential primary states of Iowa, Nevada and South Carolina and is now running nationwide.

Naasz said the industry has a compelling message that "technology and innovation can unlock the potential of

our coal and minerals to provide even greater economic prosperity and security for American consumers."

A copy of Naasz's speech is available at: [Naasz's Bear Stearns speech](#). ✕

SBZ *continued from page 1*

alternatives analysis will not produce any discernible environmental benefits, NMA argued. NMA emphasized that such an expansion could result in adverse environmental effects due to the disruption caused by introducing ambiguities to a program with a stable and predictable regulatory framework. NMA argued that the term "waters of the United States," found in the Clean Water Act, is plagued by an unstable legal history as to its accepted meaning.

Regarding requiring an alternatives analysis for excess spoil and coal mine waste disposal, NMA said such an analysis is unwarranted and will conflict with the priorities established in SMCRA related to the acceptable location and stability of these structures.

Rather than focusing on expanding the reach of the SBZ rule and mandating an unnecessary analysis, NMA said OSM should focus it excess spoil revisions on the minimization of excess spoil in steep slopes, similar to the policies adopted by a number of states over the past several years. NMA also stressed that the SBZ rule should be structured to clearly reflect that it does not apply to mining-related activities that are designed and planned to occur in a stream and have been approved in a permit.

The U.S. Chamber of Commerce, along with the National Association of Manufacturers, Association of American Railroads, Edison Electric Institute and the Small Business Administration, also filed comments with OSM that echoed NMA's stance on the proposed rule.

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

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

House committee issues S-MINER Act report

In advance of a possible House floor vote in December on the "Supplemental Mine Improvement and New Emergency Response (S-MINER) Act of 2007" (H.R. 2768), the House Committee on Education and Labor recently released a committee-prepared summary report on the bill that must be filed prior to any House floor action.

The report, released Nov. 16, includes a description of the bill prepared by the committee's majority staff, as well as a Congressional Budget Office cost estimate of the bill and a minority staff opinion of the bill signed by all Republican committee members.

A copy of the report is available at: [S-MINER Act report](#). ✕

New Homeland Security chemical facility security rules take effect

The Department of Homeland Security's (DHS) new chemical facility security regulatory program was recently implemented following publication on Nov. 20 of a final rule that contains an appendix of approximately 300 chemicals and corresponding screening threshold quantities (STQ) that trigger a facility's obligation to comply with the regulatory program.

Any facility in possession of a chemical of interest listed in Appendix A of the final rule at or above the corresponding STQ must complete and submit a "Top-Screen" review by Jan. 22, 2008. Facilities that later come into possession of a chemical of interest at the listed STQ must also complete and submit a Top-Screen within 60 calendar days of coming into possession of such a chemical.

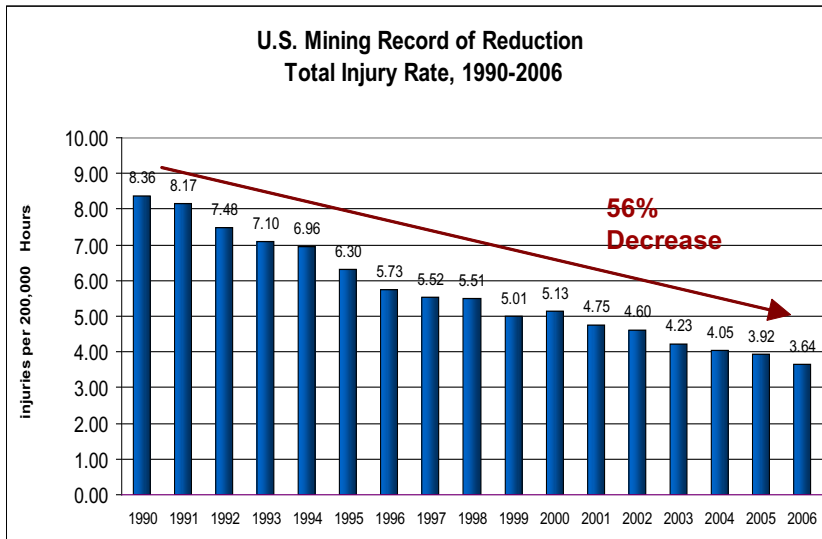
The chemicals were chosen because DHS believes they have the potential to adversely impact populations if released or detonated ("release" category); used as or converted into chemical weapons if stolen or diverted ("theft/diversion" category); or could have significant adverse consequences to human health or life if mixed with other readily available materials ("sabotage/contamination" category). Each security category has a designated STQ.

Chemicals listed in the appendix of interest to the mining industry include ammonium nitrate and nitroglycerine. Ammonium nitrate is listed in two forms: ammonium nitrate with more than 0.2 percent combustible substances, including any organic substance calculated as carbon at an STQ of 5,000 pounds for release and 400 pounds for theft; and ammonium nitrate solid with a nitrogen concentration of 23 percent nitrogen or greater at an STQ of 2,000 pounds for theft. Nitroglycerine is listed at an STQ of 5,000 pounds for release and 400 pounds for theft. DHS originally proposed listing nitroglycerine at 2,000 pounds.

See DHS, page 4

Mining industry's injuries continue to decline

Since 1990, the rate of injuries sustained per 200,000 hours worked in the mining industry has been reduced by 56 percent, with injuries having decreased each year since 2000. Through continued implementation of the Mine Improvement and New Emergency Response (MINER) Act, implementation of the recommendations of the independent Mine Safety Technology and Training Commission and other safety improvement steps, the industry is committed to further reducing injuries and providing the safest possible workplace environment.



source: Mine Safety and Health Administration

Mining Market Snapshot

Coal Figures		
Week ended November 17, 2007	Cumulative year to date	Change over last year
EIA Coal Production (000 tons)	1,013,240	-1.3%
Edison Electric Institute Electricity Output (GWh)	3,637,851	2.8%
American Iron and Steel Institute Raw Steel Production (000 tons)	94,162	-3.5%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 11/16/07		\$6,930.95
Gold Prices (\$/troy ounce - week avg. London Final) 11/16/07		\$801.00
Source: NMA Weekly Statistical Summary/Platts Metals Week		

DHS *continued from page 3*

DHS deleted carbon monoxide from the list, a move NMA had urged the agency to make in public comments submitted regarding what the final shape of the rule should be. DHS has kept propane on the list under the "release" category, but has increased the STQ from 7,500 pounds to 60,000 pounds. Notably, facilities are not required to account for propane in tanks of 10,000 pounds or less when calculating the STQ.

The Top-Screen is the first part of DHS' Chemical Security Assessment Tool, which is designed to provide a preliminary consequence analysis to assess the level of damage that could result from a terrorist attack at a particular facility. DHS plans on using information submitted as part of the Top-Screen process to help determine whether a facility presents a high level of security risk and preliminarily place a facility in one of four risk-based tiers. Facilities deemed "high risk" will be required to complete a security vulnerability assessment and site security plan.

A copy of the Nov. 20 final rule can be found on NMA's web site at: [DHS Chemical Security Rule](#). ✕

NMA's Naasz visits Hecla silver mine

Hecla Mining Company Senior Vice President of Operations Ron Clayton (right) accompanied NMA President and CEO Kraig R. Naasz (left) on a Nov. 16 tour of the company's Lucky Friday Mine in Mullan, Idaho. During his visit, Naasz met with Hecla CEO Phillips S. Baker and provided an update on NMA activities covering a number of items of critical importance to domestic metal and mineral producers, including the status of Mining Law reform legislation. Special thanks are extended to Baker and his team at Hecla for their hospitality.

The Lucky Friday mine has 211 employees, paying \$12.5 million in salary last year, and produced nearly 2.9 million ounces of silver in 2006 and is located in the Couer d'Alene mining district of northern Idaho. Since the mine first began commercial shipments in 1942 it has produced more than 134,000,000 ounces of silver, 908,000 tons of lead and 123,000 tons of zinc. ✕

Air Force begins new round of Fischer-Tropsch fuel testing

U.S. Air Force Secretary Michael Wynne was on hand this week as the Air Force began a new round of tests on alternative synthetic fuels made using the Fischer-Tropsch (FT) process, the same technique used to produce clean, domestic coal-to-liquid (CTL) fuels.

Following successful FT fuels B-52 flight tests conducted last year, the Air Force on Nov. 28 expanded its FT fuels testing program by conducting a B-1 engine test at Tennessee's Arnold Air Force Base. Following this test, the Air Force

plans on flying the first transcontinental flight of a C-17 aircraft powered by FT fuels on Dec. 17.

The Air Force has already certified its fleet of B-52 aircraft to fly using FT fuels and hopes to certify its entire fleet to use FT fuels by 2011. Ultimately the Air Force hopes to purchase 400 million gallons of CTL jet fuel beginning in 2016.

More information on CTL fuels is available on the Coal-to-Liquids Coalition's web site at: www.futurecoalfuels.org. ✕

World CTL conference set for April 2008 in Paris**World Coal-To-Liquids Conference**

3-4 April 2008 • Paris, France

Registration for the inaugural World Coal-to-Liquids Conference, scheduled for April 3-4 in Paris, France, is now open. The conference is being organized by the Innovation Energy Environment, World Coal Institute, World CTL Association and the World Energy Council and features a distinguished roster of U.S. and international government and private sector representatives who will highlight the important role clean CTL fuels can play in meeting future global energy needs.

The conference is expected to draw 300 delegates and will focus on the latest information regarding CTL technology, economics and environmental benefits, as well as providing those in attendance with an invaluable opportunity to network with leading CTL industry representatives. In addition, the conference will feature CTL exhibits by participating organizations and companies.

Information regarding registration, becoming an exhibitor or a conference sponsor is available at: www.world-ctl2008.com/index.html. ✕

NMA welcomes Rajant Corporation as newest member



NMA recently welcomed Rajant Corporation, a firm specializing in wireless communication solutions, as its newest member. The company is headquartered in Malver, Pa.

The company specializes in providing wireless network solutions to help provide portable, reliable and adaptable communication networks for mine operators, first responders, heavy equipment operators and the military. The company's "BreadCrumb" family of products offer a unique way of providing instant,

mobile, wireless and broadband connectivity and great flexibility to facilitate operations in diverse environments by providing secure and steady connectivity with remotely located resources.

"On behalf of NMA, I extend a warm welcome to NMA's newest member and look forward to working with the team at Rajant in advancing the interests of the mining community, particularly as part of our ongoing efforts to develop and deploy reliable underground communications technology," said NMA President and CEO Kraig R. Naasz.

More information is available at: www.rajant.com. ☒

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

- The House of Representatives could vote on the "Supplemental Mine Improvement and New Emergency Response Act of 2007" (S-MINER Act, H.R. 2768) before the first session of the 110th Congress adjourns in December.
- The Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee will hold a hearing Dec. 4 to examine the Crandall Canyon mine accident.
- The Senate Environment and Public Works Committee is expected to vote on amendments to the "America's Climate Security Act" (ACSA) (S. 2191) on Dec. 5, with a vote on the overall bill likely on Dec. 6. Full Senate action on the bill is not expected until March or April 2008.
- House and Senate leaders are continuing to negotiate over the contents of new energy legislation and could bring a compromise bill to a vote in both chambers as early as next week.

Newsbits

Senate Minority Whip **Trent Lott** (R-Miss.) announced this week that he will retire by year's end. Lott is now the sixth Senate Republican to announce retirement. At a Nov. 26 news conference, Lott said he had notified **President Bush** and Mississippi Gov. **Haley Barbour** (R) on Nov. 25 regarding his plans to leave the Senate, with Barbour now tasked with naming a temporary replacement for Lott, whose term runs through 2012. Barbour has already announced that he will appoint an interim senator within 10 days of Lott's official resignation and will set a special election for Nov. 4, 2008, to coincide with next year's general election so Mississippi voters can choose someone to serve the balance of Lott's term. Barbour also ruled out taking Lott's place in the Senate. Sen. Jon Kyl (R-Ariz.) is expected to vie to replace Lott as Republican whip...The **U.S. Department of Commerce's Commercial Service** is hosting a three day business development forum in Istanbul, Turkey, April 14-16, 2008, which will showcase market opportunities for U.S. coal and mining equipment companies in light of Turkey's large steel industry, growing number of coal fueled power generation facilities and dynamic mining sector. The forum includes a conference on Turkey to help companies develop a successful approach for doing business there, as well as appointments with pre-screened Turkish buyers, agents and distributors. More information on the forum is available at: www.buyusa.gov/northcarolina/tradewindseurope.html.



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Staff

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

NMA Mining Week

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