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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).

## NMA's Naasz, Energy Secretary Bodman address National Coal Council

NMA President and CEO Kraig R. Naasz addressed members of the National Coal Council (NCC) this week at a session held in conjunction with the council's fall meeting in Washington, D.C. NCC is a private, nonprofit advisory body chartered by the U.S. Secretary of Energy.

Naasz's Nov. 30 presentation focused on the likely impact the recent congressional mid-term elections will have on a wide range of issues critical to the coal community, including energy and climate change matters. Naasz stressed that while the recent elections resulted in the departure of many industry supporters, the elections also ushered in a new wave of potential allies in the House and Senate, as many of the incoming class have voiced their support for the mining industry and an appreciation for the significant contributions the industry makes to American's well-being and energy security.

*See NCC, page 2*



*NMA President and CEO Kraig R. Naasz addressed members of the National Coal Council on Nov. 30. A copy of Naasz's presentation is available to NMA members at: [www.nma.org/members/nma\\_news.asp](http://www.nma.org/members/nma_news.asp).*

## NMA calls on Army Corps of Engineers to improve general permitting process

NMA this week called on the U.S. Army Corps of Engineers to improve the Clean Water Act's (CWA) Nationwide Permit (NWP) system by eliminating burdensome and costly duplications and delays and creating a streamlined permitting process specific to the mining industry. NMA stated its case for NWP reform in comments submitted to the Corps on Nov. 27 regarding the agency's plans to re-authorize general permits for coal and hardrock mining. The existing permit structure is scheduled to expire next March.

NMA argued that developing a streamlined permitting process that considers the underlying environmental analyses already required by state and federal regulatory agencies overseeing mining operations would eliminate existing regulatory overlap and duplication in agency review. NMA also argued that such a system would help the Corps utilize findings from other federal and state regulatory agencies, where appropriate, for making CWA Section 404 permitting determinations. NMA's comments focused on demonstrating that the NWP program is no longer an efficient process, having evolved into something more akin to an individual permit process, and is plagued with unnecessary duplications and delays.

Elsewhere, NMA challenged as inappropriate a Corps' proposal to expand the scope of its jurisdiction by creating a presumption that ephemeral streams will be regulated

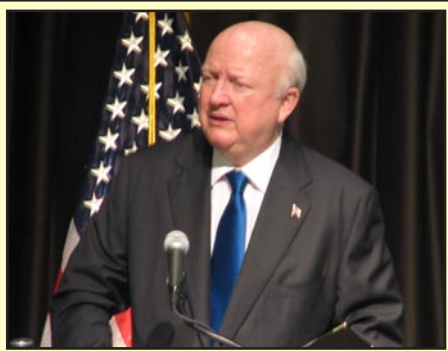
*See CWA, page 2*

**NCC** *continued from page 1*

Naasz also detailed the factors that affected the outcome of the elections, surveyed the new congressional leadership and discussed NMA's plans for advancing the industry's agenda in light of the new political landscape on Capitol Hill.

The Nov. 30 session also featured an address by U.S. Energy Secretary Samuel Bodman, who used the opportunity to announce the release of \$1 billion in tax credits to nine advanced clean coal and gasification projects. The credits were created as part of the Energy Policy Act (EPAAct) of 2005.

A total of 49 applications were filed seeking tax credits from one of two EPAAct programs. While Bodman announced the nine recipients, it was the Treasury Department that made the



*U.S. Energy Secretary Samuel Bodman spoke to members of the National Coal Council on Nov. 30 about the critical role clean coal technologies will play in meeting America's future energy needs and discussed the Bush Administration's support for clean coal technology research.*

final decision, after consulting with the Department of Energy's National Energy Technology Laboratory regarding the viability of the proposed projects. Treasury was charged with ensuring the projects met a number of criteria spelled out in EPAAct. Bodman said an additional \$650 million in tax credits will be released in a second phase next year. In his speech, Bodman stressed that there are "many areas" in the energy sector where the Bush Admin-

istration and the soon-to-be Democrat controlled Congress can "work well together," citing the bipartisan support shown for EPAAct. Bodman also said he expects the Chinese government will further enunciate its plans for joining the FutureGen project's Government Steering Committee during his December visit to China. The steering committee provides guidance and input on the design of the FutureGen plant and the project's research and testing program. ✕

## McCain vows to push for global warming legislation; Senate creates new climate subcommittees

Arizona Senator John McCain (R) recently vowed he would press for a Senate vote on climate change legislation when the 110<sup>th</sup> Congress convenes and predicted that President Bush might sign into law legislation capping greenhouse gas emissions before he leaves the White House. In a Nov. 16 speech at Duke University's Nicholas Institute for Environmental Policy Solutions, McCain promised to introduce legislation in January with Sen. Joe Lieberman (I-Conn.) that would impose economy-wide greenhouse gas emission caps.

The McCain-Lieberman legislation would impose a mandatory cap-and-trade system to force businesses across several economic sectors to reduce emissions. McCain predicted that such a mechanism—which he and Lieberman have described as "modest" and "market-based"—could prove useful in securing votes from senators who would otherwise oppose such a bill. The bill would also include provisions meant to encourage the construction of new nuclear power facilities.

McCain and Lieberman have twice previously introduced similar legislation. In 2003 the bill garnered 43 votes in the Senate, while in 2005 the level of support fell to 38 votes.

McCain, viewed by many as the front-runner to win the 2008 Republican presidential nomination, said such legislation

**CWA** *continued from page 1*

and called for the renewal of General Condition 27, which would allow the Corps to extend the construction dates for current authorizations. NMA also argued that the Corps has no authority to require creation of vegetated buffers, conservation easements or other legal impediments to future land development as a condition for a mining permit.

A complete copy of NMA's comments is available at: [www.nma.org/pdf/misc/112906\\_nwp\\_comments.pdf](http://www.nma.org/pdf/misc/112906_nwp_comments.pdf). ✕

is "long overdue," adding that he believes Americans have reached a "tipping point" in the climate change debate. He pointed to a series of recent climate initiatives, such as one launched by California Gov. Arnold Schwarzenegger (R), as evidence of the growing support for climate change mitigation programs.

Separately, incoming Senate Environment and Public Works Committee Chairwoman Barbara Boxer (D-Calif.) last month announced the creation of two new subcommittees dedicated to global warming and climate change issues.

One of the new subcommittees, the Public Sector Solutions to Global Warming, Oversight, Children's Health Protection and Nuclear Safety Subcommittee, will be chaired by Boxer and have primary jurisdiction over legislation to cap greenhouse gas emissions. This subcommittee will also lead oversight efforts regarding various other environmental issues, including U.S. Environmental Protection Agency rulemakings and the National Environmental Policy Act.

Lieberman will chair the second new subcommittee, the Private Sector and Consumer Solutions to Global Warming and Wildlife Protection Subcommittee, which is expected to take the lead in exploring potential business strategies for addressing climate change issues and issues regarding the Endangered Species Act. ✕

## Sens. Enzi, Isakson take issue with proposed MSHA civil penalty changes

Senior members of the Senate Committee on Health, Education, Labor and Pensions (HELP) last month cautioned U.S. Labor Secretary Elaine Chao that changes proposed by the Mine Safety and Health Administration (MSHA) to existing mine safety civil penalty rules fall well outside changes Congress endorsed in the Mine Improvement and New Emergency Response (MINER) Act of 2006, warning that MSHA's proposal will do little to improve mine safety.

In a Nov. 15 letter to Chao, HELP Committee Chairman Michael Enzi (R-Wyo.) and Johnny Isakson (R-Ga.), chair of the HELP Subcommittee on Employment and Workplace Safety, detailed their objections to MSHA's proposed civil penalty changes, first unveiled in early September.

Enzi and Isakson said the MINER Act reflects Congress' intent to amend the civil penalties contained in the Mine Act so as to create a focus "on serious violations and serious violators." However, the senators argued that MSHA's proposed changes "appear to take us on an opposite approach" that is focused on "across-the-board penalty increases."

Enzi and Isakson said MSHA's proposal is rooted in the notion that increased penalties will result in improved mine safety performance, arguing that such an approach should dictate that higher sanctions be imposed on operators that are found to be deficient in the area of worker safety. "The proposed regulations, however, raise sanctions for all operators and all sectors regardless of their safety or compliance history," Enzi and Isakson wrote. The letter noted that MSHA's own statistics show a record of consistent safety improvement for the metal and non-metal mining sector, yet the proposed rule would cause the average penalty citation for this sector to soar by 176 percent.

Lastly, Enzi and Isakson said that while Congress included a directive in the MINER Act that called on MSHA to issue revised penalty regulations, "we had anticipated an approach

that would reflect our thinking in the MINER Act." The letter said Congress' preferred approach would center on boosting compliance by those most in need of remediation through the use of increased civil sanctions, rather than broadly applying increased penalties.

A copy of the Nov. 15 letter is available at: [www.nma.org/pdf/misc/111506\\_dol\\_comments.pdf](http://www.nma.org/pdf/misc/111506_dol_comments.pdf). ✕

## Transportation industry association representatives briefed on CTL fuels

As part of a series of briefings designed to raise awareness and support for the domestic production of coal-to-liquid (CTL) fuels, Headwaters Vice President of Marketing and Government Affairs John Ward this week briefed representatives from commercial railroad, aviation, trucking and other transportation associations on the significant energy security gains offered through the production of fuels made from American coal.

As major global powers face the prospect of potential conflict over the availability of scarce global petroleum resources, Ward stressed that CTL fuels could greatly reduce America's dependence on oil imported from unfriendly regimes, while helping to create jobs in America. Ward also stressed that domestic CTL production could begin turning the tide against the \$7 trillion America has sent to hostile parts of the globe to purchase petroleum over the past 30 years.

In the wake of the price and supply shocks felt in the aftermath of Hurricanes Katrina and Rita last year, Ward said CTL fuels can greatly limit the impact of natural disasters and other potential serious disruptions. While much of America's petroleum refining capacity is centered around the Gulf of Mexico, coal is found in abundant quantities throughout the country, making it possible to spread production across a wide range of states, making such fuels far less vulnerable to natural disasters and potential terrorist attacks; a benefit that Ward said is helping drive the Department of Defense's interest in using CTL fuels.

Ward said CTL plants built in America would likely be designed to each produce 40,000 barrels per day, with a typical plant using 8.5 million tons of coal per year. However, he cautioned that while America is well-positioned to take full advantage of CTL fuels, many of its main economic competitors are much farther ahead in their plans to build CTL plants, citing massive plans in China, where the government is focused solely on constructing mega CTL plants capable of producing 60,000 barrels of fuel per day. Ward told the gathered industry representatives that America is "already behind the curve" when it comes to tapping the vast liquid fuel potential coal offers.

Ward also stressed that Americans are largely unaware of the true cost of the nation's petroleum dependency, saying that while the price at the pump for a gallon of gas might be \$2.50, the true cost is closer to \$10 per gallon when the complete costs of maintaining petroleum supply chains and access to foreign supplies is taken into account.



*Headwaters Vice President of Marketing and Government Affairs John Ward briefed representatives from the commercial railroad, aviation, trucking and other transportation associations on the urgent need to support the construction of plants capable of producing transportation fuel made using America's coal reserves.*

This week's briefing was held Nov. 28 at NMA's Washington, D.C., offices. Earlier this year, Ward held separate briefings for staff from dozens of House and Senate offices. In all three briefings Ward outlined steps Congress could take that would enable Wall Street financiers to free up the financing needed to begin building CTL plants. ✕

## NMA briefs leading power executives on coal's future

In the rush to strengthen American energy security and address climate change issues, leading power executives this week heard from NMA on how the increased use of America's abundant coal reserves, coupled with the latest technological innovations, is an ideal combination for addressing America's energy and environmental dilemmas.

NMA Vice President of External Communications Luke Popovich briefed senior representatives from the power and energy sectors, and their suppliers, on the benefits of increased coal use at the Nov. 29 Power-Gen International summit in Orlando, Fla. The summit is the largest annual gathering of power and energy industry representatives.

Citing much "brave" talk about the dire need to safeguard American energy security, Popovich noted that many talked-about avenues for bolstering domestic energy security fall well short of the benefits offered by increased coal use. Popovich told executives that coal is affordable, abundant and readily available in the U.S., emphasizing that America's 240-year coal supply contains more energy than all of the oil reserves stored in the Middle East.

Amid increasingly fierce competition for limited petroleum resources, Popovich emphasized that better use of American coal would allow the U.S. to avoid the myriad problems caused by an over-dependence on energy imported from unfriendly and unstable regimes.

For those who point to bio-diesel fuels as a viable energy tool, Popovich noted that such fuels offer little in the way of reduced carbon dioxide emissions, have enormous production costs and present "serious transmission and infrastructure" problems.

In contrast, transportation fuels made from coal using the Fischer-Tropsch process are substantially cleaner-burning than conventional fuels and present none of the transmission and infrastructure issues from which bio-diesel fuels sometimes suffer. Popovich stressed that coal-to-liquid (CTL) fuels are made using an already proven

technology that today is responsible for meeting 30 percent of South Africa's transportation fuel needs.

Popovich pointed to the growing interest expressed in CTL fuels by the Department of Defense and the commercial aviation industry, and noted that the U.S. risks falling behind economic competitors such as China, where plans are in motion to spend \$25 billion for several CTL plants.

As lawmakers, industry and the general public debate how best to mitigate climate change, Popovich warned against efforts to impose Kyoto-style carbon caps, noting that evidence from Europe shows the Kyoto Protocol to be utterly ineffective in reducing emissions of greenhouse gasses. Rather than saddle American industry with a costly and ineffective carbon cap and trade approach, Popovich said the focus must be on implementing voluntary strategies anchored on the development and deployment of the latest technologies.

Popovich also warned that imposing a massive cap and trade bureaucracy on American industry would put industry at a severe disadvantage with competitors in China and the developing world who are exempt from the Kyoto Protocol. Popovich told power executives that the latest information from the International Energy Agency shows China well on its way to surpassing the U.S. in greenhouse gas emissions within four years. ✕

## NMA staff members volunteer 671 hours on 2006 congressional campaign trail

As last month's congressional mid-term elections headed into the home stretch, NMA staff members fanned out across the country to volunteer for a number of House and Senate election campaigns. Sixteen NMA staff members volunteered for various campaigns in eight states, amassing 671 hours of total volunteered time.

Beginning Nov. 3 and continuing through Election Day on Nov. 7, NMA staff volunteers joined House and

Senate campaigns for Democrat and Republican candidates in California, Georgia, Kentucky, Maryland, Nevada, New York state, Virginia and Washington state. NMA staff participated in a number of campaign activities, including organizing door-knocking and telephone bank operations on behalf of candidates and monitoring for potential voting irregularities.

"Volunteering for political campaigns is one of the most direct and substantial ways people can participate in the election process and NMA is very proud of the interest shown to that process by its staff members," said NMA President and CEO Craig R. Naasz. "I encourage NMA member companies to consult with us about ways to engage their employees in similar volunteer activities in 2008." ✕



Sixteen members of NMA's staff participated in various House and Senate campaigns during the recent congressional mid-term elections. Back row (left to right): Administrative Assistant Hill Thomas, Government and Political Affairs Coordinator Anne Foley and Director of Internal and Industry Communications Corey Henry. Front row (left to right): Congressional Affairs Manager Anne Jacob, Assistant General Counsel Tawny Bridgeford, Communications Assistant Eileen Haight, Grassroots and Constituent Relations Director Brian Kelley and Receptionist Lisa Harris. Not pictured: Water Quality Director Karen Bennett, Vice President of Congressional Affairs Susan Carver, Vice President of Congressional Affairs David Finkenbinder, Associate General Counsel Bradford Frisby, Air Quality Director Todd Johnston, Vice President of Government Affairs Rich Nolan and Associate General Counsel Katie Sweeney. Also not pictured is former Administrative Assistant Caitrin McCarron, who recently left NMA for a position with the U.S. Trade and Development Agency.

## DOE greenlights full-scale demonstration of coal dryer

The U.S. Department of Energy (DOE) this week gave final approval to Great River Energy to conduct the first-ever full-scale demonstration of the utility company's innovative coal dryer technology that uses waste heat to remove moisture from coal.

DOE announced on Nov. 27 that the company will soon begin the demonstration at the Coal Creek Station, located near Underwood, N.D. DOE noted that the \$31.5 million project, which received \$13.5 million in funding from DOE, was one of eight projects selected in the first phase of DOE's Clean Coal Power Initiative, a 10-year \$2-billion commitment to advance clean coal technologies.

According to DOE, the full-scale demonstration will include the final design and construction of a four-dryer integrated system that will supply all of the needed high-moisture lignite coal, with actual demonstration of the technology expected to occur sometime in 2008. The full-scale demonstration will then operate throughout 2008 and generate data that will be useful to operators of other power plants that burn high-moisture coal. After 2008, DOE said the unit is expected to operate as an integral part of the utility's power grid.

DOE said the likely benefactors of a successful demonstration would be

power plants located primarily in the Western states that burn lignite and Powder River Basin coals that have high moisture contents.

"This unique coal-drying system enables the nation to tap into vast resources of high-moisture coal while simultaneously providing environmental benefits," according to Jeffrey Jarrett, DOE's assistant secretary for fossil energy. "The successful demonstration of the system will further indicate that the nation can cost-effectively use its most abundant resource and still contribute to the president's Clear Skies Initiative."

More information on the project is available at: [www.fossil.energy.gov/news/techlines/2006/06066-Coal\\_Dryer\\_Demonstration\\_Begins.html](http://www.fossil.energy.gov/news/techlines/2006/06066-Coal_Dryer_Demonstration_Begins.html).

<b>Mining Market Snapshot</b>		
<b>Coal Figures</b>	Cumulative year to date	Change over last year
<i>Week ended November 18, 2006</i>		
EIA Coal Production (000 tons)	1,031,156	2.8%
Edison Electric Institute Electricity Output (GWh)	3,539,362	0.2%
American Iron and Steel Institute Raw Steel Production (000 tons)	94,228	3.9%
<b>Metal Figures</b>		
Copper Prices (\$/mt - week avg. Grade A Cash) 11/17/06		\$6,821.00
Gold Prices (\$/troy ounce - week avg. London Final) 11/17/06		\$622.70
Source: NMA Weekly Statistical Summary/Platts Metals Week		

## Newsbits

The **Office of Surface Mining (OSM)** last month announced the establishment of a task group to develop standards for exchanging geospatial data about coal mines. Geospatial data are used to locate natural or man-made features on, below, or even above the earth's surface. In a Nov. 20 release OSM said standards developed by the task group could ultimately help different enforcement agencies cooperate to reduce environmental impacts outside of mine boundaries or guide the efforts of rescue workers trying to reach miners trapped in an underground mine. The Coal-Mining Spatial Data Standards Task Group will develop voluntary standards for the exchange of coal-mining spatial data among state, tribal and OSM offices, as well as the coal-mining industry and the public and will be composed of volunteer representatives drawn from state coal-mining regulatory programs, OSM offices and the Mine Safety and Health Administration. The task force will also invite representatives from the industry to join the group. More information is available at: [www.osm.gov/news/CoalSpatialDataStd.pdf](http://www.osm.gov/news/CoalSpatialDataStd.pdf)...Recent data released by the U.S.

**Environmental Protection Agency (EPA)** shows that the agency obtained commitments from industry, governments and other regulated entities to reduce pollution by nearly 900 million pounds in fiscal year (FY) 2006. In a Nov. 15 release, EPA said its compliance and enforcement program has been able reduce pollution by almost 3 billion pounds over a three-year period and has required companies to invest almost \$20 billion in pollution control equipment. In addition, EPA said that as a result of criminal enforcement actions completed this year, defendants will serve 154 years in jail and pay almost \$43 million in fines, as well as another \$29 million for environmental projects imposed as part of the sentences. EPA said its civil enforcement program concluded a total of 173 judicial cases, 4,624 final administrative penalty order settlements, and resolved self-disclosed violations for 1,475 facilities. More information on the agency's FY 2006 compliance and enforcement efforts is available at: <http://yosemite.epa.gov/opa/admpress.nsf/7c02ca8c86062a0f85257018004118a6/f93f57c9574a25fd85257227006685c5!OpenDocument...> Also last month,

*continued*

## Newsbits

EPA announced that the **Methane to Markets Partnership** is establishing a clearinghouse that will act as a central point of information on coalbed and coal mine methane projects in India, the world's third largest coal producing country. EPA announced the creation of the clearinghouse in a Nov. 16 release, saying it along with other federal partners will provide assistance to help develop the center. EPA has already successfully established coalbed methane clearinghouses in several other countries including China,

Russia and Ukraine. The Methane to Markets Partnership, launched by President Bush in November 2004, is a public-private partnership designed to advance methane recovery and use projects in four sectors: agriculture, coal mines, landfills, and oil and natural gas systems. More information is available at: <http://yosemite.epa.gov/opa/admpress.nsf/7c02ca8c86062a0f85257018004118a6/689adb53799d80a6852572280069b238!OpenDocument>.



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