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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.

Mine safety commission releases comprehensive safety report

The Mine Safety Technology and Training Commission this week released a comprehensive report that urges implementation of a new underground coal mine safety paradigm built on a twin foundation of systematic and comprehensive risk management. Commission Chairman Dr. R. Larry Grayson unveiled the report at a Dec. 5 mine safety meeting of the Asia-Pacific Partnership on Clean Development and Climate's Coal Mining Task Force in Pittsburgh, Pa.

"The recommendations...stem from our unanimous conviction that a fundamental change to a culture of prevention and a new approach to managing mine safety are needed to match the changes we have

seen in the coal industry," Grayson said in a Dec. 6 *Pittsburgh Post-Gazette* opinion piece. "Incremental, reactive improvements designed to comply with prescriptive, one-size-fits-all rules will no longer serve an industry aspiring to lead the world in mine safety," wrote Grayson, who chairs the Department of Mining and Nuclear Engineering

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Mine Safety Technology and Training Commission Chairman Dr. R. Larry Grayson on Dec. 5 publicly released a comprehensive safety report the commission has been working on since March. (NMA file photo)

DOE projects coal's share of electricity market to increase; warns on policy shifts

A report released this week by the U.S. Department of Energy projects a substantial growth in coal's share of the U.S. electricity market and a large upswing in the production of coal-to-liquid (CTL) fuels over the next two decades. However, the report cautions that these positive projections are based on an assumption that current energy and environmental policies will remain unchanged through the report's 2030 projection period.

Released Dec. 5, the Energy Information Administration's (EIA) *Annual Energy Outlook for 2007* predicts that coal will increase its share of the U.S. electricity generation market to 57 percent by 2030, marking a 7 percent jump from the 50 percent level recorded in 2005. The report also predicts that production of CTL fuels will reach 5.7 billion gallons by 2030, with liquefaction becoming the second largest use of coal production after electric power generation by 2025.

The report also predicts a continued reduction in emissions from power plants, with plant emissions of sulfur dioxide expected to decline by 64 percent from 2005 levels; nitrogen oxide emissions by 37 percent; and mercury emissions by 70 percent.

"EIA's 2007 projection is both welcome and cautionary," said NMA President and

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at the University of Missouri-Rolla: "The usefulness of this paradigm has run its course."

NMA formed the independent commission in January following accidents in the coal fields of Appalachia, with commission members beginning work in March. "By calling on a broad array of safety, technology, training and mine rescue experts from academia, labor, the mining industry and government, the commission gathered the very best analysis and information on how we can achieve additional improvements in safety and mine rescue performance in an ever-changing coal mining environment," NMA Chairman James F. Roberts and NMA President and CEO Kraig R. Naasz said in a joint Dec. 5 statement.

The report contains 75 specific long and short-term recommendations that address a broad range of safety, technology and training subjects. Many of the commission's recommendations endorse actions taken earlier this year by Congress in passing the Mine Improvement and New Emergency Response Act of 2006, which NMA supported and President Bush signed into law in June.

"NMA and its members already have begun preparatory work on implementing some of the commission's recommendations, and we look forward to further work on its key findings," said Roberts and Naasz. "We challenged the commission to come back to us with a comprehensive analysis and meaningful recommendations by the end of this year. They have met that challenge, and the work is now up to us and those with whom we share responsibility for coal mining safety."

A copy of the commission's report is available at: www.coalminingsafety.org/documents/msttc_report.pdf.

Dr. Grayson's Dec. 6 op-ed is available at: www.post-gazette.com/pg/06340/743769-109.stm.

Additional mine safety information is available at: www.nma.org/mining_safety.asp. ✕

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CEO Kraig R. Naasz. "The forecast that coal will increase its share of the U.S. electricity generation market and thus increase its share among major fuels, should be welcome news in a country blessed with the world's largest coal reserves," said Naasz, noting that coal's affordability and abundance is expected to ensure it remains "the premier fuel" for U.S. power production.

"The cautionary message is implicit but equally important," said Naasz, emphasizing that coal's "continued value to the nation will be sensitive to policies that could arbitrarily ration or constrain" its use. Such policies "would result in higher energy prices for U.S. manufacturers and consumers and greater reliance on costlier imported energy," said Naasz.

A copy of the report is available at: www.eia.doe.gov/oiaf/aeo/pdf/earlyrelease.pdf. ✕

U.S. Supreme Court hears arguments in EPA greenhouse gas regulation case

The U.S. Supreme Court last week heard arguments in a potentially landmark climate change case centered on whether the U.S. Environmental Protection Agency (EPA) has the authority to regulate carbon dioxide emissions using the Clean Air Act. The case stems from a 2003 decision by EPA that it cannot regulate such emissions using the act. Much of the hour-long oral arguments were focused on intense questioning from justices on whether the case should have even been brought to the court in the first place.

The court heard oral arguments on Nov. 29, with justices expressing considerable skepticism over whether the 12 states, three cities and 10 environmental groups, led by the government of Massachusetts, possessed the necessary standing to bring the case, a point NMA and its allies in the Utility Air Regulatory Group (UARG) stressed in a brief filed with the court last month. To establish standing a petitioner must demonstrate that he has suffered injury.

Chief Justice John Roberts challenged a contention made by Massachusetts Assistant Attorney General James Milkey that affidavits filed by scientific experts attesting to the harm done by global warming were sufficient to give the petitioners the needed standing. Roberts dismissed the affidavits as "conjecture," saying the affidavits are the sort the court disapproves of in cases to determine standing. Justices

Anthony Kennedy and Antonin Scalia joined Roberts in questioning whether the petitioners had standing.

Kennedy took note of Milkey's position that the court does not have to make a judgment on the validity of global warming, but asked "don't we have to do that in order to decide the standing argument, because there's no injury if there's not global warming?" Pundits view Kennedy as a critical vote, as Roberts, Scalia and Justices Samuel Alito and Clarence Thomas are presumed to be leaning in EPA's favor, while Justices Stephen Breyer, Ruth Bader Ginsburg, John Paul Stevens and David Souter are seen as more supportive of the petitioners.

Roberts also took issue with a Massachusetts argument that the harm it will suffer is a loss of coastline due to global warming. Roberts countered that such harm would be due to actions taken across the globe, not just U.S. emissions of greenhouse gases. The UARG brief argued that the court should dismiss the petitioners' case on the grounds that regulating greenhouse gasses via the Clean Air Act will not solve the problems petitioners claim are caused by greenhouse gas emissions. However, Justice Breyer countered that were EPA to reverse its decision, other agencies could quickly take similar climate change action "and lo and behold, Cape Cod is saved."

The court is expected to issue a
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Naasz op-ed highlights environmental, energy security, economic strengths of coal

NMA President and CEO Kraig R. Naasz this week detailed the environmental, energy and economic security factors responsible for driving record coal production increases in the pages of the *Des Moines Register*. "Increasingly clean, as well as secure and affordable, coal is America's responsible choice for energy independence and a growing economy," Naasz said in an opinion piece published in the paper's Dec. 4 edition.

After setting a new production record in 2005, Naasz wrote that the coal community is set to break that record in 2006 and will likely set a new record in 2007, marking three consecutive years of record coal production. "The reasons for record-breaking coal production are really not surprising," wrote Naasz,

saying coal is becoming increasingly clean, has the potential to greatly improve the nation's energy security and is vastly more affordable than other energy sources.

The ability to increasingly use coal cleanly is due to technology advances that "reduce emissions contributing to smog, haze and climate change," wrote Naasz. "By liquefying coal through gasification, current technology can produce ultra-clean diesel fuel ready-made for today's cars and airplanes and reduce our need for imported oil," he noted, adding that South Africa already uses liquefied coal to produce a third of that nation's transportation fuel.

Highlighting the energy security gains increased coal use can bring, Naasz explained that America's coal reserves,

by far the world's largest, contain more energy than all the energy in the oil and gas possessed by Persian Gulf nations. "So as our reliance on foreign energy increases, it's reassuring to know that our coal supply can't be nationalized or cut off by a foreign government," Naasz said. "Coal gives us the option of keeping our lights on and our cars running with a domestic fuel, rather than fuels that will increasingly be imported."

Writing on the affordability of coal, Naasz said coal is not only considerably less expensive than alternatives, but does not suffer from "roller-coaster prices" that many other energy sources are prone to and that "worry utility companies and energy investors." Naasz also stressed that by 2025 the price of coal is projected to be a third of the price of natural gas, making coal the logical choice to drive Iowa's burgeoning ethanol industry, which depends on "stable and affordable prices" for the considerable amount of fuel needed to make ethanol.

A copy of Naasz's Dec. 4 op-ed is available at: <http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20061204/OPINION01/612040313/1035/OPINION>. ☒

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decision in the spring of 2007. The case is an appeal, launched by state governments and environmental groups, against a previous ruling by the U.S. Court of Appeals for the District of Columbia Circuit that upheld EPA's 2003 decision. The UARG filed a brief urging the court to uphold the appellate court ruling.

A transcript of the Nov. 29 oral arguments in the case of *Massachusetts v. Environmental Protection Agency* is available at: www.supremecourtus.gov/oral_arguments/argument_transcripts/05-1120.pdf. ☒

NMA Government Affairs Committee meets



NMA's Government Affairs Committee met on Dec. 6 at NMA's Washington, D.C., headquarters to review the results of last month's congressional mid-term elections. During the meeting, BIPAC President and CEO Greg Casey (left) gave an in-depth presentation detailing the factors that led to the Democrat takeover of Congress. Looking ahead, Casey predicted that moving major pieces of legislation will be difficult, particularly in the Senate, where the 49 Democrats and two Independents will have trouble mustering the 60 votes needed to overcome filibusters. The Senate "will not be a very productive place," said Casey. Bill McInturff (right), partner and co-founder of Public Opinion Strategies, delivered a presentation focused on the tremendous impact independent voters had on the outcome of the November elections. McInturff also discussed the prospects for potential Republican and Democrat presidential nominees in 2008, noting the unique nature of the 2008 presidential campaign, which will be the first since 1952 in which neither a sitting president or vice president is seeking election. ☒

Fish and Wildlife Service ends six years of deliberation: rejects threatened species listing

The U.S. Fish and Wildlife Service (FWS) this week closed the book on six years of deliberation by issuing a final decision against listing the cerulean warbler as a threatened species under the Endangered Species Act (ESA). The decision, announced in a Dec. 6 *Federal Register* notice, means mine operators will be spared significant regulatory permitting procedures that would have been imposed had FWS decided to list the species under ESA.

The cerulean warbler is a small songbird that spends its breeding season in the Eastern United States. FWS found that although the size of the bird population has been steadily decreasing for the past 40 years, the likelihood of extinction was close to zero in the next 100 years. Although FWS declined to list the species, the agency recommended that the conservation of the bird "could be improved" by additional focus on regulatory programs contained in the Surface Coal Mining Reclamation Act and section 404 of the Clean Water Act.

In an effort to ensure the survival of the species, NMA continues to participate in the Cerulean Warbler Technical Group, a broad-based voluntary partnership of biologists, managers and scientists from industry and government. One of the group's objectives is to develop improved coal mining reclamation techniques that can assist species conservation efforts.

This week's decision is a response to a petition filed in 2000 by dozens of environmental organizations that asked FWS to list the bird as a threatened species and designate critical habitat. FWS was eventually sued by several of the environmental petitioners in 2005 due to the amount of time the agency spent reviewing the petition. The settlement of that lawsuit required FWS to make a listing determination by Nov. 30, 2006.

A copy of the Dec. 6 *Federal Register* notice is available at: <http://edocket.access.gpo.gov/2006/E6-20530.htm>. ✕

China gold consumption set to surge; China hopes foreign investment will alter sector

The chairman of the China Gold Association this week said China is set to consume a record 350 tons of gold in 2006, a figure 17 percent above the amount the country consumed in 2005. As consumption is set to spike, the Chinese government appears poised to alter its existing approach to developing its gold mining sector and is hopeful foreign investment will be a key factor in re-shaping the sector.

A Dec. 6 *Mineweb.com* story said Chairman Cheng Fumin, speaking on Dec. 5 at a gold forum in Shanghai, China, also said Chinese gold output will likely top 240 tons this year, with gold sector profits expected to exceed \$700 million. China is the world's third-largest gold consumer with gold usage exceeding 300 tons in 2005, 80 percent of which was used to manufacture jewelry.

Mineweb.com quoted Cheng as saying that China's "practice of operating gold mining entities will undergo major changes" between 2006 and 2010. "The state will no longer play the role of sole investor in the country's gold mining industry and the urgent task for the country's gold industry will be to diversify its operation," Cheng said. "We hope the introduction of overseas funds, advanced technologies and management expertise can help restructure the gold sector."

The Dec. 6 *Mineweb.com* story is available at: http://www.mineweb.net/int_beat/511850.htm. ✕

EPA halts effort to reduce TRI reporting frequency

U.S. Environmental Protection Agency (EPA) Administrator Stephen Johnson last week abandoned plans to modify reporting frequencies for facilities subject to the Toxics Release Inventory (TRI) program. In a Nov. 28 letter to Sen. Frank Lautenberg (D-N.J.), Johnson wrote that EPA will soon publish a *Federal Register* notice announcing the decision to maintain TRI's existing reporting frequency.

In exchange for vacating plans to alter

TRI's reporting frequency rules, Sens. Lautenberg and Robert Menendez (D-N.J.) will reportedly lift a procedural hold placed on the nomination of Molly O'Neil to serve as EPA's new assistant administrator for environmental information. The hold has so far prevented the Senate from voting on O'Neil's nomination. Lautenberg and Menendez placed the hold in response to EPA's proposed TRI reporting reduction efforts. ✕

Mining Market Snapshot		
Coal Figures	Cumulative year to date	Change over last year
Week ended November 25, 2006		
EIA Coal Production (000 tons)	1,052,723	2.9%
Edison Electric Institute Electricity Output (GWh)	3,610,760	0.2%
American Iron and Steel Institute Raw Steel Production (000 tons)	96,037	3.6%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 11/24/06		\$6,918.30
Gold Prices (\$/troy ounce - week avg. London Final) 11/24/06		\$630.31
Source: NMA Weekly Statistical Summary/Platts Metals Week		

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www.nma.org

Newsbits

Outgoing Senate Finance Committee Chairman **Charles Grassley** (R-Iowa) and incoming Chairman **Max Baucus** (D-Mont.), along with **Mike Crapo** (R-Idaho) and **Blanche Lincoln** (D-Ark.), on Dec. 6 introduced the “**Endangered Species Recovery Act of 2006**” (S. 4087). The bill provides tax incentives to private landowners who provide habitat to endangered species and implement species recovery plans. The bill has been referred to the Finance Committee and it is unlikely any action will be taken on it in the remaining days of the 109th Congress. However, the bill is expected to be re-introduced when the 110th Congress convenes. A copy of the bill is available at: www.nma.org/pdf/ESRA_1206.pdf...**Rio Tinto Ltd.** announced on Dec. 5 that **Tom Albanese** will succeed **Leigh Clifford** as the company's chief executive, beginning May 1, 2007. Clifford is leaving Rio after 37 years with the company, including the past seven as chief executive. Albanese is currently Rio Tinto's director of Group Resources and first joined the company in 1993. More information is available at: www.riotinto.com/media/media_releases_5030.asp... The **John T. Boyd Company** this week announced the re-appointment of **James W. Boyd** to another five-year term as

chairman of the mining and geological consulting company. Boyd joined the company, which provides professional services and support to the mining, energy and financial industries, in 1971 and has served as its president since 1984...Fertilizer manufacturer **Agrium** recently announced plans to begin using synthetic gas made from coal at its nitrogen fertilizer plant on Alaska's **Kenai Peninsula** within five years. The switch is designed to end the company's chronic difficulties in securing adequate supplies of natural gas, which is used as a feedstock in the production of fertilizer. The company said it is hoping to complete front-end design and engineering work, as well as environmental permitting by the summer of 2008 for the \$1.5-2 billion project. In addition, Agrium said it expects to use 3 million metric tons of coal per year to run the plant once the switch is made...**Buffalo Energy Partners** recently announced plans to construct an Integrated Gasification Combine Cycle (IGCC) power plant in Glenrock, Wyo. Plans for the plant power plant were originally focused on using natural gas, but the switch was made to build a coal-fueled IGCC plant due to rising natural gas prices. The first 250 megawatt phase of the 1,100 megawatt plant is expected to be online in the first quarter of 2009.



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