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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.

Congress approves mine safety tax incentives before adjourning

Members of Congress gave final approval last week to a \$21 million package of tax incentives that will assist mine operators in their continuing efforts to improve mine safety. Final passage of the mine safety tax incentives, part of a much broader tax, trade and healthcare bill (H.R. 6111), was one of the last acts of the Republican controlled 109th Congress, which adjourned in the early hours of Dec. 9.

The House of Representatives easily cleared the mine safety measures on Dec. 8 by a vote of 367-45 and then approved a sweeping trade bill (H.R. 6406) 212-184. The tax and trade bills were then melded together and sent to the Senate, where the package passed by a vote of 79-9 early on Dec. 9. President Bush is expected to sign the bill before the end of the year.

The mine safety tax incentives include a three-year provision that allows mine operators to expense 50 percent of the cost of qualified mine safety equipment, including emergency communication technology, underground locating systems, emergency self-rescue breathing devices, pre-positioned emergency oxygen and atmospheric monitoring devices. The package also includes a tax credit allowing mine operators to claim \$10,000, or 20 percent, of the costs associated with training qualified mine rescue team members.

"The mine safety tax package approved by Congress last week will greatly assist the mining community's continuing efforts to strengthen mine safety," said NMA President and CEO Craig R. Naasz. "NMA appreciates the significant efforts undertaken by
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NAS committee begins work on comprehensive mineral study

A National Academies of Science (NAS) committee this week began work on a comprehensive study on the factors impacting the supply of minerals critical to the future well-being of the American economy. The study, co-sponsored by NMA and the U.S. Geological Survey (USGS), will focus on identifying what minerals are most needed to support domestic industry and emerging technologies and the policies necessary to dismantle political, economic and other barriers that impede a stable domestic supply of such minerals.

The NAS Committee on Critical Mineral Impacts on the U.S. Economy met on Dec. 11 to begin work on the study, which is due to be completed late next year. During the
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NMA Senior Vice President of Communications Carol Raulston emphasized the dire consequences of allowing the U.S. to become further dependent on foreign sources of minerals during a Dec. 11 presentation at the first meeting of the National Academies of Science Committee on Critical Mineral Impacts on the U.S. Economy.

NMA's Holmes, CONSOL's Burke honored with lifetime achievement awards



The Washington Coal Club held its annual awards banquet on Dec. 14 to honor two distinguished members of the coal community and Sen. Chuck Hagel (R-Neb.).

Connie Holmes (top right) was honored with the Senator Jennings Randolph Lifetime Achievement Award in recognition of the many accomplishments Holmes achieved over

a career spanning more than 30 years in the industry. Arch Coal's Tom Altmeyer presented Holmes with the award and emphasized that many of the industry's significant accomplishments over the past 30 years would not have been possible without Holmes, who retired as the NMA's senior economist and director of international policy in September. In accepting the award, Holmes emphasized the vital role coal will play in shaping America's energy future.

Dr. Frank Burke (top left), CONSOL Energy's senior science advisor, was also honored with a Senator Jennings Randolph Lifetime Achievement Award in recognition of the many scientific advances he pioneered during his storied coal industry career that began in 1975. Dr. Burke, the author of more than 80 sci-

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members of the House and Senate to ensure that these critically important provisions were approved prior to adjournment," said Naasz. "NMA extends special thanks to Sens. Jay Rockefeller (D-W.Va.), Rick Santorum (R-Pa.), Jim Bunning (R-Ky.), Mitch McConnell (R-Ky.), Robert Byrd (D-W.Va.) and Max Baucus (D-Mont.), as well as Reps. Phil English (R-Pa.), Jim Gibbons (R-Nev.), Jim McCrery (R-La.) and outgoing Ways and Means Committee Chairman Bill Thomas (R-Calif.) for their significant efforts in enacting these provisions."

Prior to adjourning, Congress also approved a continuing resolution funding the 13 federal departments and various programs whose fiscal year 2007 appropriation bills had yet to clear Congress. President Bush signed the resolution, which runs until Feb. 15, shortly after Congress approved the spending measure. Prior to adjourning, Congress had been able to approve only two of the 11 annual appropriation bills.

A copy of H.R. 6111 is available at: www.nma.org/attach/HR%206111.pdf. ☒

NAS *continued from page 1*

Dec. 11 committee meeting, NMA Senior Vice President of Communications Carol Raulston told committee members that while the United States remains the largest global minerals consumer, less than 10 percent of worldwide mineral exploration funds are spent in the U.S., necessitating the need for an investigation into how best to spur domestic exploration and supply industry with domestically sourced minerals. In a "world of competition" where the U.S. must contend with rising economic powers like China that are actively seeking international supplies of vital minerals, Raulston stressed the importance of tapping America's domestic mineral wealth.

Pat Leahy of USGS outlined for committee members how America's mineral import dependency continues to grow. Leahy noted that for rare Earth minerals, used to manufacture hi-tech goods such as computer chips, America is now 100 percent reliant on foreign sources, with most of these minerals being imported from China. Raulston warned that allowing the U.S. to become further dependent on foreign minerals raises the likelihood that "cutting edge" technology will continue to be developed outside the United States. Leahy also cautioned that America risks becoming too dependent on importing critical minerals from unstable or unfriendly nations.

The final report will also assess the needs of the domestic mineral mining workforce, which Raulston told the committee is urgently needed given a wave of pending retirements. In addition, the report will examine production and source trends for critical minerals and evaluate current mineral databases and other sources of mineral information currently available to assist decision making on mineral policy issues.

Following this week's meeting, the committee will likely meet again early next year. ☒

MSHA regulatory agenda focused on MINER Act; issues final emergency mine evacuation rule

The Mine Safety and Health Administration (MSHA) this week issued a semi-annual regulatory agenda covering the next six months that places implementation of provisions contained in the Mine Improvement and New Emergency Response (MINER) Act as the agency's top priority.

The Dec. 11 agenda indicates that MSHA will focus on implementing MINER Act requirements that have specific statutory deadlines. The agency is likely to be subject to MINER Act oversight hearings soon after the 110th Congress convenes in January.

Separately, MSHA last week issued a rule that finalizes emergency mine evacuation standards the agency first set down in early March. MSHA published its final Emergency Temporary Standards in a *Federal Register* notice on Dec. 8; the same day the provisions contained in the final rule went into effect.

The final rule covers a wide range of underground coal mine safety measures, including additional safety training and drills and the construction of continuous, directional lifelines in mine escapeways meant to help miners more easily escape

during an emergency. The final rule calls for annual self-contained self-rescue (SCSR) training to help miners don and transfer the units during an emergency and calls for simulated smoke training. The final rule also requires operators to provide instruction on breathing using a realistic SCSR training unit and the installation of multi-gas detectors designed to assist miners in determining when to use their SCSRs.

Elsewhere, the rule calls for an additional SCSR to be allocated for every person present in an underground coal mine's working places, on mantrips, in escapeways and where outby crews work and travel. The rule also mandates that SCSRs be stored in each escapeway at a distance that an average miner can walk to within 30 minutes. The rule provides a performance-based approach and a prescriptive table of distances for determining how far apart SCSR storage locations should be spaced.

A copy of MSHA's semi-annual regulatory agenda is available at: <http://edocket.access.gpo.gov/ua061211/ua061013.txt>.

A copy of the Dec. 8 final rule is available at: <http://edocket.access.gpo.gov/2006/06-9608.htm>. ✕

FutureGen industry alliance gains twelfth member

Australian coal producer Xstrata Coal last week announced it was joining the FutureGen Alliance, becoming the twelfth member of the private consortium working to construct the world's first near-zero emissions coal-fueled power plant.

On Dec. 7, Xstrata pledged \$25 million to support construction of the \$1 billion plant. "As the world's largest exporter of thermal coal, Xstrata Coal is demonstrating its commitment to the international collaborative effort to significantly reduce greenhouse gas emissions resulting from the use of coal in power generation," said Xstrata Chief Executive Peter Coates in a Dec. 7 release.

"FutureGen is the most advanced coal-fuelled electricity generation technology development project in the world and we are pleased to be involved with other forward-thinking global companies in the development and deployment of this technology solution to climate change concerns," said Coates.

The 12-member industry alliance is working in partnership with the U.S. Department of Energy (DOE) to design, build and operate the plant, with DOE providing \$700 million of the funding needed to complete the project. DOE is currently evaluating two sites in Illinois and two in Texas as potential homes for the project, with a final decision expected in late 2007.

More information on Xstrata's announcement is available at: www.xstrata.com/press_release.php?id=ac&nb=200612071.en.html. ✕

NMA's Naasz welcomes new Rio Tinto chief executive



NMA President and CEO Kraig R. Naasz (right) hosted new Rio Tinto Chief Executive Tom Albanese (left) at NMA's Washington, D.C., headquarters on Dec. 12. Albanese, named chief executive earlier this month, will take over his new post on May 1, 2007. During the meeting, Naasz updated Albanese on the status of a number of legislative items of interest to the mining industry and discussed issues likely to be raised on Capitol Hill when the Democrat-controlled 110th Congress convenes in January. ✕

House Republicans fill ranking committee slots

House Republicans last week announced the roster of senior ranking committee assignments for the Democrat controlled 110th Congress, with most House Republican committee chairmen sliding into the ranking positions for the committees they once chaired.

In one exception, outgoing Transportation and Infrastructure Committee Chairman Don Young (R-Alaska) will move to the top Republican spot on the House Resources Committee, which he chaired from 1995-2001 before moving to the Transportation and Infrastructure Committee. Young's move is the result of a decision by Republican leaders to prevent members who completed six-year terms as chairmen of a committee from serving as the ranking member of that committee.

On other committees of interest to the mining community, outgoing Education and the Workforce Committee Chairman Howard McKeon (R-Calif.) will take over the ranking spot on that committee, while current Energy and Commerce Committee Chairman Joe Barton (Texas) will become that committee's ranking member and Jerry Lewis (R-Calif.) will vacate the Appropriations Committee chairmanship and become that committee's senior Republican. On the Ways and Means Committee, Jim McCrery (R-Fla.) was tapped to fill the ranking post, following the retirement of current Chairman Bill Thomas (R-Calif.).

In other committee news, House

Democrats this week unveiled the full roster of new committee assignments. Of note, Rep. Shelley Berkley (Nev.) joins the Ways and Means Committee, while Rep. Jim Matheson (Utah) joins the Energy and Commerce Committee.

The 110th Congress is expected to convene on Jan. 4, 2007. ✕

NMA reviews new OSM proposed ownership, control permit rule

NMA filed comments this week with the Department of the Interior's Office of Surface Mining (OSM) that largely supported a proposed OSM rule to revise existing rules governing the ownership, control, transfer and sale of permit rights.

The proposed rule, published in October, is a combination of proposals the agency floated in 2003 and 2005. The proposal contains several new provisions and deletes several others contained in the two previous proposed rules. OSM's proposal is an outgrowth of a settlement agreement between NMA and the agency, following a challenge NMA brought against OSM's current rules, which were promulgated in 2000.

NMA's comments supported the rule for redefining the core concepts of "own" and "control" in a way that provides much clearer definitions and limits on how those terms will be used

to trigger relationships in the applicant violator system (AVS). NMA also praised the rule for providing a much needed boost in the due process provided to parties erroneously listed on the AVS that challenge such listings and for ensuring prompt removal if appropriate. The rule also simplifies the existing definition of "transfer, assignment or sale" of permit rights to mean simply a change in permittee.

While largely backing OSM's latest proposed rule, NMA took issue with two changes contained in the proposal, one of which would require permittees to provide written notifications to bonding entities every time there is a change in the permittees' officers or directors. NMA also expressed opposition to a proposed requirement to provide so-called "upstream" permitting information to the regulatory authority.

OSM will now review all comments submitted on the proposal and could issue a final version of the rule in 2007.

A copy of NMA's comments are available at: www.nma.org/pdf/misc/121406_osm_comments.pdf. ✕

February forum to focus on latest coal technology advances

The Coal Utilization Research Council, Edison Electric Institute and the Electric Power Research Institute are partnering to host a two-day forum in February, which NMA is also supporting, that will bring together global experts to examine national, regional and global challenges to the development and use of new coal technologies designed to more cleanly generate electricity from coal in the 21st century.

Scheduled for Feb. 5-6 in Washington, D.C., the forum offers participants the chance to engage in roundtable discussions with leading coal technology experts to discuss meeting the ever-increasing demand for electricity in a world marked by growing concern for the environmental implications of energy production.

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Mining Market Snapshot

Coal Figures		
	Cumulative year to date	Change over last year
<i>Week ended December 2, 2006</i>		
EIA Coal Production (000 tons)	1,074,952	2.8%
Edison Electric Institute Electricity Output (GWh)	3,684,560	0.2%
American Iron and Steel Institute Raw Steel Production (000 tons)	97,902	3.3%
Metal Figures		
Copper Prices (\$/mt - week avg. Grade A Cash) 12/1/06		\$6,960.90
Gold Prices (\$/troy ounce - week avg. London Final) 12/1/06		\$641.74
Source: NMA Weekly Statistical Summary/Platts Metals Week		

Newsbits

Peabody Energy announced this week that **Phillip V. Smith** has joined the company's international sales and trading subsidiary, **COALTRADE International**, as director of trading for China, reporting to COALTRADE International President **Paul Demzik**. Smith will be responsible for Peabody's coal sales, marketing, trading, brokerage and agency activities in China and will be based in Peabody's Beijing office. Smith has more than 30 years experience in sales, marketing and trading, including 14 years with **Drummond Coal**, where he most recently served as managing director with responsibility for sales and administration in Europe. More information is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsArticle&ID=941517&highlight=...> Last week, Peabody named **Christopher J. Hagedorn** as the company's vice president of business performance, reporting to Executive Vice President of Strategy and Business Services **Roger B. Walcott, Jr.** Hagedorn will be responsible for driving and integrating Peabody's company-

wide performance improvement efforts. Hagedorn was most recently an associate principal for **McKinsey & Company**, where he served as a management consultant to the energy, chemicals, petroleum and mining sectors. More information is available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsArticle&ID=939265&highlight=...> The **Nevada Mining Association** in partnership with the **U.S. Department of Labor** and the **National Institute for Occupational Safety and Health** will host a two-day workshop next month to explore strategies and technologies for reducing exposure to diesel particulate matter and gases. The workshop is scheduled for Jan. 24-25 in Reno, Nev...The **U.S. Department of Energy** (DOE) last week selected six research and development projects designed to promote the production of hydrogen made from coal at large-scale facilities. In a Dec. 6 release, DOE said the projects will combat climate change by facilitating the capture, and subsequent sequestration, of carbon dioxide generated during hydrogen production. DOE said the six projects

total nearly \$9.4 million in value, with DOE providing \$7.4 million and industry partners contributing more than \$1.8 million. More information is available at: www.fossil.energy.gov/news/techlines/2006/06070-Hydrogen_from_Coal_Projects.html.

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Industry representatives and government officials from the world's major coal-using regions have been invited to participate and will examine a number of critical subjects, including the technologies needed to meet rising energy demand; whether sufficient funding, national will, and public support exists to develop technologies to meet the environmental challenges for long-term coal use; and whether adequate understanding and cooperation among industries and governments exists to ensure the accelerated development and adoption of clean coal technologies.

More details, along with registration information can be found at: www.coal.org. ✕

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entific papers and publications, used his acceptance speech to note the industry's past success in developing technologies to address nitrogen oxide and sulfur dioxide issues and predicted with confidence that the industry's commitment to technological excellence will result in new advances to limit and sequester carbon dioxide emissions.

Sen. Hagel (bottom left) was given

an Annual Achievement Award in recognition of his efforts to promote sound policies that strike an appropriate balance between energy production, economic growth and environmental considerations. Hagel and Sen. Robert Byrd (D-W.Va.) co-authored S. Res. 98; the unanimously approved resolution that established the benchmark for acceptable climate change treaties. Hagel also partnered with Sen. Mark Pryor (D-Ark.)

in successfully securing Senate approval for an amendment that called for the creation of an international technology-based approach for reducing greenhouse gas emissions, which led to the formation of the six-country Asia-Pacific Partnership on Clean Development and Climate. NMA Director of Government Affairs Craig Montesano, and newly elected Washington Coal Club president, presented Hagel with the award. ✕

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