



KRAIG R. NAASZ
President & CEO

December 13, 2007

The Honorable Jeff Bingaman
United States Senate
703 Hart Senate Office Building
Washington, DC 20515

Dear Senator Bingaman:

The National Mining Association (NMA) reiterates its willingness to work with Congress to advance energy legislation that effectively promotes American energy security through the continued utilization of coal—our nation’s most abundant and affordable energy resource.

The revised version of the “Energy Independence and Security Act” (H.R. 6) soon to be considered by the Senate is an improvement over the deeply flawed legislation rejected last week by the Senate. NMA is particularly pleased that H.R. 6 no longer includes an unrealistic renewable portfolio standard (RPS), which would have jeopardized the future availability of affordable electricity.

NMA supports several of the bill’s provisions that promote carbon capture and storage (CCS), including accelerated depreciation for carbon dioxide (CO₂) pipelines constructed before Jan. 1, 2011; a nationwide inventory of geological formations capable of underground CO₂ storage; and a critical CCS research and development and demonstration program.

Among the bill’s tax provisions, NMA supports allowing coal producers and exporters to claim a refund of excise taxes the courts have ruled were imposed in violation of the Constitution on coal exported from the United States.

However, NMA opposes several of the bill’s other tax provisions. The bill’s tax credits meant to accelerate the deployment of advanced clean coal and CCS technologies unfortunately are tied to an eligibility requirement mandating that 65 percent of carbon dioxide emissions be captured. Such a requirement will severely limit the number of projects that can utilize these incentives.

In addition, the bill includes new tax credits and an extension of important existing tax credits for certain alternative fuels but unwisely excludes domestic coal-to-liquid (CTL) fuels from that extension. In the interest of reducing America’s increased

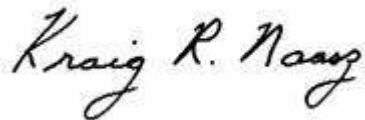
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reliance on imported oil, Congress should support efforts to launch a domestic CTL industry that will produce clean fuels, create hundreds of thousands of new jobs and enhance our nation's energy security.

Finally, the bill risks further exacerbating the challenges faced by the Black Lung Disability Trust Fund (BLDTF) by extending an existing coal excise tax for an additional three years without facilitating an orderly reduction of the trust fund's outstanding debt.

NMA is committed to working with Congress to ensure that coal remains an integral part of our nation's energy supply and the key to U.S. energy independence. The revised version of H.R. 6, while improved, does not sufficiently promote American energy through the utilization of coal.

Sincerely yours,

A handwritten signature in black ink that reads "Kraig R. Naasz". The signature is written in a cursive, flowing style.

Kraig R. Naasz
President & CEO