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## Issue 13 - July 1, 2020

### **This Week in COVID-19 News**

The policy environment for COVID-19 response remains dynamic as Congress and the administration weigh additional legislation while a swelling infection rate in some regions threatens to impede nascent economic recovery. The National Mining Association (NMA) remains engaged in ensuring that mining's interests are considered in the rapidly shifting debate. The effort includes public communications regarding the essential nature of mining, safety actions taken by our members, and contributions being made by NMA member companies. Plus we have updates on both the crisis and its impact on energy and mining markets.

**SAFETY SHARE:** To ensure the health and safety of all our members, the NMA this week held our first virtual Board of Directors Meeting, welcoming more than 100 participants for discussions about the industry's COVID-19 response, policy priorities and strategy moving forward.

## **NMA Opposes Petition for MSHA Emergency Standard**

The NMA on June 29, 2020, joined the Industrial Minerals Association-North America, Portland Cement Association, and National Stone, Sand & Gravel Association in [filing an amicus brief](#) to the United States Court of Appeals for the District of Columbia opposing an emergency standard for the mining industry. The brief focuses on how the mining industry is protecting the safety and health of its miners during the pandemic, giving examples from each of the groups, as well as the extraordinary enforcement measures that the U.S. Mine Safety and Health Administration (MSHA) can use if needed.

The brief is in response to an [emergency petition for a writ of mandamus](#) filed earlier by the United Mine Workers of America and the International Union of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC. The petition seeks to force the MSHA to promulgate an emergency temporary standard to protect miners' health during the COVID-19 pandemic.

## **Sen. Murkowski Bipartisan Minerals Amendment Filed to NDAA**

This week, the Senate is considering [S. 4049, the National Defense Authorization Act for Fiscal Year 2021](#). Senator Murkowski (R-AK) filed the bipartisan American Mineral Security Act with Senators Manchin (D-WV), McSally (R-AZ), Capito (R-WV), Sullivan (R-AK), Cramer (R-ND), Daines (R-MT), Crapo (R-ID) and Jones (D-AL) as an amendment to the bill, [Senate Amendment No. 2014](#). Senator Jim Risch (R-ID) filed a similar amendment, [Senate Amendment No. 2029](#). This is the same provision contained in the Senate's Energy bill considered earlier this year. The NMA is continuing to work to include this important legislation in the annual defense authorization bill.

## Mining Law Commitments Raised in Senate Hearing on the Impact of COVID-19 on Mineral Supply Chains

Last week, the [Senate Energy and Natural Resources Committee held a hearing](#) to examine the impact of COVID-19 on mineral supply chains, the role of those supply chains in economic and national security, and challenges and opportunities to rebuild America's supply chains. The General Mining Law, and changes to including royalties, was a topic at the hearing as well.

At the hearing, Chairman Murkowski echoed many of the general principles that NMA membership has said must be a part of any changes to the General Mining Law, including the following:

- **“Our job is not simply to impose a royalty on mineral production on federal lands and then call it a day.** It is to rebuild our supply chains, and to recognize that no realistic level of subsidies and incentives can compete with having raw materials available here at home.”
- “It has been noted in this hearing and others the subject of Mining Law reform, and a push for a royalty for hardrock mining on federal lands. **I have said before and I will repeat, I am happy to engage on a discrete set of updates to the Mining Law but my minimum standard here is that we can't harm our mineral security.** That to me is very clear and is more clear with every hearing that we have.”
- “But to this point the proposals that I have seen appear to be designed to discourage mineral development on federal land and frankly that makes it hard to begin a discussion on something viable. We often hear proponents of Mining Law reform make it sound like federal lands are a free for all, but that is not a reality. Approvals of operations, reclamation, bonding, these are all required and you have to have compliance with NEPA, the Clean Water Act, the ESA just to

name a few.”

- “We hear today and have heard in previous hearings, we are receding a host of industries to other countries, so I become concerned when I think we might be chasing miners off of public lands and sending the wrong signal here in terms of U.S. support for mining activity.”
- **“So if members are interested in reasonable legislation** that understands the unique challenges and disadvantages of mining on public lands and that protects our prospectors and miners who put tremendous time and certainly tremendous resources to find, explore, risk and prove up our mineral deposits, **then I’m ready....”**

NMA will continue to work with Senators Murkowski and Manchin and members of the Energy and Natural Resources Committee on next steps regarding target amendments to the Mining Law.

## **Sen. Barrasso Bipartisan Carbon Capture and Amendment in NDAA**

U.S. Senator John Barrasso (R-WY) has included a bipartisan amendment cosponsored by Senators Whitehouse (D-RI), Capito (R-WV), Carper (D-DE), Cramer (R-ND), Coons (D-DE), Hoeven (R-ND), Rounds (R-SD) and Manchin (D-WV) in early consideration of **S. 4049, the National Defense Authorization Act for Fiscal Year 2021**, which the U.S. Senate is considering this week.

Submitted as Senate Amendment 2206, this amendment mirrors Senator Barrasso’s **S. 383, the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act** introduced earlier this year. The U.S. Senate Environment and Public Works Committee previously unanimously reported this legislation, and Senator Barrasso successfully amended last year’s Senate version of the National Defense Authorization Act for Fiscal Year 2020 with identical language.

The NMA actively supports the USE IT Act, which would incentivize carbon capture and utilization (CCUS) technologies offering federal funding from the U.S. Environmental Protection Agency (EPA) for new technology to transform carbon dioxide (CO<sub>2</sub>) into new economic opportunities and create a new CO<sub>2</sub> utilization research and development program at the EPA. The legislation would also expedite permitting for CCUS projects, direct air capture research, and CO<sub>2</sub> pipelines, and directs the White House Council on Environmental Quality to submit guidance to facilitate environmental reviews associated with CCUS projects and CO<sub>2</sub> pipelines.

## House Select Committee Democrats Release Climate Crisis Plan

The Democrats of the House Select Committee on the Climate Crisis on Tuesday released a 538-page "**Climate Crisis Action Plan**." Comprised of twelve pillars, the plan recommends policies aimed at achieving net-zero greenhouse gas emissions by 2050 by adopting a clean energy standard for electric utilities by 2040, a price on carbon, and requires corporate disclosure and federal analysis of climate-related financial risks. The recommendations include prioritizing climate in the Department of Energy's mission, including the deployment of carbon removal technology and reorganizing DOE to meet this goal.

To shore up the Black Lung Disability Trust Fund, it recommends Congress maintain the current coal excise tax rate and explore a higher tax rate or alternative funding mechanisms to help restore the solvency of the Trust Fund long term. Also in the package is support for an extension of the Abandoned Mine Land (AML) fee at current levels and acceleration of \$1 billion from the AML fund for unintended purposes to spur new economic opportunities.

Committee Republicans were not involved in writing the plan and are certain to oppose it, even if they may support some of the adaptation policies in the document. Ranking Member Garrett Graves (R.-La.) **stated**, "Economic growth and energy security do not have to be

sacrificed in order to improve the environment...If the United States aims to reduce global emissions and lead the global energy future, then poorly designed domestic climate policies that increase costs or add burdensome regulations must be avoided." The report will likely serve as a template for a major climate legislation bill should Democrats win the Senate and White House in November.

## **Rep. McKinley CCS Amendment Adopted in House**

**The House is expected to pass H.R. 2**, the "Moving Forward Act," today, a \$1.5 trillion measure that would invest billions of dollars in clean energy and mass transit projects as well as clean water infrastructure.

Few Republican amendments were approved, however an **amendment** led by Rep. David McKinley (R-W.Va.) to authorize \$500 million for a DOE carbon capture and sequestration research program was adopted. The amendment would authorize a direct air capture prize program at \$200 million through fiscal 2025 and \$400 million after that through fiscal 2030.

President Trump has threatened to veto the measure. The White House released a **statement of administration policy** on Monday that said the president would likely reject the bill if it reached his desk.

## **USMCA In Force**

Today, the United States-Mexico-Canada Agreement (USMCA) enters into force. NMA supported the bipartisan effort to pass USMCA, ultimately ensuring secure and reliable supply chains across our shared borders. The omission of importance Investor State Dispute Settlement (ISDS) protections however is a concern the mining sector shares with many others. We will continue to work towards ISDS inclusion in future trade agreements.

To assist with implementation, also today, the U.S. Customs and Border Protection

released [these instructions](#) updating the version released on June 16. Additional resources to inform USMCA implementation are provided below:

- [U.S. Customs and Border Protection \(CBP\) USMCA Informational Webinar Slides](#)
- [USMCA Text](#)
- [CBP USMCA landing page](#), with additional USMCA links and resources
- [United States-Mexico-Canada Implementation Act](#)

## PPP Extended to August 8th in Senate Passed Bill

The U.S. Senate last night passed by unanimous bipartisan consent a five-week extension of the Paycheck Protection Program (PPP) just a few hours before the application window on the program was scheduled to close. The House of Representatives needs to pass the measure and President Donald Trump will have to sign it before the extension takes effect. Both chambers of Congress are expected to adjourn by the end of the week for a two-week recess. The move is intended to provide more time for small businesses to apply for the approximately \$129 billion in PPP funding remaining.

## NMA and Third-Party Voices

The NMA and its third-parties continue to place editorials across the country on the importance of our industry to the country and economy.

New this week, the [Birmingham News](#) (AL), [Pottstown Mercury](#) (PA), [Towanda Daily Review](#) (PA), [Rockland County Times](#) (NY), [Exton Daily Local](#) (PA), [Mainline Media News](#) (PA), [Swarthmore Times Herald](#) (PA), [Lansdale Reporter](#) (PA), [Delaware County Times](#) (PA) and the [Phoenix Reporter and Item](#) (PA) ran an op-ed by Michael Stumo in which he describes the importance of minerals in the automotive industry and argues that the U.S. must become competitive with China for these minerals.

**The National Interest** (USA) carries an op-ed by James Clad, former U.S. deputy assistant secretary of defense for Asia, in which he highlights the need for a rebirth of U.S. industrial policy to produce secure, resilient supply chains, with a focus on mining.

## **U.S. Virus Response Updates**

The U.S. Securities and Exchange Commission published a statement on the “Continued Importance of **High-Quality Financial Reporting for Investors** in Light of COVID-19.”

The deadline to apply for Paycheck Protection Program loans passed yesterday with approximately **\$130 billion of unused funding**. Testifying before Congress, Treasury Secretary Steven Mnuchin urged lawmakers to **redirect the unused funds** to businesses that have suffered the most during the pandemic, including "restaurants and hotels." However, four hours before the expiration, the U.S. Senate voted to **extend the program by five weeks**, sending the measure to the House for consideration.

The U.S. Federal Reserve **bought \$428 million in bonds** of individual companies through mid-June.

The Federal Reserve Bank of Boston published an explainer on the **Main Street Lending Program** that provides business loans for eligible companies.

The U.S. Food and Drug Administration published guidance for “**Development and Licensure of Vaccines** to Prevent COVID-19.”

The U.S. Government Accountability Office published “COVID-19: **Opportunities to Improve** Federal Response and Recovery Efforts.”

## **Economic Impact**

The U.S. Department of Labor reported another 1.5 million people filed unemployment compensation claims.

*Bloomberg* reported U.S. exports dropped to an 11-year low in May as imports also dropped.

*Reuters* reported U.S. core capital goods orders rebounded in May.

The National Association of Realtors reported pending home sales increased 44.3 percent in May.

U.S. consumer sentiment stumbled in late June as reported coronavirus cases increased.

A Business Roundtable survey concluded more than a quarter of U.S. chief executives don't see conditions at their companies recovering until after 2021.

*The Wall Street Journal* published: "Some on Wall Street are starting to wonder if the anticipated crush of corporate failures will ever arrive."

## Energy and Mining COVID-19 Impact News

U.S. Energy Secretary Dan Brouillette last week toured CONSOL Energy's Pennsylvania Mining Complex and announced DOE's intention to invest \$122 million to establish coal products innovation centers. The public-private innovation centers will research and incubate innovative mining, beneficiation, processing, and purification technologies that are environmentally sustainable. Each center will also provide a foundation for educating the next generation of technicians, skilled workers, and science, technology, engineering, and mathematics professionals. He then wrote an op-ed in which he stated, "Clean coal is essential to America" and expressed support for new coal-to-products initiatives. And Assistant Secretary of Energy Steven Winberg published "Clean coal is crucial for American jobs, energy security, and national supply chains."

Secretary Brouillette also wrote a piece for Real Clear Energy on “How America can win the [critical minerals battle](#) against China.”

[E&M’s publisher and editor-in-chief, Steve Fiscor](#), complimented the mining industry on its stellar performance amid COVID-19, saying “mining professionals demonstrated profound leadership” in keeping employees safe, operations going and helping their communities.

[MiningTechnology.com reports](#) that COVID-19 may spur an increase in mining automation and remote mining.

[Market Watch reports](#) that gold prices are at the highest levels since 2012.

[Argus Media reports](#) that coking coal spot prices are up recently in the Atlantic coking coal market, and that it may be an early sign of a stronger third quarter in terms of volumes.

[Utility Dive reports](#) that coronavirus has impacted the supply of high quality lithium needed by battery makers.

[Mining.com reports](#) that the only U.S. mill able to process rare earth ores, owned by uranium mill owner Energy Fuels, is now operational in Utah.

The U.S. Energy Information Administration reported stay-at-home orders led to [less commercial and industrial electricity use](#) in April.

## **[NMA COVID-19 Resources](#)**

The NMA team is maintaining a comprehensive suite of online resources for [Coronavirus Assistance and Response](#). Resources include both [health, safety and business assistance](#) for NMA members and a chronicle of the American [mining industry’s response to the current crisis](#).

## Tell Us About Your COVID-19 Response

We are continually gathering information about how the COVID-19 crisis is affecting our members. Information will be used in discussions with policymakers and decision makers at all levels of government and will help illustrate how mining is giving back to the communities where we live and work. Please [contact Ashley Burke](#) with on-going accounts of your responses to the global pandemic.

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