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## Issue 14 - July 8, 2020

### This Week in COVID-19 News

Positive economic news continues to roll out, although unknowns abound as the number of COVID-19 cases swells in some locations across the country. Congress left town for the Independence Day holiday, but discussions continue behind the scenes regarding the shape of another expected economic stimulus and the annual appropriations cycle remains in full swing, even as public scrutiny of the PPP loan recipients increases. The National Mining Association (NMA) remains engaged in ensuring that mining's interests are considered in the legislative and executive actions. 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: The Society for Human Resource Management published a customizable "[Return to Work Guide for Employees](#)."

## Paycheck Protection Program Extended

President Donald Trump on July 4, 2020, signed into law legislation [extending the deadline for small businesses to apply](#) for the Paycheck Protection Program (PPP), enacted in the weeks following the economic shutdown caused by the coronavirus pandemic. The original deadline to apply for the PPP was June 30, but \$130 billion still remains in the fund, out of \$660 billion allocated. Both houses of Congress approved the extension unanimously last week. Businesses will now have until August 8 to apply for the assistance. The PPP lets businesses get direct government subsidies for payroll, rent and other costs. The subsidies come as federal loans, but those loans can be forgiven if businesses use at least 60 percent of the funds for payroll.

The Treasury and Small Business Administration report that the PPP is supporting more than 51 million jobs for American workers. The jobs supported by PPP account for as much as 84 percent of all small business employees in the country. So far, the PPP program has provided loans to nearly 4.9 million small businesses across the country totaling \$521 billion with 86.5 percent of all loans having been for less than \$150,000. \$117 billion in loans have been provided to small businesses and 13 million jobs have been supported in economically distressed areas known as Historically Underutilized Business (HUB) zones, and 12 million jobs are being supported in rural communities thanks to nearly \$80 billion in PPP loans provided across the country.

## NMA Working to Protect Waterways Funds in Infrastructure Legislation

Legislation moving in both the House and Senate provides new authorizations and funding for the Harbor Maintenance Trust Fund (HMTF) and Inland Waterway Trust Fund (IWTF). The CARES Act eliminated spending caps on how much of the HMTF fees could be used for dredging harbors, and the new legislation maintains that provision. The NMA has [worked to fund the HMTF](#) and recently [led a multi-industry letter](#) to Environment and

Public Works Chairman John Barrasso (Wyo.) and Ranking Member Tom Carper (D-Del.) to ensure that, with added funding, all HMTF funding is used for harbor maintenance. Additionally, the U.S. Senate's [American Water Infrastructure Act Section 1069](#) changes the cost share for the construction or maintenance of a navigation project on inland waterways to 65 percent (from 50 percent) from the general fund and 35 percent from the IWTF, allowing IWTF dollars to go further. NMA will continue to directly advocate for these investments in waterway infrastructure.

## **House Marks Up Annual Appropriations Bills**

House lawmakers are working on their fiscal year (FY) 2021 appropriations bills. The panel released and will markup in subcommittee the majority of the bills this week. Federal funding will largely stay flat this year, but emergency funding is not subject to the budget caps. Summaries of bills important to the mining industry are outlined below. Please note that committee report language that details spending instructions and expectations is not yet available.

House Democratic leaders have yet to announce a floor schedule for the bills, but it is likely that they'll move in multiple packages or as part of the next pandemic relief package. While House markups are underway, Senate appropriators have been unable to strike a deal to keep out any partisan provisions, with Democrats saying they want to offer provisions related to the pandemic, which the GOP says should be considered as part of separate emergency spending legislation.

It is widely expected Congress will need to pass a stopgap spending bill to avert a shutdown before the new fiscal year begins and current funds run out. Lawmakers say the continuing resolution will run at least through the November elections and perhaps until the next presidential inaugural in January, potentially leaving it to a new administration and Congress to wrap up the spending work.

### **Interior-Environment Bill – EPA Policies Challenged**

House Democrats unveiled a \$36.76 billion spending bill funding activities within the Interior Department and EPA for FY 2021. The bill includes \$15 billion in emergency supplemental appropriations.

House Democrats are likely to seek provisions limiting the Trump administration rollbacks of many Obama-era policies and projects important to the mining industry, including a provision that would reverse the Trump administration's recently final rule scrapping an Obama-era finding that utility mercury controls are "appropriate and necessary." That language directs EPA to "continue to regulate" under section 112 of the Clean Air Act.

The spending bill also includes language that would prohibit the use of funds to finalize, implement or enforce EPA's August 2019 proposed changes to the water quality certification rule under section 401 of the Clean Water Act. The agency completed that regulation in early June, though the bill's policy rider would block EPA from implementing the rule.

Further, the House draft restricts funds to review or approve mine plans proposed within the Rainy River Watershed of the Superior National Forest. Related language was included in the House Agriculture bill for the Secretary to submit to Congress any documents related to canceling the Forest Service application for the Rainy River Watershed Withdrawal.

Department of the Interior (DOI) – The bill provides a total of \$13.83 billion in discretionary appropriations for DOI, an increase of \$304 million above the FY 2020 enacted level and \$1.8 billion above the President's budget request. Of this amount, the bill includes:

- \$1.3 billion for the **Bureau of Land Management**
- \$98 million for the **Office of Surface Mining** and an additional \$115 million to continue the Appalachian Abandoned Mine Land Economic Development Grants pilot program to accelerate the reclamation of abandoned mine lands and other related activities for economic and community development in Appalachia and to

federally recognized Indian Tribes. Any unobligated balances from the pilot prior to FY 2017 are rescinded.

**Environmental Protection Agency (EPA)** – The bill provides a total of \$9.38 billion in for EPA – an increase of \$318 million above the FY 2020 enacted level and \$2.67 billion above the President’s budget request.

### **Energy – Water Bill – Carbon Capture, National Labs, Harbor Funds**

The House Democrats’ \$49.6 billion Energy-Water spending bill represents a \$1.3 billion increase from FY 2020 enacted levels, and includes an emergency spending provision for additional \$43.5 billion in pandemic economic recovery.

**Department of Energy** – For FY 2021, the bill provides a total of \$41 billion for the Department, an increase of \$2.3 billion above the FY 2020 level and \$5.1 billion above the President’s budget request. In addition, the bill provides an additional \$23.5 billion in emergency funding for the Department of Energy to modernize energy infrastructure for a clean energy future. Missing from the legislation was any funding for the administration’s request for \$150 million to establish a federal uranium reserve. The reserve was one of the central recommendations from the Nuclear Fuel Working Group report released in April.

- **Fossil Energy Research and Development** – The bill provides \$728 million and a \$1.25 billion emergency funding to build demonstrations in negative emissions technologies and carbon capture, utilization and storage technologies, and improve infrastructure at national laboratories.

**Army Corps of Engineers** – For FY 2021, the bill provides a total of \$7.63 billion, an increase of \$1.7 billion above the President’s budget request. In addition, the bill provides an additional \$17 billion in emergency funding to accelerate work on Corps projects around the country.

- **Construction** – The bill provides \$2.6 billion, \$447 million above the request, and an additional \$10 billion in emergency funding to accelerate projects that provide protection from floods, ensure navigable channels to move goods, and restore the

environment.

- **Harbor Maintenance Trust Fund** projects receive \$1.68 billion, an increase of \$50 million above the FY 2020 enacted level and \$665 million above the request. This meets the target set by authorizers for FY 2021 and represents 92 percent of estimated revenues compared to the FY 2021 target of 83 percent.

### **Labor Bill - MSHA**

Included in the larger education and health care funding package, the bill provides a total of **\$12.7 billion in discretionary appropriations** for the **Department of Labor**, an increase of \$254 million above the FY 2020 enacted level and \$1.6 billion above the President's budget request. The **Mine Safety and Health Administration** is funded at \$380 million.

## **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.

This week, **Real Clear Energy** carries an op-ed from Dan Ervin, a professor of Finance at Salisbury University, in which he argues as global investment in coal generation continues, the need for U.S. leadership in coal technology innovation is greater than ever.

And the **Alaska Journal of Commerce** (AK), **Shreveport Times** (LA), **Alexandria Town Talk** (LA), **Monroe News Star** (LA), **Opelousas Daily World** (LA), **Lafayette Daily Advertiser** (LA), **Johnstown Tribune Democrat** (PA) and the **Greeley Tribune** (CO) carry 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.

## U.S. Virus Response Updates

The House also passed a [\\$1.5 trillion infrastructure bill](#) loaded with Democratic policy priorities, but with a very limited path to enactment.

The U.S. Occupational Safety and Health Administration compiled all of its COVID-19 “Frequently Asked Questions” resources [onto a single webpage](#).

The U.S. Department of Labor published a Field Assistance Bulletin providing guidance regarding [when an employee may take leave](#) under the Family First Coronavirus Response Act (FFCRA) to care for a child based on the closure of a summer program for COVID-19 related reasons.

## Economic Impact

The U.S. Labor Department reported the economy [added 4.8 million jobs](#) in June, far surpassing expectations.

The Institute for Supply Management reported [manufacturing rebounded in June](#), breaking multiple historic records for production and new order growth indicators.

The Association of American Railroads reported freight-rail traffic trends in June reflected an [accelerated recovery process](#) that began in May.

*The Wall Street Journal* reported on two surveys showing [recovery beginning in service industries](#).

## Energy and Mining COVID-19 Impact News

[The Wall Street Journal reports](#) on a recent study by Horizon regarding US vulnerabilities due to its dependence on China for rare earth minerals.

[Mining.com reports](#) that copper prices were strong in the 2<sup>nd</sup> quarter – the best since 2010.

[EIA's recent Short-term Energy Outlook \(STEO\)](#) predicts a production drop of 29 percent this year, but a 7 percent increase in 2021 as natural gas prices rise making coal more competitive. The report also included a more positive outlook for coal generation than last month's outlook due to the anticipation of warmer summer weather, according to Coal Outlook.

[CNBC reports that larger cities](#) may see an increase in electric utility bills this summer due to an increase in residential power use during COVID-19 lockdown.

[The Salt Lake Tribune](#) reports that Utah is considering providing financial support for the Oakland coal terminal.

[E&E Climate Wire](#) reports Japan is considering closing its less efficient coal plants.

## **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 continue to gather 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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