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COVID-19 UPDATE

NMA 25 National Mining Association

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This Week in COVID-19 News

Congress resumed this week **with a packed agenda** and **all eyes on negotiations** for the next COVID-19 aid package, but **numerous policy divisions** threatened to push the process well into August. Some economic indicators suggest recovery from damage incurred during the COVID-19 pandemic may be slowing as states and consumers react to news of increasing infection rates. Activity in all branches of the federal government continues at a dynamic pace, however, and National Mining Association (NMA) remains engaged to ensure that mining's interests are considered. 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 how energy and mining markets are faring.

Next COVID Legislation – Tax and Liability Relief

As the elements of the next COVID-19 relief legislation are being made public and negotiated, Senate leadership distributed a **Legal Reform Summary** outlining liability standards for schools, colleges, charities, churches, associations, government agencies, businesses, and healthcare workers for claims arising from exposure to COVID-19. The provision also addresses liability standards under federal labor and employment laws for businesses complying with healthcare guidelines, COVID-19 workplace testing and PPE coverage, and flexibilities under the WARN Act. The **NMA joined nearly 400 organizations** advocating for reasonable liability protections as organizations began to plan to reopen. Another element expected in the next COVID-19 relief legislation is an extension of the Employer Retention Tax Credit (ERTC). The **NMA joined over 130 organizations** not only supporting the ERTC provision in the CARES Act, but expanding its applicability and advocating that participating businesses not be excluded from participating in the Paycheck Protection Program. The latest Senate draft of new COVID-19 legislation could be public as early as this week.

States Back Liability Protections

In a **letter** to congressional leadership, a group of 21 governors, several from mining states, urged lawmakers to provide liability protections to businesses, schools, and healthcare providers as part of the next federal rescue bill in response to the COVID-19 pandemic. The letter offers that businesses would be more confident about reopening with the liability protections, which would in turn spur economic growth and recovery. NMA and state mining associations have been engaged with state lawmakers to make them aware of the many challenges associated with the reopening process.

NDAA Action in the House

Earlier this week, the full House of Representatives took up and passed the Mac Thornberry National Defense Authorization Act (**H.R. 6395**). Please find NMA's memo **here**. Of the **407 amendments** made in order to the bill, amendment numbers 492,

541, 597 and 616 were included en bloc and adopted in the House-passed bill. More controversial amendments, specifically numbers 7 and 8, which would create new wilderness, recreation and conservation areas as well as permanently withdraw more than one million acres of public land well outside of the boundaries of the Grand Canyon National Park to new mining claims, received stand-alone votes. Both amendments passed, largely along party lines, and were included in H.R. 6395.

Spending Bills on the House Floor for DOI and EPA

The House of Representatives is expected to consider their first fiscal 2021 spending bills as part of a four-bill package, known as a minibus, later this week. The minibus, **H.R. 7608 (116)**, contains the fiscal 2021 Interior-Environment, State-Foreign Operations, Agriculture and Military-Construction-Veterans bills. The Interior-Environmental measure proposes $13.83 billion, which is $304 million above what was allocated for fiscal 2020 and $1.8 billion beyond the administration's request. NMA previously shared a detailed **memo** on the bill's policy positions and non-binding committee report language important to the mining industry.

The Rules Committee will meet on Wednesday to determine which amendments will be considered, though is expected to only allow floor votes on a handful of amendments to the minibus. Several amendments concerning NMA priorities have been proposed for House floor debate, including:

- **Amendment #3** from Rep. Paul Gosar (R-Ariz.) that would codify a Trump administration executive order to speed up environmental permitting for infrastructure projects.

- **Amendment #44** from Rep. Doug LaMalfa (R-Cal.) to prohibit any of the funds from being used to carry out the 2015 Waters of the United States rule (80 Fed. Reg. 37053). The amendment would have no effect on any replacement of, or update to the 2015 rule.

- **Amendment #52** from Rep. Steve Cohen (D-Tenn.) to prohibit funds from being used to change or modify the 2015 federal coal ash rule unless it is “consistent with the opinion of the court in Utility Solid Waste Activities Group et al. v. Environmental Protection Agency, No. 15-1219 (D.C. Cir. Aug. 2 21, 2018).”

- **Amendment #53** from Rep. Debbie Dingell (D-Mich.) to prohibit funds from being used to implement, administer, or enforce the final rule (85 Fed. Reg. 1684) entitled "Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act" published by the Council on Environmental Quality in the Federal Register on July 16, 2020.

- **Amendment #62** from Rep. Lisa Blunt Rochester (D-N.J.) to prohibit funds from being used by the EPA to finalize, implement, or enforce the proposed rule, ‘‘Review of the National Ambient Air Quality Standards for Particulate Matter’’ published in the Federal Register by the Environmental Protection Agency on April 30, 2020 (85 Fed. Reg. 24094 et seq.)

The House hopes to approve its eight remaining spending bills next week. **H.R. 7617 (116)** combines seven separate spending bills: Defense, Commerce-Justice-Science, Energy-Water, Financial Services, Homeland Security, Labor-HHS-Education, and Transportation-HUD. NMA’s Energy-Water and Labor-HHS-Education detailed **memo** is also included for your convenience. The Senate, meanwhile, has yet to mark up any spending bills.

Congress is unlikely to have many spending bills signed into law before the new fiscal year begins on October 1. As a result, lawmakers are expected to pass a continuing resolution to keep agencies funded at current levels and avert a shutdown.

Spring Regulatory Agenda

The Trump administration recently released the much anticipated Spring 2020 ***Unified Agenda of Regulatory and Deregulatory Actions***, identifying the policy priorities that the federal departments and agencies are expected to act on over the next 12 months. While

the Spring Agenda is simply an estimated timeframe for planned rulemakings, and often the agencies and departments miss their deadlines, it is still a useful planning tool as we close out the year and look forward to next year.

The NMA has reviewed the Spring Agenda against the association's 2020 strategic objectives and other association priorities. A timeline of rulemakings that would impact NMA's membership is available **here** for your use. As detailed in this timeline, the administration will continue its aggressive deregulatory agenda as we head into the November election and beyond. The NMA team continues to execute our advocacy plans to expedite these rulemakings.

CISA Tabletop Exercise Package

The U.S. Cybersecurity and Infrastructure Security Agency (CISA) released its **COVID-19 Recovery CISA Tabletop Exercise Package (CTEP)**. This exercise package was developed in coordination with interagency partners to assist private sector stakeholders and critical infrastructure owners and operators across all sectors in assessing short-term, intermediate, and long-term recovery and business continuity plans and addressing key questions related to organizational recovery from the COVID-19 pandemic. The CTEP also provides organizations the opportunity to discuss how ongoing recovery efforts are impacted by concurrent response operations to a potential "second wave" of global pandemic infections.

The purpose of this CTEP is to provide critical infrastructure stakeholders and their public safety partners a customizable resource to internally identify and address areas for improvement, threats, issues, and concerns affecting their organization. Within the CTEP is also a compiled list of Federal COVID-19 resources that can assist organizations and their efforts.

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.

The Washington Examiner ran an op-ed from Mark Perry, a scholar at the American Enterprise Institute and a professor of economics at the Flint campus of the University of Michigan, in which he argues U.S. energy policy should reflect coal's global staying power and lean into developing and deploying next generation clean-coal technologies.

Clermont Sun (OH) carries 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 **Omaha World-Herald** (NE) ran a piece by Barry Butterfield in which he argues that the U.S. has become dangerously reliant on China for minerals and metals, and U.S. mining must be revitalized to boost manufacturing.

Economic Impact

New claims for unemployment compensation **held nearly steady** at 1.3 million during the second week of July.

U.S. retail sales **rose 7.5 percent in June** as stores began to reopen.

University of Michigan reported **consumer sentiment retreated** in the first half of July because of the apparent resurgence of COVID-19.

A survey of commercial construction contractors in the second quarter of 2020 **showed decreased confidence**.

Energy and Mining COVID-19 Impact News

COVID-19 disrupted an estimated $8.8 billion in global mining output revenue, and impacted 275 mine sites in 36 countries, **according to S&P Global analysis**.

The World Gold Council's recently released mid-year 2020 gold outlook indicates that the "combination of high risk, low opportunity cost and positive price momentum looks set to support gold investment and offset weakness in consumption from an economic contraction." The Council also notes that "gold had a remarkable performance in the first half of 2020, increasing by 16.8% in U.S. dollar terms and significantly outperforming all other major asset classes."

U.S. Department of Energy announced it will **provide $118 million in funding** to support research and development of technologies to make coal-fueled power generation cleaner.

The National Bureau of Economic Research's draft report on the coal industry looks at three illustrative coal-reliant counties showing that coal-related revenue may fund a third or more of their budgets.

E&E News reports that Moody's Investment Service predicts coal consumption from the power market to decrease 30% this year.

EIA notes that uranium concentrate consumption was down 89% in 2019, an all-time low.

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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