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This Week in COVID-19 News

Senate Republicans unveiled a \$1 trillion economic relief proposal that would provide a second round of \$1,200 coronavirus stimulus payments to many Americans, cut enhanced federal unemployment payments from \$600 a week to \$200, provide \$105 billion for schools and PPP loans, and include liability protections for businesses, schools and hospitals. Negotiations over the proposal continue and the timeline for enacting a final package remains uncertain. Meanwhile, initial unemployment claims ticked up for the first time in 16 weeks, but a number of other economic indicators continued to improve. The National Mining Association (NMA) remains engaged with all branches of the federal government to ensure that mining's interests are considered in the ongoing policy 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 how energy and mining markets are faring.

Senate COVID-19 Relief Legislation Prioritizes Mineral Security

This week, members of the U.S. Senate introduced a series of bills designed to contribute to the U.S. Senate's proposal for the next legislation to address the COVID-19 pandemic and its effects on the economy. In mid-May, the U.S. House of Representatives passed **H.R. 6800, the HEROES Act**, as its proposal for the next needed round of legislative relief. One of the series of bills in the U.S. Senate introduced as part of the next COVID-19 relief package of bill is the Restoring Critical Supply Chains and Intellectual Property Act. Section 401 of this bill contains the text of the bipartisan, **S. 1317, the American Mineral Security Act**; this bipartisan legislation has long been a NMA priority. Additionally, Section 402 of the legislation contains a proposal from Senator Joe Manchin (D-WV) to provide annual funding for the U.S. Department of Energy to develop technologies for the extraction and recovery of rare earth elements and other minerals from coal and coal byproducts. The NMA will continue to work to enact these important proposals and contributions to a secure domestic mineral supply. Upon introduction of the new legislation, NMA President and CEO Rich Nolan further highlighted the importance of maintaining these proposals. A summary of the entire Restoring Critical Supply Chains and Intellectual Property Act may be found [here](#).

Senate COVID Relief Proposal Includes More PPP Lending

Senate Majority Leader Mitch McConnell on Monday released a collection of stimulus measures aimed at more economic relief in response to the ongoing coronavirus pandemic. The "Health Economic Assistance Liability Protection and Schools," or HEALS Act, calls for another round of funding for the Small Business Administration's Paycheck Protection Program and offers changes in guidelines in an effort to make them more attractive. The latest proposal and terms of the Paycheck Protection Program may be

found [here](#), with a section-by-section found [here](#) and summary found [here](#). Highlights include:

PPP Second Draw Loans

- Provides \$190 billion of committed and appropriated funds to support PPP and PPP Second Draw Loans.
- Businesses that have already received a PPP loan are eligible for a second PPP loan.
- Defines eligibility for PPP Second Draw loans as small businesses that meet the applicable SBA revenue size standard, have no more than 300 employees, and demonstrate at least a 50 percent reduction in gross revenues.
- The maximum loan size would equal 2.5 times average total monthly payroll costs, up to \$2 million. Businesses that received a PPP loan may not receive another PPP loan that aggregates to more than \$10 million.
- The 60/40 cost allocation for payroll and non-payroll costs to receive full PPP forgiveness continues to apply.

PPP Improvements

- Expands forgivable expenses to include covered supplier costs, covered worker protection expenditures, and covered operations expenditures.
- Allows borrowers to select a preferred 8-week period through 2020 to use the forgivable loan proceeds.
- Simplifies the forgiveness application process for smaller loans.

- Expands PPP eligibility to include certain 501(c)(6) organizations, including Chambers of Commerce and Destination Marketing Organizations with 300 or fewer employees, excluding lobbying expenses.

The HEALS Act is the Senate's opening bid in negotiations with the House and the President.

Expanded Employee Retention Tax Credit

The Senate's new COVID-19 relief proposal included some tax changes from the CARES Act and a new round of direct individual payments. The proposal would provide an additional round of rebates for individuals (i.e., economic impact payments / stimulus checks), which would generally provide payments of \$1,200 (singles) and \$2,400 (joint returns) for Americans with incomes up to \$75,000 (singles) and \$150,000 (joint returns), plus \$500 per qualifying dependent (regardless of age).

The bill includes an expansion of the employee retention tax credit (ERTC) enacted under the CARES Act, including an increase in the credit amount from 50 percent to 65 percent of qualified wages and an increase in the limitation on qualified wages taken into account per employee from \$10,000 per year to \$10,000 per quarter (capped at \$30,000 per year). **NMA and other organizations supported** expansion of and extension of the ERTC. The bill includes a new safe and healthy workplace credit providing employers a 50 percent payroll tax credit for qualifying employee protection, reconfiguration, and technology expenses, limited based on an employer's average number of employees. Finally, it provides a safe harbor for certain COVID-19-related assistance provided to independent contractors so they do not lose independent contractor status. Despite significant **lobbying** from the business community, the tax proposals released yesterday did not include changes making general business tax credits refundable. The bill makes no changes to the favorable net operating loss (**NOL**) provisions strongly backed by NMA in the CARES Act. The entire text of the tax provisions may be found **here** with a summary found **here**.

EPA and NRC Release Memorandum of Understanding to Speed Uranium Recovery

A significant policy change long advocated for by the NMA, the U.S. Environmental Protection Agency (EPA) and Nuclear Regulatory Commission (NRC) released a [Memorandum of Understanding](#) (MOU) to clarify the agencies' respective authority over uranium recovery operations. The announcement was made by EPA Administrator Andrew Wheeler in a press event with Wyoming Governor Mark Gordon in Cheyenne, Wyoming. EPA reached out in advance of the release to request a quote from National Mining Association (NMA) President & CEO Rich Nolan in support of the MOU to be included in the agency's [press release](#). This win could not have happened without the sustained efforts of NMA member companies.

House Launches Bipartisan Critical Materials Caucus

On July 24, Representatives Guy Reschenthaler (R-PA) and Eric Swalwell (D-CA) launched the Congressional Critical Materials Caucus to help the U.S. focus on secure and sustainable supplies of critical materials that are essential to our nation's economic and national security. Caucus members include Reps. Jeff Duncan (R-SC), Denny Heck (D-WA), John Joyce (R-PA), and Lance Goodin (R-TX). Please find links to Rep. Swalwell's press release [here](#) and Rep. Reschenthaler's press release [here](#) announcing creation of the caucus. NMA has engaged with caucus leadership on the broad array of mineral issues.

House Select Committee Holds Hearing on Clean Energy Economy

On July 28, 2020, the House Select Committee on the Climate Crisis held a [hearing](#) to discuss how to transition to a net-zero, clean energy economy and the associated jobs

impacts. Witnesses for the hearing included Asst. Professor [Ana Baptista](#) (New Jersey Environmental Justice Alliance), [Jason Walsh](#) (Executive Director of the BlueGreen Alliance), [Beth Soholt](#) (Executive Director of the Clean Grid Alliance on behalf of American Council on Renewable Energy and Americans for a Clean Energy Grid), and [Michael Shellenberger](#) (Founder & President of Environmental Progress). At their request, the NMA provided committee staff with a significant amount of data related to hardrock employment, mineral resources, supply chain vulnerabilities and related testimony from the Senate Energy and Natural Resources Committee. During the hearing, Ranking Member Graves addressed the issue of our nation's mineral import reliance on China and the need to increase domestic production, leading to family-wage job growth.

The “Marshall Plan” for Coal Country Act Introduced

Senator Tammy Duckworth (D- IL) on July 23, 2020, introduced legislation to assist coal workers and coal communities as they transition to 21st century alternatives. [S. 4306](#), the Marshall Plan for Coal Country Act of 2020, would attempt to address the immediate and long-term economic and environmental impacts of a coal mine or coal power plant closure, including expanding Medicare to all coal workers who have lost their jobs, making higher education free for all coal workers and their families, helping coal communities access federal resources and navigate the federal bureaucracy, establishing a Coal Community Home Buying Program, and helping restore the environment of coal communities, among other actions. The legislation is reflective of the Just Transition Fund's recently released National Economic Transition Platform. It earned the endorsement of the United Mine Workers of America (UMWA.)

House Continues to Move Appropriations Bills

Later this week, the House will consider the chamber's second fiscal 2021 package. The latest minibus bill, [H.R. 7617](#), includes the fiscal 2021 Energy-Water, Transportation-Housing and Urban Development, Commerce-Justice-Science, Defense, Labor-Health and Human Services-Education, and Financial Services-General Government measures.

The Energy and Water Development and Related Agencies funding bill provides \$49.6 billion in Energy and Water Development programs, an increase of \$1.26 billion, or 3 percent, above the fiscal year 2020 enacted level. The legislation funds the U.S. Army Corps of Engineers, the Department of Energy, and other related agencies. The bill also provides a total of \$12.7 billion in discretionary appropriations for the Department of Labor, an increase of \$254 million above the fiscal year 2020 enacted level and \$1.6 billion above the President's budget request.

The Rules Committee made in order several amendments for floor consideration concerning mining related issues, including:

- **Amendment #2** from Rep. David McKinley (R-W.Va.) to increase the DOE Fossil Energy Research and Development account by \$5 million.
- **Amendment #3** from Rep. Paul Gosar (R-Ariz.) to increase funding for critical minerals in Office of Fossil Energy by \$2.5 million and the Office of Energy Efficiency and Renewable Energy by \$600,000 to match the President's FY 21 Budget Request.
- **Amendment #50** from Rep. Jared Huffman (R-Calif.) prohibits any of the funds to be used for the Army Corps of Engineers to issue the Record of Decision for the proposed Pebble Mine project.
- **Amendment #34** from Rep. Ilhan Omar (D-Minn.) clarifies that the Department of Energy's Section 1703 Loan Guarantee Program is to provide loans only to clean energy projects. Presently, DOE is authorized to issue loan guarantees for projects with high technology risks that "avoid, reduce or sequester air pollutants or anthropogenic emissions of greenhouse gases; and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued." Loan guarantees are intended to encourage early commercial use of new or significantly improved technologies in energy projects.

- **Amendment #64** from Rep. Guy Reschenthaler (R-Penn.) provides the Defense Department \$5 million for a program to help establish a domestic supply of strategic metals, such as titanium, by converting military and industrial scrap materials into aerospace-grade powders.

The Senate has yet to introduce its spending bills. As a result, it's widely expected Congress will need to pass a continuing resolution, before the new fiscal year begins Oct. 1 to keep agencies funded at current levels and avert a shutdown.

Senate Considers New Carbon Dioxide Management Technologies

On July 28, 2020, the Senate Energy and Natural Resources Committee held a hearing to examine the development and deployment of large-scale carbon dioxide management technologies in the United States, including technological and natural carbon removal, carbon utilization, and carbon storage. The panel heard testimony from Steven Winberg, Assistant Secretary for Fossil Energy at the Department of Energy; Shannon Angielski, Executive Director of the Carbon Utilization Research Council; Julio Friedmann, Center on Global Energy Policy, Columbia University; Sasha Mackler, director of the Energy Project at the Bipartisan Policy Center; and Former Energy Secretary Ernest Moniz. The witnesses called for increased research and demonstration projects for carbon capture, nuclear and other technologies across the Department of Energy.

NSA and CISA Warn Against Cyber Attacks

The National Security Agency and the Cybersecurity and Infrastructure Security Agency on July 23, 2020, recommended that all U.S. critical infrastructure facilities **take immediate actions** to secure their internet-accessible operational technology assets. "At this time of heightened tensions, it is critical that asset owners and operators of critical infrastructure take the following immediate steps to ensure resilience and safety of U.S. systems should a time of crisis emerge in the near term," the advisory said. The report includes recently

observed tactics, techniques, and procedures of attackers, as well as recommended mitigation steps.

NMA and Third-Party Voices

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

This week the NMA released polling concerning voters' attitudes around electricity prices. Fifty-six percent of Americans say they are unwilling to pay more in their electricity bills to support energy and climate plans that have been debated in the presidential race.

The [polling](#), conducted by Morning Consult for the National Mining Association (NMA), also found that nearly half of Americans say the pandemic has increased their concerns about their ability to pay those very bills. Read the full press release [here](#).

[The Scranton Times Tribune](#) carries an op-ed from John Interval, a geologist, calling for mine permitting reform to reduce the nation's alarming mineral import reliance.

The [Duluth News Tribune](#) carries an op-ed by Terry Jarrett, an energy attorney and consultant who has served on both the board of the National Association of Regulatory Utility Commissioners and the Missouri Public Service Commission, in which he argues the coronavirus pandemic has raised concern about energy affordability and the loss of essential baseload sources of power.

Economic Impact

Unemployment compensation claims [increased to 1.42 million](#) in the week ended July 18, 2020 – rising for the first time since March.

The New York Times reported about [one in five workers](#) are now collecting unemployment benefits.

U.S. existing home sales rose 20.7 percent in June. New home sales rose 13.8 percent.

IHS Markit's index of services and manufacturing showed private sector output stabilizing in July, ending a five-month sequence of decline.

Chicago Federal Reserve Bank's National Activity Index showed increases in May and June.

The Conference Board's Leading Economic Index increased 2 percent in June.

Energy and Mining News

Price Waterhouse Coopers in its recent mining report, Mine 2020, indicates that the coming off of a strong 2019, the global mining industry has managed well through the peak of the pandemic due to industry resilience and pre-COVID strength. "Global mining companies entered the COVID-19 crisis with strong balance sheets and improved liquidity."

A *Reuters* columnist opined: "U.S. finds its Chinese rare earth dependency hard to break."

U.S. thermal coal production and demand began to increase in June after being hit hard by the pandemic.

A West Virginia newspaper editorialized on the need for coal-fueled electricity during heat waves like the one last week.

S&P Global reports that BHP is expecting some met coal output growth in 2020-21 despite COVID-19 demand weakness in some countries.

S&P Global Platts Analytics reports an upswing in thermal coal following shutdowns driven by the coronavirus pandemic in March and April. U.S. thermal coal production and

demand began to increase in June, providing optimism over long-term relief for coal producers.

The Silver Institute reports in its June newsletter that “with solar power generation expected to nearly double by 2025, silver will continue to be a vital component of photovoltaic (PV) cells.”

In a special report released late last month from UNCTAD, the group cautions that “the demand for raw materials used to manufacture rechargeable batteries will grow rapidly as the importance of oil as a source of energy recedes, as highlighted recently by the collapse of prices due to oversupply and weak demand resulting from COVID-19.”

Recent analysis from Allied Market Research indicates that the global mining equipment market may reach nearly \$166 billion by 2027.

Mining.com reports that global copper prices have surged to a 2 year high due to supply fears from impacts of coronavirus in South America, copper’s leading producing region.

E&E News reports that the state of New Mexico and the local community are bracing for the impact of retirement of the Tri-State Generating Escalante coal plant at the end of the year. The closure will result in the loss of the plant’s annual economic impact of nearly \$100 million, about 226 direct and indirect jobs and tax revenues from plant operations of more than \$3 million. The solar plant Tri-State plans to build to replace the lost coal capacity will have an economic contribution of roughly one quarter of the coal plant.

The World Steel Association reported that world crude steel production for the 64 countries reporting to the association was 148.3 million metric tons in June 2020, a 7 percent decrease compared to June 2019. Production was 873.1 tons in the first six months of 2020, down by 6 percent compared to the same period in 2019. The association cautions that due to the ongoing difficulties presented by COVID-19, many of June’s figures are estimates that may be revised with next month’s production update.

IEA Clean Coal Centre reports on 2019 Vietnam coal electricity growth from BP’s

Statistical Review of World Energy 2020. “The country consumed 2.07 exajoules of electricity from coal last year, up 30.2 percent year-on-year,” according to the report.

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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