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## Issue 9 - June 3, 2020

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

While a handful of economic indicators suggest the tide may be turning toward recovery from the major amount of damage incurred during the COVID-19 pandemic, the path ahead appears to be a long one. On Capitol Hill, indications that there may be only one more major support package in the works this summer is prompting the National Mining Association (NMA) to redouble its efforts 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 both the crisis and its impact on energy and mining markets.

**SAFETY SHARE:** The Centers for Disease Control and Prevention partnered with the Census Bureau on an experimental data system called the [Household Pulse Survey](#). In the wake of coronavirus quarantines and economic impact, the survey shows a third of

Americans now exhibit signs of [clinical anxiety or depression](#). If you or someone you know needs help, consider connecting with a counselor on the [Crisis Text Line](#).

## **Congressional Action**

The U.S. House of Representatives on May 28, 2020, [approved modifications](#) to the Paycheck Protection Program during a session that for the first time allowed proxy voting – an option used by more than 70 Democratic House members. By a vote of 417-1, House members acted to allow a longer term for the forgiveness of PPP loans (24 weeks or until the end of the calendar year) and allow for five years to repay any money owed. The bill also provided greater flexibility in the spending of funds received. The Senate is expected to vote on the House-passed bill before it concludes business this week.

The \$3 trillion “HEROES Act” – which House Democrats passed on May 15, 2020, despite Senate Republicans calling it a non-starter – [attracted more opposition](#) from an unexpected source: Senate Democrats. Senate Majority Leader Mitch McConnell said he expects Republicans will begin considering proposals for a ["fourth and final" coronavirus response bill](#) "in about a month."

House of Representatives majority leadership scheduled a [single voting day in June](#) and only 12 in July, triggering speculation that the Congressional Review Act could be used to [unwind numerous Trump administration regulatory changes](#) if Democrats take control of the Senate and White House in November. After rioting broke out in many American cities, House leadership indicated they may call for a return [earlier in June](#) to consider legislation to overhaul policing laws.

## **Liability Protections for Mine Operators in the States**

As businesses begin to reopen, there are growing legislative efforts to protect businesses from litigation stemming from an individual contracting coronavirus on their property. In Utah, Governor Gary Herbert recently signed S.B. 3007, which asserts business owners

are "immune from civil liability for damages or an injury resulting from exposure of an individual to COVID-19" on their premises. The legislation does not protect businesses, however, if they display "willful misconduct; reckless infliction of harm; or intentional infliction of harm." North Carolina has passed almost identical legislation and Alabama Governor Kay Ivey issued an executive order offering the same protections for Alabama businesses. Arizona, Indiana, Kentucky, Ohio and Wyoming have similar legislation under consideration; state coal and mining associations are supportive of these efforts.

On Capitol Hill, members continue to debate adding similar legislation to a fourth relief package slated for late June. Last week the NMA [joined more than 200 diverse trade associations and other groups](#) calling for Congress to provide temporary and targeted liability relief legislation.

## **Economic Recovery – Mining Priorities on the Hill**

As Congress turns to the next round of legislation to support economic recovery from the effects of the COVID-19 pandemic, the NMA provided members of Congress with letters outlining [coal sector](#) and [metals sector](#) priorities that can substantially contribute to the nation's economic recovery. With \$15 trillion in key minerals and thermal and metallurgical coal resources, the United States leads the world in the breadth of mineral and coal reserves. The U.S. mining industry has a combined direct and indirect employment of 1.2 million jobs in all 50 states and one of the highest private sector average wages. NMA was pleased to be invited to join about 200 representatives from 17 economic sectors on the President's Great American Industry Revival Groups. We will continue to advocate to the Administration and Congress how mining can be a principal part of the nation's economic recovery.

## **New Mining Legislation and Advocacy Efforts on Mining Reforms**

On May 28, 2020, Representatives Paul A. Gosar (R-AZ) and Michael Waltz (R-FL) along with 35 Members of Congress introduced the ***American Critical Mineral Exploration and Innovation Act*** ([H.R. 7061](#)). Drafted at the request of House Republican Leadership, H.R. 7061 includes several major NMA-backed provisions from Senate Energy and Natural Resources Committee Chairman Lisa Murkowski's (R-AK) *American Mineral Security Act* ([S. 1317](#)) and Rep. Mark Amodei's (R-NV) *National Strategic and Critical Minerals Production Act* ([H.R. 2531](#)) as well as others to support domestic mine permitting, domestic supply chains, accelerated innovation, and grants to accredited mining schools. A [section-by-section summary](#) of H.R. 7061 was backed up by a [news release](#) from the House Natural Resource Committee Minority. The National Mining Association also [issued a news release](#). NMA will continue to work with leadership, bill sponsors and committee staff to urge its inclusion in future must-pass legislation.

On June 2, 2020, Senate Energy and Natural Resources Committee Chairman Lisa Murkowski (R-AK) and House Natural Resources Committee Ranking Member Rob Bishop (R-UT), along with 38 other Members of Congress, sent an [NMA-backed bicameral letter](#) to U.S. Secretary of the Interior David Bernhardt and U.S. Secretary of Agriculture Sonny Perdue urging them to continue their efforts to modernize regulations governing the domestic mining of locatable minerals on federal lands. Please find links to the Senate Energy and Natural Resources Committee's news release [here](#) and the House Natural Resources Committee Minority's news release [here](#). The Bureau of Land Management and the U.S. Forest Service are concurrently pursuing updates and amendments to their respective locatable mineral regulations ([RIN: 1004-AE71](#) and [RIN: 0596-AD32](#)), including streamlining authorizations, improving security of tenure, expediting review and approval of certain proposed mineral operations, and increasing consistency with overlapping surface management regulations between the two agencies. Finalizing these rules will help provide additional certainty for the mining industry as economic recovery efforts continue. NMA will continue to work to get these essential rules proposed this year.

## **NERC Reliability Assessment in Support of the Coal Fleet**

The [NMA joined coalition allies](#) in urging the North American Electric Reliability Corporation (NERC) to update its “Generation Retirement Scenario – Special Reliability Assessment” that was published approximately 18 months ago. Because coal retirements have been much greater than NERC originally assumed and the economic fallout from the COVID-19 pandemic threatens to further decrease fuel diversity, a re-evaluation is necessary for NERC to achieve its objective to “assure the effective and efficient reduction of risks to the reliability and security of the grid.”

## **Final EPA Rule to Help Speed Energy Infrastructure**

The EPA this week issued a [pre-publication version](#) of its final rule updating and clarifying the Clean Water Act (CWA) section 401 certification process. The 401 rulemaking has been an NMA priority as the CWA has been abused to block coal and mineral development and energy exports by certain states. View NMA's [press release](#). The final rule addresses several key areas of the CWA section 401 certification process that NMA has specifically supported.

The final rule will be effective 60 days after its publication in the Federal Register.

## **Minerals Security Included in House China Task Force**

House Minority Leader Kevin McCarthy (R-CA) recently established the China Task Force to develop legislative strategy to address China’s growing influence in the U.S. economy. As previously reported, NMA worked to send a [letter to Leader McCarthy](#) and members of the task force urging them to use this opportunity to address our nation’s alarming mineral import reliance. Based on feedback from Congressional allies named to the task force, the issue of mineral security has been included in one of the core pillars being focused on, specifically as a prerequisite for emerging technology leadership, including critical minerals sourcing and processing diversity. NMA will continue to work with congressional allies and leadership to push NMA-member priorities and recommendations into the task force’s final report. Through the Minerals Make Life initiative’s

**TAKE ACTION** page, NMA is directing targeted outreach to China Task Force members from mining supporters in their districts urging them to address our nation's increasing mineral import reliance and requesting their support for H.R. 7061. NMA will continue to utilize this platform to support legislative and member priorities.

## **Permitting Reform — NEPA Rules Head to OMB**

The administration's rewrite of regulations surrounding the National Environmental Policy Act (NEPA) – one of NMA's longstanding policy priorities that we have worked on for years – is reported to be near completion. This week the White House Council on Environmental Quality sent the rule to the Office of Information and Regulatory Affairs. NMA's most recent comments on the proposed revisions can be found [here](#).

## **NMA and Third-Party Voices**

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

The NMA team developed a new [brief video](#) showing the importance of a strong domestic mining industry to our nation's economic recovery. The video will be highlighted across our social channels – and promoted in mining states – in the coming weeks.

The [Montgomery Advertiser](#) (AL) and [Yellow Hammer News](#) (AL) ran an op-ed by Rich Nolan in which he argues that the metallurgical coal industry will help lead Alabama out of the COVID-19 crisis.

On the third party front, the [Greeley Tribune](#) (CO), [Elko Daily Free Press](#) (NV) [The Clermont Sun](#) (OH), [Pottstown Mercury](#) (PA), [Exton Daily Local](#) (PA), [Delaware County Daily Times](#) (PA), [The Phoenix Reporter and Item](#) (PA), [Mainline Media News](#) (PA), [Swarthmore Times Herald](#) (PA), [Lansdale Reporter](#) (PA), [Johnstown Tribune Democrat](#) (PA), and [Gillette News Record](#) (WY) carry an op-ed by Matthew Kandrach,

president of Consumer Action for a Strong Economy (CASE), in which he advocates for affordable energy made possible by coal-fueled power plants during the current crisis.

## **Economic Impact**

Another **2.1 million unemployment claims** were filed, bringing the total to more than 40 million and unemployment rates over 25 percent in some states.

The U.S. Commerce Department reported the economy's first-quarter contraction was **slightly steeper than initially estimated**. The Department also reported consumer spending in April **dropped by the most on record**.

The Congressional Budget Office estimated the COVID-19 pandemic will shrink the size of the U.S. economy by roughly **\$8 trillion over the next decade**.

The Institute for Supply Management reported U.S. manufacturing activity in May **improved from April's 11-year low**. National Association of Manufacturers' (NAM) Outlook Survey found levels of sentiment rivaling the Great Recession, but also found that **operations continue** at the vast majority of manufacturing firms.

For the first time in 12 weeks, Association of American Railroads reported "**modestly higher loadings**" in 15 of the 20 freight categories it tracks.

## **Energy and Mining COVID-19 Impact News**

Veteran energy expert, Mary Hutzler, reports in **Power Magazine** that she sees a continuing strong market for coal from Asia: "Coal's future is primarily in the electricity generation markets in Asia, with China, India, and Southeast Asia continuing to build coal-fired generating capacity. The IEA (International Energy Agency) expects generation from coal power plants in Asia will exceed the drop in coal-fired generation in the U.S. and Europe so that coal remains the world's largest generation fuel over the next five years."

In a recent Energy Information Administration (EIA) [Today in Energy](#) piece, EIA says data from its recent Monthly Energy Review report shows that in terms of total energy consumption, renewable energy (including hydro, wind, solar and biofuels) has overtaken total coal energy consumption in 2019 for the first time since before 1885. But coal continues to top renewables in 2019 as a generating source for electric power generation.

Mining.com reports that [gold](#) prices have spiked recently due to rising political tensions between the U.S. and China. These tensions, however, had an opposite effect on [copper](#) prices.

EIA's recently released [Uranium Marketing Annual report](#) shows a 20 percent increase in U.S. uranium (U3O8) purchases in 2019, but the U.S. is still 81 percent reliant on foreign-sourced uranium.

According to the World Steel Association's latest [crude steel production report](#), the U.S. produced an estimated 5.0 million metric tons of crude steel in April 2020 - a decrease of 32.5 percent compared to April 2019. Globally, crude steel production for the 64 countries reporting was 137.1 million tons in April 2020, a 13.0 percent decrease compared to April 2019.

[NAM](#) has released its second quarter economic outlook, reporting that "In the second quarter of 2020, 33.9% of manufacturing respondents reported a positive outlook for their company (Figures 1 and 2), the lowest reading since the first quarter of 2009 and down from 75.6% in the previous survey. Overall, the data reflect a sector that is experiencing its worst contraction since the Great Recession—a finding that mirrors other economic indicators."

The International Copper Study Group's May 2020 [copper market monthly release](#) indicates that January through February 2020 global copper mine production is estimated to have increased 2 percent.

Zacks investor research published "Coal industry outlook [appears solid](#) despite coronavirus woes."

IEA predicted investment in the U.S. shale oil and gas sector will [drop by half this year](#).

[Mining.com reports](#) that the U.S. Commerce Department said on Tuesday it was opening a “Section 232” investigation into whether imports of vanadium impair U.S. national security.

## **NMA COVID-19 Resources**

The NMA 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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