



WYOMING MINING ASSOCIATION

Jerry Mullins-National Mining Association
June 6, 2019

EFFECTIVE LEADERSHIP



Sen. Mike Enzi



Sen. John Barrasso



Rep. Liz Cheney

Shoring Up Successes

15

policy priorities brought to a successful conclusion

16

reached key milestones toward a positive outcome

Unearthing Opportunities



deregulatory agenda continues to provide opportunity

593

days left in Trump administration first term

40%

key positions remain unfilled including BLM, OSM and FWS directors

Confronting Past Challenges



change in control in House provides an opening for critics to revisit past issues



oversight agenda targets mining

10

committees charged with oversight for mining

SHORING UP SUCCESSES: FINANCIAL ASSURANCE

What's at stake

- Cost of financial assurance instruments as high as \$39.4 billion
- Duplication of regulatory and financial obligations
- Policies based on modern mining practices

Where we are today

- Oral arguments held March 13
- EPA “no action” decision was reasonable
 - EPA weighed both financial and environmental risks
 - Agency not bound by preliminary analysis
 - EPA appropriately considered comments
 - Change in position supported by the record

Next steps

- D.C. Circuit decision in late 2019
- Potential remedial rulemaking if adverse decision
- Tight window to complete



SHORING UP SUCCESSES: PERMIT STREAMLINING

What's at stake

- Delays return on investment and diminishes project value
- Increases project risk and erodes investor confidence
- Impairs global competitiveness

Where we are today

- First presidential Executive Order on minerals
- Department of Commerce report recommendations: (June)
 - Improve National Environmental Policy Act (NEPA) timelines, collaboration and accountability
 - Implement “one federal decision”

Next steps

- Leverage report across agencies
- Drive further improvements to permit regulations, NEPA process
- Rally congressional support

DECREASED VALUE OF MINE PROJECT OVER TIME



PROTRACTED DELAYS IN THE MINERALS PERMITTING PROCESS alone reduce a mining project's value **by one third**, discouraging investment.



CHANGES IN COSTS, MINE PRODUCTION AND RISK that may occur during the prolonged permitting process cut the expected value of a mine **in half**.

SHORING UP SUCCESS: BASELOAD REGULATORY REFORM

What's at stake

- More regulation raising the going forward costs of existing plants
- Reduced positive margins forcing additional plant retirements

Where we are today

Affordable Clean Energy Rule

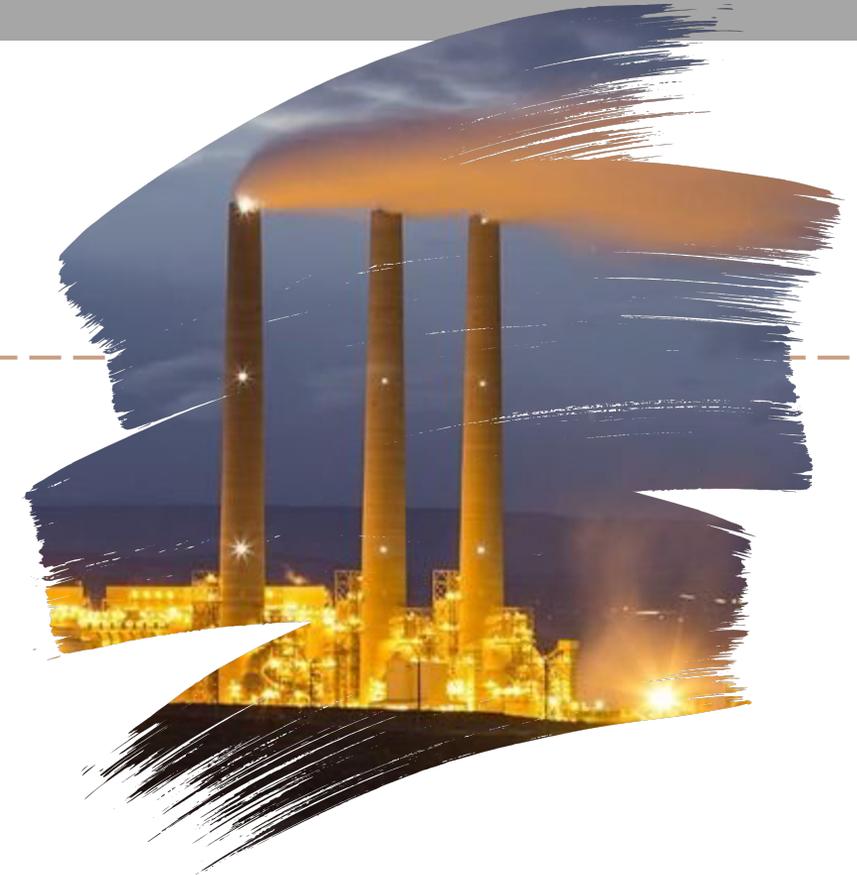
- Entering critical final rulemaking stage
 - Currently under Office of Management and Budget Review.
 - Final rule anticipated in June

New Source Review

- Hourly emission rate test
- Legislation helps support reform

Next steps

- Prepare litigation strategy to defend rule
- Improve New Source Review (NSR) reforms
- Lock in federal flexibility through State Implementation Plans (SIPs)



UNEARTHING OPPORTUNITIES: LAND ACCESS

What's at stake

- Access to minerals-rich public lands
 - 50 percent of public lands already off limits
- Certainty that lands will not be put off limits mid-exploration or permitting



Where we are today

- Sage grouse withdrawal cancelled and development restrictions eased
- Coal Leasing Moratorium reinstated by MT Judge
- Minerals Executive Order report
 - Recommendations to increase access and production
 - Recommendations to constrain withdrawals

Next steps

- Cabin future authority for large-scale public land withdrawals
- Limit the size/acreage of withdrawals
- Review of existing withdrawals
- Explore addressing Wilderness Study Areas (WSA) and Areas of Critical Environmental Concern (ACEC)



UNEARTHING OPPORTUNITIES: ENDANGERED SPECIES ACT

What's at stake

- Development restrictions
- Endless consultations, delays and forced habitat enhancements

Where we are today

- Comprehensive reform efforts underway by U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS)
 - Limits on designation of unoccupied habitat
 - Establishment of deadlines
 - End treatment of threatened species as endangered

Next steps

- Expand and strengthen reform efforts
- Provide meaningful role for project proponents
- Roll back mass habitat designations
- June wave



UNEARTHING OPPORTUNITIES: GOOD SAMARITAN

What's at stake

- The legacy of abandoned mines promotes a negative perception of modern mining practices
- Demonstrating that mining companies have desire and the ability to clean up Abandoned Mine Land (AML) sites helps provide a social license to operate

Where we are today

- Trout Unlimited convened a March stakeholder meeting to discuss potential consensus on 2019 legislation
 - EPA convened in April a Good Sam workshop to find ways to expedite projects. NMA was heavily involved in the dialogue

Next steps

- Work with TU and Congress to shape 2019 legislation
- Industry legislative principles
 - Mining companies eligible
 - Site-by-site remediation goals
 - Net environmental improvement goals in place of strict standards
 - Durable Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and Clean Water Act (CWA) liability protections
- Continue to engage with EPA as it pursues administrative reforms



UNEARTHING OPPORTUNITIES: BASELOAD REGULATORY REFORM

What's at stake

- Revisiting past regulatory-induced costs on baseload power plants
 - Mitigating going-forward costs for existing plants
 - Providing regulatory clarity and certainty for existing plant owners
-

Where we are today

- Cross-State Air Pollution Rule (CSAPR) close-out
- Sulfur Dioxide National Ambient Air Quality Standard (SO₂ NAAQS)
- Regional Haze
- Mercury Air Toxics (MATS)
- Power Plant Effluent Limitation Guidelines (ELGs)
- Coal ash disposal

Next steps

- MATS review: Final Rule expected in November
 - Accelerate “residual risk” determination
 - Correct overreliance on “co-benefits”
- Revised ELGs: Proposed Rule in June
 - Continue to press urgency
- Coal ash disposal: 4 Proposed Rules expected (July)
 - Minimize fall-out from adverse court decision

CONFRONTING PAST CHALLENGES: POLITICS SHIFTING



2020 presidential race is underway

Debates begin in June



Both parties are driving to define each other ahead of the election

Green new deal, infrastructure, trade, immigration, healthcare



Oversight targets President first and his policy agenda second



Senate serves as backstop for the President



Compromise on the major issues becomes rare as 2020 messaging takes hold

CONFRONTING PAST CHALLENGES: POLITICS SHIFTING

House

Natural Resources Grijalva / Bishop
Energy and Commerce Pallone / Walden
Education and Labor Scott / Foxx
Ways and Means Neil / Brady



Senate

Energy and Natural Resources Murkowski / Manchin
Environment and Public Works Barrasso / Carper
Health, Education, Labor and Pensions Alexander / Murray
Finance Grassley / Wyden



CONFRONTING PAST CHALLENGES: SHIFT IN THE HOUSE



“A power shift in the House and **a new crop of lawmakers have mining critics reviving** their attempt to fundamentally change the law that governs the practice...”

-E&E, January 8, 2019



“Rep. Bobby Scott, D-Va., the chair of the U.S. House Committee on Education and Labor, says he **will schedule congressional hearings on the epidemic of advanced black lung disease.**”

-NPR, December 19, 2018



“*Grijalva wants to **set a 12.5 percent royalty on new mines and an 8 percent royalty on existing mines***”

– Bloomberg, November 7, 2018

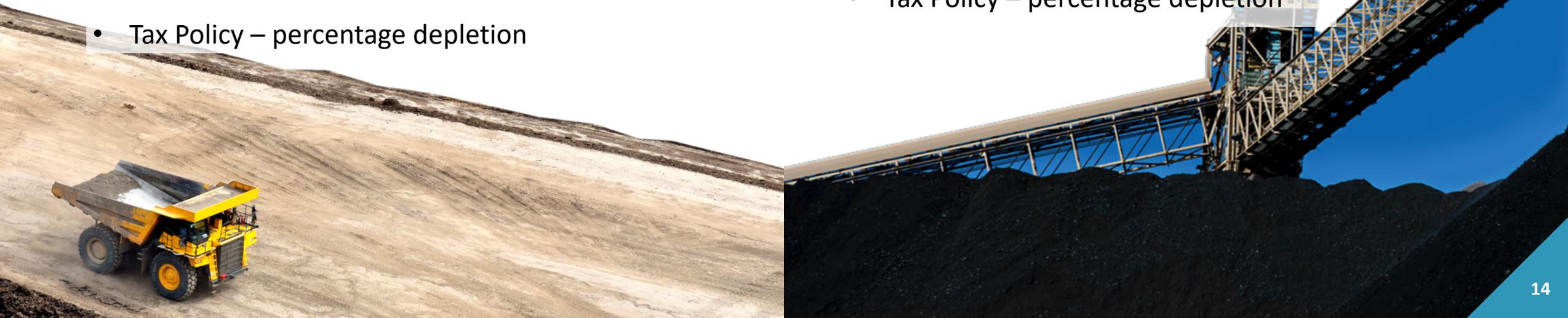
CONFRONTING PAST CHALLENGES: MINERALS AND ENERGY POLICY

Minerals Policy

- Mining law
 - Royalty
 - AML / dirt tax
 - Location to leasing
 - Mining centric environmental provisions
- Financial assurance
- Land access
- Tax Policy – percentage depletion

Energy Policy

- Black Lung Excise Tax and program
- AML reauthorization / RECLAIM act
- Federal coal leasing program
 - Leasing moratorium and caps
 - Coal valuation and royalty rates
- Stream buffer rule
- Tax Policy – percentage depletion



THANK YOU



Jerry Mullins
National Mining Association

jmullins@nma.org

202-463-2622