

February 1, 1990

Jack

MEMORANDUM

TO: SENATOR DOLE
FROM: SHEILA BURKE
SUBJECT: SPEECH INVITATION

*let
Betty
know per.
said that
yes - she should
call Knebel and
get all details
have will
coordinate speech*

Jack Knebel from the American Mining Congress called in what he describes as a panic, to ask if you would be to address his groups luncheon.

The meeting is scheduled to be held this coming Monday, February 5th at the Mayflower Hotel.

They will accommodate your schedule -- so you can walk in and out. They would like you to speak for about 20 minutes on a subject of your choosing. They are offering the maximum honoraria.

Yes _____ No _____

cc: Betty

*reluctant
Betty*

*He has been
unable to get
a keynote
speaker for their
luncheon. They
had asked Sen. Mitchell
some time ago AND
NEVER got an answer.*

February 2, 1990

TO: Senator Dole
FROM: Betty
RE: Speech to American Mining Congress Monday, Feb. 5

As a follow-up to Sheila's memo re the request from Jack Knebel of the American Mining Congress to speak to a luncheon meeting of their group on Monday, February 5.

Attendance will be between 900 and 1000.

The luncheon will be at the Mayflower -- in the Ballroom.

Reception at 11:30

Luncheon at 12:00 Noon

SPEAK 12:30 or 12:40

You can be out by 1:00.

Will pay \$2,000 honorarium.

They would like an overall view of what's coming up in the Senate this year, with particular emphasis to environmental issues.

May I accept to Knebel?? Yes _____

No _____

Phone: 861-2800

*What -
Dachau*

AMERICAN MINING CONGRESS

FEBRUARY 5, 1990

THERE IS GOOD NEWS AND BAD NEWS ABOUT THE
CLEAN AIR ACT REPORTED BY OUR ENVIRONMENT
COMMITTEE. THE GOOD NEWS IS THAT I SAW A PAPER
FROM THE AMERICAN MINING CONGRESS WHICH
IDENTIFIES 15 MAJOR PROBLEMS THAT YOU HAVE WITH

- 2 -

THE LEGISLATION. THE BAD NEWS IS IF YOU ONLY HAVE
15 PROBLEMS, YOU PROBABLY HAVEN'T READ THE REST
OF THE BILL.

WHAT WE HAVE IS THE WAR OF WHINE AND
GEORGES. GEORGE BUSH AND GEORGE MITCHELL ARE
SQUARING OFF OVER CLEAN AIR, AND ALL THE REST OF
US ARE WHINING.

- 3 -

BUT, WE ARE TRYING TO CONSIDER THE
REAUTHORIZATION OF THE CLEAN AIR ACT FOR THE
FIRST TIME SINCE 1977, THE YEAR JIMMY CARTER TOOK
OVER THE WHITE HOUSE. AND, IN 1977, WE THOUGHT
WE TOOK SOME SIGNIFICANT STRIDES THAT WOULD
ENSURE A BASIC ELEMENT OF LIFE -- THE AIR WE
BREATH -- WAS SAFE. UNFORTUNATELY, WE FAILED.

- 4 -

SO, FOR THE PAST 12 YEARS, CONGRESS HAS TRIED
TO COME UP WITH A PROPOSAL -- A SOLUTION TO
PROTECT BOTH THE HEALTH AND THE WELFARE OF THE
UNITED STATES. AGAIN, UNFORTUNATELY, I THINK THE
SENATE ENVIRONMENT COMMITTEE HAS FAILED.

- 5 -

AIR TOXICS

ONE OF THE ISSUES IN THE BILL THAT IS OF CONCERN TO YOU IS THE SO-CALLED "AIR TOXICS" TITLE. CONTROLLING AIR TOXICS IS NOT AN OPEN QUESTION, WE SIMPLY MUST DO MORE TO REDUCE EMISSIONS OF CHEMICALS THAT ENDANGER PUBLIC HEALTH. THE QUESTION IS "HOW DO WE DO IT?"

- 6 -

THE COMMITTEE CHOSE TO USE A DOUBLE
THEORETICAL, ABSOLUTELY RIGID APPROACH. THAT IS,
IF A THEORETICAL MAN STANDING ON THE FENCE LINE
OF A PLANT FOR 24 HOURS A DAY, 365 DAYS A YEAR,
FOR 70 YEARS FACED A THEORETICAL ONE IN TEN
THOUSAND CHANCE OF CONTRACTING CANCER, WE
WOULD SHUT THE PLANT DOWN.

- 7 -

AGAIN, NO ONE IS IN FAVOR OF CANCER, AND WE
HAVE NO CHOICE BUT TO REDUCE EMISSIONS WHICH
COULD CAUSE CANCER. BUT WE MUST ALSO BE
REALISTIC. THE ADMINISTRATION ESTIMATES THAT
11,000 TO 14,000 REAL, LIVE AMERICANS WOULD BE PUT
OUT OF WORK UNDER THIS PROVISION. HOW MANY OF
THOSE MIGHT DIE AS RESULT OF SUICIDE, HOW MANY
DEATHS AND INJURIES MIGHT RESULT FROM SPOUSAL
AND CHILD ABUSE, HOW MANY DEATHS AND HEALTH

- 8 -

PROBLEMS WOULD RESULT FROM INCREASED ALCOHOL
AND DRUG ABUSE? LEGISLATION CANNOT BE WRITTEN
IN A VACUUM, WE NEED TO TAKE OFF THE BLINDERS
AND FIND OUT WHAT OTHER PROBLEMS ARE INVOLVED.

YOUR PAPER ALSO RAISES CONCERNS ABOUT THE
APPROACH TAKEN TO REDUCE "PARTICULATE MATTER.
THE TERM OF ART IS ANTHROPOGENIC (AN THROW POE
GENIC) -- BASICALLY WHAT IS MAN MADE AND WHAT IS
NOT. I HAVE QUESTIONS ABOUT THIS AS WELL. ARE

- 9 -

WE GOING TO TELL FARMERS THEY CANNOT PLOW
THERE FIELDS IF IT IS WINDY? ARE WE GOING TO
REQUIRE RURAL STATES LIKE KANSAS TO PAVE
HUNDREDS, IF NOT THOUSANDS, OF MILES OF GRAVEL
AND DIRT ROADS? IT'S NOT CLEAR YET. BUT THE
ANSWERS WILL HAVE TO BE FORTHCOMING BEFORE
MANY SENATORS ARE GOING TO VOTE.

- 10 -

MOBILE SOURCES

THE BIGGEST SINGLE SOURCE OF POLLUTION IN THE UNITED STATES IS THE AUTOMOBILE, WHETHER THE POLLUTION IS CARBON MONOXIDE, OZONE, OR TOXIC CHEMICALS. BUT, WHEN WE GO AFTER THE DIRTIEST OF THE DIRTY FOR TOXIC CHEMICALS, THE COMMITTEE CHOSE TO GO AFTER THE CLEANEST OF THE CLEAN WHEN IT COMES TO AUTOMOBILES.

- 11 -

AROUND 70% OF ALL POLLUTION FROM AUTOS
COMES FROM PRE-1983 MODELS. IF WE COULD GET
THOSE CARS OFF THE ROAD, THE PROBLEM WOULD BE
ESSENTIALLY SOLVED. BUT RATHER THAN LOOKING FOR
AVENUES TO RETIRE OLDER CARS, THE COMMITTEE
DECIDED TO FORCE ALL NEW CARS TO MEET EMISSION
LEVELS THAT NO ONE IS SURE CAN BE MET. PROPOSALS
DIRECTED AT FLEETS -- CENTRALLY-FUELED VEHICLES OF
GOVERNMENTS, UTILITY COMPANIES AND THE LIKE --

- 12 -

ARE FLOATING AROUND. BUT THESE ARE GENERALLY
VEHICLES HELD FOR ONLY 6 TO 24 MONTHS, AND THEY
ARE ALSO CENTRALLY MAINTAINED, SO THEY ARE
CLEARLY THE CLEANEST OF THE CLEAN. WHY DON'T WE
GIVE A BREAK OF SOME TYPE -- LIKE A CREDIT IN THE
FUEL EFFICIENCY REQUIREMENTS -- IF AUTO
MANUFACTURERS GO OUT AND REPLACE THE OLD CARS
WITH NEW ONES. THE OWNERS OF THE OLD CARS
WOULD BE MUCH HAPPIER WITH THIS APPROACH THAN
PUTTING THE PRICE OF A NEW CAR FURTHER OUT OF
THEIR REACH.

- 13 -

STATUS

WE HAVE BEGUN NEGOTIATIONS WITH THE
COMMITTEE AND THE ADMINISTRATION. AND, WE SEEM
TO BE MAKING SOME PROGRESS. BUT THIS IS AN
EXTREMELY COMPREHENSIVE AND COMPLICATED BILL --
THERE ARE SCORES OF PROBLEMS AND QUESTIONS
THAT WILL HAVE TO BE RESOLVED BEFORE MANY OF US
CAN, IN GOOD CONSCIENCE, VOTE FOR THIS BILL.

- 14 -

NO SENATOR THAT I KNOW OF WANTS TO
NEEDLESSLY DELAY PASSAGE OF THE CLEAN AIR ACT.
BUT THE BILL REPORTED BY THE COMMITTEE WILL
IMPOSE OVER \$40 BILLION EACH AND EVERY YEAR IN
"MANDATORY REQUIREMENTS" ON BUSINESSES WHEN
THE BILL IS FULLY IMPLEMENTED AROUND THE YEAR
2005.

I URGE ALL OF YOU TO CONTACT YOUR SENATORS,
LET THEM KNOW OF YOUR CONCERNS AND QUESTIONS,
SO THAT WE WILL BE ABLE TO PASS A TOUGH NEW
CLEAN AIR BILL THAT IS ALSO COST EFFECTIVE.

FEBRUARY 4, 1990

TO: SENATOR DOLE
FROM: Dave Spears
SUBJECT: Environmental Issues

Attached are several talking points on Ag. Environmental issues. It is also important to note the status of the bill that Sen. Fowler and several of the commodity groups have pulled together. Sen. Fowler is receiving substantial pressure from Sen. Leahy not to introduce the bill.

Once again Fowler apparently has said he will not introduce the bill until he gets 10 bipartisan co-sponsors on the Ag. Comm. Thus far the following have agreed to co-sponsor the bill:

<u>Rep</u>	<u>Dem</u>	<u>Potential</u>	
Cochran	Pryor	Helms	Conrad
McConnell	Boren	Bond	Kerrey
	Heflen	Wilson	
	Fowler		

Lugar generally supports the bill. But his staff has said that they will not recommend that Lugar co-sponsor the bill.

The environmentalists will unveil their package on Tuesday. The following is a brief summary of the key areas that will be addressed.

1. Natural Resource Conservation - Tighter and Higher Sodbuster Standards.
2. Pollution Reduction - Water Quality (10 year plan)
Pesticides (Purchase plan by 1995)
3. Commodity Program Reform - To much reliance on tillage
4. Food Marketing Choices - Supports Leahy's Organic Food Bill
5. Research/Extension - Supports Alternative Ag. Concepts
Add'l research to reduce pesticide and herbicide use.

TALKING POINTS - AG. ENVIRONMENT

- CRP-CURRENT ENROLLMENT IS AT 34 MLN. ACRES. APPROX. 6 MLN. BELOW 40 MLN. GOAL.
QUESTION WHETHER WILL HAVE 10TH SIGNUP IN FEBRUARY.
IT WILL BE DIFFICULT TO REACH GOAL OF 40 MLN. ACRES WITHOUT BROADENING THE ELIGIBILITY CRITERION.

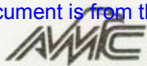
- NEW CONCEPTS-ALL NEW CONCEPTS (EX. ECARP) EXPANDS CRP TO INCLUDE ENVIRONMENTALLY SENSITIVE PARAMETERS (WATER QUALITY, SOIL DAMAGE, SILTATION, AND PESTICIDES)

- CONSERVATION COMPLIANCE-CONTINUATION OF PRESENT PROVISIONS OF 1985 FARM BILL. MUST HAVE ACCEPTABLE CONSERVATION SYSTEM FULLY IMPLEMENTED BY 1995 AND MUST BE ACTUALLY IMPLEMENTING THE PLAN BY 1/1/90 IN ORDER TO REMAIN ELIGIBLE FOR ALL PROGRAM BENEFITS.

- WETLANDS-INSTITUTE A NUMBER OF VOLUNTARY PROGRAMS TO PROTECT WETLANDS
SWAMPBUSTER - CONTINUE CURRENT REQUIREMENTS AND PROHIBITION BUT PROVIDE SOME INCREASED FLEXIBILITY.

- "NO NET LOSS" PHILOSOPHY-REFERS TO WETLANDS. THERE SHOULD BE NO NET DECLINE IN WETLAND ACREAGE. PHILOSOPHY THAT WETLANDS PROVIDE SERVICES: IE. HABITAT FOR WILDLIFE, FILTERS RUN OFF.

- SODBUSTER-CONTINUE CURRENT REQUIREMENTS AND PROHIBITION.



FOUNDED 1897

GEORGE F. (RIC) FENTON, JR.

VICE PRESIDENT

GOVERNMENT AFFAIRS

AMERICAN MINING CONGRESS
1920 N STREET N.W., SUITE 300
WASHINGTON, D.C. 20036

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202/861-2823



American Mining Congress Member Companies January 1990

FOUNDED IN 1897, the American Mining Congress is an industry association that encompasses (1) producers of most of America's metals, coal, and industrial and agricultural minerals; (2) manufacturers of mining and mineral processing machinery, equipment and supplies; and (3) engineering and consulting firms and financial institutions that serve the mining industry.

Headquartered in Washington, D.C., the American Mining Congress is both a clearinghouse for information and a coordinator for action on behalf of the mining industry in the nation's capital. It keeps its members informed on matters pending in Congress, the Executive Branch and independent agencies and works for constructive policies that will best enable the mining industry to serve the needs of the nation.

As spokesman for the industry, the Mining Congress advocates measures that will promote the development of mineral resources that are vital to the nation's security and the material well-being of its people. Among its specific areas of recent and continuing concern are governmental overregulation, safety and health, environmental quality, utilization of public lands and taxation.

Moreover, the American Mining Congress is in the vanguard in improving mining practices and equipment. It marshals the cooperative endeavors of mine operators and equipment manufacturers at its conventions and expositions to promote continuing modernization of mine operations and equipment to enhance safety, health, efficiency and product quality.

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AMERICAN MINING CONGRESS
SUITE 300 1920 N ST. N.W. WASHINGTON DC 20036

202/861-2800
TWX 710-822-0126
FAX: 202/861-7535

MILTON H. WARD
Chairman

FOUNDED 1897 **JOHN A. KNEBEL**
President

Jayce

February 2, 1990

*use
17th St. ent.*

TO: Senator Dole
FROM: Betty
RE: Speech to American Mining Congress Monday, Feb. 5

As a follow-up to Sheila's memo re the request from Jack Knebel of the American Mining Congress to speak to a luncheon meeting of their group on Monday, February 5.

Attendance will be between 900 and 1000.

The luncheon will be at the Mayflower -- in the Ballroom.

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Luncheon at 12:00 Noon

SPEAK 12:30 or 12:40

You can be out by 1:00.

Will pay \$2,000 honorarium.

They would like an overall view of what's coming up in the Senate this year, with particular emphasis to environmental issues.

May I accept to Knebel?? Yes _____ No _____

*Walt -
Dasher*

Phone: 861-2800

February 2, 1990

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FROM: Betty
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Phone: 861-2800

*What -
Dole*

Sheila [unclear]

7/18
13460

FVI - Senator McClure as
always is working w/ the CAA
negotiation group on this package.

Feel free to share with other
Republican colleagues who
might be looking for a replacement.

[unclear signature]

AMERICAN MINING CONGRESS
SENATE CLEAN AIR ACT AMENDMENTS
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- F. Residual Risk
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- L. Listing of Toxic Air Pollutants

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AMERICAN MINING CONGRESS

CLEAN AIR AMENDMENTS

PM-10 NONATTAINMENT

- SUMMARY:** The language of Section 192(g) limits the waiver of requirements and deadlines for attainment of the PM-10 standard to "nonanthropogenic sources." This limitation would render the provision virtually meaningless, since it would seem to restrict the applicability of the provision to naturally arid areas completely unaffected by human activity, where there would be no viable source to regulate in any event. In areas affected by human activity, it would be difficult to find a situation where any significant levels of particulate matter that occur are not caused, at least indirectly, by anthropogenic sources. Even open lands are likely to have been cut, cultivated, or grazed in the past, or affected by water diversions, thus potentially causing them to be deemed anthropogenic sources.
- SOLUTION:** Section 192(g) of S.1630 should be amended to read as follows:
- "(g) Waivers for Certain Areas -- the Administrator may, on a case-by-case basis, waive any requirement or deadline applicable to any PM-10 nonattainment area where he determines that wind-blown dust from exposed surfaces, including unpaved roads or agricultural sources, contributes significantly to the violation of the PM-10 standard in the area, except that no requirement for reasonably available control measures or best available control measures applicable to anthropogenic sources which make a significant contribution to PM-10 levels shall be waived."
- DISCUSSION:** In many non-urban areas, significant particulate matter emissions can be caused by wind-blown dust from unpaved roads, agricultural activities (including open fields), and other exposed surfaces. While the direct cause of these emissions is generally nonanthropogenic (the wind), the indirect cause may be viewed as the anthropogenic activity that exposed the surface in the first place. Yet the particulate matter emissions caused by wind blowing over such surfaces are virtually impossible to stop, even after application of best available control measures or reasonably available control measures.

Moreover, the bulk of such wind-blown emissions consists of relatively large particles of native soil, which do not pose health or welfare concerns. Indeed, from a public health and environmental standpoint, there is no difference between native wind-blown dust caused solely by nonanthropogenic sources and native wind-blown dust from exposed surfaces that are due to anthropogenic activities. Thus, it is not reasonable to limit Section 192(g) only to the former.

EPA's Rural Fugitive Dust Policy, which was adopted in 1977 and remains in effect despite the adoption of the PM-10 standard, allows EPA to discount wind-blown particulate matter emissions from exposed surfaces in non-urban areas in determining attainment of the national ambient air quality standards for particulate matter. That policy was based on EPA's conclusions that the fugitive dust in question, which consists of native soil, poses a much lower health risk than urban particles, that the population potentially affected is small, and that it is impractical to control such fugitive dust from miles of unpaved roads and acres of open land. Without a similar provision in S.1630, the nonattainment requirements and deadlines could have serious adverse effects on mining, agricultural and other sources in areas where wind-blown dust from exposed surfaces makes a significant contribution to PM-10 nonattainment.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

PM-10 AS PSD INDICATOR FOR PARTICULATE MATTER

- SUMMARY:** The Clean Air Act Amendments of 1989, (S. 1630), as proposed, authorize the Administrator to set maximum allowable increases in particulate matter as PM-10 rather than TSP; the increases are to be developed by EPA. AMC supports the provisions in the Administration bill (S.1490) (Sect. 108(i)) which establish numerical values for PM-10 increments under the PSD program.
- SOLUTION:** Delete the proposed new Sect. 194 (f) and, instead, substitute Sect. 108(i) of S.1490, which specifies maximum allowable increases in particulate matter for class I, II or III areas under the PSD program.
- DISCUSSION:** S.1490 Section 108(i) specifies the increments for Class I, Class II and Class III areas under the PSD program using PM-10 as the indicator. This provision should be included in any bill to ensure appropriate measurements of particulate matter increment consumption. The numerical values are roughly 80 percent of those specified for TSP in the existing statute.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

FUGITIVE DUST EXEMPTION FOR SURFACE MINES

SUMMARY: Any revision to the Clean Air Act should contain a provision exempting fugitive dust from surface mines from consideration in prevention of significant deterioration (PSD) increment consumption determinations.

SOLUTION: Amend Section 163(b) of the Clean Air Act by --

(1) Replacing the period at the end of subparagraph (4) (B) with a comma and "and"; and

(2) Adding a new paragraph (b) (5) to read as follows.

"(5) For surface mines, only concentrations of particulate matter attributable to the emissions from point sources shall be taken into account for purposes of determining compliance with the maximum allowable increases in ambient concentrations of an air pollutant."

DISCUSSION: Other bills to amend the Clean Air Act, for example S.1490, have provided a partial exemption of fugitive dust from PSD increment levels in certain situations. Unfortunately, S.1630 lacks any such provision. Without language such as the above, many surface mines are likely to face enforcement actions because studies have shown that even after the application of BACT, fugitive dust from new or expanded surface mining operations would exceed the PSD increments for particulate matter, and thus could not be permitted under the PSD program.

The focus of the above language is to require that only emissions from point sources at the mine, such as crushing, storage and train load-out facilities, would be subject to PSD requirements. The emissions from these sources are easily monitored and are practical to control.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

**AREAS WITH SINGLE VIOLATION OF PM-10 NAAQS
WILL BE DESIGNATED NON-ATTAINMENT**

SUMMARY: Title I, Sect. 101 (a) of S.1630 provides for designation of an area as nonattainment even if it contains only one site which violates the NAAQS for PM-10.

SOLUTION: Amend section 101 (a) of S.1630 by deleting the proposed revision to section 107(f)(4) (A) and (B) and inserting instead, the following paragraph:

(4) Until redesignation by the Administrator, each area, or Subdivision thereof, which -

(A) is identified in 52 Federal Register 29383 (August 7, 1987) as a Group I area, or

(B) contains a site for which air quality monitoring data shows a violation of the national ambient air quality standard for PM-10 before the date of enactment of this subsection,

is hereby designated by operation of law nonattainment for PM-10.

DISCUSSION: This section presently states that one violation of the PM-10 NAAQS will cause the entire area to be nonattainment. This is an illogical provision, and unjustifiably penalizes an entire area or county for the act of one unit. This would needlessly lead to RACT regardless of whether the bulk of the area is meeting the NAAQS.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

MUNICIPAL WASTE INCINERATION EMISSION STANDARDS

SUMMARY: S.1630 proposes to amend the Clean Air Act by adding a new Section 130 to set standards for new and existing municipal waste incineration units (MWIU). The standards are to control emissions of air pollutants from and manage ash produced by the units. However, Section 130(m) gives EPA new and expansive authority to regulate products in commerce, including bans on manufacturing and restrictions on product composition. Moreover, the language could permit citizen suits in which courts could mandate product or constituent bans, even without EPA action to restrict a product.

SOLUTION: Delete Section 130 (m) (1), (2) and related language.

DISCUSSION: The product regulation sections of the municipal waste combustion provisions of S.1630 unnecessarily provide a new mandate and broad powers to the EPA to ban from manufacture and/or severely restrict the composition of products that may be combusted in municipal solid waste incinerators. Authority to regulate commercial products is already provided to EPA in section 6 of the Toxic Substances Control Act (TSCA).

Unlike TSCA Section 6, the new provisions in S.1630 would require the EPA to impose a ban, restrict product composition, or place other requirements on product use or disposal if EPA determines that the product "may" present a "threat" to human health or the environment. Under the new authority provided in S.1630, EPA is not required to consider the appropriate safeguards to protect human health and environment and prevent abuse of governmental authority before banning or severely restricting uses of a product as provided by Section 6 of TSCA.

Safeguards provided in TSCA which are missing from S.1630 include:

anticipated risk reduction and balancing of the economic, social, and health costs and benefits;

consideration of the availability as well as the health and environmental consequences of

substitutes for the banned substance;

imposition of the least burdensome requirements necessary to abate the risk when an unreasonable risk exists; and

consideration of the reasonable economic consequences of a ban, including its impact on small business.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

RESIDUAL RISK

SUMMARY: S.1630 includes provisions governing residual risk that need more flexibility to be workable. In particular, S.1630 mandates two standards for "known, possible and probable human carcinogens" with no consideration of costs, feasibility or other factors. The first would require the elimination, without exception, of all risks to the hypothetical maximum exposed individual (MEI) in excess of one in ten thousand. The second would require elimination of all risks greater than one in a million to the extent possible through application of available technology.

SOLUTION: Amend the residual risk provisions in S.1630 by substituting the language contained in S.1490. This will eliminate the rigid specific risk numbers and yet amply protect public health. New section 112(e)(7)(C) should read as follows:

(C) UNREASONABLE RISK EVALUATION.--(1) Within seven years after promulgation of emission standards for a category of sources pursuant to subsection (d), the Administrator shall evaluate the risks to the public health remaining after application of such standards.

(2) If the Administrator finds after such evaluation that the category or subcategory, or portion thereof, after application of the prescribed standards, presents an unreasonable risk to public health taking into account the cost and technical feasibility as well as the health risks of such standards, he shall, within two years after completion of such evaluation, promulgate standards to protect adequately against such risk.

DISCUSSION: The provisions in S.1630 set rigid bright lines in an area in which all risks are site-specific. The "unreasonable risk" language in S.1490 should be substituted for the provisions of S.1630 as it takes into account all relevant factors, including cost and feasibility, and provides the flexibility necessary for setting effective residual risk standards.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

WAIVER FOR SOURCES WITH NO SIGNIFICANT RISK

SUMMARY: Any air toxic bill should provide a waiver for any individual source which can be shown not to pose a significant risk to the public.

SOLUTION: Amend S.1630 to establish a right exempting a source which can be demonstrated not to present a significant risk to public health from regulations to which other sources in the same category or subcategory would be subject. Specifically, this could be accomplished by adding a new paragraph (7) at the end of the proposed Section 112(c). The paragraph would read as follows:

(7) The Administrator shall waive from regulation an individual source within any category or subcategory of sources published under this subsection if, based on evidence presented with respect to the source by its owner or operator he finds that the individual source does not present a significant risk to public health.

DISCUSSION: The above proposed addition to Section 112(c) is intended to provide an individual operator a mechanism for making a showing that its facility does not pose a significant risk to public health in the context of Benzene, Vinyl Chloride and related cases.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

ORDER OF REGULATING SOURCE CATEGORIES

SUMMARY: The order of regulating source categories of emissions under any air toxics bill should be based on relative risk to the public posed by each category.

SOLUTION: Amend S.1630 to clarify that the Administrator is required to base the order of priority of regulating source categories on considerations which are related to the relative risk to the public presented by the particular source categories. In particular Section 112(e)(2) of S.1630 should be amended as follows:

(2) In determining priorities for scheduling the promulgation of standards pursuant to subparagraphs (1) (B), (C) and (D), [the Administrator shall consider] **the order of priorities established shall be based on the following criteria, to be considered in the order below--**

(A) the known or anticipated adverse effects of such pollutants on human health and the environment;

(B) exposure to and the location of major sources of such pollutants including risks to individuals most exposed and the consequent urgency of a national standard;

(C) the quantity of hazardous air pollutants that sources in each category or subcategory emit; and

(D) the efficiency of grouping categories or subcategories according to the pollutants emitted, or the processes or technologies used.

DISCUSSION: In its proposed form, grants unwarranted discretion to the Administrator in setting priorities for regulation of source categories identified for regulation. As revised, the EPA will be mandated to base the determination on the enumerated factors.

This can be particularly important to industry segments such as smelting where, despite Congressman Waxman's observation that emissions of air toxics based on SARA 313 reports were 2.7 billion pounds and that metallic minerals processing represents the second highest source of air toxic emissions, the same data base shows that copper, lead and zinc smelting represent only a small portion of metallic minerals processing emissions and only 0.28 percent of total air toxic emissions.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

PROCESS CHANGES AND SUBSTITUTION OF MATERIALS

SUMMARY: Process changes or substitution of chemical substances should not be required as part of any control strategy for emissions of air toxics.

SOLUTION: Delete new Section 112 (d) (2) (A) as proposed in S.1630.

DISCUSSION: As presently proposed, this paragraph specifies that the Administrator, in promulgating emission standards, may include measures which:

"(A) reduce the volume of such pollutants through process changes, substitution of materials or other modifications,"

This goes well beyond the normal bounds of regulatory requirements by authorizing intrusion into the design of new or existing plants for the purpose of imposing environmental controls.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

PRECLUSION OF JUDICIAL REVIEW

SUMMARY: Any clean air bill should provide for rulemaking with opportunity for testimony and written comments as well as an opportunity for judicial review of agency decisions prior to the ultimate standard setting stage. Section 112 (e)(3) of S.1630 proscribes judicial review of the determination of priorities for the promulgation of standards.

SOLUTION: Amend Section 112 (e)(3) of S.1630 by deleting the provisions that effectively preclude judicial review of the determination of priorities for the promulgation of standards prior to the setting of emission standards, and providing that such actions instead be deemed final agency actions, and subject to judicial review. In particular, section 112(e)(3) should be amended as follows:

(3) Not later than twenty-four months after the date of enactment of the Clean Air Act Amendments of 1989 and after opportunity for comment, the Administrator shall publish a schedule establishing a date for the promulgation of emissions standards for each category and subcategory of sources listed pursuant to subsection (c) (1) and (2) which shall be consistent with the requirements of paragraphs (1) and (2). The determination of priorities for the promulgation of standards pursuant to this paragraph is [not] a rulemaking and shall [not] be subject to judicial review[.]. Furthermore [except that], failure to promulgate any standard pursuant to the schedule established by this paragraph shall be subject to review under section 307 of this Act.

DISCUSSION: Presently, the language in S.1630, Section 112(e)(3) precludes judicial review of the determination of priorities for the promulgation of standards by the Administrator prior to the setting of emission standards. As revised, the above action will be deemed a final action for the purpose of judicial review under section 307 of the Clean Air Act, and section 706 of the Administrative Procedure Act, ensuring that the rulemaking process under section 112 is in accord with the long-held principles of Administrative law.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

STUDY OF UTILITY AIR EMISSIONS

- SUMMARY:** Any bill should require a study of the potential for adverse health effects resulting from the noncriteria pollutant air emissions by electric utility steam generating units. Furthermore, the Administrator should be required to obtain Congressional authorization following completion of the required study of electric utilities prior to initiating rulemaking.
- SOLUTION:** Amend S.1630 to require the Administrator to perform the above study. Furthermore, after reporting the results of the study to Congress, the Administrator shall be required to obtain Congressional authorization prior to taking any regulatory action. In particular, the following shall constitute section 112(s)[v]:
- (s)[v] Electric Utilities. - The Administrator shall perform a study of the hazards to public health reasonably anticipated to occur as a result of emissions by electric utility steam generating units of pollutants listed under subsection (b) after imposition of the requirements of this Act. The Administrator shall report the results of this study to the Congress within three years after the date of enactment. The Administrator shall develop and describe in his report to Congress alternative control strategies for emissions which may warrant regulation under this section. The Administrator may not regulate electric utility steam generating units under this section unless he finds such regulation is appropriate and necessary after considering the results of the study required in this subsection. Furthermore, the Administrator may regulate electric utility steam generating units under this section only as specifically authorized by Congress.
- DISCUSSION:** The fossil fuel fired electric utility steam generating industry will be severely impacted in economic terms by the requirements of acid deposition legislation. Regulation of air toxics should be deferred until the industry has had ample time to plan for SO₂ and NO_x reductions. Those emissions changes will also alter emissions of trace elements and other compounds.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

LISTING OF TOXIC AIR POLLUTANTS

SUMMARY: Proposed legislation should not include a list of generic compounds as air toxics, but rather should require the Administrator to develop criteria for listing individual compounds through a rulemaking process to list specific substances.

SOLUTION: With reference to S.1630, Sect. 301 which amends S.112 of the Clean Air Act, delete the 17 generic substances at the end of the list of toxic air pollutants in Section 112 (b)(1), rename paragraph (b)(1) as (b)(1)(A), delete Section 112(b)(2) [(A)-(B)] and replace the latter with the following:

(b)(1)(B) After notice and opportunity for public comment the Administrator shall publish final criteria for listing substance as hazardous air pollutants.

(b)(2)(A) Not later than 24 months after the enactment of this Act, and after notice and opportunity for public comment, the Administrator shall publish for proposed addition to the list of specific hazardous air pollutants derived from the 17 generic substances listed in the bill and meeting the criteria established in paragraph (b)(1)(B).

(b)(2)(B) Thereafter, the Administrator, after notice and opportunity for public comment, may add to or delete substances from the list consistent with the criteria published under paragraph (b)(1)(B).

DISCUSSION: The proposed changes to the Administration bill would prevent the inclusion of many compounds that pose no problem to public health. In addition to providing a forum for examining the generic chemical compounds presently under consideration, paragraph (b)(2)(A) would permit meaningful consideration of mineral fibers and other generic items to make it clear what the problem is and what the scope of concern may be.

Paragraph (b)(2)(B) is to assure future additions and deletions and based on the same criteria. Deferring regulation until after Phase I will allow for stabilizing of these emissions. A study will delineate what trace elements or compounds should be regulated, if any, and suggest technologies that are available for control.

AMERICAN MINING CONGRESS
CLEAN AIR ACT AMENDMENTS
EMISSIONS CAP AND OFFSET REQUIREMENTS

SUMMARY: The Phase II emissions limitations of S.1630 apply to virtually every steam-electric utility unit in the 48 contiguous states and impose an absolute emissions limitation on each unit. Section 405 (c)-(h) permits plants that emit SO₂ at a low rate to increase their emissions between now and 2000 by roughly 20 percent or approximately 650,000 tons per year. Subsections (c)-(h) do not apply to utility power plants with a nameplate capacity of or greater than 75 MWe and emitting at above 1.2 lbs./mmBtu. These plants will have to reduce emissions to a level equal to 1.2 lbs./mmBtu multiplied by their baseline average 1985-87 fuel consumption measured in Btu. New plants are required to obtain a 100 percent offset for all SO₂ emissions.

SOLUTION: The cap in Phase Two should mandate rates no lower than 1.2 lbs/mmBtu. The offset requirements for all new units should be eliminated.

DISCUSSION: The tonnage cap requires existing units with emissions greater than 1.2 pounds to reduce their effective emissions rates below 1.2 lbs. mmBtu. Section 405 (c)-(h) permits plants that emit SO₂ at a low rate to increase their emissions between now and 2000 by roughly 20 percent or approximately 650,000 tons per year. All new coal-fired generating units would be required to obtain offsets equal in amount to the tons of SO₂ the new source will emit.

The tonnage cap effectively proscribes an older coal-fired plant, with excess capacity, from operating at its full utilization, unless the facility's emission rate is drastically reduced. Despite the approximately 20 percent growth permitted under the bill, the rate cap may force existing "clean plants" to either retrofit additional controls or switch fuels to ensure the actual emission rate does not exceed the actual 1985 average.

Both rate and tonnage caps on existing plants will drastically increase compliance costs for affected utilities. Some estimates place the cost at well

over \$2 billion annually. In addition, the caps sharply reduce the flexibility a utility has in managing its resources and in meeting unexpected levels of demand.

The offset requirement for new units will place an absolute limitation on coal use. Although offsets will be available from retirement of some facilities, and an EPA "special reserve" consisting of two percent of allocated allowances, retirement credits will not be sufficient to support long-term growth in coal-fired generation.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

TONNAGE REDUCTION REQUIREMENTS

- SUMMARY:** The S.1630 acid rain control program is premised on achieving a 10 million ton per year reduction from 1980 levels in sulfur dioxide emissions (SO₂) by the year 2000. However, the 1980 baseline numbers for SO₂ emissions being used increase the total SO₂ reductions required under the bill from 10 million tons to 12-13 million tons.
- SOLUTION:** The widely accepted 1980 National Acid Precipitation Assessment Program (NAPAP) inventory should be used as the baseline from which any reduction is measured. Against the 1980 NAPAP baseline the 10 million ton reduction can be achieved without the onerous tonnage cap. Phase I of the legislation should set a rate standard that is consistent with a five million ton reduction measured against the 1980 NAPAP base, and which recognizes and gives credit for reductions made in the industrial sector.
- DISCUSSION:** All versions of the "emissions inventory" completed by NAPAP to date list 1980 SO₂ emissions from all sources as approximately 27 million tons. This estimate, which has undergone rigorous scientific peer review, is widely recognized as accurate and has also been utilized by many of the acid rain legislative proposals.
- In addition, there is no scientific basis, either in terms of environmental impact or benefits, for either a year 2000 compliance date or a 10 million ton reduction goal, much less the 12 to 13 million ton objective implicit in the proposed legislation.

AMERICAN MINING CONGRESS

CLEAN AIR ACT AMENDMENTS

CLEAN COAL TECHNOLOGY

SUMMARY: S.1630 provides for a three-year extension of the Phase II, year 2000 deadline for plants repowering with qualified clean coal technologies (CCT), but provides no regulatory incentives aimed at expediting their implementation. Moreover, the compressed time frame for emissions reductions in the bill is likely to preclude actual deployment of these innovative processes.

SOLUTION: An extension of time should be granted for Phase II installation of clean coal technologies (CCT) until at least 2005, rather than the current proposed deadline of 2003.

Congress should support use of CCT by waiving Phase I requirements for Phase I plants choosing CCT to meet the applicable requirement of Phase II.

The number of CCT technologies eligible for the Phase I and Phase II extension should be expanded from those currently listed in Section 402 (1) of the bill. DOE should be authorized to name the technologies, including retrofit technologies, that can be used under the bill.

Benefits and incentives should be provided for the repowering with CCT and should be extended to both new and existing greenfield plants employing CCT.

DISCUSSION: While recognizing the potential for CCT to meet both stringent sulfur dioxide and nitrogen oxide emissions requirements and in increasing energy efficiencies, S.1630 time frames may actually inhibit use of these innovative processes. Proposed legislation must provide time frames that are flexible and provide a sufficient period to use technologies now being developed under the joint federal-industry CCT Program.

Furthermore, regulatory incentives should be provided, as in S.1490, to further expedite the implementation of CCTs.

Broad use of CCT may not possible under S.1470 because of the very short time frame given utilities to make plans for compliance with the standards. Many of these technologies are on

the verge of large-scale commercialization, but will not be fully demonstrated by the time decisions will have to be made under the proposal. Although the legislation's three-year deadline extension theoretically provides some relief, its real effect will be practically negligible. In addition, if the measure's requirement results in fuel switching or installation of current technologies by Phase I units, CCT will cease to be a future option.

MSHA CODING SCHEMA

<u>JOB CLASS</u>	<u>INDUSTRY CLASS</u>	<u>DESCRIPTION</u>
0	2	Coal Mine
0	7	Metal/Nonmetal Mine
12	2	Coal Contractor
22	7	Metal/Nonmetal Contractor

<u>MINE TYPE</u>	<u>DESCRIPTION</u>
1	Underground - Metal
2	Underground - Nonmetal
3	Underground - Stone
4	Surface - Metal
5	Surface - Nonmetal
6	Surface - Stone
7	Mills - Metal
8	Mills - Nonmetal
9	Mills - Stone
10	Sand and Gravel
11	Underground - Coal
12	Surface - Coal
13	Mills - Coal
14	Contractor

<u>MINE STATUS</u>	<u>DESCRIPTION</u>
1	Metal/Nonmetal Full-Time Permanent
2	Metal/Nonmetal Intermittent (Included Seasonal)
3	Metal/Nonmetal Non-Producing
4	Metal/Nonmetal Permanently Abandoned
A	Coal Active
B	Coal Mine Closed by MSHA
C	Coal Temporarily Closed
D	Coal Permanently Abandoned
E	Coal Active, Men Working, Not Producing
F	Coal Active, Men Not Working, Not Producing
G	Coal New, Under Construction
H	Coal New, No Men Working

<u>PRODUCT CLASS</u>	<u>DESCRIPTION</u>
1	Coal - Anthracite
2	Coal - Bituminous
5	Sand and Gravel
6	Stone
7	Nonmetal
8	Metal
9	Contractor

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14550	CLAY (COMMON)	4	51	
14530	CLAY (FIRE)	4	16	
14590	CLAY, CERAMIC & REFRACTORY, NEC	1	1	
12110	COAL, BITUMINOUS	6	127	702,736
14920	GYPSUM	3	55	
32740	LIME	1	106	
14220	LIMESTONE (CRUSHED & BROKEN)	85	1,652	
14112	LIMESTONE (DIMENSION)	2	22	
14996	PERLITE	2	7	
28991	SALT (EVAPORATED)	2	303	
14760	SALT (ROCK)	2	89	
14410	SAND & GRAVEL	111	515	
14292	SANDSTONE (CRUSHED & BROKEN)	1	9	
14596	SHALE (COMMON)	2	10	
14290	STONE, CRUSHED & BROKEN, NEC	5	27	
<u>STATE TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
21	COAL CONTRACTORS:		136	23,892
27	METAL/NONMETAL CONTRACTORS:		122	
48	TOTAL CONTRACTORS:		258	23,892
6	COAL MINES:		127	702,736
225	METAL/NONMETAL MINES:		2,863	
231	TOTAL MINES:		2,990	702,736
=====			=====	=====
279	TOTAL CONTRACTORS AND MINES:		3,248	726,628

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 01

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
ACME BRICK COMPANY VONDRA CLAY PIT							
ELLSWORTH	0	7	05	1	7	14530	3
ALLIED INC FULTON PIT							
LOGAN	0	7	10	2	5	14410	2
ALLIED INC PIT NO 1-B							
TREGO	0	7	10	2	5	14410	3
ALLIED, INC. LUKEN PIT							
SHERMAN	0	7	10	2	5	14410	1
ALLIED, INC. PORTABLE PLANT							
ELLIS	0	7	10	2	5	14410	2
ALSOP SAND CO INC ALSOP SAND PIT AND PLANT							
CLAY	0	7	10	1	5	14410	3
ALSOP SAND CO., INC. CONCORDIA PIT							
CLOUD	0	7	10	1	5	14410	4
ALSOP SAND COMPANY, INC. SCANDIA PIT NO 2							
REPUBLIC	0	7	10	1	5	14410	6
AMERICAN SALT COMPANY AMERICAN SALT MINE & MILL							
RICE	0	7	02	1	7	28991	164
ARMSTRONG SAND & GRAVEL CO ARMSTRONG SAND & GRAVEL PIT &							
PRATT	0	7	10	2	5	14410	0
BARTON COUNTY HIGHWAY PIT - 900							
BARTON	0	7	10	2	5	14410	0
BARTON COUNTY HIGHWAY PIT - 901							
BARTON	0	7	10	2	5	14410	0
BLUE RIVER SAND & GRAVEL BLUE RIVER SAND & GRAVEL PIT							
MARSHALL	0	7	10	1	5	14410	7
BOHL CONSTRUCTION INC BOHL PIT							
PHILLIPS	0	7	06	2	6	14290	0
BOSTON SUPPLY & CONSTRUCTION							
	22	7	14	1	9	99998	0
CORONADO ENGINEERING, INC							
	22	7	14	1	9	99998	0
DARTMOUTH SAND & GRAVEL DARTMOUTH SAND PIT							
BARTON	0	7	10	2	5	14410	2
DODGE CITY SAND CO DODGE CITY SAND PIT & PLANT							
FORD	0	7	10	1	5	14410	8
DODGE CITY SAND CO PORTABLE SCREENING PLANT #1							
FORD	0	7	10	2	5	14410	4
EDWARD COUNTY HIGHWAY DEPARTME PIT NO. 1							
EDWARDS	0	7	10	2	5	14410	1
FINNEY COUNTY FINNEY COUNTY							
FINNEY	0	7	10	2	5	14410	4
GALYON CONSTRUCTION							
	22	7	14	1	9	99998	0
GENERAL FINANCE INC CLOUD CERAMICS CLAY PITS							
CLOUD	0	7	05	2	7	14530	6
GEORGIA-PAC CORP-GYPSUM DIV BLUE RAPIDS MINE & MILL							
MARSHALL	0	7	02	1	7	14920	29

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 01

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CLASS</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
GLADDEN EXCAVATING INC. MINE & MILL #2---PORTABLE							
FORD	0	7	10	2	5	14410	6
GLADDEN EXCAVATING, INC. MINE & MILL #1 - PERMANENT							
FORD	0	7	10	2	5	14410	6
GOLD BOND BLDG PROD. DIV. OF N NATIONAL GYPSUM COMPANY GOLD B							
BARBER	0	7	05	1	7	14920	21
GRAY COUNTY HIGHWAY DEPT. GRAY COUNTY DREDGE							
GRAY	0	7	10	2	5	14410	4
HALL BROS. CONSTRUCTION CO, IN CRUSHING PLANT							
MARSHALL	0	7	06	2	6	14220	1
HAMILTON COUNTY ROAD DEPARTMEN HAMILTON CO. ROAD DEPARTMENT							
HAMILTON	0	7	10	2	5	14410	2
HARRY KANE CONSTRUCTION HARRY KANE CONSTRUCTION							
MARSHALL	0	7	06	2	6	14220	1
HUBER SAND COMPANY HUBER SAND PIT #2							
FINNEY	0	7	10	1	5	14410	4
INDEPENDENT SALT CO INDEPENDENT SALT CO							
ELLSWORTH	0	7	02	1	7	14760	48
J & R SAND CO., INC. WINCHELL							
BEAVER	0	7	10	2	5	14410	3
J & R SAND COMPANY INC FRAZIER PIT & PLANT NO 1							
SEWARD	0	7	10	2	5	14410	2
J AND R SAND COMPANY INC GABLER PIT							
BEAVER	0	7	10	2	5	14410	1
JOHNSON SAND JOHNSON SAND							
SALINE	0	7	10	1	5	14410	4
KANSAS BRICK & TILE CO KANSAS BRICK & TILE CO INC							
BARTON	0	7	05	1	7	14530	5
KINSLEY READY MIX, INC KINSLEY READY MIX INC							
EDWARDS	0	7	10	1	5	14410	3
KIOWA COUNTY HIGHWAY DEPARTMEN HULMES PIT							
KIOWA	0	7	10	2	5	14410	1
KNOP BROTHERS SAND COMPANY KNOP BROTHERS SAND CO.							
BARTON	0	7	10	2	5	14410	0
LARNED SAND & GRAVEL CO INC LARNED SAND AND GRAVEL							
PAWNEE	0	7	10	1	5	14410	4
LYON ROCK COMPANY LYON ROCK QUARRY							
SMITH	0	7	06	2	6	14290	1
MARSHALL COUNTY HIGHWAY DEPT MARSHALL COUNTY GRAVEL SCREENI							
MARSHALL	0	7	10	2	5	14410	0
MIDWAY SAND & GRAVEL MIDWAY SAND & GRAVEL							
EDWARDS	0	7	10	2	5	14410	0
MUELLER SAND & GRAVEL CO INC SOUTH PLANT							
WASHINGTON	0	7	10	1	5	14410	5
NATIONAL GYPSUM COMPANY GOLD B SUN CITY MINE							
BARBER	0	7	02	1	7	14920	5
PAWNEE CO HIGHWAY DEPT PAWNEE CO SAND PIT							
PAWNEE	0	7	10	1	5	14410	0

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 01

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
PHILLIPS COUNTY HIGHWAY DEPT PHILLIPS COUNTY PORTABLES							
PHILLIPS	0	7	05	2	7	14596	3
PIONEER AGGR INC PORTABLE #1							
BEAVER	0	7	10	2	5	14410	0
POPEJOY CONST CO INC LAKIN PIT NO 2							
KEARNY	0	7	10	1	5	14410	6
POPEJOY CONSTRUCTION COMPANY, PORTABLE PLANT							
GRANT	0	7	10	2	5	14410	9
POPEJOY CONTRUCTION CO INC							
	22	7	14	1	9	99998	15
QUARTZITE STONE COMPANY INCORP WILSON-RYAN QUARRY AND MILL							
LINCOLN	0	7	06	1	6	14220	37
RAYMOND SAND & GRAVEL, INC. RAYMOND SAND & GRAVEL, INC.							
RICE	0	7	10	1	5	14410	3
RIVERSIDE SAND RIVERSIDE SAND							
HASKELL	0	7	10	2	5	14410	0
S & S BULLDOZER SERVICE SUNFLOWER SAND & GRAVEL							
RICE	0	7	10	2	5	14410	6
SALINA BUILDERS INC							
	22	7	14	1	9	99998	0
SALINA SAND CO, A DIV OF BALLO JENNEY PIT							
SALINE	0	7	10	1	5	14410	6
SEACAT & HEFT SAND & EXCAVATIN SEACAT & HEFT SAND & EXCAVATIN							
KIOWA	0	7	10	2	5	14410	3
SMITH SAND COMPANY, INC. SMITH SAND COMPANY PIT							
FINNEY	0	7	10	1	5	14410	9
SOUTHWEST SAND & GRAVEL COMPAN SOUTHWEST SAND & GRAVEL PIT 3							
FORD	0	7	10	2	5	14410	2
ST FRANCIS REDI-MIX ST FRANCIS SAND & REDI-MIX DRE							
CHEYENNE	0	7	10	2	5	14410	2
STERLING SAND AND GRAVEL COMPA STERLING SAND PIT							
RICE	0	7	10	1	5	14410	3
STONE SAND CO STONE SAND COMPANY							
BARTON	0	7	10	1	5	14410	4
TARBET INC TARBET PIT							
HAMILTON	0	7	10	2	5	14410	2
W. EAKIN, INC. EAKIN SAND AND GRAVEL CO.							
PAWNEE	0	7	10	1	5	14410	3
WALKER STON CO INC PORTABLE PLANT NO 3							
DICKINSON	0	7	06	2	6	14220	7
WALKER STONE CO INC KANSAS FALLS QUARRY AND MILL							
DICKINSON	0	7	06	1	6	14220	14
WALKER STONE CO., INC. PORTABLE #1							
DICKINSON	0	7	06	2	6	14220	4
WALKER STONE COMPANY PORTABLE #2							
DICKINSON	0	7	06	2	6	14220	4
WALKER STONE COMPANY, INC. PLANT C							
DICKINSON	0	7	06	1	6	14220	5

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 01

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
WESTHOFF ASPHALT & SAND CO INC WESTHOFF SAND CO. INC.							
BARTON	0	7	10	1	5	14410	4
WHITE CONSTRUCTION CO INC BATES SAND PIT							
ELLSWORTH	0	7	10	2	5	14410	2
WHITFIELD SAND & CONCRETE INC HOWELL PLANT							
PRATT	0	7	10	2	5	14410	2
WHITFIELD SAND & CONCRETE, INC WHITFIELD SAND & CONCRETE, INC							
PRATT	0	7	10	1	5	14410	10

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS DISTRICT: 01

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14530	CLAY (FIRE)	3	14	
14920	GYPSUM	3	55	
14220	LIMESTONE (CRUSHED & BROKEN)	8	73	
28991	SALT (EVAPORATED)	1	164	
14760	SALT (ROCK)	1	48	
14410	SAND & GRAVEL	52	168	
14596	SHALE (COMMON)	1	3	
14290	STONE, CRUSHED & BROKEN, NEC	2	1	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
0	COAL CONTRACTORS:		0	
5	METAL/NONMETAL CONTRACTORS:		15	
5	TOTAL CONTRACTORS:		15	
0	COAL MINES:		0	
71	METAL/NONMETAL MINES:		526	
71	TOTAL MINES:		526	
=====			=====	=====
76	TOTAL CONTRACTORS AND MINES:		541	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 02

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
BAYER CONSTRUCTION CO., INC. PLANT #2							
RILEY	0	7	06	2	6	14220	5
BFR ROCK QUARRY INC BFR ROCK QUARRY, INC.							
ATCHISON	0	7	03	2	6	14220	6
BROMLEY QUARRY & ASPHALT, INC. BROMLEY MINE & MILL							
ATCHISON	0	7	03	1	6	14220	19
CONSUMERS SAND COMPANY INC CONSUMERS EAST PIT AND PLANT							
SHAWNEE	0	7	10	2	5	14410	5
EBERT CONST. CO. INC. ROCK DIV MEIER QUARRY							
JEFFERSON	0	7	06	1	6	14220	1
EBERT CONST. CO., INC.-ROCK DI PORTABLE #1							
POTTAWATOMIE	0	7	06	2	6	14220	2
HAMMES ROCK & GRAVEL							
	22	7	14	1	9	99998	0
HOIST-CO							
	12	2	14	A	9	99998	4
KANSAS SAND & CONCRETE INC KANSAS SAND PLANT #1							
SHAWNEE	0	7	10	1	5	14410	3
KANSAS SAND & CONCRETE INC KANSAS SAND PLANT #2							
SHAWNEE	0	7	10	2	5	14410	4
KAW SAND CO PENNYS DREDGE							
DOUGLAS	0	7	10	1	5	14410	4
KEIM TRANSPORTATION INC.							
	22	7	14	1	9	99998	2
KERSHAW READY-MIX CONCRETE & S KERSHAW KAW PLANT DREDGE							
RILEY	0	7	10	1	5	14410	4
LAWRENCE SAND CO LAWRENCE DREDGE							
DOUGLAS	0	7	10	1	5	14410	6
MARTIN MARIETTA AGGREGATES PLANT 855							
SHAWNEE	0	7	06	1	6	14290	12
MARTIN MARIETTA AGGREGATES PLANT 857							
SHAWNEE	0	7	06	1	6	14290	14
MARTIN MARIETTA AGGREGATES TOPEKA SHOP							
SHAWNEE	0	7	06	1	6	14220	2
MEIER SAND CO. MEIER SAND CO.							
SHAWNEE	0	7	10	2	5	14410	1
MORE SAND CO INC MORE PIT NO 1							
GEARY	0	7	10	1	5	14410	3
MORE SAND CO. INC. PLANT #4							
DICKINSON	0	7	10	2	5	14410	2
MORE SAND CO., INC. MORE PIT #3							
GEARY	0	7	10	1	5	14410	2
MORE SAND COMPANY, INC. MORE PIT #2							
GEARY	0	7	10	1	5	14410	2
N R HAMM QUARRY INC HERINGTON SHOP							
DICKINSON	0	7	06	1	6	14220	6
N.R. HAMM QUARRY INC. PLANT #80001							
JEFFERSON	0	7	06	1	6	14220	12

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 02

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
N.R. HAMM QUARRY INC. PLANT #80003							
JEFFERSON	0	7	06	2	6	14220	5
N.R. HAMM QUARRY INC. PLANT #80005							
JEFFERSON	0	7	06	2	6	14220	0
N.R. HAMM QUARRY INC. PLANT #80006							
JEFFERSON	0	7	06	1	6	14220	7
N.R. HAMM QUARRY INC. PLANT #80007							
JEFFERSON	0	7	06	2	6	14220	9
PENNY'S CONCRETE, INC. LELOUP QUARRY							
OTTAWA	0	7	06	2	6	14220	1
ROY BAKER QUARRY INC ROY BAKER QUARRY & MILL							
JEFFERSON	0	7	06	1	6	14220	14
SHILLING SAND & GRAVEL, INC. SHILLING SAND & GRAVEL							
RILEY	0	7	10	1	5	14410	2
WAMEGO SAND CO WAMEGO SAND DREDGE							
POTTAWATOMIE	0	7	10	2	5	14410	5
WAMEGO SAND COMPANY INC ST MARYS SAND PIT							
POTTAWATOMIE	0	7	10	2	5	14410	3
WOODLAND QUARRY MIDLAND QUARRY							
ATCHISON	0	7	03	2	6	14220	7

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS DISTRICT: 02

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14220	LIMESTONE (CRUSHED & BROKEN)	15	96	
14410	SAND & GRAVEL	14	46	
14290	STONE, CRUSHED & BROKEN, NEC	2	26	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
1	COAL CONTRACTORS:		4	
2	METAL/NONMETAL CONTRACTORS:		2	
3	TOTAL CONTRACTORS:		6	
0	COAL MINES:		0	
31	METAL/NONMETAL MINES:		168	
31	TOTAL MINES:		168	
=====			=====	=====
34	TOTAL CONTRACTORS AND MINES:		174	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 03

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
ALWCO INC							
	22	7	14	1	9	99998	0
AMERICOLD CORPORATION INLAND QUARRIES							
WYANDOTTE	0	7	03	1	6	14220	25
ASH GROVE CEMENT CO CHANUTE QUARRY							
NEOSHO	0	7	06	1	6	14220	132
ASH GROVE CEMENT CO SPRINGFIELD SURFACE							
GREENE	0	7	06	1	6	32740	106
ASH GROVE CEMENT CO. FOREMAN QUARRY AND PLANT							
LITTLE RIVER	0	7	06	1	6	14220	145
ASH GROVE CEMENT COMPANY LOUISVILLE PLANT, QUARRY & MIL							
CASS	0	7	06	1	6	14220	162
ASH GROVE CEMENT COMPANY SPRINGFIELD UNDERGROUND							
GREENE	0	7	03	1	6	14220	4
B-JAY ROCK PDTS B-JAY ROCK PRODUCTS							
LINN	0	7	06	2	6	14220	0
BATESCO QUARRIES DIV OF UNION LA CYGNE QUARRY							
LINN	0	7	06	1	6	14220	18
BATESCO QUARRIES DIV/UNION QUA BATESCO PORTABLE #1							
BATES	0	7	06	1	6	14220	23
BATESCO QUARRIES DIV/UNION QUA PORTABLE PLANT NO. 1							
POLK	0	7	06	1	6	14220	14
BUILDERS SAND COMPANY EAGLE PLANT NO. 3001 SER. NO.							
JOHNSON	0	7	10	1	5	14410	16
BUILDERS SAND COMPANY EAGLE PLANT NO. 3004 SER.NO.89							
JOHNSON	0	7	10	2	5	14410	6
CEDAR CREEK QUARRIES CEDAR CREEK							
JOHNSON	0	7	06	1	6	14220	5
CENTRAL PLAINS CONTRACTING CO							
	12	2	14	A	9	99998	23
FEIGHNER WHISLER HAULING CO							
	22	7	14	1	9	99998	7
HARTSAW EQUIPMENT CO							
	22	7	14	1	9	99998	0
HOLIDAY SAND & GRAVEL CO PLANT #15							
CLAY	0	7	10	2	5	14410	1
HOLLAND CORPORATION INC MINE #1							
JOHNSON	0	7	03	1	6	14220	14
HOLLAND CORPORATION INC MINE #2							
JOHNSON	0	7	03	1	6	14220	2
HOLLIDAY SAND & GRAVEL CO. MORRIS, PLANT #10							
WYANDOTTE	0	7	10	1	5	14410	5
HOLLIDAY S & G CO RANDOLPH DREDGE & PLANT #9							
CLAY	0	7	10	1	5	14410	27
HOLLIDAY SAND & GRAVEL CO BONNER SPRINGS PLANT #2							
JOHNSON	0	7	10	1	5	14410	13
HOLLIDAY SAND & GRAVEL CO EDWARDSVILL SHOP & PLANT #4							
WYANDOTTE	0	7	10	1	5	14410	12

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 03

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
HOLLIDAY SAND & GRAVEL COMPANY MUNCIE DREDGE & PLANT NO 6							
WYANDOTTE	0	7	10	1	5	14410	26
KAW VALLEY SAND & GRAVEL, INC. MORRIS DREDGE AND PLANT							
WYANDOTTE	0	7	10	1	5	14410	8
KAW VALLEY SAND & GRAVEL, INC. TURNER DRY SAND PLANT							
WYANDOTTE	0	7	09	1	6	14292	9
LIST & CLARK CONSTR CO							
	12	2	14	A	9	99998	0
LONE STAR INDUSTRIES INC LONE STAR QUARRY & MILL							
WYANDOTTE	0	7	06	1	6	14220	126
LORING QUARRIES, INCORPORATED LORING MINE							
LEAVENWORTH	0	7	03	1	6	14220	19
NATIONWIDE MINING INC.							
	12	2	14	A	9	99998	0
PRAIRIE MINING INC. PLANT NO. 1							
JOHNSON	0	7	03	1	6	14220	0
RENO CONSTRUCTION CO A DIV OF STANLEY QUARRY							
JOHNSON	0	7	06	1	6	14220	27
RENO CONSTRUCTION CO A DIV OF STANLEY WEST							
JOHNSON	0	7	06	1	6	14220	34
RIMPULL CORP							
	12	2	14	A	9	99998	0
UNION QUARRIES INC PIXLEY MINE & PLANT							
JACKSON	0	7	03	1	6	14220	18
WADE AGRICULTURAL PRODUCTS INC ROGERS I							
LINN	0	7	06	1	6	14220	10
WADE AGRICULTURAL PRODUCTS, IN NORBURG							
LINN	0	7	06	1	6	14220	3

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS DISTRICT: 03

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
32740	LIME	1	106	
14220	LIMESTONE (CRUSHED & BROKEN)	20	781	
14410	SAND & GRAVEL	9	114	
14292	SANDSTONE (CRUSHED & BROKEN)	1	9	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
4	COAL CONTRACTORS:		23	
3	METAL/NONMETAL CONTRACTORS:		7	
7	TOTAL CONTRACTORS:		30	
0	COAL MINES:		0	
31	METAL/NONMETAL MINES:		1,010	
31	TOTAL MINES:		1,010	
=====			=====	=====
38	TOTAL CONTRACTORS AND MINES:		1,040	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 04

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
AGGREGATE SAND & GRAVEL INC	AGGREGATE SAND & GRAVEL INC						
SEDGWICK	0	7	10	1	5	14410	5
ASSOCIATED MATERIAL & SUPPLY C	ASSOCIATED MTL. & SUPPLY CO.,						
SUMNER	0	7	10	1	5	14410	5
ASSOCIATED MATERIAL AND SUPPLY	37TH STREET PLANT						
SEDGWICK	0	7	10	1	5	14410	7
BLACKTOP CONSTRUCTION CO., INC	1900 PORTABLE						
RENO	0	7	06	2	6	14220	18
BORTON							
	12	2	14	A	9	99998	0
C K C INC							
	22	7	14	1	9	99998	0
CAREY SALT, INC. CAREY BRINE WELLS & PLANT							
RENO	0	7	08	1	7	28991	139
CAREY SALT, INC. CAREY ROCK SALT MINE							
RENO	0	7	02	1	7	14760	41
CENTRAL SAND INC CENTRAL SAND PIT							
SEDGWICK	0	7	10	1	5	14410	6
CONTINENTAL SLIP FORM BUILDERS							
	12	2	14	A	9	99998	0
CUMLEY SAND CO CUMLEY SAND PIT AND PLANT							
SEDGWICK	0	7	10	1	5	14410	3
DELTA SAND INC DELTA SAND INC							
COWLEY	0	7	10	2	5	14410	4
DERBY SAND, INC. DERBY SAND							
SEDGWICK	0	7	10	1	5	14410	3
FEASTER BROTHERS INC OXFORD SAND & GRAVEL PIT & PLA							
COWLEY	0	7	10	1	5	14410	3
GRAVEL & CONCRETE INC. GRAVEL & CONCRETE INC.							
RENO	0	7	10	1	5	14410	4
HAMILTON ROOFING CO. INC.							
	22	7	14	1	9	99998	2
HI-GRADE SAND CO HI-GRADE SAND CO							
HARPER	0	7	10	2	5	14410	1
HI-GRADE SAND COMPANY PORTABLE PLANT #1							
HARPER	0	7	10	2	5	14410	1
HOSKINSON S & GRAVEL HOSKINSON S & G							
RENO	0	7	10	1	5	14410	4
J H SHEARS SONS INC HALLS PIT							
GARFIELD	0	7	10	2	5	14410	20
J H SHEARS SONS INC SHEAR'S SAND PLANT							
RENO	0	7	10	1	5	14410	12
J H SHEARS' SONS INC #18 PORTABLE							
RENO	0	7	06	2	6	14220	0
L. A. KNEBLER CONST. CO., INC. LAKE RIDGE SAND CO.							
SEDGWICK	0	7	10	1	5	14410	4
LUDEMAN INSULATIONS INC							
	22	7	14	1	9	99998	0

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 04

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u> <u>JOB</u>	<u>MINE</u> <u>IND</u>	<u>MINE</u> <u>TYPE</u>	<u>MINE</u> <u>STAT</u>	<u>PROD</u> <u>CLASS</u>	<u>SIC</u> <u>CODE</u>	<u>PEOPLE</u> <u>EMPLOYED</u>	<u>ESTIMATED</u> <u>PRODUCTION</u>
M J STEVENS, INC.	22	7	14	1	9	99998	0	
MARK INDUSTRIES	22	7	14	1	9	99998	2	
MID-KANSAS CONST CO INC	0	7	10	2	5	14410	2	
SEDGWICK	0	7	10	1	5	14410	0	
MILES SAND INCORPORATED	0	7	10	2	5	14410	3	
SEDGWICK	0	7	10	2	5	14410	4	
MOUNT HOPE SAND CO MT HOPE SAND	22	7	14	1	9	99998	0	
RENO	22	7	14	1	9	99998	0	
R.A. RUUD & SONS, INC. R. A. RUUD AND SON PIT #2	0	7	10	1	5	14410	13	
SEDGWICK	0	7	10	1	5	14410	12	
RESTOR. & WATERPROOFING CONTR	0	7	10	1	5	14410	5	
RICHARDSON BUILDERS	22	7	14	1	9	99998	0	
RITCHIE SAND, INC. RITCHIE SAND, INC.	22	7	14	1	9	99998	0	
SEDGWICK	0	7	10	1	5	14410	51	
SHAMROCK TIRE CO	22	7	14	1	9	99998	0	
SHELLEY ELECTRIC ONC	22	7	14	1	9	99998	0	
THE WALT KEELER COMPANY INC WALT KEELER COMPANY SAND PLANT	0	7	10	1	5	14410	3	
SEDGWICK	22	7	14	1	9	99998	51	
UNDERGROUND VAULT & STORAGE IN	22	7	14	1	9	99998	51	
VIC'S SAND & GRAVEL CO VIC'S SAND PIT	0	7	10	1	5	14410	12	
SEDGWICK	0	7	10	1	5	14410	5	
WOLFE INC BENTLEY SAND CO	0	7	10	1	5	14410	5	
SEDGWICK	0	7	10	1	5	14410	5	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS DISTRICT: 04

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14220	LIMESTONE (CRUSHED & BROKEN)	2	18	
28991	SALT (EVAPORATED)	1	139	
14760	SALT (ROCK)	1	41	
14410	SAND & GRAVEL	23	124	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
2	COAL CONTRACTORS:		0	
10	METAL/NONMETAL CONTRACTORS:		55	
12	TOTAL CONTRACTORS:		55	
0	COAL MINES:		0	
27	METAL/NONMETAL MINES:		322	
27	TOTAL MINES:		322	
=====			=====	=====
39	TOTAL CONTRACTORS AND MINES:		377	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 05

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
A-LERT CORP	22	7	14	1	9	99998	3
ACME BRICK CO ACME PIT							
CHEROKEE	0	7	05	1	7	14550	2
ALLEN COUNTY HIGHWAY DEPT. ALLEN COUNTY PLANT							
ALLEN	0	7	06	1	6	14220	3
ALTERNATE FUELS, INC. CROWEBURG MINE NO. 1							
CRAWFORD	0	2	12	A	2	12110	41
AMERICAN MINERALS INC.							260,224
	12	2	14	A	9	99998	0
BEATRICE CONCRETE HAYNES SAND							
COWLEY	0	7	10	2	5	14410	6
BINGHAM SAND & GRAVEL CO., INC BALLARD PIT							
CHEROKEE	0	7	10	2	5	14410	1
BINGHAM SAND & GRAVEL INC BLUE GOOSE PILE							
OTTAWA	0	7	10	1	5	14410	6
BRYANT SAND & GRAVEL INC BRYANT S & G PIT							
HARVEY	0	7	10	1	5	14410	3
BUILDEX INC BUILDEX CLAY PIT							
MCPHERSON	0	7	05	1	7	14550	22
BUILDEX, INC. BUILDEX CLAY PIT							
PLATTE	0	7	05	1	7	14550	26
CAYLOR CONSTRUCTION CO INC							
	12	2	14	A	9	99998	1
CAYLOR CONSTRUCTION CO., INC. MARY JANE MINE							23,892
VERNON	0	2	12	A	2	12110	4
CHEROKEE COUNTY CLAY CHEROKEE COUNTY CLAY PIT							86,368
CHEROKEE	0	7	05	2	7	14530	2
COOMERS CONSTRUCTION CO							
	12	2	14	A	9	99998	0
CULLOR INC PLANT NO 1							
BOURBON	0	7	06	2	6	14220	10
CULLOR, INC. PLANT NO. 2							
BOURBON	0	7	06	2	6	14220	1
DANIELS ROCK & READY MIX CO DANIELS ROCK & READY-MIX							
COWLEY	0	7	06	2	6	14220	5
DONALD G. MAUCK, EXCAVATING MAUCK QUARRY							
BUTLER	0	7	06	2	6	14220	2
DOUE OIL COMPANY							
	12	2	14	A	9	99998	1
EVERGREEN BUILDERS, INC							
	22	7	14	1	9	99998	30
FOGLE QUARRY CO INC FOGLE QUARRY							
FRANKLIN	0	7	06	1	6	14220	29
FORT SCOTT FERTILIZER QUARRY-C PLANT NO. 1							
VERNON	0	7	06	1	6	14220	8
FOX CONSTRUCTION CO							
	12	2	14	A	9	99998	0

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 05

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
GASTON CONTAINMEN SYSTEMS INC	22	7	14	1	9	99998	1
GEORGE M MYERS INC LEFEVER (21ST QUARRY)							
BUTLER	0	7	06	1	6	14220	17
H.J. BORN STONE INC SILVERDALE QUARRY							
COWLEY	0	7	06	2	6	14112	17
HARRY BYERS & SONS INC HARRY BYERS & SONS INC							
NEOSHO	0	7	06	1	6	14220	5
HARRY KEITH AND SONS INCORPORA KEITH QUARRY & MILL							
LABETTE	0	7	06	3	6	14220	4
HARSHMAN CONST. CO. PLANT #1							
CHASE	0	7	06	2	6	14220	6
HAZEN EXCAVATING							
	22	7	14	1	9	99998	2
HEARTLAND CEMENT CO. INDEPENDENCE QUARRY & MILL							
MONTGOMERY	0	7	06	1	6	14220	101
JACKSON ELECTRIC CO INC							
	12	2	14	A	9	99998	0
KILLOUGH INC PLANT #4							
FRANKLIN	0	7	06	1	6	14220	5
KILLOUGH INC.							
	22	7	14	1	9	99998	6
KILLOUGH INC. PLANT #1							
FRANKLIN	0	7	06	1	6	14220	9
KILLOUGH INC. PLANT #2							
FRANKLIN	0	7	06	1	6	14220	13
KILLOUGH, INC. PLANT #3							
FRANKLIN	0	7	06	2	6	14220	1
KUNSHEK CONSTRUCTION COMPANY KUNSHEK QUARRY AND MILL							
CRAWFORD	0	7	06	2	6	14220	3
L. A. KNEBLER CONSTRUCTION CO. L. A. KNEBLER SAND & GRAVEL							
COWLEY	0	7	10	1	5	14410	12
L. G. PIKE CONSTRUCTION DEVORE PIT							
COWLEY	0	7	06	2	6	14220	7
LAFARGE CORPORATION FREDONIA CLAY PIT							
WILSON	0	7	05	2	7	14550	1
LAFARGE CORPORATION FREDONIA CO-PROCESSING FACILIT							
WILSON	0	7	06	1	6	14220	116
LAWRENCE CRUSHED STONE BORN QUARRY							
COWLEY	0	7	06	2	6	14220	2
MCADAM CONSTRUCTION CO., INC. HEWETT-ROBBINS PLANT							
ALLEN	0	7	06	1	6	14220	7
MCADAM LIMESTOME PRODUCTS INC JARVIS QUARRY							
COWLEY	0	7	06	1	6	14220	17
MCADAM LIMESTONE PRODUCTS, INC PIONEER PLANT							
ALLEN	0	7	06	1	6	14220	8
MCFARLAND GRAVEL CO MCFARLAND GRAVEL CO							
COWLEY	0	7	10	1	5	14410	11

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 05

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>
MCNALLY PITTSBURG MFG. CORP.	12	2	14	A	9	99998	9
MICRO-LITE INC MICRO-LITE MILL	0	7	08	1	7	14996	4
WILSON	0	7	05	1	7	14996	3
MICRO-LITE INCORPORATED MICRO-LITE PIT	12	2	14	A	9	99998	2
WOODSON	12	2	14	A	9	99998	2
MID-AMERICA SANITATION	12	2	14	A	9	99998	1
MIDWEST MINE SAFETY	12	2	14	A	9	99998	1
MIDWEST MINERALS INC JASPER #15	0	7	06	2	6	14220	1
BARTON	0	7	06	2	6	14220	1
MIDWEST MINERALS, INC. MIAMI, #31	0	7	06	2	6	14220	1
OTTAWA	0	7	06	2	6	14220	1
MIDWEST MINERALS, INC. PORTABEL PLANT #2	0	7	06	2	6	14220	0
CRAWFORD	0	7	06	1	6	14220	23
MIDWEST MINERALS, INC. PORTABLE PLANT #1	0	7	06	1	6	14220	22
CRAWFORD	0	7	06	1	6	14220	22
MIDWEST MINERALS, INC. PORTABLE PLANT #3	0	7	06	1	6	14220	22
CRAWFORD	0	7	06	1	6	14220	22
MISSION CLAY PRODUCTS CORP MISSION CLAY PITS	0	7	05	2	7	14590	1
CRAWFORD	0	7	05	2	7	14590	1
MORRIS COUNTY MORRIS COUNTY PLANT	0	7	10	2	5	14410	0
MORRIS	0	7	10	2	5	14410	0
NELSON QUARRIES INC. PLANT 1	0	7	06	1	6	14220	3
ALLEN	0	7	06	1	6	14220	3
NELSON QUARRIES, INC. PLANT 2	0	7	06	1	6	14220	7
ALLEN	0	7	06	1	6	14220	7
NEOSHO CONST. COMPANY INC.	12	2	14	A	9	99998	0
NEOSHO COUNTY HWY DEPT NEELY QUARRY	0	7	06	2	6	14220	7
NEOSHO	0	7	06	2	6	14220	7
PRAY BUILDING STONE CO. WINFIELD QUARRY	0	7	06	2	6	14112	5
COWLEY	0	7	06	2	6	14112	5
QUALITY COAL, INC. SANTA FE NO. 1	0	2	12	A	2	12110	0
CRAWFORD	0	2	12	A	2	12110	0
RUSSELL & SONS CONSTR CO INC	12	2	14	A	9	99998	71
SAGINAW QUARRIES, INC. SAGINAW QUARRY	0	7	06	1	6	14290	0
NEWTON	0	7	06	1	6	14290	0
SCOTT ROCK COMPANY SCOTT ROCK CO. QUARRY	0	7	06	1	6	14220	10
MONTGOMERY	0	7	06	1	6	14220	10
SEDAN LIMESTONE CO., INC. PLANT #1	0	7	06	2	6	14220	13
CHAUTAUQUA	0	7	06	2	6	14220	13
STARBUCK ROCK COMPANY STARBUCK ROCK COMPANY	0	7	06	2	6	14220	5
WILSON	0	7	06	2	6	14220	5
SUNPYRE MINING, INC. SUNPYRE-MINDEN MINE	0	2	12	A	2	12110	0
BARTON	0	2	12	A	2	12110	0

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT: 05

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u>	<u>MINE</u>	<u>MINE</u>	<u>PROD</u>	<u>SIC</u>	<u>PEOPLE</u>	<u>ESTIMATED</u>	
	<u>JOB</u>	<u>IND</u>	<u>TYPE</u>	<u>STAT</u>	<u>CODE</u>	<u>EMPLOYED</u>	<u>PRODUCTION</u>	
SUNRISE COAL COMPANY MINE #1								
BATES	0	2	12	A	2	12110	0	
THE CLEMENS COAL COMPANY MINE NO. 22								
CRAWFORD	0	2	12	A	2	12110	82	356,144
THE MONARCH CEMENT CO THE MONARCH CEMENT CO								
ALLEN	0	7	06	1	6	14220	130	
V & F HAULING								
	12	2	14	A	9	99998	0	
V & F HAULING								
	22	7	14	3	9	99998	0	

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

SUMMARY FOR STATE: KS DISTRICT: 05

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14550	CLAY (COMMON)	4	51	
14530	CLAY (FIRE)	1	2	
14590	CLAY, CERAMIC & REFRACTORY, NEC	1	1	
12110	COAL, BITUMINOUS	6	127	702,736
14220	LIMESTONE (CRUSHED & BROKEN)	35	601	
14112	LIMESTONE (DIMENSION)	2	22	
14996	PERLITE	2	7	
14410	SAND & GRAVEL	7	39	
14290	STONE, CRUSHED & BROKEN, NEC	1	0	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
12	COAL CONTRACTORS:		85	23,892
6	METAL/NONMETAL CONTRACTORS:		42	
18	TOTAL CONTRACTORS:		<u>127</u>	<u>23,892</u>
6	COAL MINES:		127	702,736
53	METAL/NONMETAL MINES:		723	
59	TOTAL MINES:		<u>850</u>	<u>702,736</u>
===== 77	TOTAL CONTRACTORS AND MINES:		<u>977</u>	<u>726,628</u>

*** No MSHA requirement for reporting Hard Rock production ***

MSHA
 CONGRESSIONAL DISTRICT REPORT

STATE: KS DISTRICT:

<u>COMPANY NAME/COUNTY</u>	<u>CLASS</u> <u>JOB</u>	<u>MINE</u> <u>IND</u>	<u>MINE</u> <u>TYPE</u>	<u>MINE</u> <u>STAT</u>	<u>PROD</u> <u>CLASS</u>	<u>SIC</u> <u>CODE</u>	<u>PEOPLE</u> <u>EMPLOYED</u>	<u>ESTIMATED</u> <u>PRODUCTION</u>
A-C TRUCKING	22	7	14	1	9	99998	1	
BAYER STONE INC BAYER 1								
POTTAWATOMIE	0	7	10	2	5	14410	3	
DEFFENBAUGH IND INC SHAWNEE ROCK CO								
JOHNSON	0	7	06	1	6	14220	19	
FINLAYSON SAND & GRAVEL FINALYSON SAND & GRAVEL								
WASHINGTON	0	7	10	2	5	14410	3	
GRAHAM COUNTY HIGHWAY DEPT GRAHAM COUNTY PORTABLE								
GRAHAM	0	7	05	2	7	14596	7	
HALLETT MATERIALS PORTABLE #3 SAND/WASH PLANT								
MARION	0	7	06	1	6	14220	1	
HOLLIDAY SAND & GRAVEL CO. ST. JOSEPH DREDGE & PLANT #8								
BUCHANAN	0	7	10	1	5	14410	11	
J.H. SHEARS' SONS, INC NELSON QUARRY								
LYON	0	7	06	1	6	14220	34	
KLOTZ SAND CO KLOTZ SAND PIT								
FINNEY	0	7	10	2	5	14410	3	
MID-WEST CONVEYOR CO INC								
	12	2	14	A	9	99998	24	
OLLER'S INC. SAND PLANT								
KINGMAN	0	7	10	2	5	14410	4	
P P M INC								
	12	2	14	A	9	99998	0	
ROGER D WHETSTINE CONST WHETSTINE QUARRY								
DONIPHAN	0	7	06	2	6	14220	4	
SHILLING SAND & GRAVEL INC ROPER PIT								
WASHINGTON	0	7	10	2	5	14410	0	
UNION QUARRIES INC VAN LERBERG MINE								
JOHNSON	0	7	03	1	6	14220	25	

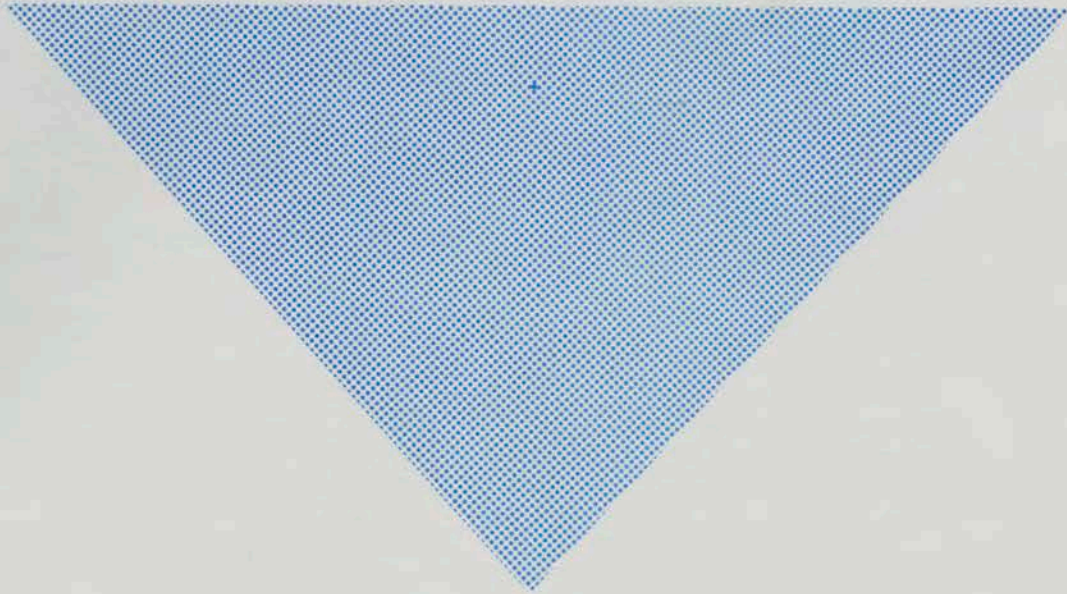
*** No MSHA requirement for reporting Hard Rock production ***

MSHA
CONGRESSIONAL DISTRICT REPORT

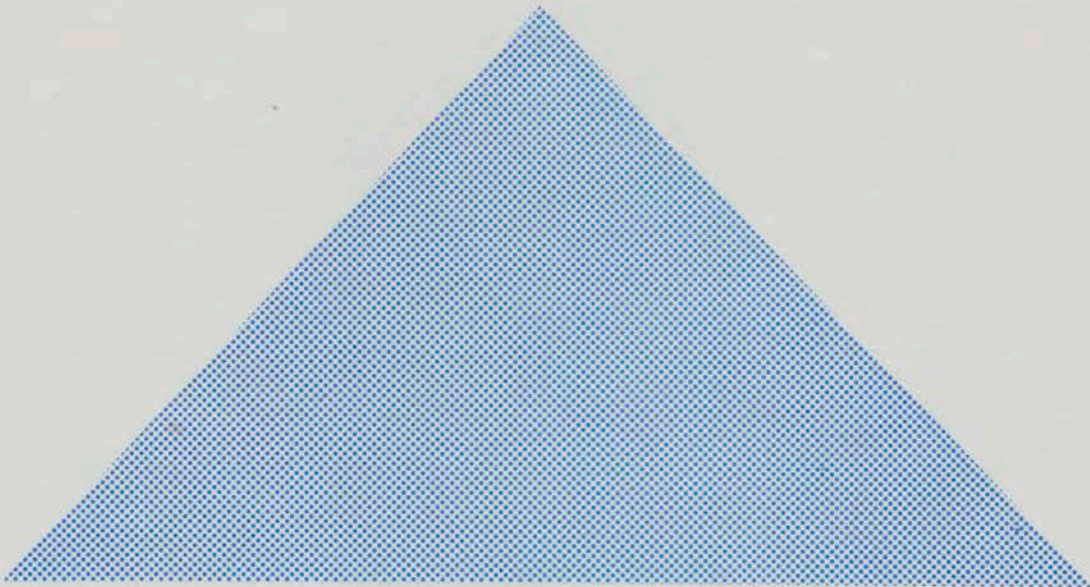
SUMMARY FOR STATE: KS DISTRICT:

<u>SIC CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL MINES</u>	<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
14220	LIMESTONE (CRUSHED & BROKEN)	5	83	
14410	SAND & GRAVEL	6	24	
14596	SHALE (COMMON)	1	7	
<u>DISTRICT TOTALS</u>			<u>PEOPLE EMPLOYED</u>	<u>ESTIMATED PRODUCTION</u>
2	COAL CONTRACTORS:		24	
1	METAL/NONMETAL CONTRACTORS:		1	
3	TOTAL CONTRACTORS:		25	
0	COAL MINES:		0	
12	METAL/NONMETAL MINES:		114	
12	TOTAL MINES:		114	
=====			=====	=====
15	TOTAL CONTRACTORS AND MINES:		139	

*** No MSHA requirement for reporting Hard Rock production ***



Briefing Book Mining Issues



January 1990

AMERICAN MINING CONGRESS

Founded in 1897, the American Mining Congress is an industry association that encompasses (1) producers of most of America's metals, coal, and industrial and agricultural minerals; (2) manufacturers of mining and mineral processing machinery, equipment and supplies; and (3) engineering and consulting firms and financial institutions that serve the mining industry.

Headquartered in Washington, D.C., the American Mining Congress is both a clearinghouse for information and a coordinator for action on behalf of the mining industry in the nation's capital. It keeps its members informed on matters pending in Congress, the Executive Branch and independent agencies and works for constructive policies that will best enable the mining industry to serve the needs of the nation.

As spokesman for the industry, the Mining Congress advocates measures that will promote the development of mineral resources that are vital to the nation's security and the material well-being of its people. Among its specific areas of recent and continuing concern are governmental overregulation, taxation, environmental quality, utilization of public lands, and safety and health.

Moreover, the American Mining Congress is in the vanguard in improving mining practices and equipment. It marshals the cooperative endeavors of mine operators and equipment manufacturers at its conventions and expositions to promote continuing modernization of mine operations and equipment to enhance safety, health, efficiency and product quality.

AMC Priority Initiatives: Key Issues Facing Mining

At the annual meeting of the Resolutions Committee on September 16, 1989, in San Francisco, the leadership of the American Mining Congress continued the practice started in 1988 in which eight directors of AMC highlighted the Priority Initiatives of the mining industry. The AMC Directors who presented the Priority Initiatives were: Leonard R. Judd, President, Phelps Dodge Corporation; Robert H. Quenon, President, Peabody Holding Company; Gino P. Giusti, Vice Chairman, Texasgulf Inc.; Billie B. Turner, Chairman, IMC Fertilizer Group Inc.; Robert T. Spitz, Senior Vice President-Manufacturing Technology and Resource Development, National Gypsum Company; William R. Stamler, Chairman, The W. R. Stamler Corporation; Gerard K. Drummond, Chairman, Nerco Inc.; and Richard de J. Osborne, Chairman, Asarco Incorporated. Excerpts from their presentations follow:

ACCESS TO PUBLIC LANDS

Our citizens must have access to public lands to explore for minerals and, if found, the security of tenure to develop a mine and bring those minerals into production. We are in a battle over public lands access—a battle fought against highly motivated, well-organized and handsomely funded forces who advocate a policy of no-growth and who seek to prohibit hardrock mining, oil and gas drilling, and for that matter, grazing and timber harvesting on the public lands. For years, the environmentalists have sought the Mining Law's repeal and its replacement with a leasing system that would permit them to pressure the government to block mineral development. These groups have planted the impression on Capitol Hill that the mining industry is divided on this issue. At the same time, they have attempted to gull our industry by maintaining that environmentalists will be satisfied with only modest changes in the law. Don't believe it. I can assure you the environmentalists seek total repeal of the law and institution of a leasing system. The militant, hardline leaders of the movement are gearing up for a major legislative effort to accomplish exactly that purpose.



JUDD

PRODUCT LIABILITY

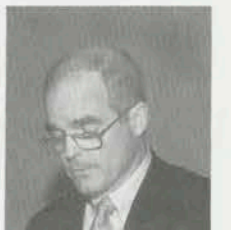
AMC continues to support adoption of a federal law that will compensate fairly those persons injured by products, foster the international competitiveness of U.S.-produced goods, reduce unreasonable legal costs and lessen the severity of the periodic product liability insurance crises. It is our belief that a federal product liability tort law will benefit not only U.S. industry, but also our society as a whole.



STAMLER

CLEAN AIR

Now that a concrete Clean Air Act proposal has been submitted formally to Congress by the Bush Administration, it is doubtful that either political party will want to enter the 1990 elections without having passed a bill of some sort into law.



QUENON

The fundamental problems with the legislation derive from its basic requirements. The acid rain title requires a reduction in annual sulfur dioxide emissions of at least 10 million tons (below the 1980 level) by 2001. Whether a reduction of this magnitude in this time frame is necessary and whether it will achieve identifiable benefits is not at all certain.

The bill lists some 187 pollutants that would be regulated as hazardous air pollutants. Many of these are present at our mining and mineral processing facilities. In many ways, this bill is a quantum leap from what we have seen to date in the way of air pollution regulation.

HUMAN RESOURCES

Conscientious mine management recognizes the necessity and value of investments in safety and health programs that eliminate personal injury, equipment damage and production interruptions. The mining industry's safety accomplishment is improving. Recent years have seen the lowest number of fatal injuries in the history of U.S. mining. As a priority issue, the AMC will continue to publicize superior safety and health achievements through the exemplary and prestigious Sentinels of Safety awards. AMC also has taken an increasingly active role in the issue of Congressionally mandated, employer-provided employee benefits, seen by many as a new wave of social policy.



GIUSTI

TAXES

The priority tax issues facing the industry are: (1) the defense and preservation of the percentage depletion allowance; (2) prevention of further erosion in the current deductibility of mine exploration and development expenses; and (3) retention of adequate capital cost recovery allowances. The industry also will continue to pursue modification of the alternative minimum tax (AMT) to eliminate those aspects that discriminate against the mining industry and to oppose increases in the AMT rate.



DRUMMOND

TRADE

AMC encourages the U.S. government to work to eliminate all restrictions on the principles of open and fair trade. We also urge the Executive and Legislative branches to weigh carefully the adverse impact of actions that may place U.S. minerals and metals producers at a disadvantage relative to foreign producers.



OSBORNE

AMC continues to support the Uruguay Round of multilateral trade negotiations and advocates specific actions to enhance the international competitiveness of the U.S. mining industry.

AMC urges that multilateral financial institutions support economic development in lesser developed countries in a manner that does not foster otherwise uneconomic minerals production.

MINE WASTE

AMC supports the policy position espoused by the National Governors' Association and Western Governors' Association favoring a state-based approach for protection of public health and the environment, taking into account current site-specific, waste-specific and waste management-specific practices, and, to the maximum extent feasible, relying on existing state regulatory programs for mining waste. A reasonable regulatory system cannot be developed without drawing upon the technical expertise of the U.S. Bureau of Mines and the experience of the states and other federal agencies that have been regulating mine waste management practices for many years.



TURNER

MINERAL POLICY

AMC continues to monitor legislation dealing with the National Defense Stockpile, to support in Congress funding for the activities of the National Critical Materials Council to enable it to take the lead in federal government mineral and material policy coordination and analysis, and to monitor the progress of the National Strategic Materials and Minerals Program Advisory Committee. This committee was formed in 1984 to advise the Secretary of the Interior.



SPITZ

Who are those 'AMC contacts'?

AMC Issues Staff Geared Up for Another Busy Year!

By Joyce Morgan

WHO ARE the "AMC contacts" listed on the pages of this Briefing Book? They are a diverse lot, bringing some interesting qualifications and backgrounds to their jobs. The following couple of pages will give readers some idea of who they are.

Public Lands/Minerals Availability Issues



KNOBLOCK

This division is headed by **Keith Knoblock**, who joined AMC in 1966 as assistant editor of the *Mining Congress Journal*. Knoblock, who was named AMC Vice President in 1977, began his professional career as an industrial economic geologist with the 3M Company in 1962, following a three-year stint as an officer in the U.S. Navy. He has a B.A. in geology from Northwestern University. For the past year, he has been concentrating heavily on Congressional efforts to amend the Mining Law of 1872.



HALE

Alma P. Hale is one of the newest members of AMC's staff, having joined at the first of the year. Like Knoblock, she is a geologist, with an M.S. from the University of Kentucky and a B.S. from Vanderbilt University. She was a professional staff member for the House Mining and Natural Resources

Subcommittee where she conducted research and analysis of such issues as U.S. dependence on South Africa and the Soviet Union for strategic minerals, regulation of ocean mining for hard minerals and mine waste regulation. She managed legislation from the subcommittee through the full Interior and Insular Affairs Committee to the House floor. She will be working on public lands issues at AMC.

Energy Policy



GREEN

This division, which handles such issues as federal coal leasing, surface coal mining and reclamation and coal transportation, is headed by **Edward Green**, who is AMC's chief counsel. Green also supervises AMC's litigation program, works on technology-related issues and serves as staff liaison for AMC's Coal Policy Council, Precious Metals Council and AMC's iron ore producing members. He joined the staff in 1977 after leaving the Mining Enforcement and Safety Administration (forerunner of the Mine Safety and Health Administration (MSHA)) as Special Assistant to the Administrator. In addition, Green served as an attorney with the Interior Department working on mine safety and health. He has a B.A. in history from Boston University and received his law degree from the university's School of Law in 1967.



SANDERSON

Surface mining, coal leasing and subsidence issues are the specialty of **Stuart**

Sanderson, who joined AMC in the fall of 1988. Before coming to AMC, he was an Assistant Solicitor in the Surface Mining Division of the Solicitor's Office at the Interior Department. He also spent two years as Chief for Western Field Operations in Denver. Sanderson earned a B.A. in political science from the University of Rochester and his J.D. from American University.

Manufacturers Division



GOSIER

Ann Gosier has been Vice President of this division since 1983. She looks after the interests of AMC's manufacturer and engineering and consulting members, and is responsible for trade and product liability issues as well as the standards and recommended practices program and the machinery shipments survey. She shares responsibility for coal preparation, subsidence and research and development issues. Gosier joined AMC in 1978 after having worked for Representative Jack Brooks (D-TX) and as Assistant Director for Public Relations with the North American Telephone Association. She has a B.A. in political science from Trinity College, Washington, D.C., and currently is pursuing advanced studies at Georgetown University.



TOOKER

Peter Tooker, who joined AMC in 1985, is Gosier's assistant and focuses on technical issues, including MSHA regulations related to mining equipment. He works closely with Mark Ellis and Kevin Burns in the



Human Resources Division (see below) on many MSHA regulatory issues. Before joining AMC, he was Manager of Personnel, Safety and Health at Plateau Resources, Ltd., in Grand Junction, Colorado. Tooker has a B.S. in Business Administration from Washington and Lee University and has done photography work for the National Geographic Society.

Environmental Issues



GILCHRIST

Jim Gilchrist is Vice President of the environmental division, having been named to this post last year. He joined AMC in 1988 after working more than 20 years in various divisions of the Exxon Corporation, including serving as Manager of the Environmental and Regulatory Affairs Division of Exxon Minerals Company. While there, his areas of emphasis were environmental and occupational health law, both in the U.S. and foreign countries. In addition, he has served as Chairman of the Groundwater Subcommittee and Vice Chairman of the Uranium Environmental Subcommittee of AMC. He obtained his J.D. from the University of Tulsa, where he was an editor of the *Law Review*. He also holds B.S. and M.S. degrees in engineering from the University of Oklahoma.



DWYER

Handling solid waste issues is the responsibility of Assistant Vice President **Mark Dwyer**, who joined AMC in 1980. Before coming to AMC he was Government Relations Director and Associate Counsel to the Outdoor Power Equipment Institute, a trade association representing manufacturers of powered lawn and garden tools. He also worked for the Consumer Product Safety Commission as a project officer in the Office of Product Defect Identification. Dwyer received his J.D. from the Catholic University School of Law in Washington, D.C., and an M.S. in American History at Harpur College (State University of New York at Binghamton). He received an A.B., magna cum laude, in history from Boston College.



BIRD

Bonnie G. Bird, another new staff member, most recently practiced international

corporate and commercial law at the sixth largest law firm in England, where she also edited a journal on English law. Before that, she was Associate Director for Energy and Environmental Affairs with the National Association of Manufacturers in Washington. She received her law degree from Loyola University in New Orleans and has an LLM in International Trade Law from the London School of Economics. Her husband is an English Barrister and a Queen's Counsel who practices shipping law in London. Bird works with Gilchrist on clean air issues, both legislative and regulatory.

Human Resources



JACKSON

Bobby Jackson, AMC's Vice President for Human Resources, joined the staff in August 1988. He has overall responsibility for safety, health and employee relations issues. Before coming to AMC, Jackson worked for 18 years at Asarco Incorporated, where he managed accident and injury prevention programs for the firm's more than 7,000 employees at its mines and smelting and refining operations. He is a Certified Safety Professional, a member of the American Society of Safety Engineers and a graduate of Montana State University.



ELLIS

Assisting Jackson in this division is **Mark Ellis**, who joined AMC in the fall of 1987. A 1974 graduate of the University of Denver, he received his J.D. from the university's College of Law in 1978. Before coming to AMC, Ellis worked in the Office of the General Counsel at the Federal Mine Safety and Health Review Commission, where he handled appellate legal work in cases directed to the Commission under the Mine Safety and Health Act. He has also worked on several political campaigns in Colorado. In addition to his safety and industrial relations responsibilities, Ellis focuses on occupational health issues. He works closely with Peter Tooker of the Manufacturers Division on MSHA regulatory issues (see above).



BURNS

Kevin R. Burns joined the staff in December 1988. Before coming to AMC, he

worked at MSHA's Ventilation Division at the Pittsburgh Health Technology Center, where he directed the activities of ventilation survey teams. Burns has a Mining Engineering degree from the University of Pittsburgh and received his J.D. from Duquesne University School of Law in 1985.

Taxation/Accounting



CHAKARUN

AMC's taxation and accounting issues are handled by **Michael Chakarun**, who joined the staff in 1988 after working as a Legislative Assistant for Senator Malcolm Wallop (R-WY). A Certified Public Accountant, he was involved in the deliberations of the Finance Committee that resulted in the tax provisions in the FY 1987 Budget Reconciliation bill and helped prepare the transition rule to lessen the impact of the tax law changes. Chakarun received his Master's in Business Administration from Boise State University in 1986, after obtaining a B.S. in accountancy from Northern Arizona University.

Government Affairs



FENTON

George F. (Ric) Fenton, Vice President for Government Affairs, began working at AMC early in 1985 and is the organization's chief liaison with Capitol Hill and many Executive Branch agencies on mining issues. Before joining AMC, Fenton worked as Professional and Senior Professional Staff Member on the Senate Environment and Public Works Committee, chaired at that time by Senator Jennings Randolph (D-WV). Much of Fenton's time is spent working with each AMC division helping to develop and implement legislative strategies on specific issues receiving Congressional attention. He also serves as liaison with key members of the Executive Branch on regulatory issues. Fenton obtained an A.B. in Psychology in 1970, and an M.S. in Public Administration from West Virginia University in 1972.

These, then, are the "AMC contacts" whom Briefing Book readers should call for any information in addition to that contained in the this book or other AMC publications. For a more detailed directory of the AMC issues staff, please turn the page.

AMERICAN MINING CONGRESS

**Staff Services Directory
Area Code: 202**

President:

John A. Knebel 861-2888

Vice President and Secretary:

Barbara Spillinger 861-2827

Treasurer:

Clarence L. Smith 861-2831

Vice Presidents:

G. F. (Ric) Fenton 861-2823

James E. Gilchrist 861-2876

Ann M. Gosier 861-2862

Bobby J. Jackson 861-2882

Keith R. Knoblock 861-2851

Chief Counsel:

Edward M. Green 861-2866

For Information On:

Accounting Practices

Michael J. Chakarun 861-2830

Air

James E. Gilchrist 861-2876

Bonnie G. Bird 861-2878

Antitrust Compliance

Edward M. Green 861-2866

Carcinogens

James E. Gilchrist 861-2876

Mark G. Ellis 861-2860

Cement & Aggregates

Keith R. Knoblock 861-2851

Clean Coal Technology

Ann M. Gosier 861-2862

Stuart A. Sanderson 861-2857

Coal & Energy Policy

Edward M. Green 861-2866

Coal Leasing

Stuart A. Sanderson 861-2857

Environment

James E. Gilchrist 861-2876

Government Affairs

G. F. (Ric) Fenton Jr. 861-2823

Ground Water

James E. Gilchrist 861-2876

Health & Safety

Bobby J. Jackson 861-2882

Mark G. Ellis 861-2860

Kevin R. Burns 861-2868

Human Resources

Bobby J. Jackson 861-2882

Industrial Relations

Bobby J. Jackson 861-2882

Mark G. Ellis 861-2860

Kevin R. Burns 861-2868

Legal Matters

Edward M. Green 861-2866

Machinery Shipment Data Program

Ann M. Gosier 861-2862

Manufacturers Services

Ann M. Gosier 861-2862

Peter W. Tooker 861-2867

Minerals Availability & Policy

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

Mining and Minerals Education

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

Mining Law

Keith R. Knoblock 861-2851

Mining Research & Technology

Edward M. Green 861-2866

Ann M. Gosier 861-2862

Nonferrous Smelters

James E. Gilchrist 861-2876

Precious Metals

Edward M. Green 861-2866

Product Liability

Ann M. Gosier 861-2862

Product Standards

Ann M. Gosier 861-2862

Public Lands

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

Radiation

James E. Gilchrist 861-2876

Reclamation

Stuart A. Sanderson 861-2857

Resource Conservation & Recovery Act (RCRA)

Roderick T. Dwyer 861-7530

Silver

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

Solid Waste

Roderick T. Dwyer 861-7530

Stockpile

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

Superfund

Roderick T. Dwyer 861-7530

Surface Mining

Stuart A. Sanderson 861-2857

Taxation

Michael J. Chakarun 861-2830

Toxic Substances

Roderick T. Dwyer 861-7530

Trade & Investment Policy

Ann M. Gosier 861-2862

Transportation & Ports

Edward M. Green 861-2866

Undersea Minerals & Mining

Alma P. Hale 861-2814

Uranium

James E. Gilchrist 861-2876

Water

James E. Gilchrist 861-2876

Water Rights

Keith R. Knoblock 861-2851

Alma P. Hale 861-2814

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Environmental Issues

ACID RAIN

Summary:

Acid deposition is perceived as a major problem by environmentalists, the media and--to a significant extent--the general public, at least in the Northeast.

Increased acidification of some surface waters in the Northeast has been documented; however, other potential effects of acid rain are highly uncertain. Even the relationship between increased acidification of surface waters in the Northeast and emissions, particularly of SO₂, from coal-fired sources in the Midwest is uncertain.

Impact on Industry:

Industry could face significant capital and operating costs, if required to install new or additional SO₂ controls. Also, the costs of electric power may increase dramatically and the energy-intensive mining and mineral processing industries could become less competitive in the international marketplace where world metals commodity prices are set.

AMC Position:

While the environmental consequences of acid rain remain questionable, the adverse impacts of acid rain legislation on American industry, and consequently, the nation's economy, will be real and substantial. Absent a demonstrated environmental problem, the government should not add to the economic burden of these industries.

The above notwithstanding, Congress is moving swiftly towards amending the Clean Air Act. In view of this political reality, AMC believes it best to work with Congress and the Administration to ameliorate those proposals that would be harmful to the nation's mining and mineral processing interests. The following outlines issues included in the Administration's acid rain proposal that AMC will work to change:

- AMC will work toward use of the already accepted 1980 National Acid Precipitation Assessment Program emissions inventory.
- AMC takes the position that the tonnage cap on existing plants should be eliminated and that the rate cap for new and existing plants in Phase Two should be no lower than 1.2 lbs SO₂/MMBtu or the federally permitted rate for that plant.
- Relative to Clean Coal Technologies (CCT), AMC supports the extension of time for Phase Two

installation of CCT until at least 2005, the use of currently available CCT to meet Phase One requirements and an extension of time for those Phase One plants choosing CCT to meet the applicable requirement for Phase Two. Furthermore, AMC will work to extend the number of eligible technologies and support an extension of the benefits and incentives suggested for repowering with CCT to new greenfield plants.

Background:

Environmentalists claim that acid rain is largely caused by sulfur emissions from coal-fired plants and that increasing coal use has caused an increase in acid rain. Actually, SO₂ emissions have declined 26 percent since 1970, according to data released by EPA. A National Coal Association study shows that between 1980 and 1987 emissions from coal-fired plants declined 8 percent while electric utility coal consumption increased 27 percent.

Actions to Date:

The primary acid rain legislation in the House is H.R.3030, the Administration's clean air proposal. This bill awaits markup in the House Committee on Energy and Commerce. Further action has been delayed over concerns at the subcommittee level as to whether to assist affected regions vis-a-vis cost sharing.

In the Senate, the markup vehicle was S.1630, introduced by Senators Baucus and Mitchell. The Environment and Public Works Committee completed markup and reported the bill November 16. Majority Leader Mitchell has indicated that he would like the bill to be on the floor as soon as Congress convenes in January.

Next Critical Date:

Issue currently under consideration by both House and Senate. Enactment unlikely prior to Spring 1990.

AMC Staff Contacts:

Jim Gilchrist (202)861-2876
Bonnie Bird (202)861-2878

Updated: January 1990

EPA MINE WASTE REGULATION

Summary:

In 1986, EPA determined that certain extraction and beneficiation wastes did not warrant hazardous waste regulation and decided to develop regulations for such waste under Subtitle D, the solid (i.e. non-hazardous) waste provisions, of the Solid Waste Disposal Act. In July 1988, a federal circuit court upheld EPA's decision. EPA is developing mine waste regulations, but this effort could be superseded by congressional reauthorization of Subtitle D, which will contain new provisions for federal regulation of mine waste.

Impact on Industry:

Unnecessarily stringent waste management controls could substantially increase industry site cleanup costs under Superfund. Increased costs would worsen domestic producers' current disadvantage vis-a-vis foreign mineral producers and lead to increased U.S. dependence on foreign mineral supplies.

AMC Position:

AMC supports the policy position espoused by the National Governors' Association and Western Governors' Association (WGA), favoring a state-based approach for protection of public health and the environment, taking into account current site-specific, waste-specific and waste management-specific practices, and, to the maximum extent feasible, relying on existing state regulatory programs for mining waste. A reasonable regulatory system cannot be developed without drawing upon the technical expertise of the U.S Bureau of Mines and the experience of the states and other federal agencies that have been regulating mine waste management practices for many years.

Background:

Over 80 percent of nonfuel mineral mining and milling wastes are covered by the court decision upholding EPA's determination to develop Subtitle D regulations for mine waste, a major victory for advocates of reasonable, flexible, cost-effective regulation. It is not clear, however, that EPA can develop adequate regulations in a timely manner. The latest EPA Regulatory Agenda projects a revised draft rule in January 1990, a proposed rule in late 1990/early 1991, and a final rule in 1992. AMC has taken a very proactive approach, urging EPA to issue expeditiously a state-based Subtitle D regulation, and working with the governors' associations and state regulators to develop positions compatible with the industry's.

In June, Senator Max Baucus (D-MT), Chairman of the Environment and Public Works Subcommittee on Hazardous Wastes and Toxic Substances, introduced S.1113 to reauthorize Subtitle D of the Solid Waste Disposal Act. Among other things the bill would establish a permit system for solid waste disposal, require EPA to issue federal guidelines containing numerical performance standards for mining and mineral processing, and give EPA enforcement authority over Subtitle D wastes for the first time. Hearings will be held in 1990; reauthorization is possible in 1990 but Clean Air Act amendments have priority. The principal House committee of jurisdiction--the House Energy and Commerce Subcommittee on Transportation, Tourism and Hazardous Materials--drafted legislative language that called for unspecified "performance standards" for large volume mining wastes. The House bill could be introduced in early 1990 and will be followed by hearings. AMC expects to testify at Senate and House hearings.

Actions to Date:

Following EPA's public meetings in 1988 on the agency's first "Strawman" draft mining waste rules, the Western Governors' Association (WGA) received a \$300,000 EPA grant and is submitting detailed comments on that first EPA draft. WGA sought comments from industry and others on the WGA draft, and AMC provided input to WGA. AMC and member company personnel continue to meet with WGA at every opportunity to share ideas on a reasonable regulatory approach. AMC also continues to meet with Bureau of Mines representatives who are concerned with possible legislation and regulatory impacts on the industry.

Next Critical Date:

EPA is expected to issue "Strawman II" perhaps reflecting WGA's input, in January 1990, and follow up with public meetings. Congress is expected to begin hearings on specific RCRA reauthorization bills in 1990, but Clean Air Act amendments still have priority over RCRA reauthorization.

AMC Staff Contact:

Rod Dwyer (202)861-7530

Updated January 1990

EPA REGULATION OF MINERAL PROCESSING WASTES

Summary:

By court order EPA has listed six smelting wastes as hazardous wastes under the Resource Conservation and Recovery Act (RCRA) and has commenced a series of rulemakings to determine what mineral processing wastes continue to be excluded from RCRA hazardous waste regulations pending study and determination of how they should be regulated. The EPA rulemaking could be affected by RCRA reauthorization. Senator Baucus' S.1113, for example, would apply "numerical performance standards" to mineral processing wastes. In addition, current and future industry recycling practices could be affected by legislative attempts to define EPA jurisdiction over recycling activities.

Impact on Industry:

Costs of complying with RCRA regulations could run over \$100 million annually for smelting and refining plants. The regulations also could affect management of mine and mill wastes at integrated facilities, further driving up costs. Increased costs would worsen domestic producers' current disadvantage vis-a-vis foreign producers and increase U.S. reliance on foreign suppliers.

AMC Position:

AMC opposes the court's decision and EPA's listing of the six smelting wastes as hazardous. EPA should have been allowed to proceed with the RCRA-mandated studies of these wastes and then make a regulatory determination based on the studies. EPA's current rulemakings would lead to unnecessary regulation of in-process materials, and of smelters and refineries as hazardous waste treatment facilities, yielding environmentally counterproductive results.

Background:

In 1986, EPA withdrew a rulemaking proposal that reinterpreted the mining and mineral processing waste exemption (the "Bevill Amendment") in RCRA to place almost all smelting and refining wastes under existing hazardous waste regulations. The Environmental Defense Fund and Hazardous Waste Treatment Council sought judicial review of the decision. AMC intervened in the case. In July 1988, a federal circuit court ruled that EPA was arbitrary and capricious in withdrawing the proposed rule. The court ordered EPA to (1) relist the six smelting wastes that had been proposed for listing; (2) conduct a rulemaking between October 15, 1988, and February 15, 1989, to decide which wastes would continue to be covered by the Bevill Amendment and which should be excluded and thus subject to possible regulation as hazardous wastes; (3) to submit

a Report to Congress on all remaining mineral processing wastes; and (4) make a determination about how the studied wastes should be regulated. On September 13, 1988, EPA listed six smelting wastes as hazardous. AMC has sought judicial review of those listings and petitioned the agency to evaluate the appropriateness of listing those six processing wastes. The court will not hear arguments in AMC's challenge until 1990; EPA has not yet responded to AMC's petition.

Actions to date:

In October 1988, EPA proposed a rule identifying 15 processing wastes to be studied under the Bevill Amendment; in response to AMC's comments and testimony the agency expanded the list to more than 40 processing wastes. In February 1989, EPA obtained a modified schedule from the court for future processing waste rulemakings and, in April 1989 repropoed its October 1988 rule, setting forth both volume criteria and low hazard criteria. AMC submitted testimony and comments on this proposal. This rule became final on September 1 and AMC sought judicial review. EPA, on September 25, proposed to apply the volume and hazard criteria to the expanded list of processing wastes. AMC commented on this proposed rule, which will become final in January 1990. AMC anticipates litigation on that final rule.

Member companies participated this summer in an EPA survey, sampling and analysis of wastes at issue in the current rulemakings.

Next Critical Date:

By January 31, 1990, EPA must issue a final rule deciding which processing wastes it will study. AMC anticipates litigation over this final rule. By July 31, 1990, EPA must complete its study of processing wastes and issue a Report to Congress, followed by a "regulatory determination" no later than January 31, 1991, on whether to impose Subtitle C hazardous waste rules on these studied processing wastes. Litigation can be expected over that regulatory determination.

AMC Staff Contact:

Rod Dwyer (202)861-7530

FUGITIVE DUST

Summary:

Culminating a series of protracted proceedings EPA recently announced its decision not to include fugitive dust emissions from surface coal mines in computing whether such mines are "major sources" of air pollution under the Clean Air Act (sources with the potential to emit 250 tons per year or more of any air pollutant). A decision to list such mines would have subjected new mines and major modifications of existing mines to preconstruction review requirements and prevention of significant deterioration (PSD) limits.

Impact on Industry:

Studies done by consultants for AMC show costs of listing surface coal mines greatly exceed the benefits. Costs could be \$8 billion/year or higher.

Listing only those mines that could possibly impact PSD increments around national parks would affect at least 20 coal fields in nine states, with reserves exceeding 8.5 billion tons, according to an AMC-sponsored study.

EPA estimated national costs of listing mines around national parks at between \$200,000 and \$400,000. BHP-Utah International testified that it alone spent in excess of \$400,000 just to study potential air quality and visibility effects near one national park.

A decision to list would have meant that all but the smallest new mines could not be permitted. Existing mines would be unable to make significant modifications or expansions.

AMC Position:

AMC opposed inclusion of fugitive dust in calculating the 250-ton-per-year limit for surface coal mines. The costs of listing far outweigh the benefits, as verified in AMC's studies. AMC has submitted substantial record evidence to EPA showing fugitive emissions from surface coal mines do not have significant health or welfare impacts. The current authority of the Secretary of the Interior to make unsuitability determinations regarding mining near national parks can sufficiently protect park lands from visibility effects. Hence EPA's listing is superfluous. Also, surface coal mines are insignificant sources of fugitive dust emissions, contributing well under one percent of man-made emissions, as compared to agriculture (46 percent) and unpaved roads (48 percent).

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GLOBAL CLIMATE CHANGE

Background:

As a result of litigation brought by environmentalists, EPA was forced to determine whether to include fugitive emissions from surface coal mines in calculating the 250-ton threshold for "major source" determinations. On October 26, 1984, EPA issued a rulemaking proposal to include fugitive emissions in computing the 250-ton limit. On February 28, 1986, the comment period was reopened to consider EPA's Regulatory Impact Analysis (RIA) of its proposal to list surface coal mines. AMC and the National Coal Association (NCA) retained consultants to study and comment on the RIA. The Sierra Club sued to compel the listing and, subsequently to require the agency to act on the issue either way. AMC and NCA intervened in both suits. The former was dismissed by the D.C. Circuit in August 1987; the latter led to a court order requiring EPA to issue a final rule November 16, 1989.

Actions to Date:

The ordinary rulemaking process was completed in July 1986. In August, however, the Department of the Interior filed rebuttal comments to those filed by environmental groups. In May 1987, EPA reopened the comment period on revised alternatives under which the agency would list surface coal mines having a significant impact on Class I areas (i.e. national parks). AMC filed additional comments and met several times with EPA on the revised alternatives. Consistent with the timetable set forth in the court order in the Sierra Club case, EPA issued a final rule November 16, 1989, finding that listing would not be appropriate.

Next Critical Date:

The EPA decision not to list is subject to a petition for review for a period of 60 days.

AMC Staff Contact:

Jim Gilchrist (202)861-2876
Bonnie Bird (202)861-2878

Summary:

Interest in global climate change and the greenhouse phenomenon accelerated greatly in 1988, as a result of unusually warm temperatures and the severe drought experienced in the U.S. This led to a flurry of Congressional hearings and widespread attention by the media. An intense level of activity was expected in 1989, but did not materialize.

Impact on Industry:

Many of the suggested remedies for problems anticipated to result from global climate change involve cutting emissions of carbon dioxide by reducing combustion of fossil fuels. These types of control strategies could have a dramatic impact on the mining industry and on coal mining in particular.

AMC Position:

Global climate change is potentially an international problem and it is essential that an international consensus of scientific opinion relevant to all aspects of the issue be arrived at rather than unilaterally attempting to legislate a remedy.

Background:

The concept of global climate change being caused by industrial activity enhancing the greenhouse effect has been discussed for years within the scientific community. Generally, the theory advanced is that excess emissions of gases such as carbon dioxide, nitrogen oxides and methane will lead to an increase in the amount of heat from the sun trapped within the atmosphere, thereby raising surface temperatures. A significant increase in surface temperature could, of course, lead to serious environmental consequences.

To date, no relationship has been established between actual climatic change and combustion of fossil fuels. However, the unusually hot summer coupled with the drought experienced in the U.S. in 1988 broadened the interest in global climate change and gave it a sense of immediacy. Environmentalists, media, politicians and the general public are beginning to view this as a serious, perhaps even urgent problem, warranting a remedy.

Actions to Date:

Numerous hearings have been held in 1988 and 1989 in both houses of Congress to discuss causation, effects and possible remedies to avert the potential problems that could result from global climate change. The focus largely has been on unilateral remedies.

In the 101st Congress, major bills include Senator Gore's (D-TN) S.201. It would phase out CFCs by 2000, study ways to reduce methane emissions, raise vehicle efficiency standards, encourage waste

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minimization and recycling, as well as help protect tropical rain forests and biodiversity.

A bill introduced by Senator Wirth (D-CO) S.324 would create a national energy policy to reduce global warming. It would include a commitment to reduction of emissions of carbon dioxide by 20 percent by the year 2000. This would be accomplished by the conservation of fossil fuel energy, developing renewable energy resources, halting deforestation and investigating safer nuclear reactors. A bill introduced by Senator Moynihan (D-NY) S.251 provides for a ten year study to investigate potential global environment changes.

In the House, Representative Schneider (R-RI) introduced H.R.1078 that would accomplish a 20 percent reduction in carbon dioxide by 2000.

The Administration has been working through the Intergovernmental Panel on Climate Change (IPCC), a group established by the governing bodies of the World Meteorological Organization and the United Nations Environmental Program to establish a convention on climate change. The IPCC has formed three working groups chaired by the U.K., U.S.S.R. and the U.S. in preparation for an international convention in 1992. Reports are due from the three groups in September 1990.

The Administration again endorsed the importance of the issue at a conference on climate change attended by 70 nations in the Netherlands early in November, but stopped short of a commitment to control carbon dioxide by the year 2000.

Issue is expected to pick up momentum once the Clean Air Act Amendments are passed.

**Next
Critical
Date:**

**AMC Staff
Contacts:**

Jim Gilchrist (202)861-2876
Bonnie Bird (202)861-2878

Updated: January 1990

HAZARDOUS AIR POLLUTANTS

Summary:

Major litigation, legislation and regulatory proceedings are underway that will determine EPA's authority under Section 112 of the Clean Air Act (CAA), which establishes a program to regulate hazardous air pollutants. These proceedings cover such pollutants as radionuclides, arsenic, and cadmium.

**Impact on
Industry:**

Environmentalists seek to require EPA: (1) to list as a hazardous air pollutant any substance identified as a potential carcinogen; and (2) to regulate such substance to limit lifetime risk to any individual to one in a million regardless of economic consequences and to require application of maximum available control technology. As potential carcinogens are emitted from mining and mineral processing sources, such regulation could result in either costly new controls or closure of operations.

**AMC
Position:**

AMC opposes Section 112 regulation merely on a finding that a substance is a potential carcinogen. EPA must determine that emissions present a significant risk of harm to public health at actual exposure levels before regulating any substance under any provision of the CAA. To regulate substances as hazardous air pollutants under Section 112, EPA must show an extremely high level of risk.

Background:

Section 112 was enacted as a part of the 1970 CAA. Under the 1977 amendments, EPA was directed to follow a risk-based approach in making regulatory decisions. Section 112 has stringent deadline requirements: (1) a regulatory proposal must be issued within 180 days of any decision to list a substance as a hazardous air pollutant; and (2) final regulations must be issued within 180 days of any proposal, unless it is determined that a listed substance is clearly not a hazardous air pollutant.

Prior to 1977, EPA proceeded on an assumption that all emissions of potential carcinogens should be regulated under Section 112 and reduced to the lowest feasible level. Development of regulations has been stymied for years, however, because of the recognized severe economic consequences of such an approach.

**Actions
to Date:**

Section 112 decisions to regulate radionuclides and arsenic as hazardous air pollutants date to the late 1970s. AMC participated in these proceedings. EPA issued final rules for emissions of these substances from particular source categories in the mid-1980s. These rules were challenged by environmentalists and industry in the D.C. Circuit, with AMC as a party.

In July 1987, the D.C. Circuit ruled in the Vinyl Chloride case EPA could consider only health factors in determining an acceptable risk under Section 112, but could consider costs and other factors in establishing an ample margin of safety for setting standards. Following this decision, EPA moved for and was granted a remand of its radionuclide rules. The arsenic standard is also expected to be remanded once the parties agree to a rulemaking schedule.

The rulemaking schedule for radionuclides was for proposed rules March 7, 1989, and final rules October 31, 1989. Sources considered included coal-fired boilers, phospho-gypsum stacks, elemental phosphorous plants, underground and surface uranium mines and uranium mill tailings piles.

AMC participated in Science Advisory Board (SAB) review of EPA methodology for radionuclides. SAB subsequently recommended EPA revise its AIRDOSE-EPA model to make it state-of-the-art, use more realistic exposure scenarios and use best estimates of risk with quantified bounds of uncertainties rather than the worst case estimates used in the past.

EPA issued its final radionuclides NESHAP October 31, 1989. Sources directly affected include phosphogypsum stacks, elemental phosphorous plants, underground and surface uranium mines and uranium mill tailings piles. The standards apparently will require closure of a number of facilities and major expenditures at others. The implications with respect to mining and processing operations not directly affected by the standards are still being evaluated.

On the legislative side, both the House and Senate Clean Air Act Amendments include titles on Air Toxics. These take the form of technology based standards covering hundreds of air pollutants, which would be implemented source category by source category. Following application of the technology based standards, a residual risk based standard is to be applied. The Administration bill H.R.3030 is still before the Energy and Commerce Committee. The Senate air toxics bill has been marked up and reported by the Senate Environment and Public Works Committee.

Next
Critical
Dates:

Petition for reconsideration or judicial review must be filed within 60 days following publication of the radionuclide rules in the Federal Register. Congressional consideration of air toxics will continue when Congress reconvenes.

AMC Staff
Contacts:

Jim Gilchrist (202)861-2876
Bonnie Bird (202)861-2878

Updated: January 1990

NAAQS: ONE-HOUR SULFUR DIOXIDE STANDARD

Summary:

EPA, after an eight-year review, proposed at the end of April 1988, to retain its existing national ambient air quality standards (NAAQS) for sulfur dioxide (SO₂). The agency, however, solicited comments on the advisability of a new one-hour standard for this pollutant set at 0.4 parts per million (ppm).

Impact on
Industry:

Adoption of a one-hour standard would have a severe economic impact on coal-fired electric generators, the nonferrous smelting industry and other industrial sources of SO₂ emissions. The additional control costs necessary to comply with such reduced emissions limits would be substantial. Particularly for the nonferrous smelter industry, adoption of a one-hour standard would threaten its continued viability.

AMC
Position:

A one-hour standard is unnecessary in public health terms. Public health is more than adequately protected by the current NAAQS for sulfur dioxide.

The basis for consideration of a new, one-hour standard is that a number of laboratory studies have found detectable responses in the respiratory mechanics of asthmatics exposed to SO₂ for brief periods during moderate to heavy exercise. These responses consist of: (1) transient changes in respiration that may not even be noticed by the subjects and subside quickly upon cessation of either the exposure or the exercise; and (2) in some cases, subjective reactions (such as wheezing, coughing or chest tightness) that are highly transitory, similar to effects produced in asthmatics by a variety of other influences.

The relevance of these responses to public health, even if they occurred outside the laboratory, is highly questionable. A substantial number of medical experts from around the world have expressed the opinion that these responses are not adverse health effects.

With current air quality in the U.S., peak levels of SO₂ potentially high enough to produce such a response are rare and almost always occur near major point sources. The probability that an asthmatic exercising outdoors would be exposed to such a peak SO₂ level--let alone experience a response--is extremely low. Indeed, as EPA's exposure analysis shows, the marginal reduction in such peak SO₂ exposures that would result from a one-hour standard over those that occur with the current standards is vanishingly small. Thus, it is highly doubtful that

implementation of a one-hour standard would result in any appreciable reduction in the incidence of bronchio-constrictive responses in asthmatics.

Background:

Current national ambient air quality standards for sulfur dioxide are: 0.5 ppm averaged over three hours; 0.14 ppm averaged over 24 hours; and 0.03 ppm as an annual average. AMC has participated actively in the pre-decisional process at EPA, including testifying before the Clean Air Scientific Advisory Committee (CASAC) in October 1988 on the agency's criteria documents and staff papers.

Actions to Date:

February 1987--CASAC recommended EPA consider a short-term SO₂ standard.

April 1988--EPA issued a Federal Register proposal to retain its existing NAAQS for SO₂, but comments were requested on the advisability of adopting a one-hour standard.

June 1988--AMC testified at a public hearing in support of EPA's proposal and against the one-hour standard.

August 1988--EPA informed AMC that new studies necessitated by concerns voiced at EPA's June 1988 hearing would delay EPA's decision until summer 1989.

September 1988--EPA announced it was extending the comment period to November 22, 1988, to review an Natural Resources Defense Council (NRDC) petition to change from block to running averaging.

October 1988--EPA announced a CASAC review of the one-hour standard issue would be scheduled for March 1989.

November 1988--Joint AMC/NCA comments filed on the EPA proposal.

Final action scheduled for July 1990.

Next Critical Date:

AMC Staff Contacts:

Jim Gilchrist (202)861-2876
Bonnie Bird (202)861-2878

Updated: January 1990

NATIONAL AMBIENT AIR QUALITY STANDARD FOR LEAD

Summary:

EPA is considering proposing, under the Clean Air Act, a stricter National Ambient Air Quality Standard (NAAQS) for emissions of lead.

Impact on Industry:

When EPA promulgated the existing lead NAAQS on October 5, 1978, the Federal Register notice stated: "EPA's economic analysis does indicate that there may be significant problems in attainment of the standard in the vicinity of nonferrous smelters and other large industrial sources." The notice further stated: "The agency will make every effort to ensure that all opportunities to avoid plant closures are examined." A new, stricter standard would increase the likelihood of noncompliance, and could result in significant disruption and cessation of operations.

AMC Position:

AMC is concerned about the ability of nonferrous smelters to comply with stricter standards and potential plant closures.

Background:

EPA is conducting its periodic review of the NAAQS for lead as required by the Clean Air Act. The current primary (health-based) and secondary (welfare-related) NAAQS are at a level of 1.5 micrograms of lead per cubic meter of air, averaged over a calendar quarter. EPA is considering a stricter standard (perhaps as low as 0.5 micrograms).

Actions to Date:

The EPA Clean Air Scientific Advisory Committee (CASAC) held meetings in 1986 and closed on a criteria document for lead. The CASAC Lead Exposure Subcommittee met in October 1988 to review an EPA draft report on exposure analysis. The final version of the exposure analysis report was released in June 1989 and supplements EPA's staff paper. EPA sent its staff paper, which examines the health implications of the different levels of lead exposure, to CASAC in March 1989 and is awaiting CASAC's recommendations, which are expected imminently. A recommendation for a more stringent lead NAAQS is anticipated.

Next Critical Date:

CASAC is expected to return its recommendations on the staff paper containing the health effects of different levels of lead exposure near the end of 1989. The promulgation of final NAAQS is expected in October 1990.

AMC Staff Contact:

Jim Gilchrist (202)861-2876

Updated: January 1990

NATIONAL AMBIENT AIR QUALITY STANDARD (NAAQS) FOR ACID AEROSOLS

Summary:

EPA is considering proposing NAAQS for acid aerosols under the Clean Air Act.

Impact on Industry:

Acid aerosols are associated with sulfur emissions and are present at coal-fired electric generators and nonferrous smelters. Regulation of acid aerosols at power plants is expected to require significant capital outlays and result in increased operating costs, thus increasing the cost of burning coal and adversely impacting coal sales. Similarly, the impact of further controlling sulfur emissions from smelters would have serious adverse economic effects on the nonferrous smelting industry.

AMC Position:

EPA's scientific data is inadequate to justify issuing a new NAAQS for acid aerosols. Moreover, EPA must define what acid aerosols are, as they may already be covered by existing NAAQS for sulfur dioxide and particulates.

Background:

In the course of preparing an air quality criteria document for particulate matter (PM) and sulfur dioxides (SO₂), EPA researchers identified acid aerosols as one constituent of the PM/SO₂ airborne mix that might have the potential to cause PM/SO₂ health effects. The Clean Air Scientific Advisory Committee (CASAC) recommended EPA prepare an acid aerosol issue paper to evaluate literature concerning health effects associated with acid aerosols. In February 1988, EPA published a draft acid aerosols issue paper.

Actions to Date:

In June 1988, the CASAC Acid Aerosols Subcommittee recommended EPA issue NAAQS for acid aerosols. AMC submitted comments to EPA in July 1988, which stated it would be premature to list acid aerosols as a criteria pollutant. At the same time, AMC requested that the full CASAC reconsider the subcommittee's recommendation. AMC wrote each CASAC member to advise them of our position in advance of this meeting and testified at the CASAC meeting, which was held in October 1988. The consensus of the full CASAC was not to list acid aerosols at this time, which would have necessitated issuing NAAQS, but to proceed with preparation of a criteria document and staff report.

Next Critical Date:

EPA is expected to publish an acid aerosols criteria document in early 1990.

AMC Staff Contact:

Jim Gilchrist (202)861-2876

Updated: January 1990

NATIONAL GROUND-WATER LEGISLATION

Summary:

In the 100th Congress, both the House and the Senate passed separate ground-water research bills, but Congress adjourned before a compromise could be reached. In the 101st Congress ground-water legislation has taken a backseat to other environmental issues. However, bills identical to bills passed by both the House of Representatives and the Senate in the 100th Congress have been reintroduced. The principal question is whether the federal role should be to provide research and technical support to the states or should be expanded to include comprehensive federal regulatory controls over ground water.

Impact on Industry:

Federal research bills that contain no regulatory control provisions would have no compliance costs for industry. Regulatory control legislation will have an economic impact, because mining, mineral processing and attendant activities cannot be conducted without affecting ground water to some degree. If a strict "no migration" standard is imposed (prohibiting any movement of pollutants through the ground water), mining operations could be terminated.

AMC Position:

The principal bills in both the House and Senate are consistent with AMC policy that the federal government should conduct ground-water research and provide technical and financial assistance to the states for their ground-water protection programs. AMC believes primary authority for ground-water management should continue to reside with state governments. The federal government has sufficient authority under existing environmental statutes to regulate ground water in the event such action may be needed to protect human health. No new federal control legislation is needed to protect ground-water quality.

Background:

House: H.R.2734 introduced by Representative Sheuer (D-NY) is a research bill that provides subtle incentives to the states coupled with the program requirements. Hearings were held on the bill and all agreed that the availability of data is the key to adequately protecting ground-water resources. H.R.37 is identical to H.R.791, a compromise research bill which passed the House in late 1987, by a vote of 399 to 15.

Another bill, H.R.2521, identical to last year's H.R.2320, requires the 17 Reclamation States (all western states) to develop ground-water protection programs for approval by the Secretary of the Interior or lose federal reclamation project funding.

Senate: In August, the Senate held an oversight hearing to assess the extent of ground-water pollution. While the EPA witness declared that there is no national ground-water crisis, committee members seemed unconvinced. However, all agreed that further research is needed. The principal Senate bill, S.203 is identical to a substitute version of H.R.791 that passed the Senate in the 100th Congress. The bill contained more extensive provisions regarding research than the House bill. The bill also reflects the Environment and Public Works Committee view that the federal government should go beyond research to provide incentives for state ground-water control programs.

Actions to Date:

In an effort to counter environmentalists calls for federal "command and control" ground-water legislation, AMC, in July 1989, cosigned a letter to key members of the House and Senate. The letter emphasized that while there is a role to be played by the federal government in providing financial, technical and administrative assistance to the states, the latter should retain the primary role in the protection of their ground-water resources.

Next Critical Date:

It is expected that ground-water legislation, both research and regulatory, will be considered in 1990.

AMC Staff Contact:

Jim Gilchrist (202)861-2876

URANIUM MILL TAILINGS: RADIATION AND GROUND-WATER RULES UNDER UMTRCA

Summary:

In the early 1980s, EPA and the Nuclear Regulatory Commission (NRC) adopted stringent radon emission and ground-water contamination rules for uranium mill tailings under the Uranium Mill Tailings Radiation Control Act (UMTRCA). In 1986, under the Clean Air Act (CAA), EPA imposed stringent requirements to limit radon emissions and groundwater contamination from active uranium mill tailings sites.

Impact on Industry:

Compliance with UMTRCA standards at active mill sites will cost from \$600 million (according to EPA) to \$2 billion (according to the Department of Energy). Compliance with CAA standards at active sites will cost an additional \$280 million by EPA's estimate. Individual uranium companies are subject to a large but contingent liability for cleanup of inactive uranium mill sites under Section 115 of UMTRCA.

AMC Position:

EPA has not established, consistent with the requirements of law, that radon emissions from uranium mill tailings present a significant risk of harm to public health.

EPA has never evaluated the potential for adverse effects from uranium milling operations on ground water within the intent of UMTRCA, RCRA or CAA.

EPA's rules irrationally discriminate against the uranium industry, because its wastes are not fundamentally different from other mining wastes that the agency has decided not to regulate under Subtitle C of RCRA.

The time has come for a workable program that protects public health, but is also reasonable as to costs in view of the limited risks presented by these sites and consistent with Congressional intent in UMTRCA, as amended.

Background:

Uranium mill tailings have been the subject of regulatory actions by NRC and EPA since 1979. EPA and NRC standards under UMTRCA limit radon emissions from tailings, require cleanup of tailings-contaminated land, and impose RCRA Subtitle C hazardous waste standards at mill sites to protect ground water. AMC's challenge to EPA's inactive and active mill tailings site standards under UMTRCA ended in June 1986, when the Supreme Court denied our petition for certiorari.

**Actions
to Date:**

Recent developments have occurred that warrant optimism for some relief from the existing UMTRCA standards:

- Two National Academy of Science reports have been issued that are relevant. The first, on uranium mill tailings risks is highly critical of EPA's risk evaluation. The second, on internal alpha radiation rejects the dose conversion model used by EPA in the tailings rules. As a result of this second report, EPA has already reduced its risk factor by roughly one-half.
- EPA's risk evaluation methodology has undergone further highly critical evaluation by the EPA Science Advisory Board in connection with the agency's Section 112 radionuclide proceeding.
- The existence of EPA's ongoing mine waste proceeding under Subtitle D of RCRA challenges the legitimacy of a Subtitle C program for uranium mill tailings, because the two categories of waste are indistinguishable, for all practicable purposes, in public health terms.

EPA proposed revised ground-water standards for inactive sites in September 1987. AMC testified and commented on this proposal, with emphasis on the importance of making available the option of passive restoration for cleanup of ground-water contamination.

**Next
Critical
Date:**

AMC expects inactive site ground-water standards to be issued in early 1990.

**AMC Staff
Contact:**

Jim Gilchrist (202)861-2876

Updated: January 1990

Industrial Relations and Safety/Health

MSHA REGULATORY REFORM

Summary:

AMC has consistently and continually advocated that MSHA initiate orderly reform of regulations that are outdated, redundant or restrict technological innovation. Further, the agency has been encouraged to establish rules that are performance-oriented thus allowing application for the vast variety of mining techniques, methods, commodities and other variables. AMC has on numerous occasions submitted suggestions as to the priority of regulatory reform needs, based on practical industry experience. The agency has responded with proposed rules, accepted written comments and held public hearings ultimately issuing some final rules. Many other proposals are at various stages of rulemaking with extensive involvement by all segments of industry.

Impact on Industry:

If considered and completed in a prudent and timely manner, regulatory review would be of substantial benefit to the mining industry. Technological advances could be initiated, improved performance-oriented standards could be initiated--all to the collective improvement of safety and health for miners and productivity for the industry.

AMC Position:

AMC, by its early submittal of proposed changes, supported and continues to support the concept of reform. We have actively and extensively participated at all stages of the rulemaking process. We encourage orderly revisions in the standards that influence safety and health practices in the mining industry. We oppose rules that add significant costs without proven safety and health benefits.

Background:

The initiation of the regulatory review process raised hopes that regulatory burdens would be lessened. The agency's initial slow movement and several overly restrictive proposals contributed to a feeling that these efforts may be counterproductive. Recently, accelerated and burdensome rulemaking activities raised concerns that complex and detailed proposals may not be adequately reviewed, analyzed and commented upon. Many current proposals require extensive scientific, medical and technical analysis yet comment periods are exceedingly brief. This

DIESEL USE IN UNDERGROUND COAL MINES

Summary:

Coal mine operators are increasingly utilizing diesel equipment underground. This increased use, however, has met with stiff opposition by the United Mine Workers, who allege safety hazards and adverse health effects from underground diesels. The industry has long contended that diesels are safe and that exhaust fumes can be controlled to safe levels. The issue of allowing or prohibiting diesels has also been engaged in various eastern state legislatures. MSHA established a Diesel Advisory Committee, which advised the Secretary of Labor on safety and use standards. MSHA recently released proposed rules based upon the Advisory Committee's report.

Impact on Industry:

Compared to the noncoal industry, the coal industry's use of underground diesels is limited. Coal operators, however, strongly favor increased application, arguing that the flexibility this equipment offers can improve productivity and safety. Particularly in a time of tight market conditions, all available and safe equipment options should be available to the mine operator.

AMC Position:

AMC supports the coal mine operator's right to utilize diesel equipment underground. We closely monitored the deliberations of the Diesel Advisory Committee. A panel of member company representatives provided technical support to the two industry members on the committee.

Background:

To date, MSHA's standards have not specifically addressed the use of diesel equipment in underground coal mines. Approval schedules for diesel "permissibility" (fire and explosion prevention) have been handled through standards directed at diesel use in noncoal gassy mines. There are no specific MSHA standards governing ventilation in mines utilizing diesels; however, general air quality provisions in the coal regulations are applied to control diesel emissions. The principal need is for standards approving equipment for underground coal use and governing the sampling of air in dieselized coal mines.

On October 6, 1987, MSHA announced the establishment of a Diesel Advisory Committee. The nine-member committee was composed of two representatives from industry, two from organized labor and five neutral public members. In July 1988, at the conclusion of its six month charter, the committee advised the Secretary of Labor on recommended safety and health standards related to approval and use of diesel-powered equipment in underground coal mines

On July 20, 1988, the National Institute for Occupational Safety and Health (NIOSH) released Current Intelligence Bulletin #50 recommending that whole diesel exhaust be regarded as "a potential occupational carcinogen." NIOSH believes that continued investigation is essential to establish occupational exposure limits and develop suitable sampling, monitoring and control measures.

During the summer of 1989, at the request of organized labor, the House Subcommittee on Health and Safety held oversight hearings on possible health effects from exposure to diesel fumes in confined work spaces. The hearings provided a platform for organized labor and increased political pressure on federal agencies to respond to their concerns.

On October 4, 1989, MSHA published proposed rules based on recommendations of the Diesel Advisory Committee. Central to the proposal are requirements governing equipment approval, exposure monitoring and safety.

Actions to Date:

January 1985--AMC testified on diesel health effects
March 1985--NIOSH issued neutral "white paper" on use of diesels in underground coal mines
May 1985--AMC filed comments on MSHA diesel sampling requirements
April 4, 1986--AMC filed comments on MSHA's preproposal draft ventilation standards including a diesel exhaust sampling proposal
December 1986--AMC filed comments on the NIOSH white paper

June 22, 1987--AMC submitted nominations for appointment to MSHA's Diesel Advisory Committee
Oct. 6, 1987--MSHA announced establishment of Diesel Advisory Committee
January 5, 1988--MSHA appointed members to Diesel Advisory Committee
July 20, 1988--NIOSH released Current Intelligence Bulletin #50, Carcinogenic Effects of Exposure to Diesel Exhaust
July 27, 1988--Diesel Advisory Committee submitted its recommendations to the Secretary of Labor
Summer of 1989--House Subcommittee on Health and Safety conducts oversight hearings on health effects from exposure to diesel fumes
October 4, 1989--MSHA publishes Announced Notice of Proposed Rulemaking (ANPRM) and Notice of Proposed Rulemaking (NPRM) on the approval and use of diesel-powered equipment in underground coal mines

Next Critical Dates:

January 2, 1990--Was the announced close of written comment period on MSHA proposal. AMC has filed a request for an extension of the comment period and MSHA has indicated they intend to extend NPRM several months to accommodate air quality rulemaking, which impacts diesel rules. The ANPRM will receive limited extensions for comment periods

AMC Staff Contacts:

Mark G. Ellis (202) 861-2860
Ann M. Gosier (202) 861-2862
Peter W. Tooker (202) 861-2867

Updated: January 1990

MSHA MINE PLAN APPROVAL PROCEDURES

Summary:

The need for a formal mine plan approval procedure is AMC's top priority for MSHA regulatory reform. The Mine Safety Act requires operators to develop, and MSHA to approve, operating plans for such subjects as roof control and ventilation. While the plans were meant to be site-specific supplements to the mandatory regulations, MSHA has used them to apply mandatory requirements throughout the industry in circumvention of the act's rulemaking procedures.

Impact on Industry:

Mines cannot operate without approved plans. Those that do are closed down. Yet there are no administrative procedures for appealing an MSHA district manager's denial of approval. This leaves operators with the choice between mine closure or acceding to what often are irrelevant and unnecessarily costly demands of the MSHA district manager, which contribute nothing to miners' safety.

AMC Position:

AMC, together with BCOA, has petitioned MSHA for a formal plan approval procedure with review by an independent administrative law judge to resolve mine plan disputes between operators and district managers. Only disputed provisions of the plan would be placed before the judge. The mine would be allowed to continue operating under the previously approved plan (supplemented with the undisputed provisions of the new plan) so long as no "significant and substantial" risk to miners is involved.

Background:

The above solution was submitted to MSHA by AMC and BCOA in 1982, yet little has been done to implement it other than a preliminary agency request for comment. Meanwhile, the Mine Safety and Health Review Commission, in a case where AMC acted as amicus, has ruled against MSHA and held that mine plans cannot be used piece-meal to impose industry-wide requirements. In its January 1988 ventilation proposal for underground coal mines, MSHA proposed a role for miners' representatives in the plan approval process and a limited appeal to the Administrator of the district manager's decision on a disputed plan. MSHA also indicated that after the ventilation plan proposal becomes final, the agency will initiate rulemaking to conform the roof control plan approval provisions to that rule. In August 1988, MSHA's Administrator for Coal Mine Safety and Health issued a policy memorandum that purports to address the procedural issues raised in the AMC/BCOA proposal. Industry experience under this new MSHA

policy has been limited, but there is general recognition that the policy fails to provide necessary procedural safeguards for mine operators. AMC opposes those substantive rulemaking efforts and continues to press for adoption of the AMC/BCOA procedural proposal.

Actions to Date: November 1982--First AMC/BCOA proposal submitted
July 1983--Revised AMC/BCOA proposal submitted
March 1985--MSHA Advance Notice of Proposed Rule issued

Next Critical Date: The agency had promised a proposed rule on mine plan approval procedures in 1988. It now hopes the recent policy memorandum has effectively defused the issue. No action will be taken until the effects of the policy memorandum have been tested and evaluated by the operations.

AMC Staff Contacts: Bobby J. Jackson (202)861-2882
Mark G. Ellis (202)861-2860

OCCUPATIONAL DISEASE NOTIFICATION LEGISLATION

Summary: The legislation would establish a federal program to identify, notify and monitor employees presumed to be at high risk of contracting an occupational disease. Senator Metzenbaum (D-OH) introduced S.582 on March 15, 1989. This legislation is identical to S.79, which was considered and withdrawn in the 100th Congress. On August 1, 1989, Congressman Gaydos (D-PA) introduced H.R.3067, a revised version of H.R.162, which passed the House in the last Congress. The legislation would create a risk assessment board, within the Department of Health and Human Services to identify and notify each employee, both current and former, of the nature of the risk. The bills mandate employer-financed medical exams, and require transfers to a nonexposed position or medical removal with pay for one year if an alternative position does not exist.

Impact on Industry: The impact on industry is incalculable since the legislation does not clearly define which workers are considered at "risk." However, the legislation's proponents argue for a broad interpretation that could ultimately result in costs of \$3 billion per year after passage. Furthermore, extensive litigation is expected to result from notices sent to former employees. Extrapolation of the results of a government notification program indicates that \$112 billion in litigation can be expected in the program's first year. The resulting defense and liability costs could be massive but are incalculable.

AMC Position: AMC opposes the legislation as duplicative of existing authorized programs, e.g. the Occupational Safety and Health Administration's (OSHA) hazard communication standard and MSHA's health standards and training program. In particular, AMC opposes the bill's nebulous procedures for identifying which workforce segments are at risk. AMC testified at 1987 House and Senate hearings on these bills and helped initiate a broad-based coalition to oppose them. AMC will continue its opposition to similar legislation.

Actions to Date: February 1985--H.R.1309 introduced
March 1985--AMC forms broad-based coalition to oppose new legislation

October 1985--AMC testified in opposition
July 16, 1986--H.R.1309 reported out of Committee
Fall of 1986--AMC testified before the Senate Subcommittee on Labor
January 1987--H.R.162 and S.79 introduced
March 1987--AMC testified in opposition in both Senate and House hearings
May 19, 1987--H.R.162 reported out of Committee
July 23, 1987--S.79 reported out of Committee
Oct. 15, 1987--H.R.162 passes 225 to 186
March 29, 1988--S.79 withdrawn from floor consideration
March 15, 1989--S.582 introduced
August 1, 1989--H.R.3067 introduced

Next Critical Dates: Pending in Senate Labor and Human Resources Committee and the House Education and Labor Committee. Renewed activity is expected on these bills in 1990

AMC Staff Contacts: Bobby J. Jackson (202) 861-2882
Mark G. Ellis (202) 861-2860

Update: January 1990

SILICA: OCCUPATIONAL EXPOSURE

Summary:

The potential adverse health effects of occupational exposure to high concentrations of silica is attracting increased attention. Silica, technically silicon dioxide (SiO₂), occurs in crystalline form in a variety of minerals, including common quartz, cristobalite and tridymite. Prolonged inhalation of respirable silica dusts can cause silicosis, a massive scarring of lung tissue marked by shortness of breath. Recent medical research has suggested that silica may be a human carcinogen. These studies are far from conclusive and are highly controversial.

Impact on Industry:

Nearly three quarters of the earth's crust is composed of rocks containing silica. Given its ubiquitous distribution, it affects all mining. Occupational exposures to silica are regulated by the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA). The International Agency for Research on Cancer (IARC), a body of the World Health Organization, has designated silica as a probable human carcinogen based on its classification of the available medical evidence. This IARC classification of a substance as a carcinogen serves as an automatic regulatory trigger, i.e. for OSHA's hazard communication standard, even though the regulatory agency has not itself determined the substance is a human carcinogen.

AMC Position:

The AMC Occupational Health Committee, in cooperation with other AMC committees, closely monitors regulatory action affecting permissible occupational exposures to various substances, including silica. AMC believes that regulations setting occupational exposure limits must demonstrate that they are reasonably necessary and appropriate to remedy a significant risk of material health impairment. AMC opposes the use of IARC designations as an automatic trigger for regulatory actions because it denies due process, i.e. agency risk assessment, notice and comment rulemaking, etc.

Actions to Date:

June 1986--IARC publishes Monograph 42 finding sufficient evidence for the carcinogenicity of crystalline silica to experimental animals and limited evidence for

the carcinogenicity of crystalline silica to humans.

March 1987--IARC publishes Supplement 7 classifying substances exhibiting the characteristics outlined above as probable human carcinogens.

Summer and fall 1988--OSHA conducts rulemaking on Air Contaminants, including crystalline silica. AMC actively participates in rulemaking process.

January 13, 1989--OSHA issues Final Rule on Air Contaminants setting permissible exposure limits for various substances, including crystalline silica.

February 28, 1989--National Toxicology Program (NTP) proposes crystalline silica be included in the Sixth Annual Report on Carcinogens as a substance reasonably anticipated to be a carcinogen. AMC filed two sets of comments critical of the nomination.

August 29, 1989--MSHA issues a Proposed Rule on Air Quality setting permissible exposure limits for various substances, including crystalline silica.

Next Critical Dates:

March 2, 1990--Close of written comment period on MSHA Proposed Rule on Air Quality. AMC requested extension of comment period and MSHA has indicated that extensions are likely.

AMC Staff Contact:

Mark G. Ellis (202) 861-2860

Update: January 1990

RADIATION: OCCUPATIONAL EXPOSURES

Summary:

Exposure to radon daughters at very high concentrations has been linked to increased incidence of lung cancer in humans. The Mine Safety and Health Administration (MSHA) is reviewing its existing exposure limits for radon daughters to determine if they should be lowered.

Impact on Industry:

A significant lowering of existing standards would (1) jeopardize underground mining as a method of uranium recovery in this country, and (2) bring many nonuranium mines within the scope of MSHA's radiation protection regulations, adding major new ventilation costs as well as costly new monitoring and recordkeeping requirements.

AMC Position:

AMC opposes a lowering of existing MSHA standards because exposures are now well below levels at which any health effects have been observed even among nonsmokers. In short, existing regulations assure worker protection.

Background:

MSHA regulations currently limit exposure to radon daughters in underground mines to four working level months (WLM) per year, which is a time-weighted limit.

Actions to Date:

In 1985, MSHA denied a petition by the Oil, Chemical and Atomic Workers Union for issuance of a temporary emergency order lowering the radon daughter standard to one WLM. MSHA, supported by AMC, successfully defended this action in court.

In that same year, MSHA issued an advance notice of proposed rulemaking soliciting specific information on radiation health effects and the adequacy of its standards. AMC filed extensive technical comments.

In early 1986, MSHA issued a preproposal draft rule that would lower the existing standard significantly. Again, AMC filed extensive comments opposing the draft.

In late 1986, MSHA issued a proposed new rule. With one significant exception, MSHA recognized the difficulties with its preproposal draft and changed its approach. The single significant exception is a proposed "sum rule" that combines radon daughters, thoron daughters and gamma radiation. This rule, if adopted, would significantly reduce the present primary radiation standard (i.e. the four WLM standard). Comments were filed by AMC on this proposal on February 17, 1987.

In March 1987, the National Institute for Occupational Safety and Health (NIOSH) issued for informal peer review, a draft criteria document in which a one WLM standard is recommended along with other more stringent requirements. Comments were filed by AMC raising significant questions with respect to this document.

In August 1987, MSHA held its public hearing on this proposal in which AMC and NIOSH were the primary witnesses. Post-hearing comments were filed by AMC in October 1987.

AMC comments on the National Academy of Sciences' (NAS) report on internal alpha radiation, popularly known as the "BEIR IV Report," and the final NIOSH criteria document were filed in February 1988.

Next Critical Date: A final decision on whether and how to revise existing standards is the only remaining decision point. This is projected for early 1990.

AMC Staff Contact: Jim Gilchrist (202)861-2876

REVISED APPROVAL CRITERIA FOR THE TESTING, EVALUATION AND APPROVAL OF PRODUCTS MANUFACTURED FOR USE IN UNDERGROUND MINES

Summary:

The Mine Safety and Health Administration (MSHA) is revising the requirements for equipment currently approved under 30 CFR Parts 11-36, and drafting new criteria for the approval of technologies not addressed by existing regulations. The requirements are primarily designed as 30 CFR 7 subparts, thereby mandating applicant or third-party product testing. The agency has issued final subparts revising the testing requirements for brattice cloth and ventilation tubing, battery assemblies and multiple-shot blasting units; and has released revised acceptance criteria for ground wire monitors, ground wire devices and nonasbestos packing gland material. In October 1989, MSHA issued proposed rules for the approval of diesel engines and safety power packages for use in underground coal mines. The Bureau of Mines (BOM) is conducting research that will provide sound technical data for use in the development of revised approval rules for both diesel and electrical equipment.

Impact on Industry:

Revised approval requirements incorporating performance criteria are necessary to streamline the approval process and to allow for the timely introduction of technologies not now approved for use in certain areas of underground mines. Improvements in MSHA's approval process will enable the mining industry to further enhance safety and improve productivity. Working in cooperation with BOM helps ensure that research is directed to areas of need.

AMC Position:

AMC supports MSHA's efforts to update its product approval requirements. AMC will assist MSHA, BOM and other government agencies in the development of sound regulations related to mining equipment. AMC believes that it is important to ensure that revised equipment approval rules are based upon sound technical data reflecting practical tests and actual experience within the mining industry.

Background:

The machinery and equipment approval criteria set forth in 30 CFR Parts 11-36 have not been revised in many years and no longer adequately address available technologies. Following the promulgation of 30 CFR 7, the agency began drafting revisions to many of the existing product approval criteria. To date, two final subparts have been released and 24 draft documents have been prepared. MSHA has invited interested parties to comment on the technical merit of the preliminary documents. The AMC Technical Committee has established ad hoc groups to review the material with the agency's technical personnel.

Actions
to Date:

Final--

March 14, 1988--MSHA released draft documents addressing explosion-proof enclosures, motor assemblies and electrical cable and cable splice kits

June 22, 1988--MSHA issued final Subparts B for brattice cloth and ventilation tubing and C for battery assemblies

July 28, 1988--MSHA issued approval criteria for high-voltage equipment containing on-board switching of high-voltage circuitry

November 18, 1988--MSHA released final requirements for approval of explosives and sheathed explosive units

September 20, 1989--MSHA issued revised acceptance criteria for ground wire monitors, ground wire devices and nonasbestos packing material

November 21, 1989--MSHA issued final 30 CFR 7 subpart D for multiple-shot blasting units

Proposed--

October 4, 1989--MSHA released proposed rules for the approval of diesel engines and safety power packages for use in underground coal mines

October 4, 1989--MSHA released an advanced notice of proposed rulemaking on the approval of diesel-powered machines in underground coal mines

Next
Critical
Date:

1990--AMC Ad Hoc Groups will continue to comment on the technical merit of preliminary draft documents.

--MSHA expected to release proposed rules revising approval criteria for:

- electric motor assemblies
- explosion-proof enclosures
- electric cables and splice kits
- intrinsically safe battery-powered devices
- flame test of conveyor belting and hose

AMC Staff
Contacts:

Ann Gosier (202)861-2862
Peter Tooker (202)861-2867

AMERICANS WITH DISABILITIES ACT

Summary:

The Americans with Disabilities Act (ADA) legislation is the most sweeping civil rights legislation since the Civil Rights Act. It is claimed to protect 43 million physically and mentally disabled Americans against discrimination in jobs, public accommodations, services, transportation and telecommunications. Virtually every business in America will be dramatically affected by the legislation (when passed).

The Senate version of the ADA, S.933, was passed on September 7 by a vote of 76 to 8. The employment provisions of S.933 were much improved prior to the vote through negotiations involving the White House, Senate and the business and disabled communities. Despite these improvements, there remains a concern about many of the provisions of the Act. Hearings on the companion measure, H.R.2273, continue before the four committees to which it was referred and both employer and disability community witnesses have stated the Senate-passed bill should be used as the starting point.

AMC Position:

While no formal policy has been adopted, the AMC endorses the principals of the legislation, but cautions the Congress that ill-designed, insufficiently considered legislation will prove to be detrimental to American business and potentially counterproductive to disabled persons' needs.

Background:

Introduced on May 9, 1989, by Sen. Tom Harkin (D-IA) and former Rep. Tony Coelho (D-CA), the ADA is the most comprehensive civil rights legislation being considered by Congress. The expressed purpose of the bill is to establish a "clear and comprehensive prohibition of discrimination on the basis of disability." It would prohibit discrimination on the basis of disability in employment, transportation, public accommodations, public services and transportation and telecommunications.

Hearings on S.933 were held on May 9, 10 and 16 and June 22. On September 7, the Senate passed S.933.

On the House side, numerous hearings have been held before the four committees of jurisdiction and in all cases business and disability representatives have indicated S.933 should be used as the baseline. The Education and Labor Committee deferred a November 1 markup but is expected to move quickly when Congress reconvenes.

Actions to Date:

A coalition of associations and companies, including the AMC, that constitute the Disability Rights Working Group, began working with the executive and legislative branches to identify alternatives that would better satisfy the expressed objectives of the measures. The object has been to improve the legislation so that it is truly protective of the disabled without erecting barriers to their employment, without imposing unrealistic operational difficulties or encouraging increased litigation.

AMC has written all Members of Congress expressing the concerns of the mining industry relative to ADA. In those letters AMC lauded the purposes behind ADA but stated the legislation falls short of meeting legislative needs of the disabled.

Next Critical Dates:

Congress reconvenes in late January and the House will commence additional hearings, likely expedited to completion. A bill will go to the President shortly thereafter and likely will be signed.

AMC Staff Contact:

Bobby J. Jackson (202/861-2882)

Updated: January 1990

MSHA AIR QUALITY STANDARDS

Summary:

On August 29, 1989, the Mine Safety and Health Administration (MSHA) published a proposal to revise its standards for air quality, chemical substances and respiratory protection programs. Among other requirements the proposal would: update permissible exposure limits (PEL) for airborne chemical substances, set limits for substances not currently addressed by MSHA standards; and establish a provision setting an exposure limit for respirable mine dust applicable to metal and nonmetal mines. Mine operators would have to use feasible engineering or administrative controls to reduce exposure to or below the PEL. Respiratory protection would be required when controls are not feasible, when controls are being established, and during occasional entry into hazardous atmospheres for maintenance, investigative or emergency cleanup activities. When respirator use is required, operators would have to implement a respiratory protection program. In addition, before a miner could be assigned a task using a respirator, a medical evaluation by a licensed physician would be required. Miners found to be medically unable to wear respirators would be required to be transferred to another position, at no less pay. Carcinogens are addressed by requirements restricting their use. The proposal would require operators to implement new requirements for medical evaluation and transfer. The proposal expands existing standards for operator monitoring of exposure. Operators would be required to conduct monitoring under specified circumstances; keep a record of the results for a five-year period; notify miners of overexposures; provide miners or their representatives with an opportunity to observe the monitoring; and allow miners, their representatives and former miners access to exposure records.

Impact on Industry:

Without a doubt this extensive rulemaking will have a severe and detrimental impact on the industry. In the short term, major efforts and expense will be incurred to conduct scientific, medical and other technical analysis of the proposal, with written responses and comments submitted. More

significantly, this action will influence virtually all operating decisions, and require exaggerated responses heretofore never contemplated by the industry. While miner health may be enhanced in some circumstances, there appears to be no justifiable cost analysis nor any evidence that such extensive rulemaking is required.

AMC Position: While AMC continues to advocate regulatory reform activities, it contends that this rulemaking is exceedingly extensive and may not receive appropriate consideration. MSHA must allow a flexible time schedule for developing reasonably sound evidence in response to the rulemaking. In concert with other concerned industry groups the AMC has developed a plan to respond to the MSHA proposal in an orderly timely manner. These coordinated efforts will strive to develop a sound and objective record based on the latest scientific, medical and technical evidence that is available.

Background: In keeping with its policy to initiate regulatory reform, the agency published a preproposed draft of revisions to metal/nonmetal standards in July 1983. Parenthetically, the agency has not previously published any preproposal for coal air quality standards. In November 1983, AMC responded to the MSHA proposal with strongly worded objections to the contents of the preproposal. Grave concerns were expressed concerning both form and substance of the action. The initial comment period for the newly proposed rules (August 29, 1989) was established for 90 days (Nov. 27, 1989) subsequently extended an additional 90 days (March 2, 1990) in response to industry-wide requests. Most recently, MSHA has expressed its intention to further revise comment periods, hearing dates and record closing dates to accommodate the extensive rulemaking record.

Actions to Date: In a coordinated action AMC, BCOA and NCA have established an industry task group to address the various issues brought about by the rulemaking. The task group has been divided into five working groups each charged to address specific areas of the proposal. To date, the work groups have conducted several meetings, identified their general objectives and have initiated preliminary

comment development. To open a communications network, meetings have been conducted with other organizations that have an interest in the rulemaking.

Next Critical Dates: During January 1990, MSHA will publish a new schedule for comment periods, hearing dates and anticipated close of record date. Those dates will influence continued efforts.

**AMC Staff
Contacts:**

Bobby J. Jackson (202/861-2882)
Mark G. Ellis (202/861-2860)
Kevin R. Burns (202/861-2868)

Updated: January 1990

ECONOMIC SANCTIONS AGAINST SOUTH AFRICA

Summary:

Persons advocating the imposition of additional economic sanctions as a means of forcing South Africa into changing its system of apartheid continue to pressure the Congress and Administration for action.

In the 100th Congress, the House of Representatives approved legislation that would have banned all U.S. investment in South Africa and prescribed the means by which U.S. firms would disinvest; banned the import into the U.S. of all South African produced goods, except for strategic minerals certified to be essential to the U.S. economy; banned all exports and re-exports of U.S. products into South Africa, except for those subject to agreements entered into prior to April 1988; and prohibited the Secretary of the Interior from granting any lease to U.S. firms controlled by a foreign firm investing in South Africa. The bill would also have required the President to submit a report on a program to reduce U.S. dependency on South African-produced strategic minerals.

The Senate Foreign Relations Committee approved similar legislation. However, the full Senate did not vote on the legislation during the 100th Congress.

Early in the 101st Congress, H.R.21, legislation identical to that which passed the House last year, was introduced (Dellums, D-CA). A similar proposal, S.507, has been introduced in the Senate (Simon, D-IL).

The Bush Administration continues to vigorously oppose the imposition of additional sanctions.

Impact on Industry:

Additional economic sanctions could severely impact various segments of the U.S. mining industry.

AMC Position:

AMC member companies generally oppose the imposition of additional sanctions. AMC is monitoring the issue and reporting developments to interested members.

Background:

Efforts by the government of South Africa to silence internal opposition to apartheid heightened Congressional and public interest in the subject beginning in 1984. In 1985, President Reagan signed two executive orders imposing limited sanctions against South Africa. Believing that the executive orders were not sufficiently stringent, the 99th Congress overrode a Presidential veto and enacted the Comprehensive Anti-Apartheid Act of 1986 (PL 99-440). The law provides for a ban on the import of the krugerrand; a ban on the import into the U.S. of products of South African parastatals, except for agricultural products and

strategic minerals unavailable elsewhere; a ban on the export of computers to the South African military, police and other apartheid enforcing agencies; a ban on the export to South Africa of nuclear materials; and a ban on the import of uranium ore, uranium oxide, coal, iron and steel from South Africa.

Action by the government of South Africa, in February 1988, outlawing the activities of major black opposition groups resulted in a renewed drive for stronger sanctions.

Recent actions by the government of South Africa, alleviating some of the restrictions have been welcomed by Members of Congress and to some degree, the drive for additional sanctions.

Actions to Date:

- September 9, 1985 -- President Reagan signed Executive Order No. 12532
- September, 26, 1986 -- President Reagan vetoed H.R.4868
- September 29, 1986 -- House overrode President's veto
- October 1, 1985 -- President Reagan signed Executive Order No. 12535
- October 2, 1986 -- Senate overrode President's veto (Bill becomes law)
- February 24, 1988 -- Government of South Africa outlawed major black opposition groups
- May 3, 1988 -- House Foreign Affairs Committee approved H.R.1580
- August 11, 1988 -- House of Representatives approved H.R.5175 (nearly identical to H.R.1580)
- September 14, 1988 -- Senate Foreign Relations Committee approved S.2756 (similar to H.R.1580)
- January 3, 1989--H.R.21 introduced (Dellums, D-CA)
- March 3, 1989--S.507 introduced (Simon D-IL)
- October 3, 1989--Senate Foreign Relations Committee hearings on South Africa
- October 12, 1989--H.R.3458 introduced (Fauntroy D-DC)

Next Critical Date:

Spring 1990--Hearings could be held on various bills imposing additional economic sanctions.

AMC Staff Contact:

Ann M. Gosier (202)861-2862

Updated: January 1990

URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS

Summary:

In September 1986, under the auspices of the General Agreement on Tariffs and Trade (GATT), a new round of multilateral trade negotiations was launched in Punta del Este, Uruguay. The Uruguay Round, initiated by the governments of nearly 100 nations in an effort to improve the functioning of the multilateral trading system by revising existing rules and extending disciplines to areas not now covered, is expected to conclude in December 1990.

Negotiators are addressing not only traditional trade issues, such as tariff and non-tariff barriers to commerce, but are also considering a number of new subjects, including services, intellectual property and investment. Significant attention is also being focused on efforts to improve the functioning of the GATT, to develop effective dispute settlement procedures and to update various GATT articles and codes.

Impact on Industry:

The U.S. mining industry supports the Uruguay Round and believes that the outcome of the negotiations will affect the competitiveness of the industry in the 1990s. The industry advocates the liberalization of trade throughout the world, but recognizes that there is an immediate need to improve the functioning of the multinational trading system and to reinforce GATT rules and disciplines, as well as to deal with problems not now addressed by the GATT.

AMC Position:

In the context of the Uruguay Round, AMC advocates the following: (1) a sectoral approach to negotiations addressing trade barriers for minerals and metals products; (2) a strengthening of the Subsidies Code; (3) a revision of the Articles and Codes that govern the operation of state trading entities; (4) the extension of GATT coverage to trade distorting investment activities; and (5) the establishment of effective procedures to resolve GATT-related disputes.

Background:

Past rounds of multilateral trade negotiations have resulted in the U.S. making concessions on tariff reductions for minerals and metals-related products without obtaining concessions from other countries in the form of lower tariffs or the elimination of non-tariff barriers and subsidy practices in the same or related industries. AMC urges that, in the Uruguay Round, there be no further U.S. tariff concessions until other nations have reduced tariffs and curbed unfair practices that distort trade in minerals.

AMC supports a significantly strengthened Subsidies Code as a means by which to curb the proliferation of trade distorting subsidization that has undermined the credibility of the GATT and the stability of the international trading system. It is critical that domestic subsidies, as well as export assistance, be covered by GATT disciplines.

The failure of current disciplines to address the many modern forms of state trading activities, including support for production, as well as exportation of goods, necessitates that GATT Articles and Codes be updated.

Government regulations and policies restricting the activities of investors can alter significantly the patterns and levels of international trade. It is necessary that GATT coverage be extended to the area of investment.

Actions to Date:

- September 1986--Uruguay Round launched
- December 1988--Midterm Review
- April 1989--AMC testified before ITC at hearings on Uruguay Round
- May 1989--AMC testified before Trade Policy Staff Committee at hearings on foreign tariff and non-tariff barriers
- September 1989--Representatives of Trade and Investment Policy Council met with USTR Hills to discuss AMC's Uruguay Round objective
- October 1989--AMC testifies before Trade Policy Staff Committee at hearings on potential U.S. concessions.
- Ongoing--Ad Hoc Group on Uruguay Round advocating AMC objectives in meetings with U.S. negotiators
- December 1990--Projected conclusion of Uruguay Round

Next Critical Date:

1990--Ongoing intense negotiations on issues identified as being of primary concern to U.S. mining industry to begin.

AMC Staff Contact:

Ann Gosier (202)861-2862

Updated: January 1990

Minerals Availability/ Public Lands

ACCESS TO PUBLIC LANDS

Summary:

There are approximately 750 million acres of public lands in the United States--one-third of the nation's land area. Some of these lands have high mineral potential, but a large portion of them have never been explored. They may remain unexplored because the federal government continues to set aside huge areas to preserve wilderness, rare or endangered flora and fauna, historic sites and for other purposes.

The dimensions of the problem are poorly known and understood. It is estimated that anywhere from 50-70 percent of all public lands are entirely or partially closed to mineral exploration and development. The situation has come about as a result of a lack of coordination within the federal government and the concerted efforts of vocal, well-organized and well-financed environmental groups. There has been a general lack of concern for the cumulative depressing effect of land withdrawals on future mineral production.

Impact on Industry:

The lifeblood of the American mining industry is access to public lands for exploration and development of minerals that are competitive in the world market. Public lands have high potential for discovery of minerals. Existing restrictions on access to public lands with high mineral potential have greatly reduced the industry's ability to locate new orebodies to replace depleted orebodies, and has restricted expansion of the domestic minerals base.

AMC Position:

Although there may be good reasons in some instances to reserve certain public lands for an exclusive purpose, most of them would and should serve multiple uses, including mining.

Background:

During the entire history of the nation only a fraction of one percent of the land surface has ever been touched by mining. Mining can only take place where mineral deposits are found and public lands have high mineral potential. Also, improved technology and economics may justify exploration in previously explored areas as well as development of previously uneconomic deposits.

Actions to Date:

The American Mining Congress monitors wilderness legislation and other land withdrawal proposals and testifies or files statements on those having high priority to the mining industry. AMC lobbies to defeat national withdrawal legislation working with national coalitions. AMC advocates institution of periodic review of withdrawn areas, changing boundaries of proposed withdrawals to accommodate areas of high mineral potential and a "zero-based" land

use planning system whereby any withdrawal must be reviewed and justified during each planning cycle.

Next Critical Date: None

AMC Staff Contacts: Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

WILDERNESS LEGISLATION

Summary:

Access to public lands and the continuing erosion of the land base available to mineral exploration and development continue to plague the mining industry. Nowhere is the land withdrawal problem more evident than in the continuing rush by Congress to enlarge the Wilderness System.

Impact on Industry:

Designation of wilderness areas withdraws lands from mineral exploration and development, restricting expansion of the domestic minerals base.

AMC Position:

AMC supports the management of public lands for multiple use, including mining, to provide a balance of environmental responsibility and economic results.

Background:

Several states are currently involved in various stages of the Forest Service's Roadless (RARE II) program. Among the more controversial RARE II bills still pending are Idaho, Nevada, Colorado, Arizona and California.

With regard to the Bureau of Land Management (BLM) wilderness program, 26 million acres of public domain are being studied for wilderness suitability. Recommendations will start flowing from BLM in 1991. Significant acreage could be added to the wilderness system.

The California Desert Protection Act is of considerable concern since it completely ignores the California Desert Plan developed by BLM and would lock up large amounts of land that should remain in multiple-use status.

AMC Staff Contacts:

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

MINING LAW OF 1872

Summary:

One of the most important laws for the mining industry is the Mining Law of 1872, which governs the development of hard rock minerals on most of the federally owned public lands in the West. There is continuing pressure to repeal or change the Mining Law.

Although some valid charges can be leveled against the law, many of the claims are distortions and outright misrepresentations. Most of the law's perceived problems have been corrected by regulation or statute.

Impact on Industry:

If the law is changed, the future ability to explore on the public lands and develop what might be discovered could be radically altered--especially if the minimum requirements for a workable legal framework are not retained.

AMC Position:

AMC supports retention of the general mining laws that permit self-initiated exploration and provide security of title in the event of discovery. AMC opposes placing locatable minerals under a leasing system. Such a system would discourage and reduce mineral exploration and would preclude many individuals and small firms from participating in such activities. Experience under the mineral leasing acts, with their attendant rulemakings and exposure to delaying litigation, has shown clearly that the extension of such a system could close public lands to hard mineral exploration and development for decades--a lapse that the nation can ill afford.

Background:

For many years there have been efforts to change the Mining Law but few have been successful. The environmental community has long urged that the law be repealed and replaced with a federal leasing system, on the grounds that the current law allows the federal administrator no discretion and fosters environmental damage. Under a leasing system, mineral development would be entirely at the discretion of the Secretary of the Interior.

The Public Land Law Review Commission in 1970 recommended changes but urged the retention of the law's self-initiating feature. The mining industry--although not the small miners--supported the commission's recommendations, but efforts to enact legislation were abandoned because of the fear such efforts would lead to a leasing system.

Since the 1970s the environmental problems associated with the Mining Law have largely been solved with the passage of environmental statutes. Surface activities related to exploration and development activities are now regulated by the departments of Interior and Agriculture.

Repeal of the Mining Law in favor of a leasing system would be a serious blow. A leasing system for hard minerals would be tantamount to a moratorium on new exploration for perhaps a decade. Recent history has demonstrated that Secretarial discretion has resulted in moratoria halting the leasing of coal, oil and gas, and other leasable minerals. Such a system would prove the death knell for the small miner who could not compete under a leasing system regime of competitive bidding.

If the Mining Law is addressed it is likely that revision of the Mining Law will be the environmentalist-advocated leasing-type legislation that the Congressional committees have considered in past Congresses.

Should a bill be reported, the basic question that must be addressed is whether that bill retains the concepts so essential to a healthy domestic mining industry. If the legislation is along the lines advocated by environmental groups, the answer will be all too clear. It would place excessive discretionary powers in the hands of the Secretary of the Interior. It would limit, rather than expand, access to the public lands for mineral development and provide the miner little, if any, security of tenure. It would remove the incentive to develop mineral deposits. The environmentalist legislation would stifle competition and effectively remove the small miner from any meaningful operation on the public lands. It would seriously impair the ability of private capital to finance mining operations.

Actions to Date:

AMC testified June 7, 1989, before the Mineral Resources Development and Production Subcommittee of the Senate Committee on Energy and Natural Resources.

Next Critical Date:

Rep. Nick Joe Rahall III, chairman of the House Subcommittee on Mining and Natural Resources, will introduce legislation in early 1990. Hearings will be held.

AMC Staff Contacts:

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

Updated: January 1990

OPEN WITHDRAWN MILITARY LANDS TO MINERAL EXPLORATION AND DEVELOPMENT

Summary:

Geologic evidence points to the fact that America's vast public lands have good potential for discovery of valuable mineral deposits. One-third of the nation's land area, approximately 750 million acres, is public land. Nearly two-thirds are effectively foreclosed to mineral exploration and development.

Several million acres of lands have been withdrawn for military purposes. Much of this land is not actively used by the military and could be opened to exploration and development where such activity would not interfere with the military mission.

Impact on Industry:

Mining access to military lands can promote optimal use of the land under the multiple use principle and at the same time assure that there is no interference with military operations and national defense activities.

Some military lands hold significant potential for mineral development.

AMC Position:

AMC supports "four concepts," which are key to fostering a policy of mineral exploration and development on lands managed by the Department of Defense. First, prospecting for minerals should be encouraged where appropriate by allowing individuals and companies maximum and nonexclusive access to search for mineralization. Second, a prospector should be given exclusive rights for any particular area for the time he is focusing detailed exploration attention to it. Third, a person who discovers a valuable mineral deposit should have an exclusive right to develop and mine it, including the right to defer such development for a reasonable period of years until economic or technologic conditions justify production. Fourth, a mining venture must be provided with security of tenure for the duration of mining on terms reasonably set in advance.

Background:

In 1986, the Congress enacted and the President signed Public Law 99-606, legislation authorizing a 15-year withdrawal extension for six western military installations. Of significance for the mining industry is the provision in this legislation that permits selective opening of five of these areas to exploration and development under the mining and mineral leasing laws (Section 12). This provision directs the Secretary of Interior to determine, with the concurrence of the military department involved, which public and acquired lands in these military withdrawals are

suitable for opening to the operation of the Mining Law of 1872, the Mineral Lands Leasing Act of 1920, the Acquired Lands Leasing Act of 1947, and the Geothermal Steam Act. Notice is to be published in the Federal Register listing those lands and specifying the opening date.

The Secretary of Interior is also authorized to promulgate regulations to assure "...safe, uninterrupted, and unimpeded use of the lands for military purposes." The regulations are also to contain guidelines to assist mining claimants in determining how much of the surface may be used for purposes incident to mining. Patents are to convey title to only the locatable minerals with the right to use the surface as necessary for purposes incident to mining.

As military land withdrawals expire, opportunities exist to open additional military reservations to mining.

Actions to Date: AMC testified July 1987 and March 1988 at Congressional hearings on a withdrawal extension for two California military bases urging that the mining provision of P.L.99-606 be incorporated.

Next Critical Date: None

AMC Staff Contacts: Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

Updated: January 1990

**NATIONAL PARKS AND CONSERVATION
ASSOCIATION--NATIONAL PARK SYSTEM PLAN**

Summary: The National Parks and Conservation Association (NPCA) published its National Park System (NPS) plan entitled "Investing in Park Futures" in March 1988. This Plan calls for the addition of 86 new natural and historical parks to the NPS and proposes expanding existing parks by 10 million acres. It contains many "buffer zone" and park protection recommendations similar to past proposed legislation. The NPCA Plan also calls for the NPS to become an independent agency and recommends an annual Congressional appropriation of \$10 million for land acquisition.

Impact on Industry: The establishment of additional parks as well as park expansion and land acquisition withdraws more land from mineral exploration and development, further restricting the domestic minerals base.

AMC Position: AMC supports management of public lands for multiple use, including mining, to provide a balance of environmental responsibility and economic results. In establishing boundaries of areas withdrawn from mineral development, Congress provided an adequate protective boundary around those resources worthy of protection. AMC opposes additional buffer zones around such units.

Background: Several legislative attempts have been made in the past to establish buffer zones or zones of protection around designated areas withdrawn from mineral development.

Actions to Date: Rep. Bruce Vento (D-MN), Chairman of the House Subcommittee on National Parks and Public Lands, has introduced legislation mandating a study of the advisability of establishing buffer zones.

Next Critical Date: It is expected that additional legislation to carry out the NPCA recommendations will be introduced.

AMC Staff Contacts: Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

Updated: January 1990

COAL LEASING--PENDING LEGISLATION

Summary:

Legislation was introduced in both the House and Senate during the 1st session of the 99th Congress to amend various onerous provisions in the Federal Coal Leasing Amendments Act of 1976. The bills addressed the proscription in section 3 of the current statute, which prevents holders of undeveloped pre-1976 coal leases or their affiliates from being issued any other federal leases (coal, oil, gas, phosphate, etc.). The bills also addressed section 7 diligent development requirements; the three-year mine plan, 40-year mine-out and logical mining unit (LMU) contiguity requirements; negotiated lease sales; and other administrative provisions. The legislative effort failed, however, in the final days of the 99th Congress. The 100th Congress also failed to pass similar bills. The legislative effort is expected to continue in the 101st Congress.

AMC Position:

AMC supports revision of the current law in order to address the section 3 proscription, as well as the section 7 diligent development requirement and the other areas raised in the various bills introduced in the 100th Congress. AMC opposes any effort to repeal section 2(c), which prohibits common carrier railroads from obtaining federal coal leases.

Background:

In 1975 Congress responded to perceived abuses in the federal coal leasing program by enacting amendments to the Mineral Lands Leasing Act of 1920 that addressed, among other things, diligent development of existing (pre-1976) leases and new leases. In so doing, it adopted a provision requiring holders of pre-1976 leases to diligently develop those leases within 10 years or be barred from leasing any other minerals in the future. Congress also prescribed that any leases issued after 1976 shall be developed within 10 years or be terminated. Given the vagaries of developing coal markets and the amounts of time necessary to comply with the myriad of environmental reviews and requirements placed upon lessees, the industry has found that 10 years is insufficient to allow development of federal coal leases. Flexibility in the application of diligence requirements is essential to successful development of both new and old leases. The passage of time also has demonstrated that there are other aspects of the current law in need of amendment including the 40-year mine-out and LMU contiguity requirements. Given these significantly changed circumstances, adjustments to the current law are essential.

Actions to Date:

Bills were introduced in the 101st Congress by Rep. Rahall (D-WV) that would have prohibited issuance of

federal coal leases to any entity that produces and imports foreign coal into the U.S. (H.R.489, 490) and that would require an investigation and report by the Secretary of the Interior regarding the relationship between foreign coal imports and (1) the management of the federal coal leasing program and (2) the economic condition of the U.S. coal industry.

Senator Wallop introduced S.2325 (Administration bill) on April 26, 1988. At the present time, Senator Wallop is circulating a draft of the Coal Leasing Improvement Act of 1989, which is very similar to the 1988 bill. The Wallop draft would eliminate the ten year diligence requirement and the 40-year mineout provisions. It would permit continuation of a non-producing federal coal lease beyond 15 years upon payments of advance royalties.

Ben Nighthorse Campbell introduced H.R.2116, to reduce royalties on federal coal leases for six percent. No hearings have been held on this bill.

Next Critical Date:

The AMC and NCA Coal Leasing Committees met on November 16 to discuss legislative options and is prepared to comment on the Wallop bill. It is expected that the bill will be introduced shortly.

AMC Staff Contact:

Stuart A. Sanderson (202)861-2857

COAL LEASING--FEDERAL ROYALTIES

Summary:

Pursuant to provisions of the Mineral Lands Leasing Act of 1920 (MLLA), lessees of federal coal are required to pay royalties to the federal government based on the value of the severed coal. Under the MLLA, royalties paid for federal coal were required to be at least five cents per ton but otherwise were left to the discretion of the Department of the Interior (DOI). The Federal Coal Leasing Amendments Act of 1976 (FCLAA) set a minimum royalty of 12.5 percent for all surface mined coal and gave the Secretary authority to set a lesser amount on coal recovered by underground mining operations. This royalty increase is generally accomplished at the time of lease readjustment, which occurs 20 years after lease issuance for leases issued prior to 1976.

AMC Position:

The federal royalty should be based on the value of the coal being produced, not the gross proceeds from the sale of the mineral produced. To do otherwise creates an incentive for higher state taxes by increasing the effective total return to a given percentage tax. The federal government should adopt an effective royalty reduction procedure that reflects the economic realities of the coal market and provides relief in appropriate circumstances. Congress should consider either a new statutory royalty rate or royalty assessment mechanism that reflects the market for coal. A lower rate of five percent of value should be established for coal produced by underground methods.

Background:

The FCLAA vests DOI with the administrative authority to define what components to consider for the purpose of calculating federal royalty payments. On January 13, 1989, DOI revised its regulations for valuing coal for royalty purposes. While the regulations address in a positive way some of the industry's concerns, AMC cannot endorse the regulations in their entirety because of the DOI's retention of the presumption that royalty value includes all proceeds flowing to the lessee from the sale of coal. The regulations properly exclude from royalty value such direct government levies as the black lung tax, abandoned mine land fees and state severance taxes, but improperly include federal royalty on royalty payments in the calculation of value.

Actions to Date:

As a result of the controversy surrounding the coal product valuation regulations, Interior Secretary Manuel Lujan announced in March 1989, that MMS would initiate a review of the regulations to determine whether further rulemaking activity is necessary or appropriate. The current review is focused on the fiscal impacts of the regulations on state and federal revenues, as well as their impact on coal production.

Industry submitted testimony at a public hearing on May 4, 1989, and filed written comments June 1, 1989. On January 11, 1990, Secretary Lujan announced that the department will propose to amend the rule by eliminating the deduction for AML fees, black lung and state severance taxes, citing lost royalty revenue as the basis for the action.

Meanwhile, in response to an earlier proposal by Interior to lower underground royalty rates, industry filed comments September 27, 1989, urging that a royalty rate of five percent be established. Efforts are also underway in Congress to lower royalty rates for surface mined coal on leases negotiated prior to March 1, 1989. In 1989 Congressman Ben Nighthorse Campbell (D-CO) introduced legislation (H.R.2116) to lower the royalty rate to six percent. No hearings have been scheduled on the bill.

**Next
Critical
Dates:**

DOI is expected to propose a new royalty valuation rule before the end of March 1990. The rulemaking is expected to be completed by late 1990 or early 1991. Final action on the underground royalty rate is also expected shortly.

**AMC Staff
Contact:**

Stuart A. Sanderson (202)861-2857

Updated: January 1990

COAL LEASING--FEDERAL COAL MANAGEMENT PROGRAM

Summary:

The Department of the Interior (DOI) has revamped its Federal Coal Management Program in response to several Congressional investigations and studies. Among the areas addressed by the DOI's Bureau of Land Management (BLM) were land use planning, market analysis, data adequacy, tract delineation, role of regional coal teams, lease sale procedures, preference right lease application processing and public participation. Most importantly, DOI committed itself to a continuation of the existing leasing program, as modified by rule, procedure and policy proposals derived from the Linowes Commission and the Office of Technology Assessment (OTA) reports (see below). This includes the establishment of Regional Coal Teams (RCTs) to schedule leasing activity in various coal regions. All of the RCTs have been or will be decertified, however, because market conditions in the view of BLM do not warrant the continued use of regional coal leasing procedures.

**AMC
Position:**

The Federal Coal Management Program must permit sufficient reserves to be available for development to meet the requirements of coal consumers as their demands expand. Therefore, AMC supports resumption of the leasing program. In those regions where the RCTs establish no regional leasing schedule but where federal coal leasing interest exists, AMC urges RCT decertification to permit coal areas to be opened for leasing by application by qualified interested parties.

Background:

DOI, through the BLM, is responsible for leasing and otherwise managing the 75.6 million acres of coal owned by the federal government. Following on allegations of mismanagement and "firesales" of coal leases in the Powder River Basin, Congress called for a review of the Federal Coal Management Program in 1982. Investigations were undertaken by the Linowes Commission on Fair Market Value Policy for Federal Coal Leasing and the Office of Technology Assessment and numerous recommendations were made for revamping the program and the administration thereof. The Secretary responded by instituting a major regulatory revision effort that culminated in the issuance of a lengthy programmatic Environmental Impact Statement (EIS) in October 1985 and a comprehensive Secretarial Issue Document in February 1986. Both address the various changes to the Federal Coal Management Program.

**Actions
to Date:**

Regional Coal Teams were established in five regions in 1987-1988 (Powder River, Fort Union, Green River-Hams Fork, Uinta Southwestern Utah, and San Juan River). As a result of lower forecasted demand for federal coal, four of the five RCTs recommended that their regions be decertified to allow leasing by application. The BLM Director approved the recommendations in 1988. On October 31, 1989, the Powder

River Coal Team recommended decertification of that region as well, an action that was approved by the bureau in January 1990.

A draft supplemental to the Powder River Round I Regional Coal Environmental Impact Statement, was completed in June 1989.

Despite numerous reforms the Federal Coal Leasing Program has generated controversy and litigation. In 1982, a lawsuit was filed by several environmental groups challenging the Interior Department's revised federal coal management regulations. The coal industry (AMC & NCA) intervened in support of the government's rules.

In February 1985, Secretary Hodel issued a decision document announcing several revisions to the coal leasing program in light of recommendations by the Linowes Commission and by the Office of Technology Assessment in early 1984. This revision significantly affected many of the issues in the lawsuit and necessitated the filing of supplemental briefs.

In November 1988, the district court sustained industry's motion to dismiss for lack of standing. The court held that the plaintiffs had failed to demonstrate injury to their use or enjoyment of any specific parcel of land that was traceable to the action of the defendants. A motion for reconsideration was granted recently, however, and plaintiffs were granted until February 22, 1990, to supplement the record with additional affidavits on standing.

Briefing on the merits will be scheduled in 1990 if the plaintiffs are found to have standing.

Next Critical Dates:

AMC Staff Contact:

Stuart A. Sanderson (202)861-2857

Updated: January 1990

PUBLIC LAND REGULATIONS

Summary:

Various federal regulations that affect mineral interests on public lands are in a pre-rule stage and several will be proposed in 1990.

Impact on Industry:

Regulations affect the availability and opportunity for mineral exploration and development on public lands.

AMC Position:

AMC monitors proposed rulemaking and comments when appropriate.

Background:

1. U.S. Forest Service - Proposed revisions to locatable minerals regulations.

AMC staff and Public Lands Committee members have met with Forest Service (FS) representatives to review draft proposed revisions to the locatable minerals surface management regulations. The AMC Public Lands Regulations Subcommittee presented the FS with comments on two sets of draft revisions and requested further information in an effort to develop a more practical and imaginative approach to the problems the FS is trying to correct. AMC's comments have been reviewed by the FS drafting group and the proposed regulations are awaiting publication.

The FS, meantime, has issued interim guidelines concerning the regulation of entry for locatable mineral operations on unpatented lands. The FS has also developed, and is implementing, a strategic plan directed at creating incentives to encourage development of mineral resources.

2. Bureau of Indian Affairs (BIA)--Final Mining Regulations

The BIA, DOI, published its final rule implementing the Indian Mineral Development Act of 1982 on August 24, 1987. AMC presented comments on BIA's proposed rules on September 2, 1983. A notice deferring the effective date of the final rule to October 24, 1987, was published by BIA. The final rule was republished as a proposed rule with comments due by December 21, 1987. AMC presented comments on this proposed rule.

AMC Staff Contacts:

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

Updated: January 1990

INDIAN RELIGIOUS CLAIMS ON PUBLIC LANDS

Summary:

Senator John McCain (R-AZ) and Rep. Morris K. Udall (D-AZ) have introduced legislation to amend the American Indian Religious Freedom Act (AIRFA) by adding language to provide that, except in cases involving compelling governmental interests of the highest order, federal lands that have been historically indispensable to a traditional American Indian tradition shall not be managed in a manner that would seriously impair or interfere with the exercise or practice of such traditional American Indian religion. It would give United States District Courts jurisdiction to enforce the provision.

Impact on Industry:

If passed, this legislation, could have a major impact on mining activities on federal land. Governmental agencies responsible for federal lands will be affirmatively required not to permit any activities that could impair or interfere with Indian religious practices anywhere on federal land. It will put an effective veto power in the hands of Native Americans over federal land decisions and create effective property rights on the basis of religious claims. Religious use of federal lands would be elevated to the primary use of these lands, rather than the multiple use concept.

AMC Position:

AMC opposes the legislation and suggests that it should be carefully considered before any further action takes place, including the impact on federal land management and productive development of natural resources on federal land.

Background:

On April 19, 1988, the U.S. Supreme Court in Lyng v. Northwest Indian Cemetery Protective Association reversed a lower court and held that neither logging nor road building would unconstitutionally burden the Indians' traditional religion based on the Indians' First Amendment claims. The Court stated that the Indians would not be coerced by the federal government into violating their religious beliefs and "whatever rights the Indians may have to the use of the area, however, those rights do not divest the government of its right to use what is, after all, its land." Legislation was first introduced in 1988 as an effort to neutralize the effects of this Supreme Court decision.

Actions to Date: AMC has testified in opposition to the legislation at a committee hearing on May 18, 1988, and has contacted various western Members of Congress expressing concern with this bill.

Next Critical Date: None

AMC Staff Contacts: Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

DEVELOPMENT OF HARD MINERALS IN THE EEZ

Summary: The Minerals Management Service (MMS), DOI, has published its three-tier regulatory series (prelease prospecting, leasing, and postlease operations) for marine mining other than oil, gas and sulfur within the Outer Continental Shelf. MMS bases its authority to regulate marine mining on section 8(k) of the Outer Continental Shelf Lands Act (OCSLA) and the 1983 Proclamation of the President declaring a 200-mile exclusive economic zone (EEZ) for the United States.

Rep. Walter Jones (D-NC) has introduced the "National Seabed Hard Minerals Act." Hearings were held and AMC testified in support of the legislation.

Impact on Industry: Representatives of industry question the adequacy and appropriateness of the OCSLA and regulations promulgated thereunder for development of hard minerals, maintaining that the act was developed for oil, gas, and sulfur and not hard minerals.

AMC Position: AMC supports legislation for development of hard minerals in the EEZ in order to provide an appropriate legal regime based upon hard minerals economics and technical data rather than on data related to development of oil and gas.

Background: Since 1983, AMC's Undersea Minerals Resources Subcommittee has called for new legislation for hard minerals based upon the Deep Seabed Hard Mineral Resources Act of 1980.

Actions to Date: AMC testified and submitted written testimony June 9, 1987, in opposition to the MMS proposed prelease prospecting regulations. AMC also had several meetings with MMS staff to discuss concern with its leasing and postlease regulations and submitted written comments. These regulations have been issued in final form by the MMS.

AMC testified before the House Oceanography Subcommittee in October 1989 in support of the intent and purpose of the "National Seabed Hard Minerals Act." AMC stated that it contained several minimum requirements necessary for a deep seabed mining bill, but some modifications were needed.

Next Critical Date: AMC, together with the members of the EEZ Working Group, will continue to support legislation for EEZ hard mineral development.

AMC Staff Contacts: Alma Hale (202)861-2814
Keith Knoblock (202)861-2851

NATIONAL DEFENSE STOCKPILE

Summary: Law stipulates that the National Defense Stockpile shall hold strategic materials in amounts sufficient to meet military, industrial and essential civilian needs of the United States for national defense. Until now the determination of what constitutes sufficient amounts has been made by the Executive Branch of the government. Radical changes in stockpile goals have been frequent during the 40-year existence of the program under legislation enacted by the Congress in 1946.

The stockpile has been used by various administrations for economic, budgeting and political purposes, not for the purposes of national defense for which it was intended.

Impact on Industry: Lack of stability in stockpile goals causes disruption in metals markets.

Price volatility often inhibits expansion of domestic production of minerals.

Import dependence on metals is a dangerous national defense strategy, since in time of war or national emergency, material requirements cannot necessarily be met by expanding production and recycling, conservation or substitution.

AMC Position: AMC opposes establishment of an economic stockpile as well as use of the National Defense Stockpile for budgetary or political purposes. Responsibility for the stockpile should be placed in an independent corporation to provide best for minerals availability and natural defense readiness in time of need. AMC also supports legislation to establish stockpile objectives in relation to average imports. AMC opposes disposal of silver by methods other than use in coinage.

Background: The National Defense Stockpile was authorized by Congress in the Strategic and Critical Materials Stockpiling Act of 1946, which provided for the taking over of inventories acquired immediately prior to, and during, World War II and for supplementing them so as to attain adequate protection against future military requirements. The legislation clearly provided that these stockpiles were to be held inviolate for national emergencies and were not to be used for other purposes. The stockpile contains \$10 billion in assets and 92 materials stored at more than 100 locations throughout the United States.

Actions to Date:

By Executive Order 12626 of February 25, 1988, President Reagan designated the Secretary of Defense as National Defense Stockpile Manager.

The Defense Authorization Act for fiscal year 1990 authorizes sales of \$180 million of specified materials excess to stockpile requirements and mandates purchases of \$180 million. It also authorizes \$20 million for upgrading stockpile materials.

Next Critical Date:

None

AMC Staff Contacts:

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

SILVER COINAGE PROGRAMS

Summary:

AMC continues to monitor silver coinage legislation calling for use of silver from the National Defense Stockpile. AMC supports the use of stockpile silver for coinage programs.

Impact on Industry:

The sale of silver from the stockpile by auction method could cause serious market disruptions in the U.S. silver industry with grave consequences to AMC silver producers.

AMC Position:

AMC supports the use of silver from the stockpile for coinage programs. AMC does not support the disposal of silver from the stockpile by auction.

Background:

Various silver coinage programs passed by Congress have called for the use of stockpile silver by the U.S. Mint. Other proposals to sell silver from the stockpile for budgetary purposes would unduly influence market prices.

Actions to Date:

Various coinage programs are continuing to use silver from the stockpile.

Next Critical Date:

AMC continues to monitor silver coin legislation.

AMC Staff Contacts:

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

COORDINATION OF FEDERAL GOVERNMENT MINERAL/MATERIAL POLICY

Summary:

The Mining and Minerals Policy Act of 1970 declared it to be national policy to encourage, through the private sector, a sound and economically viable domestic mining and minerals processing industry in the United States. This goal was reaffirmed in the Materials and Minerals Policy, Research and Development Act of 1980 and again in the National Critical Materials Act of 1984.

Despite the repeated enunciation of a national policy to promote a strong domestic minerals base, no coordinated federal implementation has occurred. Meanwhile, the U.S. has suffered a deteriorating position in global minerals trade and is increasingly vulnerable in its dependence on imports.

Impact on Industry:

There has been no effort on the part of the federal government to quantify or evaluate the impact of proposed federal actions on the nation's mineral resources or mining industry. As a result, minerals are the most neglected U.S. renewable and nonrenewable resource. All mineral issues are very low on the federal government's priority list.

AMC Position:

The United States does not have an operative national minerals policy, and until one is formulated and implemented, no pronouncements of good intentions can serve as a substitute. The federal government should assume its rightful responsibility for mining and minerals, and put somebody in charge.

Background:

The U.S. is becoming increasingly dependent on foreign sources for minerals and this impacts dangerously on national security.

There have been many studies of mineral and material policy and all acknowledge the national significance of an adequate mineral supply and the importance of a strong and healthy domestic mining industry. However, the federal government has ignored its responsibility to advance national minerals policy. Responsibility is scattered throughout the executive and legislative branches and there is no policy coordination or analysis undertaken. There is no channel of communications to high-level decision-makers.

Actions to Date:

The American Mining Congress (AMC) is urging that the National Critical Materials Council take the lead in federal government mineral and material policy coordination and analysis and has submitted recommendations for action. AMC has supported increased funding for the activities of the Council.

AMC is also urging development and issuance of a Presidential Executive Order for implementation of national mineral and material policy. Other actions being urged are consideration of the capital-intensive nature of the mining industry in development of tax policies, balancing of costs and benefits when establishing environmental standards, review of regulations hampering development of mines and mineral processing facilities, and revocation of unnecessary land withdrawals.

**AMC Staff
Contacts:**

Keith Knoblock (202)861-2851
Alma Hale (202)861-2814

Surface Coal Mining and Reclamation

SURFACE MINING--OSM REGULATORY REVISION EFFORT

Summary: The Office of Surface Mining (OSM) has instituted and is nearing completion of a major revision of its permanent regulatory program involving some 65 separate rulemakings. The impetus for this effort derives from several decisions by Judge Flannery of the U.S. District Court for the District of Columbia and the U.S. Court of Appeals for the District of Columbia in which numerous rules were remanded to the agency for revision. Other rules have been targeted for revamping by OSM as part of a revitalization program. Among the subject areas involved are hydrology, permit procedures, enforcement, areas unsuitable for mining, bonding, post-mining land use, federal oversight and dirt moving and reclamation.

AMC Position: AMC, through the Joint NCA/AMC Committee on Surface Mining Regulations, supports OSM's efforts and will be a major and active participant in the process, as it has been in the past. AMC supports revision of burdensome and counter productive requirements, to strike a balance between environmental protection and the nations need for coal as an essential energy source.

Background: OSM is required, both by court order and by its own initiative, to revise approximately 65 of its permanent program regulations. The rules to be revised cover a wide gamut of subject areas from alluvial valley floors to valid existing rights. The entire rulemaking process was expected to require upwards of two years to complete but changes in OSM management and other factors have prolonged the effort. It is OSM's desire to write its rules in such a manner as to avoid the inevitable litigation that has followed each of its other three major rulemaking efforts in 1978, 1979 and 1982. Litigation, however, appears inevitable in many instances because environmental groups are challenging almost all completed rulemaking. Industry also has concerns.

Actions to Date: The Joint Committee filed comments on the following rules: definition of substantial legal and financial commitments (12/29/87); civil penalty assessment for highwall elimination (1/5/88); permit processing (1/19/88); soil handling specifications (5/19/88); application fees for permits (9/19/88); no permits when only reclamation activities remain (11/3/88); backfilling and grading (1/31/89); valid existing rights (4/21/89); and federal lands program (7/21/89).

Updated: January 1990

Final rules have been issued on: ten-day notice (7/13/88); revegetation standards (9/7/88); probable hydrologic consequences (9/19/88); ownership and control (10/3/88); prime farmlands (10/18/88); permanent and temporary impoundments (10/12/88); roads (11/8/88); termination of operator liability (11/2/88); preparation plants (12/2/88); coal exploration operations (12/29/88); permit rescission (4/28/89); alluvial valley floors (3/7/89); no permits for reclamation (4/5/89); permit information (3/5/89); and Indian lands (6/30/89).

OSM has yet to finalize action on the following proposed rules: values incompatible with surface coal mining operations; variances from approximate original contour; disposal of excess spoil on pre-existing benches; coal mine waste; contemporaneous reclamation/backfilling and grading; permit fees, and federal lands. OSM also issued rules proposing to define valid existing rights (VER) and to determine allowable surface impacts of subsidence from underground mining (12/27/88) but withdrew them in the face of public criticism. It is anticipated, however that OSM will address subsidence issues separately from VER in future rulemaking.

Proposals are expected on: two-acre exemption repeal; interim program revisions; areas unsuitable for mining; assessment conference scheduling; delinquent abandoned mine land reclamation fees; incidental mining exemption; and the highwall settlement policy.

Next
Critical
Dates:

AMC Staff
Contact:

Stuart A. Sanderson (202)861-2857

Updated: January 1990

SURFACE MINING--LITIGATION

Summary:

AMC, together with the National Coal Association (NCA), has participated as plaintiff/intervenor in a major lawsuit (In re Permanent Program Litigation II or PP II) challenging regulations of the Office of Surface Mining (OSM) promulgated in 1981 and 1982 as part of an omnibus regulatory reform effort initiated by then-Secretary James G. Watt. The litigation culminated in a major decision by the court of appeals in 1988 that has become something of a bible on the interpretation of the act.

While industry achieved a number of important victories in the above litigation, a third round of litigation (PP III) is underway. OSM has issued numerous regulations that have or will have a critical impact on the coal industry. For the first time, OSM has adopted regulations implementing its controversial Applicant Violator System (AVS), which is designed to prohibit the issuance of new permits to entities that own or control violators of SMCRA. These regulations include the regulatory definition of ownership and control of surface mining operations, as well as regulations granting OSM unprecedented authority to revoke "improvidently" issued state coal mining permits. Thus, while the court of appeals decision preserved intact the concept of state primacy, the above regulations and new litigation by environmental groups over other provisions limiting the oversight role of OSM in primacy states (ten-day notice) may undermine the important victories achieved previously.

Both NWF and industry have challenged the following rules: revegetation; prime farmlands; probable hydrologic consequences; permit information; permit rescission; ten-day notice and ownership and control. NCA/AMC have separately challenged the OSM regulations on roads; historic preservation; and individual civil penalties. NWF has filed separate challenges to the regulations on previously mined areas; termination of jurisdiction; fish and wildlife; recharge capacity; BLM unsuitability; impoundments; alluvial valley floors, coal exploration, reclamation permits, and BLM unsuitability.

The ownership and control, individual civil penalty, permit information and rescission cases have been consolidated before Judge Barrington Parker. Most of the other cases have been consolidated before Judge Flannery, except for the ten-day notice cases, which are consolidated before Judge John Penn.

AMC
Position:

AMC supports implementation of SMCRA in a manner that strikes a balance between environmental protection and the nation's need for coal as an essential energy source. AMC will continue to seek revision through rulemaking and judicial review of unnecessarily burdensome and counterproductive regulations that

encroach on the fundamental purpose of SMCRA to recognize states as the primary regulatory authority over surface coal mining operations.

Background:

OSM instituted a major regulatory reform effort under the direction of then-Secretary James G. Watt in 1981, culminating in the revision of about 65 percent of OSM's permanent regulatory program. Challenges to numerous rules were filed by several environmental groups and by industry under the auspices of AMC and NCA. Numerous regulations were remanded to the Secretary as a result of this litigation. Following the appeals court decision in 1988, OSM issued a number of additional regulations that have spawned new litigation, which has been divided into three rounds.

Actions to Date:

Judge Flannery issued decisions in PP II--7/6/84 (Round I), 10/1/84 (Round II), 3/22/85 (Valid Existing Rights), 7/15/85 (Round III). D.C. Circuit issued its decision on 1/29/88 largely upholding the Secretary's rules and positions. In PPIII, briefings of Round I and II issues (fish and wildlife, recharge, revegetation, prime farmlands, impoundments, roads, termination of jurisdiction, abandoned sites, probable hydrologic consequences and prep plants) were concluded in 1989. Briefings of the Ten-Day Notice cases were also completed in 1989, as well as a challenge by the National Wildlife Federation to regulations leaving to state law the remedy for subsidence damage to structures, and to regulations on previously mined areas.

Next Critical Dates:

Briefing of ownership and control, permit information and rescission cases is scheduled as follows: opening briefs due January 30, 1990; opposition briefs due March 30, 1990; Defendant-Intervenors briefs due April 27, 1990; and reply briefs due May 30, 1990. Briefing of the BLM unsuitability case will also conclude in 1990. Round III issues have not been scheduled for briefing.

Additional litigation is expected in 1990 over OSM regulations on permit fees, incidental mining, contemporaneous reclamation, approximate original contour variances for thin and thick overburden, coal mine waste disposal and subsidence.

AMC Staff Contacts:

Stuart A. Sanderson (202)861-2857

Updated: January 1990

Research and Development

CLEAN COAL TECHNOLOGY

Summary:

The Continuing Appropriations Act for 1986 authorized \$400 million for the purpose of conducting cost-shared clean coal technology projects including construction and operation of facilities to demonstrate feasibility for future commercial applications.

The Department of Energy (DOE) Procurement Office issued a solicitation in January 1986. Nine projects were selected by DOE in this first solicitation. DOE conducted an additional solicitation in February 1988 and selected 16 additional projects that September. DOE held public hearings in January and February 1989 for the third round of Clean Coal Technology competition, which was issued May 1, 1989.

Impact on Industry:

A minimum of 50 percent sharing of project cost by the private sector is required.

When the program is complete, the demonstration projects are expected to provide sufficient technical, economic, environmental, health and safety, and operational information at sufficient scale to enable the private sector to make rational commercialization decisions.

AMC Position:

AMC has recommended the continued development of coal utilization technologies that render coal an environmentally acceptable and economically viable fuel source for existing facilities such as advanced combustion technology, post-combustion dry processes, fluidized bed combustion, sorbent injection, and advanced coal cleaning technology and for new technologies such as advanced fluidized bed combustion and coal gasification.

Background:

In 1984 the Congress adopted the National Cooperative Research Act making modifications in the operation of the antitrust laws in order to promote joint research and development ventures. Private industry has submitted approximately 140 ideas to DOE since November 1986 for potential clean coal projects. The ideas, in response to a department solicitation, could be used to retrofit, repower or modernize existing coal-burning facilities. The solicitation followed a Congressional request that the department determine industry's interest in projects that could be applied to older facilities not equipped with pollution control devices.

Actions to Date:

President has requested \$2.5 billion for Clean Coal Technology (to be appropriated for five fiscal years beginning with FY88).
FY 88 appropriation--\$200 million
FY 89 appropriation--\$190 million

Under H.R.2788, passed in October, Congress appropriated \$450 million for the Clean Coal Technology Program. Fiscal 1991 funding would be boosted from \$100 to \$150 million, but \$150 million was deleted from the program for FY 1992. Additionally, DOE accepted comments on a draft Environmental Impact Statement through August 28, 1989.

**Next
Critical
Date:**

The third Clean Coal Technology Solicitation drew 47 proposals for projects totalling \$3.9 billion. DOE announced its 13 selections in December 1989.

**AMC Staff
Contact:**

Stuart A. Sanderson (202)861-2857
Ann M. Gosier (202)861-2862

Product Liability Tort Law Reform

Updated: January 1990

PRODUCT LIABILITY TORT LAW REFORM

Summary:

Federal product liability tort law bills are pending before both the Senate and the House of Representatives. S.1400, the Product Liability Reform Act (Rockefeller (D-WV), Kasten (R-WI), Danforth (R-MO) and Inouye (D-HI)), establishes uniform standards for the awarding of punitive damages, sets statutes of limitations and repose, and modifies the joint and several rule with respect to non-economic damage awards. H.R.2700 (Luken, D-OH) is similar to S.1400. However, this legislation establishes defenses for manufacturers but does not revise the joint and several rule.

The Bush Administration has endorsed the enactment of a federal product liability law.

Impact on Industry:

The absence of a federal law has proven costly to product manufacturers, sellers and users. These costs are measured in soaring legal judgments, unpredictable insurance costs, stifled technological developments, and a negative trade balance.

AMC Position:

AMC supports the enactment of a federal product liability tort law limiting the application of strict liability; capping punitive awards; establishing statutes of limitation and repose; and permitting a manufacturer to defend against actions in which a plaintiff's own negligence caused his harm, the plaintiff misused the product, the danger that allegedly caused the harm was open and obvious, or the product was altered.

Background:

Product liability tort law reform has been debated within the federal government since 1976. The nationwide insurance "crisis" of 1985-86 and the focus on "competitiveness" gave new and continuing impetus to the issue. The business community supports enactment of a federal law. The plaintiff's bar and some consumer groups oppose tort law reform.

Actions to Date:

June 21, 1989--H.R.2700 introduced (Luken, D-OH)
July 25, 1989--S.1400 introduced (Rockefeller, (D-WV), Kasten (R-WI), Danforth (R-MO), Inouye (D-HI))

Next Critical Date:

Early 1990--Product liability tort hearings expected to be held by House Judiciary and Energy Commerce Committees and Senate Commerce, Science and Transportation Committee
February 6, 1990--AMC members to advocate enactment S.1400 and H.R.2700 in series of meetings with Members of Congress

AMC Staff Contact:

Ann Gosier (202)861-2862

Updated: January 1990

Taxes

REPORT CARRYING OVER THE LOSS
Federal product liability law will be applied
before birth to cases involving the liability of
products. The Federal liability law will apply to
products which are sold in interstate commerce
and which are used in interstate commerce. The
law will apply to products which are sold in
interstate commerce and which are used in
interstate commerce. The law will apply to
products which are sold in interstate commerce
and which are used in interstate commerce.

The bill which has been introduced in the
House of Representatives is the Federal
Product Liability Act. The bill will apply to
products which are sold in interstate commerce
and which are used in interstate commerce. The
bill will apply to products which are sold in
interstate commerce and which are used in
interstate commerce. The bill will apply to
products which are sold in interstate commerce
and which are used in interstate commerce.

Product liability law reform has been debated
extensively in the House of Representatives since 1970. The
House has passed several bills on this subject.
The most recent bill is the Federal Product
Liability Act. The bill will apply to products
which are sold in interstate commerce and which
are used in interstate commerce. The bill will
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PERCENTAGE DEPLETION

Summary:

AMC believes that percentage depletion is of vital importance to the mining industry and that either repeal or curtailment of it will seriously jeopardize the viability of our domestic minerals industry.

Impact on Industry:

Repeal of percentage depletion would devastate the mining industry. The Congressional Budget Office estimates that repeal of percentage depletion for all extractive industries (including oil and gas) would raise \$4.4 billion in additional taxes over the years 1990 to 1994. This tremendous increase in tax burden of the mining industry would: discourage production of domestic minerals resulting in the loss of jobs, discourage exploration and development of new mineral deposits and impair the ability of U.S. mining companies to compete against government subsidized mining companies.

AMC Position:

Will oppose repeal or curtailment of the percentage depletion allowance and work to restore the cutback in depletion deductions for coal and iron ore.

Background:

More tax legislation is a distinct possibility in 1990 as Congress struggles to meet the \$64 billion deficit target required by the Balanced Budget and Emergency Deficit Control Act of 1985 (G-R-H). However, the magnitude of a bill is unknown at this time. As the situation now stands, the amount of deficit reduction to meet G-R-H targets is approximately \$38 billion. This is subject to change when the Administration performs its December review of economic assumptions.

Because Congress may be unwilling to significantly reduce spending to meet G-R-H targets or to relax those targets, they will be forced to examine all areas of the Internal Revenue Code for new sources of revenue.

The mining industry is a possible target. The overall economic performance of the industry over the past several years may give Congress the perception that the mining industry can withstand an additional tax burden.

AMC Staff Contact:

Michael J. Chakarun (202)861-2830

CORPORATE MINIMUM TAX

Summary:

AMC will work to modify the structure of the Alternative Minimum Tax (AMT) system to: (1) lower the rate and (2) eliminate those aspects that discriminate against the mining industry. AMC will oppose any increase in the AMT tax rate.

Impact on Industry:

The AMT discriminates against the mining industry by including, as either adjustments or preferences, all tax incentives available to the mining industry. This effectively nullifies those incentives. The structure of the AMT system is unduly complex, which adds to administrative costs and increases compliance burdens.

Increases in the AMT tax rate would adversely affect the capital intensive mining industry, and would further blunt the effectiveness of tax incentives designed to encourage business investments.

AMC Position:

Opposed to concept of AMT but recognizes that repeal of AMT is an unrealistic goal. Consequently, AMC supports the efforts to: (1) lower the AMT rate, (2) eliminate restrictions on the use of loss carryovers and foreign tax credits, and (3) reduce compliance and administrative burdens associated with the adjusted current earnings preference.

Background:

A new alternative corporate minimum tax was adopted in 1986 with a 20 percent tax rate. Items of preference and adjustments to be added to the regular income tax basis include:

- Percentage Depletion--The excess of the percentage depletion deduction for the year over the remaining depletable basis of the mineral property.
- Exploration and Development Costs--Mine exploration and development costs must be capitalized and deducted ratably over a 10-year period for AMT purposes.
- Accelerated Depreciation on Personal Property--For AMT purposes mining equipment must be depreciated over a 10-year period using the 150 percent declining balance method switching to straight-line.
- Accelerated Depreciation on Real Property--Real property depreciation for AMT purposes must be determined on the basis of the straight-line method and a 40-year recovery period.
- Adjusted Current Earnings--75 percent of the excess of adjusted current earnings and profits over minimum taxable income for 1990 and later years.

AMC Staff Contact:

Michael J. Chakarun (202)861-2830

MINING EXPLORATION AND DEVELOPMENT EXPENDITURES

Background:

Seventy percent of mine expenditures and development expenses are currently deductible. The remaining 30 percent must be capitalized and recovered on a straight-line basis over a five-year period. Foreign development costs are not currently deductible but rather must be written off over 10 years or recovered through cost depletion.

**AMC
Position:**

Restore full current deductibility of domestic and foreign mine exploration and development expenditures under the regular tax system. Modify structure of the AMT to restore some of the incentive intended under the regular tax system.

**AMC Staff
Contact:**

Michael J. Chakarun (202)861-2830

MINING REVENUE AND INVESTMENT REVENUES

Steady percent of mine expenditures and development expenses are currently deductible. The remaining 10 percent must be capitalized and recovered on a straight-line basis over a five-year period. For mine development costs are not currently deductible but rather must be written off over 10 years if recovered through cost depletion.

Restore full current deductibility by domestic and foreign mine exploration and development expenditures under the regular law system. Modify strict rule of the AMT to restore some of the incentive included under the regular tax system.

Michael J. ...

Background:

AMT
Position:

AMT
Contact:

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AMERICAN MINING CONGRESS
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202/861-2800
TWX 710-822-0126
FAX: 202/861-7535

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Secretary Watkins Talks about
His Energy Blueprint for the 1990s



Journal

A PUBLICATION OF THE AMERICAN MINING CONGRESS

JANUARY 1990

*The Second Session:
Environment Tops Issues
of Concern to U.S. Mining*

JOHN A. KNEBEL

John A. Knebel, President of the American Mining Congress in Washington, D.C.

Born on October 4, 1936, in Tulsa, Oklahoma, he received his B.S. degree from the United States Military Academy in 1959, his M.A. degree from Creighton University, Omaha, Nebraska in 1962, and his law degree from The American University in 1965. He engaged in the private practice of law in Washington from 1965 until he joined the staff of the House Agriculture Committee in 1969.

From 1971 until his appointment as General Counsel of the Department of Agriculture, he served as General Counsel of the Small Business Administration. In January 1973, he was confirmed by the Senate as General Counsel of the Department of Agriculture. In addition to serving as the Secretary's principal legal advisor, he was charged with directing the legislative initiatives of the USDA.

Although he returned to the private practice of law in Washington, D.C. in April of 1975, the stay was short lived; President Ford appointed him Under Secretary of Agriculture in December of that year. In October 1976, on his fortieth birthday, he became the youngest Secretary of Agriculture in our Nation's history. He returned to the private practice of law at the close of President Ford's Administration in 1977 with the international law firm of Baker & McKenzie in Washington, D.C.

In addition to serving as a member of the Board of Trustees of Guest Services, Inc. and the Arlington Hospital, he is on the Board of Directors of Fortuna Energy Corporation. In addition to having served as the National President of the Federal Bar Association in 1977-78, Knebel is a former member of the Administrative Conference of the United States and a former chairman of the ABA's committee on agriculture. He was awarded an honorary doctorate degree by the American University and was honored by Creighton University as its outstanding alumnus in 1984.

Knebel is a member of the bars in the District of Columbia and the Supreme Court of the United States. He is married to the former Zenia Marks of Wycoff, New Jersey; they have three children and reside in McLean, Virginia.

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COVER: Addressing a joint session of the Congress, President Bush is shown here in the chamber of the House of Representatives. Democrats on his left and Republicans on his right will confront a range of issues in the second session affecting the mining industry. See story on page 4.

PUBLISHER: John A. Knebel • **EDITORIAL CONSULTANT:** Paul A. Theis
EDITOR: James Beizer • **MANAGING EDITOR:** Joyce Morgan
SENIOR EDITOR: Carol Sheppard • **EDITORIAL ASSISTANT:** Jill Richardson
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WASHINGTON WIRE

Energy Policy Requires Viable Uranium Industry

"The U.S. is the only major industrial nation that has not established a national uranium supply policy for its nuclear power industry," stated Gerald W. Grandey, President of Energy Fuels Corporation and Chairman of the AMC Uranium Policy Council, at a hearing last month before the Secretaries of the Interior and Energy on national energy policy. Grandey, who was testifying for AMC and the Uranium Producers of America, of which he is president, urged that maintenance of a viable domestic uranium industry be part of any energy policy ultimately promulgated. (AMC contact: Jim Gilchrist, 202/861-2876.)

Western Governors Authorize Study of Mining Law

A resolution supporting the Mining Law of 1872 was approved by the Western Governors' Association (WGA) meeting last month in Las Vegas, but they also directed WGA staff to review allegations of abuse of the law. "We believe that identified abuses of the Mining Law, such as nonmining uses of public lands, cannot be tolerated and must be stopped through maximum enforcement," the WGA stated in the adopted resolution. The WGA said nonmining uses should be prohibited by state laws if they are not subject to administrative solutions. WGA added that such laws should consider the "effects on the structure of the mining industry." (AMC contact: Keith Knoblock, 202/861-2851.)

Bush Invites Russians to Global Warming Conference

President Bush will host an international conference on global warming next spring, and has invited Soviet General Secretary Mikhail Gorbachev to send representatives. The spring meeting will be "for top-level scientific, environmental and economic officials to discuss global climate change issues." It will be held independent of the February 1990 meeting planned by the United Nations Intergovernmental Panel on Climate Change, which met last month in the Netherlands. According to the results of a poll released last by the Union of Concerned Scientists, global warming is a big worry to a majority of Americans. The poll indicates 76 percent of Americans would rather see a more efficient use of electricity than new power plants built. Poll findings also indicate that Americans prefer increased energy efficiency and use of renewable energy as their choice for a future energy strategy. Among other results of the poll are: • 45 percent are "strongly" opposed to proposals to build more nuclear power plants; • 60 percent blame fossil fuel emissions for the greenhouse effect rather than the loss of rain forests; • 72 percent said the U.S. should take the lead in fighting the global warming problem. However, according to a recent *Wall Street Journal* editorial, a study by three scientists from the Massachusetts Institute of Technology asserts, "One of the most striking results suggested by the data is that there appears to have been no global warming over the past century." The three scientists processed ocean temperature data taken all over the world by merchant mariners since the mid-19th century.

Clean Coal Projects Put on Faster Track by DOE Secretary

Secretary of Energy James D. Watkins has streamlined the administrative review process for government approval of Clean Coal Technology projects, cutting in half the time it takes the Energy Department to negotiate and approve project agreements with industry. The new procedures cut the number of steps between the selection of a candidate project and the actual award of federal funds roughly in half, from 57 to 30. A process that would have taken 18 to 24 months now will take 10 to 12 months. Announcement of the streamlined procedure was accompanied by the sending of five Clean Coal Technology project reports to Congress. Issuance of the reports signifies that the department has completed negotiations with its industrial partner and, pending a 30-day Congressional review, the Clean Coal projects can begin receiving federal matching funds. An expected 10 to 20 additional projects are due to be selected in January in the third round of competition. Watkins has directed that the department conclude final action on those projects within 12 months after selection.

Administration Says More Study Needed on Acid Rain Effects

In briefs filed last month in federal court in Washington, the Bush Administration argued that "important scientific questions remain unresolved concerning acid deposition effects on forests, lakes, crops and building materials." The argument, filed in the case of *Ontario v. Environmental Protection Agency (EPA)*, seems to contradict the Administration's position on acid rain emission control as contained in legislation submitted to Congress in June 1989. The case goes all the way back to a December 1981 letter from then-EPA Administrator Douglas Costle asserting that transboundary emissions from the U.S. are causing acid rain in Canada. Ontario, several northeastern states and environmental groups sued to force the agency to promulgate emission control regulations under existing law. Environmental group spokesmen attacked the development, charging that the filing could lead to confusion about the Administration's position. (AMC contact: Jim Gilchrist, 202/861-2876.)



some kind of groundwater research legislation will be passed this year.

The principal bills in both the Senate and House are consistent with AMC policy that the federal government should conduct groundwater research and provide technical and financial assistance to the states for their programs. AMC believes primary authority for groundwater management should stay with the state governments and that no new federal control legislation is needed to protect groundwater quality.

Minerals Availability

While economic and environmental issues were judged the most important facing the first session of the 101st Congress, before the realities of ethics investigations took over, possible changes in the **Mining Law of 1872** loomed large on AMC's horizon. That has not changed this year.

At the request of Representative Nick J. Rahall II (D-WV), who is Chairman of the Mining and Natural Resources Subcommittee, the General Accounting Office (GAO) released a report in March entitled "The Mining Law of 1872 Needs Revision."

Careful examination of this report by AMC staff showed at least 36 instances of misinformation, advocacy statements, biased reports on mining situations, omissions of data necessary for an objective report, lack of understanding of the Mining Law of 1872 and "just plain errors." To interject some accuracy and balance into discussions of the Mining Law, AMC set about straightening out the badly

warped GAO report. The June 1989 *AMC Journal* contained the results of AMC's examination. Those results were disseminated widely to Congress and to numerous editorial boards throughout the western U.S. in an effort to remind them of the importance of retaining the existing law.

In June, AMC testified before the Senate Mineral Resources Development and Production Subcommittee, chaired by Senator Dale Bumpers (D-AR), who had announced in 1988 that Mining Law reform was a "top priority" issue for him. He has introduced legislation (S. 1126) to revise the Mining Law but has not pushed its passage, nor is it entirely clear now whether he will proceed with additional hearings and markup this year. It may be that he will wait to see what happens in the House on this issue.

On the House side, Rahall is working on legislation to repeal the Mining Law and establish a new system. His proposal has undergone several staff reworkings and he's expected to introduce it early this year, after which hearings are expected. Whether a bill will emerge from committee, however, is problematic.

AMC continues to support retention of the existing law that permits self-initiated exploration and provides security of title in the event of a discovery. If locatable minerals are placed under a leasing system, mineral exploration would be discouraged and reduced, particularly by small firms. Experience with mineral leasing acts, with their attendant rulemakings and exposure to delaying litigation, has

shown clearly that the extension of such a system could close public lands to hard mineral exploration and development for decades.

The general subject of **access to public lands** continues to be a major AMC concern. About one-third of the nation's land mass, some 750 million acres, is public land. It is estimated that anywhere from 50-70 percent of these public lands, or some 375-525 million acres, are entirely or partially off-limits to mineral exploration and development. Because most of these public lands are in the West, they have a high potential for discovery of minerals, but existing restrictions have reduced greatly the industry's ability to locate new orebodies to replace ones that are depleted and have restricted expansion of the domestic minerals base.

Nowhere is the access/land withdrawal problem more prevalent than in the continuing rush by Congress to enlarge the **Wilderness System**. According to the 24th Annual Wilderness Report, recently transmitted to Congress by President Bush, at the end of 1987 the system included 481 units totaling 88,993,429 acres. More than 700,000 acres can be added to that total this year with enactment last year of the Nevada wilderness bill, and if the California desert lands bill passes this year, as much as 9 million acres could be added to the system. At House subcommittee field hearings in early fall on the legislation, an overwhelmingly anti-wilderness sentiment emerged, so much so, in fact, that California environmental groups asserted to the press that the hearings had been "packed" against them.

Wilderness legislation still is pending for several other states and could be the focus of Congressional action this year. The more controversial bills affect Idaho, Colorado and Arizona, in addition to California.

Another access issue involves **Indian religious claims** on public lands. Legislation has been introduced in the Senate and House that provides that "except in cases involving compelling governmental interests of the highest order, federal lands that have been historically indispensable to a traditional American Indian tradition shall not be managed in a manner that would seriously impair or interfere with the exercise or practice of such traditional American Indian religion." If this legislation passes, federal land managing agencies would be affirmatively required not to permit any activ-

ities that could impair or interfere with Indian religious practices on federal lands. In effect, Native Americans would have a veto over federal land decisions and a property right based on religious claims would be created.

One other access issue has emerged in this Congress—the **Stock Raising Homestead Act**. About 70 million acres of land were patented under this law, which splits the surface and mineral estates. Under this law, lands considered suitable for livestock grazing were available for patenting, but the mineral estate was reserved to the United States. The Bureau of Land Management estimates that approximately 50 prospecting or mining operations are being conducted on 17,000 claims located on lands patented under the Stock Raising Homestead Act.

As might be expected, some conflicts arise when the same land is used for raising livestock and mineral exploration and development. Usually the surface owner and the miner have been able to work out these conflicts in a reasonable manner, but this is not always the case. In an effort to resolve the problems that have surfaced, Senator Jeff Bingaman (D-NM) has introduced legislation (S. 1908) that would provide additional procedures for gaining access to, and undertaking mining activities on these lands. He has said he wants early hearings on S. 1908, which is similar to a bill sponsored by Representative Rahall that has passed the House but has some technical problems.

Human Resources

None of the human resource issues highlighted in this section of last year's Congressional outlook article has been enacted. The single human resource issue that seems closest to enactment is the **Americans with Disabilities Act (ADA)** (S. 933). Billed as civil rights legislation, S. 933 prohibits discrimination against disabled persons in private employment, accommodations and transportation. After the President endorsed the bill in August, the Senate Labor and Human Resources Committee unanimously reported the bill and the Senate subsequently passed S. 933 by a 76-8 vote.

In a letter to all Members of Congress, AMC President John Knebel expressed some concerns of the mining industry about the bill, while endorsing its concepts and principles. He pointed out that the bill "greatly exceeds any currently recognized civil rights protection." Of major concern

to AMC are provisions dealing with remedies and the bill's ambiguous terms or inadequate definitions. Under S. 933, "reasonable accommodation" must be made for the limitations of workers or applicants, unless those accommodations would mean "undue hardship" for the employer.

S. 933 has been referred to four House committees, and the Education and Labor Committee unanimously agreed to report it. Energy and Commerce, Judiciary, and Public Works and Transportation also have jurisdiction. Indications are they will treat the bill as a high priority this year.

Whistleblowers' protection legislation (S. 436 and H.R. 3368) is due for early consideration this year. The bills would grant protections to non-federal employees who "blow the whistle" on certain illegal acts by the employers. H.R. 3368 has been referred to three Education and Labor Committee subcommittees and might be referred to additional full committees because of its impact on the 16 existing whistleblower laws, most of which are designed to protect federal employees.

Another human resource issue that is likely to get early attention this year is **health benefits for retired coal miners**. Legislation (S. 1708) to deal with this issue was introduced by Senator Jay Rockefeller IV (D-WV) and was included in the Senate Finance Committee version of budget reconciliation. However, it was a casualty of the drive to adjourn before Thanksgiving and was dropped. The bill would require coal companies that were a party to the pension trust funds at one time but which dropped out of the agreement, for whatever reason, to contribute to the fund once again.

Before Congress adjourned, Rockefeller obtained a pledge from Senate Majority Leader Mitchell and Finance Committee Chairman Lloyd Bentsen (D-TX) that they would "find a legisla-

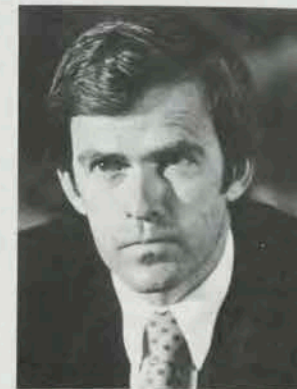
tive vehicle to bring the issue to the floor early" this year.

High-risk occupational disease notification legislation (S. 582 and H.R. 3067) has lost some of the punch it had a couple of years ago when it was considered *must* legislation by organized labor. The proposals would require giving individual notification to both current and former workers of the disease risks that might be associated with their workplace hazards. AMC plans to continue its opposition to the measures.

Increases in penalties levied by the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) also could be considered by Congress this year. Like the Rockefeller proposal on the miners' pension fund, it was included in the Senate version of the budget reconciliation bill but was stripped out in the drive for adjournment. The proposal would have raised OSHA penalties from \$10,000 to \$50,000 and trebled MSHA penalties to \$30,000. Reform of OSHA and MSHA were items that were high on organized labor's priority list at the beginning of last year and this proposal could be part of that effort. If so, it seems likely that such reform will be accomplished in a piecemeal way, rather than as a comprehensive reform bill.

Product Liability

Vice President Dan Quayle, chairman of the White House Council on Competitiveness, announced late in November the Bush Administration's support of **product liability** legislation (S. 1400) sponsored by Senator Robert Kasten (R-WI). Quayle said the current patchwork of liability laws, which vary from state to state, "generates excessive litigation, inflates insurance costs and creates uncertainties for American business. This is a self-



BINGAMAN



QUAYLE



KASTEN

imposed burden on our ability to compete."

The council's recommendation, which was endorsed by President Bush, suggested certain additions to S. 1400, including limits on punitive damage awards, "state-of-the-art defense," stricter standards for awarding punitive damages, extension of the limit on joint and several liability, a broader definition of "capital good" in the bill's 25-year statute of repose, and offsets against payments made from public sources.

Senate Consumer Subcommittee Chairman Richard Bryan (D-NV) has indicated he will hold hearings on S. 1400 early next month, and an agreement has been reached that markup will occur only in the full Commerce Committee. Because 10 of the 26 members of the committee are sponsoring the bill, the goal is to have a bill ready for floor debate in June.

On the House side, product liability legislation (H.R. 2700) has been referred jointly to the Judiciary and Energy and Commerce committees. Judiciary Chairman Jack Brooks (D-TX) and Energy and Commerce Chairman Dingell have announced concurrent committee hearings on H.R. 2700. Because the Senate has been slower than the House to act on this issue in the past, their committees will wait for Senate action before they report a bill to the House.

AMC continues to support a balanced bill and judges the outlook for enactment of product liability legislation, which it supports, to be very positive.

Trade

The issue of trade was covered extensively in the December issue of the *AMC Journal*, particularly the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade, which is not likely to be a legislative matter this year. However, the issue of strengthening the **South Africa sanctions** could be considered in Congress during this election year. Right now, the outlook is not clear.

Representative Sam Gejdenson (D-CT) has announced he will introduce legislation early this year to impose sanctions on China because of the July events in Tiananmen Square. The recent trip to China by high-level Administration officials caused a firestorm of criticism on the Hill, as did President Bush's veto of legislation extending visas for Chinese students, which had been overwhelmingly approved

by Congress. At this time it seems very possible that Congress will act on sanctions legislation.

Another trade issue that seems likely to cause considerable discussion is extension of Most Favored Nation (MFN) Treatment to the Soviet Union. President Bush has announced he intends to propose that the USSR receive MFN tariff treatment, which until now has been denied because of Soviet policies on Jewish emigration. Whether Congress will agree with his proposal is problematic.



CRAIG

Energy

As pointed out last year in a similar article, "energy-related issues have taken less and less of Congress' time in recent years." That trend is likely to continue this year as other issues deemed more pressing get Congressional attention.

A couple of matters, however, probably will be considered by Congress this year, including changes in the **abandoned mine land (AML) fund** and **coal leasing**.

The House passed legislation (H.R. 2095) in October to reauthorize the AML fund under the surface mining law until 2007 and to expand its provisions to cover abandoned noncoal mines. Because the present authorization does not expire until 1992, Representative Larry Craig (R-ID), during debate on the bill, called it "extremely premature" and "a fiscally irresponsible piece of legislation" that will cost electric consumers almost \$200 million annually.

While no companion Senate bill was introduced before adjournment, Senator Wendell Ford (D-KY) has indicated he will sponsor a bill early in this session. AMC continues to believe

enactment of legislation at this time is premature and has urged that action be deferred until "a full study of the impact of its provisions" can be completed.

Coal leasing legislation continues to await Congressional action. Senator Malcolm Wallop (R-WY) is expected to introduce legislation similar to a bill he sponsored in the 100th Congress. It would include extension of the diligence period to 15 years, abolition of the requirement that a mine plan must be filed within three years and abolition of the requirement for mine-out within 40 years. Senator James McClure (R-ID) has announced he wants to amend any coal leasing bill to repeal section 2(c) of the Federal Coal Leasing Amendment Act of 1977 that prevents railroads from holding federal coal leases. AMC and the National Coal Association continue to oppose repeal of section 2(c). AMC continues to support reforms in the existing leasing law to promote orderly federal coal leasing. Coal leasing legislation faces an uncertain future because of the controversy over section 2(c).

Taxation

After President Bush's "read-my-lips" no new taxes pledge of the 1988 campaign, his proposal for a **reduction in the capital gains tax rate** was met with a hail of criticism on the Hill. Although he prevailed in the House, his plan was stopped short in the Senate. He has indicated he will continue to push for the reduction in this session, but no firm plans have been announced. How the President handles this issue no doubt will be influenced by the recent announcement by Senate Finance Committee Chairman Bentsen that he would consider a reduction in the gains tax if it were coupled with a restoration of the full deduction for Individual Retirement Accounts.

Conclusion

As the above indicates, most of what Congress will be considering this year that is of concern to the mining industry can be classified as a "left-over" from the first session. Given the fact that this is an election year—with the entire 435-member House and 34 Senate seats up for grabs—and the fact that October 5 is the target adjournment date, many of these same issue could be "leftovers" at the beginning of the 102nd Congress next January.

AMC

HEAR ME OUT ...

Should the Capital Gains Tax be Reduced?

By Bill Archer



YES. In 1985, Congress embarked on the effort to reform our nation's tax system using the battle cries of "simplification" and "fairness." Unfortunately, the Tax Reform Act of 1986 achieved just the opposite, miring taxpayers in complexities that even the Internal Revenue Service (IRS) has had trouble figuring out.

Congress reduced the long-term capital-gains tax rate to 15 percent in 1978 in recognition of the fact that high rates of taxation on capital income do not create incentives for savings and investments.

Passage of the 1986 act did not eliminate the need to encourage savings and investment in the United States. Quite the contrary, future economic growth requires sustained high rates of investment. From this perspective, the increase in the top tax rate on capital gains to 33 percent goes in exactly the wrong direction.

The effects of this action already are taking their toll on productivity. Investors are understandably reluctant to divest themselves of capital assets because of the increased tax liability they now will face, which means money no longer is flowing easily to the most productive areas of the economy.

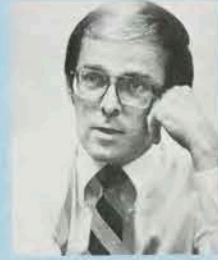
What makes the capital-gains tax even more painful to accept is that the advantages gained by reducing or eliminating the tax far outweigh any justification for its increase. The capital freed from this excessive tax burden would fuel the economy, increasing productivity and creating jobs. The reduction of capital-gains taxes would also increase federal revenue by spurring investment.

Our nation would be far better off without any capital-gains tax. It would be a good first step if we could at least reduce the capital-gains tax to 19 percent for two years, with indexing of capital gains for inflation after that period. The tax on capital income is a dead weight holding back our economy, and the higher the tax, the greater the drag.

In this atmosphere where every discussion of the economy hinges on competitiveness, it is only logical that we implement tax laws that encourage, rather than diminish, savings and investment. Reducing the capital-gains tax is good government and good business.

Representative Bill Archer of Texas is the ranking Republican member of the House Ways and Means Committee and Representative Byron Dorgan of North Dakota is a Democratic member of the committee. This debate originally was published in the American Legion magazine.

By Byron L. Dorgan



NO. Less than three years after the passage of the 1986 Tax Reform Act, which reduced the top tax rates of 28 percent, a new capital-gains tax cut was passed by the House Ways and Means Committee, creating deep tax cuts for America's wealthiest citizens.

The "Jenkins proposal," a two-year capital-gains tax cut, provided 80 percent of its benefits to persons with incomes of more than \$100,000 per year. The average tax cut from the proposal would be \$25,000 per year for those with incomes more than \$200,000 a year.

Proponents of the capital-gains tax cut argue that cutting rates for the Donald Trumps of the nation will result in more savings, more investment and a stronger economy. That, they argue, will benefit all Americans.

This used to be called the "trickle-down theory"—give the rich a big tax break and it will trickle down and help the rest of the people. The late Senator Hubert Humphrey (D-MN) described it as "giving the horses some hay so that the sparrows can have something to pick at later."

America is up to its neck in debt. The rich are getting richer, the poor are getting poorer. We have 3 million homeless, 6.5 million drug addicts and 30 million Americans without health insurance. Instead of determining how we pay for what we need, we're told we can turn rich Americans into investment machines and strengthen our economy by giving them big tax breaks. That is the ultimate economic illusion.

We should respond to the long-term economic interest of America. A capital-gains tax cut will show a short-term revenue gain but substantial loss in the long term.

If the President and Congress insist on the capital gains exclusion, why not offer it to those who need it? Those who make millions a year can afford the modest top tax rates.

Why not a means test for the capital-gains tax? This would include a full exclusion for those making less than \$100,000 a year phased out between \$100,000 and \$200,000 and no capital gains tax cut for those making more than \$200,000. This would provide benefits to people with incomes below \$100,000. The distribution of the tax burden would also be more progressive, and the sparrows wouldn't be waiting on the horses.

Blueprint for 1990s and Beyond

A National Energy Strategy: Can a Consensus be Forged?

By James D. Watkins

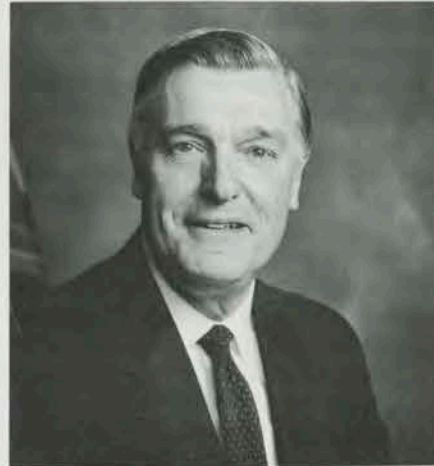
WHEN PRESIDENT Bush appointed me Secretary of Energy, one of my chief objectives was to conduct a comprehensive assessment of the nation's energy future. Up until now, we've had no shortage of energy programs, energy analyses and energy plans of every shape and size imaginable. But this country has never had a comprehensive strategy that weaves together all the policy threads that pertain to the complete energy tapestry.

No strategy has been devised yet that integrates energy into the total picture of national policies in regard to the economy, international trade and competitiveness, technological innovation, environmental progress, national security and social needs. Nor has a complete study been conducted of the difficult trade-offs between these policies, such as the need to ensure a robust economy while at the same time safeguarding the quality of our environment.

That's why President Bush directed me to develop a blueprint for America's energy policy decisions, not only for the short term, but also looking ahead to the 21st century. This plan will be the national energy strategy. It will chart our course, set our pace and measure our progress—and, we hope, begin to establish a national consensus on the energy challenges facing the United States.

While we are committed to soliciting industry's advice and input, we will continue to be especially sensitive to public opinion. After all, one of the goals of the national energy strategy is

James D. Watkins is Secretary of Energy. This article is adapted from his November 9 address to the National Coal Council meeting in Washington, D.C.



WATKINS: 'Coal will be prominent'

to forge a national consensus on energy. Only then will we in government—and industry—be able to move ahead with confidence in long-range energy plans.

By all counts, the hearings we held so far should be deemed a success for coal. Once the second round of hearings is completed and we can describe our energy problems in detail, we will set out the array of possible solutions suggested by the testimony we receive.

'This plan will begin to establish a national consensus on the energy challenges facing the United States.'

This description of the problems and the possible solutions will be contained in what I call the "interim" national energy strategy that I will issue for public comment on April 1.

We will receive feedback on the interim strategy for several months after we release it in April. Then in the fall, based on the comments we receive and the enhanced database and analytical tools we are working to develop, we

will make the hard choices. By December 31, 1990, I will propose to the President a national energy strategy with specific short-term, middle-term and long-term recommendations extending out to the year 2030. I anticipate a periodic update of this strategy to ensure its continuing relevance.

We face a daunting task, but it can be done. We cannot simply expect that the energy we need in the year 2000 will be there when we need it—competitively priced and produced in an environmentally sound manner. It requires planning. It requires vision. It requires leadership and follow-through.

But the opportunities are there for those with the determination and the foresight to seize them—and that includes the coal industry. Although the industry now faces unprecedented challenges, I believe it is on the threshold of a new era—the era of clean coal technology.

But it's going to take considerable effort on your part. That's because—frankly—coal is still a tough sell these days. The reason is as close at hand as any daily newspaper. The stories on global warming and acid rain are seemingly endless. Whatever the truth of the matter—and that has yet to be determined because not all the scientific evidence is in—the fact is the stories are having their effect. Public opinion is being swayed. And it does not bode well for coal.

Sixty-six percent of the American public favors strengthening the Clean Air Act—even if that jeopardizes economic growth and leads to the loss of jobs. Most Americans don't think industry has done enough to protect the environment.

We've not done a good job telling the complete coal story. Nevertheless, we in government and industry have got to harness our resolve and expand our efforts at getting out the good news on clean coal. I'm sure for most Americans

that's still an oxymoron, a contradiction in terms. But it's absolutely essential that we turn this situation around—that we educate the American public about the promise technology holds for coal—and for clean air. Perhaps nothing better epitomizes the American spirit of ingenuity and technological know-how than the efforts now underway in coal laboratories across the nation. It's a story still waiting to be told.

I recognize that much of the problem in implementing the clean coal technology program is the slowness and complexity of the process right at the Department of Energy. It is simply unacceptable to me that only eight of the 29 projects are under cooperative agreement. We've got to begin taking risks as a department—to take the initiative to get these projects going. I have therefore directed my staff to develop a streamlined process to expedite approval for clean coal projects.

There are those who are ready to write off coal—to impose carbon taxes or moratoria on coal. They do not understand that neither the United States nor the world can turn its back on coal. With more than 30 percent of the world's coal reserves, the United States has enough coal to carry this country into the 24th century at our current rate of consumption. About 56 percent of U.S. electricity is now generated from coal. Add to this the developing world's growing use of coal and it should be clear to all that coal is here to

stay. India increased its use of coal 150 percent between 1973 and 1988. China also more than doubled its use of coal during the same period.

In short, the world's developing nations—and many of the industrialized nations as well—are looking to coal to meet their growing energy needs. And with increased use of coal will come

'You can count on us in the Bush Administration to do our part.'

increased concerns about the environment—all of which presents enormous opportunities for U.S. coal and clean coal technology. That's why the Bush Administration has ambitious plans to bolster the country's coal and coal technology export initiatives.

One thing's for sure: developing nations can't be told *not* to use coal. In many cases, it's their essential link to economic growth and national progress. We perhaps have never faced a more opportune time to work with these nations to the mutual advantage of the countries themselves and the American coal industry. American coal can fuel these expanding economies, and American clean coal technology can boost the efficiencies of their power plants and enhance the quality of their environ-

ments.

As we look to the future, one conclusion is unavoidable: the future of U.S. coal is intertwined with the future of U.S. technology. While we remain the world's undisputed leader in science and technology, our position is suffering severe strains and challenges.

The stakes are high. The coal industry has a major interest in restoring a culture of scientific and technological excellence.

Bringing students into your control rooms and laboratories would be a good first step. Teaching them about what you do on a regular basis not only will pay dividends for the students, but also it will pay dividends to you in the form of a better public understanding of the coal industry and its indispensable role in the U.S. economy. Allowing, encouraging and even rewarding employees to volunteer to teach in the schools is another bold and necessary step American industry must take.

You can count on those of us in the Bush Administration to do our part. The President is 100 percent behind this effort. In fact, he's spearheading it.

We hope our efforts will gain momentum and help prod the nation to address the key role science and technology play in America's future. Perhaps the most significant legacy we can leave is to inspire a generation of Americans to achieve the technical competence American industry needs to survive and prosper.

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Tumultuous' First Session

Environmental Issues Still on Front Burner as Congress Returns for Second Session

By Joyce Morgan

AS THE TUMULTUOUS first session of the 101st Congress ended in the early morning hours of November 22, various Congressional leaders and numerous Members congratulated each other on performing well under pressure. The pressure on Congress this past year was great and a lot of that pressure was self-generated—the Speaker of the House and the Majority Whip resigned, the House rejected a pay raise at the beginning of the year only to vote for one at the end of the year, five Senators were implicated in the savings and loan scandal, and the Senate rejected former Senator John Tower as President Bush's choice for Secretary of Defense. Outside events also exerted pressure on Congress—the demonstrations in Tiananmen Square, the drive for demo-

cracy in Eastern Europe and the breaching of the Berlin Wall—and Members found themselves forced to adjust to a world that will be radically different than the one to which they were accustomed.

As each of these events took place, it seemed as if "we'd gone about as far as we could go," to paraphrase the Rodgers and Hammerstein song, and whatever followed had to be less convulsive. However, that was not the case and it seemed near-revolutionary events followed each other almost daily.

As the year ended, it was almost a relief to get back to the ordinary, the everyday and the "same old things," such as clean air legislation, the Mining Law of 1872 and state versus federal regulation of mine waste.

Certainly, Congress will have its share of these "same old things" waiting for it when it returns January 23. In the Senate, Majority Leader George Mitchell (ME) already announced that clean air legislation will be the first item up for debate. Aside from the clean air bill, there are plenty of other measures still pending in Congress of interest to AMC members. Here is a rundown of the bills and their prospects for passage before the 101st

Congress adjourns this fall for the elections.

Environmental Issues

Once again, environmental matters are the top priority for this session of Congress. As mentioned earlier, enactment of clean air legislation early-on is a goal of Majority Leader Mitchell. Three main issues have emerged in the clean air debate since President Bush submitted his plan to Congress last July—acid rain control, air toxics and mobile sources.

Even though the Senate Environment and Public Works Committee ordered clean air legislation (S. 1630) reported to the Senate in November, it left the more controversial issues, including the bill's stringent mobile source provisions and alternative fuels, for resolution during floor debate.

Cost sharing, i.e. helping some states reduce the costs of complying with acid rain controls, also emerged as a major controversy in the discussion. Essentially, Midwestern Congressmen are objecting to power plants in their states and districts bearing the brunt of the costs of complying with the bill. This also translates into possible job losses, estimated by some as high as 30,000 if S. 1630 is enacted in

the high-sulfur coal fields and 200,000 industry-wide. Mitchell earlier in the year had made commitments to assist such mine workers. Senator Robert Byrd (D-WV) also has vowed to ensure that acid rain legislation will contain language to protect these miners.

Another, smaller issue that has emerged in the discussion about S. 1630 concerns the energy implications of the bill if it is enacted. Senate Energy and Natural Resources Committee Chairman J. Bennett Johnston (D-LA) has announced hearings on these implications January 24 and 25. In a *Congressional Record* statement issued last month, he said his committee will hear testimony "on energy policy considerations relating to the emissions cap, the allowance trading system, cost sharing and other related energy policy issues." According to Johnston, the committee also wants to receive testimony about "the impacts on the oil and gas industry and the electric utility industry resulting from the nonattainment and air toxics provisions." Johnston concluded by asserting that "clean air and sound energy policy are not mutually exclusive...I believe that both objectives can and should be achieved by the clean air legislation that the Senate will consider soon."

Over on the House side, events are moving more slowly. The Bush clean air proposal (H.R. 3030) is bogged down in the Energy and Power Subcommittee, where Chairman Philip Sharp (D-IN) is trying to work out some cost sharing provisions. In mid-December, President Bush served notice that he would try to bypass the Sharp subcommittee, which now seems an unlikely event, in order to get the bill moving. Meanwhile, full Committee Chairman John Dingell (D-MI) and Health and Environment Subcommittee Chairman Henry Waxman (D-CA) reportedly are working "behind the scenes" to narrow their differences on acid rain controls and alternative fuels.

Whatever the outcome of these subcommittee machinations, pressure is mounting on both Dingell and ranking committee Republican Representative Norman Lent (NY) to move a bill to full committee markup early this year. Thus, even though the President's January 1, 1990, deadline for clean air legislation will be missed, it does seem likely that the 101st Congress will rewrite the 1977 Clean Air Act before it adjourns.

Perhaps the next most controver-

sial environmental issue before Congress that affects the mining industry is what to do with mine waste. While this has been primarily a regulatory issue, it is also an issue before Congress. In 1986, the Environmental Protection Agency (EPA) determined that certain extraction and beneficiation wastes did not warrant hazardous waste regulation and decided to regulate them under Subtitle D, the solid or non-hazardous provisions, of the Solid Waste Disposal Act. However, EPA's regulatory efforts could be superseded by Congressional reauthorization of Subtitle D.



JOHNSTON



SHARP

Senator Max Baucus (D-MT) has introduced legislation (S. 1113) that would reauthorize Subtitle D. His bill would establish a permit system for solid waste disposal, require EPA to issue federal guidelines with numerical performance standards for mining and mineral processing and, for the first time, give EPA enforcement authority over Subtitle D wastes. Senate hearings are expected this year, but clean air amendments have priority. On the House side, legislation (H.R. 3735, H.R. 3736, H.R. 3737) was introduced late last session and further hearings are expected in Representative Tom Luken's (D-OH) Subcommittee on Transportation and Hazardous Materials.

On this issue, AMC supports the position taken by the National Governors' Association and the Western Governors' Association (WGA), which favors a state-based approach that takes into account current site-specific, waste-specific and waste management-specific practices. WGA also favors reliance upon existing state regulatory programs for mining waste, which AMC also supports.

There is another mine waste issue that could come before Congress this year and it involves regulation of six smelting wastes by EPA. In response

to a court order, the agency has listed these wastes as hazardous under the Resource Conservation and Recovery Act (RCRA), and has started a series of rulemakings to determine which mineral processing wastes continue to be excluded from RCRA regulations pending study and a determination of how they should be regulated. Because RCRA expired in November and has been kept alive by appropriations, the program is due for reauthorization this year. The "numerical performance standards" in S. 1113, the Baucus bill discussed earlier, would apply to mineral processing wastes. In addition, current and future industry recycling practices could be affected by legislative attempts to define EPA's jurisdiction over recycling activities.

Interest in global warming and global climate change continues unabated in Congress. Numerous hearings were held in 1988, which led many to believe that some legislation would be enacted last year. But that did not occur. Because most of the suggested remedies for problems expected to result from global climate change involve reducing the burning of fossil fuels, they could have a dramatic impact on the coal mining industry.

Several bills have been introduced to deal with the global warming issue, including one (S. 251) authorizing a 10-year study to investigate potential global environment changes. The Administration has been working through the Intergovernmental Panel on Climate Change (IPCC), a group established by the World Meteorological Organization and the United Nations Environmental Program. At the Malta Summit early in December, President Bush invited Soviet President Mikhail Gorbachev to send representatives to an international conference on global warming this spring. The spring meeting will be "for top-level scientific, environmental and economic officials to discuss global climate change issues," and will be held independently of a February 1990 meeting planned by the IPCC.

National groundwater legislation, which was a high-visibility issue in the 100th Congress, has taken a back seat to other environmental measures during this Congress. Groundwater research legislation, which passed both houses in the 100th Congress, died at the end of that Congress because a compromise could not be reached. Identical legislation has been introduced in this Congress, some hearings have been held and it is likely that

Joyce Morgan is Managing Editor of the AMC Journal.

MILTON H. WARD

Brief Biographical Sketch

Mr. Ward holds a B.S. in Mining Engineering and a Master of Science in Engineering, plus an M.B.A. He has worked in the mining industry for over 30 years with several mining companies. He joined Freeport Minerals Company in 1974 as Vice President and is currently President and Chief Operating Officer of Freeport-McMoRan Inc. whose headquarters are in New Orleans, Louisiana.

Mr. Ward is currently serving as Chairman of the American Mining Congress and is involved in a number of other industry organizations.

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INDUSTRY NEWS

Freeport to Sell Gold and Other Businesses

Freeport-McMoRan Inc. will be seeking a buyer for its 61 percent owned Freeport-McMoRan Gold Company after the first of the year. The unit, which is separate from gold holdings in Indonesia, has gold reserves of about 2 million ounces in North America. The proceeds of this sale and the sale of other assets, a total of \$1.2 billion to \$1.5 billion, will be used to develop Freeport's two recent world-class discoveries: the Main Pass Block 299 sulfur discovery offshore Louisiana (58.3 percent ownership) and the Grasberg copper/gold find in Irian Jaya, Indonesia. The Grasberg deposit contains a reserve of 3.9 billion pounds of copper, 5.6 million ounces of gold and 9.8 million ounces of silver. The sulfur deposit is the largest known existing sulfur reserve in North America. The proceeds also will be used to reduce outstanding debt, says the company.

Other proposed transactions include the following:

- Freeport-McMoRan Resource Partners (FRP) will sell its nitrogen fertilizer facilities located at Verdigris, Oklahoma, and Blytheville, Arkansas, in order

to focus on its phosphate fertilizer activities. Production at the two plants totaled about 2.62 million tons of nitrogen fertilizer in 1988.

- FRP has agreed to sell its developed geothermal energy properties to a joint venture involving Calpine Corporation for \$254 million and a 55 percent interest in the joint venture.

- FRP will seek a buyer for its 25 percent interest in Namhae Chemical Corporation, a fertilizer and industrial chemical producer located in the Republic of Korea.

- Freeport-McMoRan Energy Partners (FTX) has sold or agreed to sell several of its less strategic oil and gas properties for approximately \$86 million. FTX also has agreed to sell its 95-percent-owned Canadian oil and gas subsidiary, Voyager Energy Inc. to Trical Resources, Inc., a publicly owned Canadian corporation based in Calgary. Trical will acquire all the shares of Voyager for \$157 million (Canadian) in cash and \$90 million (C) in notes.

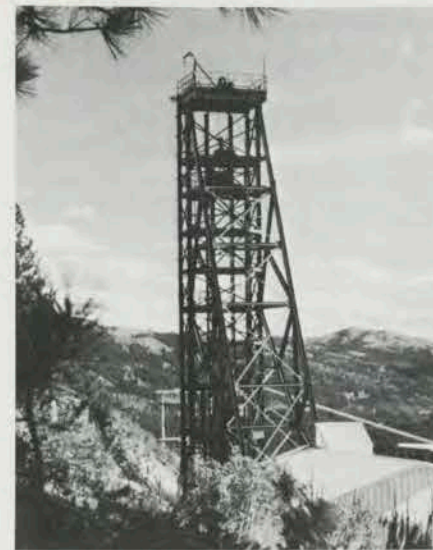
- FTX also completed the sale of its interests in Poseidon Ltd., an Australian mining concern, and its affiliate, Poseidon Exploration Ltd., for approximately 60 million.

Hecla to Speed Republic Gold Mine Development

Hecla Mining Company last month announced plans for accelerated development at its Republic Unit in northeast Washington. The company will spend approximately \$6.6 million in 1990 to drive 6,500 feet of decline and development drift into the Golden Promise area of the underground mine, improve ventilation for the existing mine and upgrade facilities and equipment. The decline also will access new zones of mineralization in the Belligerent vein system.

The four goals of the project are to accelerate development to known ore reserves, provide a low cost method of bringing ore to the surface without tramping it more than a mile underground to the Knob Hill #2 shaft, convert known mineralized zones into proven and probable ore reserves and provide a base for an expanded underground exploration program.

According to the Ralph Noyes, Hecla's Vice President-Metal Mining, "At the beginning of 1989, current proven and probable ore reserves at the Republic Unit totaled about 527,000 tons at 0.9 ounces of gold per ton. This accelerated



The headframe at Hecla's Republic Unit rises above the Golden Promise vein system, where Hecla is expanding its underground development.

development will allow us to access new vein systems, greatly increasing the mine's life expectancy."

Meanwhile, recent work on the 240-ton-per-day mill has replaced old equipment and expanded capacity to 270 tons per day. The mine produced 80,000 ounces of gold in 1988.

Inco Will Develop Major New Mine near Sudbury

Inco Ltd. is proceeding with the development of a major new mine in the Levack area at a capital cost of \$153 million. The McCreedy East mine is located about 30 miles west of Sudbury, Ontario, and one mile from Inco's Coleman mine. According to Inco, the project will involve development of the largest known undeveloped high-grade nickel-copper sulfide deposit in the Sudbury Basin.

Engineering and preliminary development of the new mine will proceed immediately. Ore handling and materials transportation will be integrated with those of the Coleman mine, itself currently under development. Inco says the latest bulk mining methods and most modern electrified equipment will be employed, making it the most productive mine in the Sudbury Basin. Production will begin in 1993 and full production of 7,000 tons per day is expected by 1996. At this level, McCreedy East would employ approximately 200 people and would produce about 40 million pounds of nickel and 20 million pounds of copper annually.

In other Inco news, the Crixas gold project, 50 percent owned by Inco Gold

Inc., has been brought into production and poured its first dore bullion in November. The project, located in the state of Goias in Brazil, is designed for the production and treatment of 360,000 metric tons of ore per year to yield, at full production, some 120,000 ounces of gold annually.

The company also announced it may offer a 20 percent stake in its Indonesian nickel subsidiary on Jakarta's stock exchange at the request of the Indonesian government. This sale would reduce its stake in P.T. International Nickel Indonesia from 78 percent to 58 percent. P.T. Indonesia produced about 65 million pounds of semifinished nickel last year. Expansion is underway of its annual capacity from 80 million pounds to 105 million pounds.

MSHA Warns of Winter Danger, Rise in Fatalities

The Mine Safety and Health Administration (MSHA) reports that the number of fatalities in the nation's mines rose during the first nine months of 1989, compared with the same period in 1988, the safest year in mining history. Coal mining deaths totaled 55 during that time period, compared with 37 in the first nine months of 1988. Ten of the deaths in 1989 occurred in a single explosion in September at a Wheatcroft, Kentucky, underground coal mine, says MSHA. In the metal and nonmetal mining industry, 39 miners died in accidents during the first nine months of this year, compared with 37 fatalities last year.

The rate of fatalities per 200,000 employees remained at 0.02 in metal/nonmetal mining, but rose from 0.03 to 0.05 in coal mining.

MSHA also has issued its annual "Winter Alert" to the underground coal industry, pointing out the increased hazards during this season. In winter months, falling temperatures and barometric pressure changes can increase the risk of mine explosions. Cool, dry air enters underground coal mines, becomes warm and draws moisture from the mine. As coal dust dries out, it may become suspended in mine air where it is susceptible to exploding under certain conditions if an ignition source is present. MSHA reminds the industry to devote particular attention to controlling dust, maintaining proper mine ventilation procedures, making frequent tests for methane and using adequate rockdusting methods.

In addition, Hanson will sell Consolidated's remaining 8 percent stake in

Gold Fields of South Africa Ltd., as well as its small stakes in several other South African gold mining companies, for about \$377 million.

Consolidated Gold's mining assets that remain include a 49.3 percent stake in Newmont Mining Corporation, the biggest U.S. gold mining company; a 46 percent stake in Renison Goldfields Consolidated Ltd. of Australia; and Gold Fields Mining Corporation, its 100 percent owned U.S. unit. These assets reportedly are up for sale, as well.

P-D Writes Off Assets Worth \$375 Million

Phelps Dodge Corporation took a \$375 million write-off on fourth quarter results on some "non-producing assets." Included in the charges are reserve provisions for the Morenci smelter (\$145 million), the New Cornelia (Ajo) mine, concentrator and smelter (\$50 million) and certain other facilities that have been rendered obsolete by environmental requirements or other economic considerations.

The charges also reflect a write-down of approximately \$115 million resulting from the company's decision to defer indefinitely any further preoperating mine development work on the Dos Pobres underground copper deposit near Safford, Arizona. Other provisions relate to the planned shutdown of the Tyrone, New Mexico, mine and concentrator in 1992 and reserves for estimated environmental costs associated with other previously closed facilities.

Barrick Orders 27 Trucks for Goldstrike Project

As part of a major expansion program, Barrick Goldstrike Mine near Elko, Nevada, has ordered 27 Haulpak 685E 190-ton off-highway trucks for delivery during 1989. Production at Goldstrike will increase from an estimated 190,000 ounces this year to more than 900,000 ounces in 1992, according to the company.

Dresser reports that the new electric-drive trucks have allowed Goldstrike to more than double its annual mining rate to 75 million tons in 1989. This will increase to more than 100 million tons during 1990. Goldstrike's reserves are currently 16.1 million ounces of gold.

The 685Es will be assigned primarily to waste haulage and removal of the overburden as part of Barrick's \$365 million expansion of the mine. The trucks are being paired with two 42-

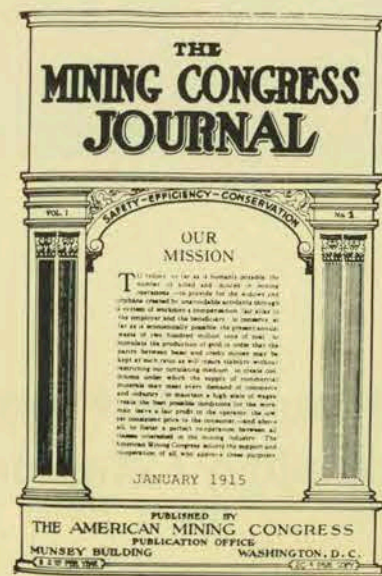
AMC Journal Celebrates Its 75th Birthday

"It will devote itself especially to what may be termed, 'Mining Politics,' to the creation of those conditions under which both the professional and practical mining man may operate to best advantage."

This was the stated purpose of the first *Mining Congress Journal* published January 1915. It was designed to keep AMC's members informed of federal and state legislation and administrative rulings concerning the mining industry and also to report on "the economic, administrative and commercial, rather than to the technical phases of the mining business."

The first issue devoted a great deal of space to mine safety, one of the primary missions of the American Mining Congress. It also published a letter from President Woodrow Wilson to AMC's annual convention held December 7-11, 1914, in Phoenix, expressing his regret at not being able to attend.

He commended the organization for the important part it played in the creation of the Bureau of Mines and "the good work of that bureau



in attempting better to safeguard the lives of the two million men employed in the hazardous mining and metallurgical industries." Wilson added that these efforts "will continue to redound to your credit, as well as to the credit of the bureau itself."

The goal of the *AMC Journal* continues to be to inform our members about federal policy, as is illustrated by this legislative outlook issue. Safety, as well, remains one of AMC's most important missions, as recounted in the September 1989 issue that was devoted specifically to safety.

Technology, environmental sensitivity and global market pressures have changed the industry immeasurably, but the continuation of the basic realities of the extractive mineral industry can be seen clearly in a look back on this Diamond Anniversary.

cubic-yard shovels and three 24-cubic-yard excavators.

Dresser Haulpak, headquartered in Peoria, Illinois, is a division of the Komatsu Dresser Company.



A \$365 million expansion of Barrick Goldstrike Mine in Nevada included the purchase of 27 Dresser Haulpak 685E trucks.

Magma Shuts Copper Casting Facility

Magma Copper Company was scheduled to discontinue operations and shut down its MCR Products, Inc. subsidiary in Chicago, by January 1. MCR has a production capacity of 140,000 tons per year of 5/16-inch continuous cast copper rod, the basic feed stock for the copper wire and cable industry. The plant is for sale, and several companies reportedly have expressed an interest in the property.

Magma will continue to supply copper rod to customers from its San Manuel, Arizona, rod plant, which has capacity for producing 180,000 tons per year of rod. The decision to shut MCR reflects Magma's marketing strategy to sell an increased portion of its product in cathode form, reported Magma President J. Burgess Winter.

Pennzoil Buys 8.8% of Chevron Corp.

Describing its newly acquired stake as a long-term investment, Pennzoil Corporation last month revealed it had bought 8.8 percent of Chevron Corporation at a cost of \$2.1 billion. In its Securities and Exchange Commission filing, Pennzoil disclosed that it has considered buying as much as 18 percent of Chevron, but publicly denies it intends to take over the company. Despite this, Chevron has instituted a number of anti-takeover measures, including asking a federal court in California to bar Pennzoil from making further purchases.

Varying State Taxes Have Major Impact on Mines

The impact of state taxes on mining is highest in Michigan and South Dakota and lowest in Missouri, according to a new study by Whitney & Whitney, Inc. State taxes vary widely and the same investment in two different states can have much different rates of return, the consulting firm points out. It is noted that while mine specific taxes get all the notoriety, property taxes and general business taxes are much more significant in many states.

The study used nine mine models of varying sizes—three open pit and three underground that mine a composite of copper, zinc, lead, silver and gold, and three open pit gold mines. It reviewed 18 states, using the same mine models to determine the impact of mineral specific taxes, property taxes and general business taxes on profitability.

Michigan had the highest tax impact for five of the six hypothetical composite mines due to very high property taxes on land, plant, equipment and ore reserves. South Dakota ranked highest for all three gold mines, due to a high

mineral specific tax on both gross yield and net profits.

For information about obtaining the full, 145-page study, contact Whitney & Whitney, P.O. Box 12075, Reno, NV 89510, 702/323-3050.

Asarco Funds TV Series about the Arizona Desert

In the largest broadcast production grant in the history of KUAT-TV, southern Arizona's public broadcasting affiliate, Asarco Inc. will underwrite production of a pilot and 13-part series entitled *The Desert Speaks*. The series will be co-produced by KUAT and the Arizona-Sonora Desert Museum.

Richard de J. Osborne, Asarco Chairman, presented a check for \$72,000 prior to the broadcast premiere of the pilot on December 6. He noted, "Asarco's roots run deep in Arizona. The company's operations have been an integral part of the economy and ecology of the state since 1911."

Hosted by actor Don Collier and the Desert Museum's Lauray Yule, the series will air beginning October 1990 on KUAT.

Member Companies Respond to Disaster Needs

Recent disasters have spawned many individual stories of volunteerism and aid, including some involving AMC member companies. The Komatsu Dresser Company (KDC), along with Komatsu Ltd. of Japan and KDC's California distributor, SMA Equipment Company, donated two hydraulic excavators to the state of California to aid in the Bay Area cleanup following the October 17 earthquake. The two new 22-ton Komatsu PC220 hydraulic excavators, each valued at \$180,000, were delivered to the site of the Interstate 880 Cypress viaduct in Oakland. The



Texas Utilities Mining Company loaded more than 215 tons of hay on railroad cars and flatbed trucks for delivery to drought-stricken farmers in south Texas this fall. The hay was cut from some of the company's 25,000 acres of reclaimed land.

machines assisted in the demolition of the 1.5 mile collapsed structure.

Drought-stricken farmers in east Texas were helped this fall by Texas Utilities Mining Company, which has donated more than 215 tons of hay cut from the company's reclaimed mined land. The hay, cut from land at the Big Brown mine near Fairfield and Martin Lake facility near Tatum, was transported by Monsanto Agricultural Company and Santa Fe Railway. The haylift program was organized and coordinated by the Texas Farm Bureau.



Two hydraulic excavators were donated by Komatsu Dresser to work on the collapsed Cypress structure of Interstate 880 in Oakland following the recent earthquake.

Royal Gold's Long Valley Gold Mine Feasible

Royal Gold, Inc. has completed a feasibility study of the Long Valley gold deposit, which is located 45 miles north of Bishop in Mono County, California. The study confirms that development of a conventional open pit mine and heap leach facility is feasible.

Reserves include proven ore of 1.8 million tons and probable ore of .4 million tons, all at a grade of .023 ounces per ton. There also is potential for additional ore. Royal Gold, the operator of the project, will earn a 60 percent interest in the property from Standard Industrial Mineral, Inc. by putting it into production.

Bond, Sunshine Explore Nevada Property Jointly

Bond International Gold Inc. and Sunshine Mining Company have formed a joint venture to explore for and develop precious metals on Sunshine-controlled properties totaling 18,000 acres in southern Nye County, Nevada. These properties are adjacent to Bond's Bullfrog mine near Beatty, Nevada.

Under the agreement, Bond will expend \$2 million on exploration projects over 30 months to earn a 60 percent interest in the venture, with Sunshine

retaining 40 percent. Participation rights also are held by the Greenspun family of Las Vegas, from whom Sunshine acquired the properties.

The agreement also allows for the potential use of Bond's mill at its Bullfrog mine and Sunshine's refinery at Kellogg, Idaho, if suitable ore reserves are defined and developed.

Kerr-McGee Wins AEP Coal Supply Contract

American Electric Power Service Corporation has signed a multi-year contract calling for Kerr-McGee Coal Corporation to supply 4.5 million tons of sub-bituminous coal over the next five to seven years. The coal will be shipped from the Powder River Basin in Wyoming to the Rockport generating station at Rockport, Indiana.

Newmont Will Sell 26 % of Australian Gold Unit

Newmont Mining Corporation has agreed to sell 156 million shares, or 26 percent, of Newmont Australia Ltd., a 75 percent owned gold mining subsidiary, to Potter Partners Underwriting Ltd. Newmont expects to net approximately \$80 million after taxes and expenses, which will be used to reduce Newmont's debt. Newmont says it has no plans to sell its remaining 49 percent interest in Newmont Australia.

Placer Dome U.S. Joins Nevada Gold Project

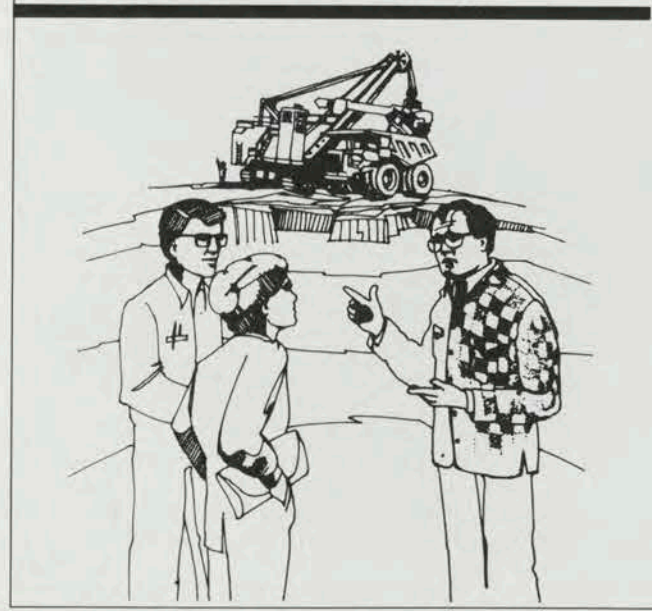
Placer Dome U.S., San Francisco, has agreed to enter into a joint venture with Athena Gold Corporation, Vancouver, to develop the Talapoosa property in Nevada—reported to be among the 30 largest prospects in North America. Placer would have the right to gain a 51 percent interest in exchange for contributions, advances and other commitments that could total as much as \$34 million to Athena's U.S. subsidiary, Athena Gold Inc., Reno.

The Talapoosa property, located 45 miles east of Reno in Lyon County, reportedly has reserves of 17.9 million tons of ore grading 0.064 ounces of gold per ton. Athena has identified five additional exploration areas within the 19-square-mile property.

Hanson Selling Several Consolidated Gold Assets

Hanson PLC, which acquired Consolidated Gold Fields PLC in 1989, has agreed to sell a U.S. building materials business to CSR Ltd. for about \$650 million. The U.S. firm is a subsidiary of ARC, reportedly Consolidated's biggest moneymaker.

MINING... Who Needs It?



WE ALL DO, concludes AMC's educational audiovisual by that name. Originally created as a slide/tape presentation, the award-winning program is now available on videotape at the reduced price of \$29.95.

"This tape should be in every school room," according to a recent purchaser of the 16-minute audiovisual. Featuring University of Maine's Environmental Geology Professor Dr. Tom Eastler, it gives straight answers on the importance of minerals, environmental considerations, the need for exploration and other questions critical to the mining industry.

Great talking points for a presentation to a civic organization... a perfect gift to your local schools for Earth Day discussion.

To order or preview "Mining... Who Needs It?" contact Jill Richardson, AMC, 1920 N St. N.W., Washington, DC 20036; 202/861-2845.

PEOPLE IN THE NEWS

OPERATORS

- Magma Copper Company: **Tom Hearon** will retire as Vice President and General Manager. **Doug R. McGregor** named Manager-Oxide Mining, Leaching and SX-EW operations. **Tom L. Gordon** advanced to Operations Manager of Smelting, Electrolytic Refining and Rod Plant Operations. **Harry C. Smith** appointed Operations Manager of the San Manuel mining operations.
- Asarco Incorporated: **E. Gordon Gee**, President of the University of Colorado, Boulder, elected to the Board.
- Bond International Gold, Inc.: **Peter A. Allen**, President and Chief Executive Officer of LAC Minerals Ltd, elected Chairman of the Board. The following also were elected to the Board: **John C. L. Allen**, Director of LAC Minerals Ltd. and retired President of John C. L. Allen Limited; **Paul A. Hodges**, independent mining consultant; **John E. Mockridge**, Manager of Institutional Equities Sales for Levesque Beaubien Geoffrion Inc.; and **Richard P. Smith**, a Toronto barrister and solicitor.
- Royal Gold, Inc.: **Clyde Peppin** appointed Manager of the Camp Bird mine in Ouray, Colorado, replacing **James Point**.
- Reynolds Metal Company: **John F. Rudin** named President and General Manager of the Reynolds Aluminum Supply Company.
- Texaco: **Stephen M. Turner** named Senior Vice President and General Counsel, succeeding **William C. Weitzel Jr.** who retires. **Deborah A. Alford** named Manager of Public and Government Affairs-Northeastern Region.



McGREGOR

SMITH

RUDIN

- The Coastal Corporation: **James R. Paul** advanced to President and Chief Executive Officer, replacing **Oscar S. Wyatt Jr.** who will remain Chairman of the Board and Executive Committee. **Rebecca H. Noecker** promoted to General Counsel and Senior Vice President of ANR Pipeline and Colorado Interstate Gas Company, both subsidiaries of The Coastal Corporation.
- Columbia Gas System: **George H. Billings** appointed Chief Operations Officer for the Columbia Coal Gasification Corporation.

MANUFACTURERS, ENGINEERS

- Joy Technologies Inc.: **Edmund J. Freeman** named Group Vice President with operating responsibility for a number of Joy businesses. **Eugene J. O'Sullivan** appointed Vice President and Chief Financial Officer. **Ronald A. Drapeau** advanced to Vice President and General Manager of the Joy-Green Fan Division. **Frank G. Milo** promoted to Vice President and General Manager of Joy Energy Systems, Inc.
- The Parsons Corporation: **William E. Leonhard** will retire as Chief Executive Officer and Chairman.
- Anderson Mavor Inc.: **Robin Ferguson** appointed Senior Vice President and Chief Operations Officer.
- Clark Components International: **Robert J. Clark** advanced to Director of Transmission Engineering.
- Regol-G Special Steel Services, Inc.: **John G. Ranz** named General Manager.

- Trak International: **Reggie Holderfield** promoted to Vice President of Sales and Marketing. **Derek Simon** named Eastern Regional Manager. **Wendell Moss** advanced to District Manager with responsibility for the southeastern U.S.
- ME International: At the Northern Automatic Electric Foundry the following were appointed: **Thomas Zarnke** Plant Manager; **Gerald Senske** Maintenance Technician; and **Dennis Bal** Plant Metallurgist.



FREEMAN

O'SULLIVAN

HAYES

- Geraghty & Miller, Inc.: **James E. Furr** named Associate.
- Ideas Inc.: **Frank Kasinecz** appointed to the sales staff covering northwest Illinois.
- Calgon Corporation: At Calgon Water Management Division **A. Fred Kerst** advanced to President.
- The Foxboro Company: **Peter K. Lovelace** appointed President and General Manager of Foxboro Canada, Inc.
- Davy Corporation: **Sir Alistair Frame**, Nonexecutive Chairman of The RTZ Corporation PLC, elected Deputy Chairman.
- Modular Mining Systems: **J. Michael Canty** named Vice President.
- Rockwell International: **Richard C. Quaid** appointed President for Off-Highway Products and Driveline Division.
- Environmental Strategies Corporation: **John E. Moore** named Senior Hydrologist. Moore is also President of the American Institute of Hydrology.

OTHERS

- National Executive Service Corps: **Julian L. Hayes**, former Director of Public Relations for the Anaconda Company, honored for a volunteer management consultancy he conducted for the Police Athletic League of New York.
- Colorado Mining Association: At the 13th Institute of Mine Safety and Health, **Michael Hauck**, Safety Manager for the Cordero Mining Company, named the 1989 Outstanding Safety Person of the Year. **Christopher W. Herne**, a senior at the Colorado School of Mines, named Outstanding Student of the Year by the association.
- The Sulphur Institute: **Donald Messick** advanced to Manager of Agricultural Programs.
- State of Alaska: **Jamie Parsons** named Director of Business Development.
- Obituary: **Howard Twitty**, 80, a distinguished public lands attorney with the Phoenix firm of Twitty, Sievwright & Mills, died on November 9 at his home in Phoenix. Twitty served as Chairman of the American Bar Association Section of Mineral and Natural Resources Law and made significant contributions to the deliberations of the Public Land Law Review Commission.
- Obituary: **Frank T. Weems**, 65, a former member of the Mountain States Mineral Enterprises' (MSME) Board and Executive Vice President of MSME, died on October 15 in Palo Alto, California. Prior to this he was President of Envirotech's EIMCO Process Machinery Division.

CALENDAR

February 5, Washington, D.C. **American Mining Congress Annual Members Meeting.** Contact: Barbara Spillinger, AMC, Suite 300, 1920 N St., N.W., Washington, DC 20036; 202/861-2827.

February 14-16, Madison, Wisconsin. **24-hour Workshop for Emergency Response Teams and Other Personnel at Treatment, Storage and Disposal Facilities.** Contact: Engineering Professional Dept., University of Wisconsin-Madison, 432 N. Lake St., Madison, WI 53706.

February 15-16, Mt. Vernon, Illinois. **Susidence Seminar—Midwestern.** Contact: Stuart Sanderson, AMC; 202/861-2857.

February 21-23, Phoenix, Arizona. **AMC Federal Tax Workshop.** Contact: Michael Chakarun, AMC; 202/861-2830.

March 1-2, Fort Collins, Colorado. **9th Biennial High Altitude Revegetation Workshop.** Contact: Gary L. Thor, Department of Agronomy, Colorado State University, Fort Collins, CO 80523; 303/491-6517.

March 6-8, Rolla, Missouri. **Blaster's Training Seminar.** Contact: Dr. Paul Worsley, Rock Mechanics and Explosives Center, University of Missouri-Rolla, Rolla, MO 65401; 314/341-4317.

March 7-8, New York, New York. **Market Update: Doing Business in Europe.** Contact: Customer Service, Frost & Sullivan, Inc., 106 Fulton St., New York, NY 10028; 212/233-1080.

March 14-17, Jakarta, Indonesia. **The 2nd Asia/Pacific Mining Conference and Exhibition.** Contact: Asean Federation of Mining Associations, c/o Cahners Exposition Group (Singapore) Pte. Ltd., 1 Maritime Sq., #13-02, World Trade Center, Singapore 0409.

March 25-28, Atlanta, Georgia. **Manufacturing International '90.** Contact: Public Information, American Society of Mechanical Engineers, 345 E. 47th St., New York, NY 10017; 212/705-7740.

March 25-30, Billings, Montana. **1990 Billings Reclamation Symposium.** Contact: Dr. Frank E. Munshower, Reclamation Research Unit, Montana State University, Bozeman, MT 59717; 406/994-4821.

March 27-28, Washington, D.C. **Advanced Materials—The Business Side of the Equation.** Contact: Robert Dale Wilson, *The Wilson Report on Material Policy*, Suite 500, 1900 L St., N.W., Washington, DC 20036; 202/835-1571.

April 4-6, Scottsdale, Arizona. **AMC Financial Conference.** Contact: Keith Knoblock, AMC; 202/861-2851.

April 4-6, Washington, D.C. **Sulphur Markets—Today and Tomorrow.** Contact: Harold H. Weber, The Sulphur Institute, 1725 K St., N.W., Washington, DC 20006; 202/331-9660.

April 5-6, Rolla, Missouri. **Short Course on Explosives and Handling.** Contact: See March 6-8 listing.

April 23-26, Clearwater, Florida. **15th International Conference on Coal and Slurry Technology.** Contact: Coal and Slurry Conference Committee, Suite 505, 1156 15th St., N.W., Washington, DC 20005; 202/955-9580.

April 23-26, Charleston, West Virginia. **1990 American Society for Surface Mining and Reclamation Meeting.** Contact: Jeff Skousen, West Virginia University, Box 6108, Morgantown, WV 26506-6108; 304/293-6256.

April 30-May 4, Raleigh, North Carolina. **Measurement of Toxic and Related Air Pollutants.** Contact: Sandy Riley, Meetings Dept., Air and Waste Management Assn., P.O. Box 2861, Pittsburgh, PA 15230; 412/232-3444.

May 7-10, Cincinnati, Ohio. **American Mining Congress Coal Convention '90/Coal Prep 90 Exhibition and Conference.** Contact: Clarence Smith, AMC; 202/861-2831.

Editor's Note: AMC Journal needs a minimum of 2 months' notice for announcements of events, conferences, exhibitions and courses.

GOLD '90 - SALT LAKE CITY

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Basic Studies of Gold in Pyrite

General Applications to Gold Exploration

Applications to Mineral Beneficiation of Refractory Gold Ores

Basic Studies of Gold-Carbon Associations

Gold Heap Leach Info Exchange

Applications to Mine Development of Carlin-Type Deposits

Pyrometallurgical Processing - Nonferrous Pyrometallurgy

Gold '90 is being presented in conjunction with the 1990 SME Annual Meeting and Exhibit.

FOR FURTHER INFORMATION CONTACT:

The Society for Mining, Metallurgy, and Exploration, Inc.
 Meetings Dept.

P.O. Box 625002 • Littleton, CO 80162 USA
 (303-973-9550) • FAX 303-973-3845

COMMUNICATIONS

The Good Neighbor Policy Works

Mining communicators must consider the general political environment with which the industry must cope, such as federal legislation and regulation, achieving a balanced view in the national press, and so forth. But there's another public that must be a target of excellent communication programs, because it is affected most directly by mining operations—the local communities. Being a good neighbor . . . literally . . . can mean the difference between a successful mining operation and one that is forced to shut down by local pressures, unreasonable permitting procedures or town ordinances.

The Mining Industry Communications Workshop offered two half-day sessions that focused on improving community relations. One session dealt with mitigating hostile reaction to mining operations in or near a town.

Larry Pile, Manager of Communications for Amax Coal Industries, Inc., described how Amax coped with negative community reaction to cast blasting at the Ayrshire mine in Indiana. The company's campaign involved responding to citizens' complaints, establishing a toll-free hotline and employing a part-time representative to address homeowner's concerns. Amax also surveyed houses within one mile of the mine, distributed a blasting brochure and occasionally made settlements with residents.

Ralph Tibble, Assistant General Manager of Homestake Mine in Lead, South Dakota, said to expand the mine's operation, residents and local businesses will have to be relocated. Homestake is working with developers to keep the residents in Lead so the tax base in the town will not decline. Open town meetings are one way the company is maintaining regular communication and positive relations with the town. Concrete measures such as improved dust control and monitoring of blasting effects help to show the company's commitment, Tibble explained.

Jack Yewell, Director of Public Relations for the Oglebay Norton Company, told the session how his company had defused tension through communication efforts in Eveleth, Minnesota, over blasting at the nearby iron ore mine. Informational meetings included a slide show presentation about blasting at the mine, which explained the need to blast taconite to break it into manageable chunks. The divisive issue was "short-cut through communication," he said.

Yewell listed some do's and don'ts for effective community relations efforts: schedule public meetings to get to know the community, always tell the truth about a situation, recognize meeting ringleaders and seek their opinions, convince the community that the company can control the situation, keep risk and benefit apart, don't overload data with numbers and technical information and talk to legislators and government officials.

Another way to improve relations with local residents is to remove the fear of the unknown by allowing observation of ongoing operations. The U.S. Forest Service is fostering this idea through its "Mineral Showcasing" initiatives, reported Walter Schlumpf, the agency's Assistant Director-Minerals & Geology, during the Workshop's Idea Exchange. Although there can be many different kinds of demonstration projects, the objective of a mineral



Larry Pile, Amax Coal; Jack Yewell, Oglebay Norton; and Ralph Tibble, Homestake Mining, discussed how to defuse hostile reactions to mining operations in or near a town.

showcase area is to demonstrate that minerals can be extracted from the earth in a way that integrates other resource values and uses of the land.

Schlumpf noted that showcase areas should encompass ongoing mineral operations having a variety of visible surface impacts. Criteria for selecting a showcase area include:

- It is easily accessible.
- It is capable of accommodating visitors safely.
- It demonstrates good management practices and integrated resource management.
- It is supported by industry and cooperating agencies.

Companies or persons interested in setting up a showcasing effort or obtaining more information about it should contact the Regional Forester or Chief, Forest Service, U.S. Dept. of Agriculture, P.O. Box 96090, Washington, DC 20090-6090.

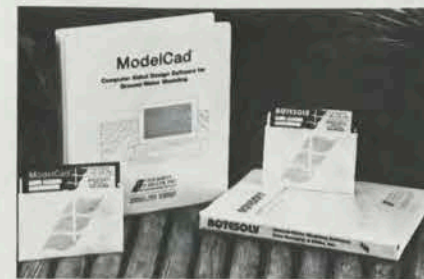
The second half-day session devoted to Community Relations covered company contribution programs. Selma Mackler, Research Associate with The Conference Board in New York, said the current trend in corporate contributions is toward larger, fewer program grants in order to have more impact in identified community focus areas. She urged companies to prepare a "mission statement" to ensure that contributions are attaining the goals for which they are made.

Jay Handelman and David Gardner, public relations directors for Freeport-McMoRan Inc. and Cleveland-Cliffs Inc, respectively, described their company's contribution programs. According to Handelman, Freeport will match the charitable contributions made by employees in addition to making contributions to fund-raising drives such as the United Way. Special projects also are a part of the company's giving program. Gardner said 60 percent of his firm's contributions are educational gifts, including the Cleveland Education Initiative, which pays students for passing and sets aside funds for the college of the student's choice.

There are many avenues to take, but the object of all of these programs is to demonstrate that the mining company is a caring member of its community. It makes good sense to be a good neighbor.

—Carol R. Sheppard

NEW PRODUCTS



Modeling Software

Geraghty & Miller, Inc., Modeling Group, 1895 Preston White Dr., Reston, VA 22091, 703/476-0335, has made available two pieces of its advanced modeling for sale. The packages, which "represent major advances in groundwater modeling technology," include an aquifer test analysis program called Aqtesolv and a computer-aided design system for groundwater models called ModelCad. According to the manufacturer, Aqtesolv is an interactive-menu-driven program for analyzing many different types of aquifer tests. The program offers both manual on-screen type-curve matching and nonlinear least-squares estimation of aquifer properties. ModelCad makes the design of complex groundwater models easier, according to its designer, by providing an interactive graphic interface for creating model data files. It stores the design in a model-independent format than then is translated into several other popular formats. Both software packages run on IBM-compatible microcomputers and include extensive documentation and full technical support from the designer.

Winter Liners

One of the largest selections of winter liners for use with protective caps and hats is available from the Mine Safety Appliances Company (MSA), P.O. Box 426, Pittsburgh, PA 15230, 1-800/MSA-2222. MSA Winter Liners, featuring 11 different styles, can be worn alone or under protective caps and hats to insulate workers from cold temper-



atures. They are suitable for industrial and outdoor use in many applications and cover the head, neck and ears and conform to most facial contours for a snug, comfortable fit, according to the manufacture. Eight styles have a unique ear pocket design that reduces pressure on the ear and affords normal hearing without an "echoing" effect. Liner fabrics include lined poplin, stretch orlon, cotton twill and wool knit, depending upon the style selected. The lin-

ers are constructed with slots that enable them to be slipped easily over the suspensions of MSA head protection products, while vinyl tabs and buttons allow use with other suspension systems. All MSA Winter Liners meet the requirements of ANSI Z89-1-1986. Eight styles meet the specifications of ANSI Z89-1-1986, Class B covering dielectric headwear.

Electric Detonators

Austin Powder Co., 25800 Science Park Dr., Cleveland, OH 44122, 216/464-2400, has introduced a new line of electric detonators that includes "the world's most accurate long delays for underground and surface work." Called Time*Stars, they are offered in instant and 16 delays from MS-500 to MS-8000 in standard 500 ms increments. According to the manufacturer, the



0.8 gram base charge of Time*Stars reliably initiates all cap sensitive products while the strong aluminum shell reduces the possibility of water hammer effect. An insulating clip provides added support to the bridge-wire, which is embedded in the fusehead, and holds the fusehead in proper position to initiate the detonator charge reliably. An antistatic sleeve and spark gap, with a Faraday's cage effect surrounding the fusehead, provide maximum protection against static electricity. A triple-crimped plastic plug forms a waterproof seal that holds all components in their proper positions. The shell end is stamped with the delay period to avoid sequencing errors and the high visibility antistatic leg wires are shunted against stray currents and are highly resistant to abrasion under wet or dry conditions.

Clay Liner

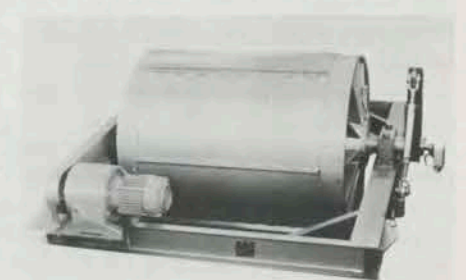
Claymax is, according to its manufacturer, a "flexible, impermeable clay liner manufactured with the world's highest quality sodium bentonite." James Clem Corp., 444 No. Michigan, Suite 1610, Chicago, IL 60611, 312/321-6255, states the product combines the durability of a woven geotextile fabric with the impermeability of a pound-per-square-foot of sodium bentonite. The geomembrane has self-sealing seams and an overall self-healing ability if ripped or punctured. The liner can be used as a primary or secondary liner. When used as the clay

component in a composite liner system, the bentonite mat automatically seals potential leaks found in the synthetic components of the system. In its hydrated state, the liner forms a dense bentonite layer, providing a monolithic seal for any type of liquid containment. It has a permeability coefficient of 2×10^{-10} cm per second at 35 ft. of water head pressure, is resistant to chemical attack and provides the same protection as 10 ft. of compacted clay, according to the maker. Applications for this flexible membrane include heap leach pads, tailing ponds, dams and landfill caps.



Electromagnetic Drums

Eriez Magnetics, P.O. Box 10608, Erie, PA 16514, 1-800/345-4946, has introduced heavy-duty electromagnetic drums using hollow core conductor technology. By utilizing a series of liquid-cooled energizing coils, reports the manufacturer, the magnets run substantially cooler, allowing higher input energy, which increases magnetic strength by a factor of five in comparison with stand-



ard electromagnetic drum separators. The resulting magnetic fields supply separation capabilities similar to or better than large belt magnet separators without the necessity of belt maintenance. Three models are available in 48-, 60- and 72-in. diameters, with a thick manganese steel shell on the drum. Double-row self-aligning ball bearings are easily accessible without drum disassembly. The drums have rugged fabricated steel end flanges and are available with box frame for suspension mounting or base mounting frame. The optional drive package consists of TECF gear motor, sprockets and chains and chain guard. Cooling packages also are available.

THE LAST WORD



'We Are Entering a Period of Shortage of Mining Engineers'

By Harleigh V.S. Tingley Jr.

AS MOST OF US who have been involved with the mining industry for some years know, demand for new mining engineering graduates boomed from the mid 1970s until about 1981 and busted thereafter. Graduating classes of mining engineers and industry hires grew from about 200 per year in the early 1970s to a peak of 700 in 1981. Then in 1982 hiring dropped sharply and relatively few of the 2,000 mining engineering graduates between 1982 and 1986 found jobs in mining.

Now it looks as if the same cycle of boom and bust may be beginning again. New mining engineering graduates in 1989 numbered only about 100, according to an annual survey conducted by Consolidation Coal. Demand, however, is up. One mining school dean told us that his 1989 graduates averaged three job offers apiece. That's quite a contrast from 1982-1986.

How many new graduates in mining engineering do we need? And how can we avoid, or at least mitigate, the cycles of the past? To try to answer these questions, Anderson, Genssler & Schwab (AG&S) has conducted an analysis that incorporates in a supply/demand model, data and techniques from previous AG&S studies, data from Consolidation Coal Company's annual survey of mining engineering graduates and data from the American Geological Institute's (AGI) 1986 survey of North American geoscientists and related engineers.

The analysis has led us to a number of interrelated conclusions:

- A shortage of experienced mining engineers, possibly greater than that experienced in the 1970s, probably will develop over the next few years as the impact of the limited new hires in the mid-1980s and the current low graduating rates increasingly is felt.

- We see a risk that this shortage will be viewed as a crisis and provide the impetus for U.S. mining schools to graduate and industry to hire more mining engineers than can be absorbed on a long-term basis, thus repeating in the 1990s the boom and bust of the early 1980s.

- By building graduation rates to 350 mining engineers per year and holding to that level, U.S. mining schools should be able to meet industry requirements through the late 1990s and be positioned for gradual growth thereafter, while reducing the

Harleigh V.S. Tingley Jr. is Executive Vice President of Anderson, Genssler & Schwab, Inc., a management consulting firm that specializes in mineral industry matters. The Last Word column is open to readers to discuss issues of major import.

possibility of another major boom and bust.

- To alleviate the near-term shortage as quickly as possible, the industry may want to recruit (1) mining engineering graduates of the mid-1980s who now are working in other occupations and (2) other types of engineers as well.

- The principal beneficiaries for the next few years should be new mining engineering graduates, who should have their pick of jobs at probably ever-increasing salaries.

The above conclusions are based on our understanding of the dynamics of supply and demand for mining engineers and how these dynamics contributed to past shortages and surpluses. A principal concept embodied in our analysis is that (1) the

The principal beneficiaries for the next few years should be new mining engineering graduates who should have their pick of jobs at probably ever-increasing salaries.'

industry's need for mining engineering skills in an operating sense can by and large be met only by experienced mining engineers, and (2) new graduates typically need five years of subsequent on-the-job development to qualify as experienced mining engineers. The implications of this concept to supply and demand are significant:

- Demand increases for experienced mining engineers can be met only several years after new graduates are hired.

- However, when demand drops off, the industry can stop hiring for up to five years without immediate apparent harm because demand for experienced engineers is met by those hired five years earlier.

Currently, we suspect that the number of experienced mining engineers is declining because annual retirements probably exceed the limited hiring of the mid-1980s. Projecting this trend forward, retirements and increased demand in the 1990s almost certainly will exceed the numbers hired in the late 1980s, which leads to our conclusion that we are entering a period of shortage.

We believe that longer term demand for mining engineers is increasing at a rate of approximately 1.25 percent per year. If this and our other estimates are reasonably accurate, 350 mining engineering graduates per year should meet industry's requirements through the end of the century.

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Journal

A PUBLICATION OF THE AMERICAN MINING CONGRESS

NOVEMBER 1989



**AMC's Declaration of Policy:
A Strong Minerals Industry is
Fundamental to U.S. Security**

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Journal

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COVER: The Resolutions Committee, meeting Saturday, September 16, just prior to the AMC Mining Convention '89 in San Francisco, debates planks in the AMC Declaration of Policy. Later the same day, the AMC Board of Directors officially adopted the policy statement, which is published in full in this issue of the AMC Journal.

PUBLISHER: John A. Knebel • **EDITORIAL CONSULTANT:** Paul A. Theis

EDITOR: James Beizer • **MANAGING EDITOR:** Joyce Morgan

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WASHINGTON WIRE

EEZ Hard Minerals Working Group Backs Proposed Legislation

Legislation (H.R. 2440) that would establish a workable, rational regime to explore for and wisely manage the development of this nation's ocean mineral resources was supported last month by the Working Group on EEZ Hard Minerals. The American Mining Congress is a member of the Working Group, an ad hoc group of individual and association representatives with diverse mining industry, environmental and state government perspectives. In testimony before the House Subcommittee on Oceanography, Conrad Welling, Chairman of the AMC Underseas Mineral Resources Committee and Senior Vice President of Ocean Minerals Company, said the Working Group's position is based on 10 consensus concepts that are addressed by H.R. 2440. "It is not perfect legislation," Welling said, "but we are encouraged by the fact that H.R. 2440 provides a sound statutory framework that will enable different levels of government, industry and environmental interests to move forward together—productively—as we seek responsible approaches for addressing this emerging ocean use." (AMC contact: Keith Knoblock, 202/861-2851.)

Supreme Court to Rule on Lawyers' Fees for Black Lung Cases

The U.S. Supreme Court has agreed to hear an appeal by the Labor Department on the constitutionality of a system the department uses to pay lawyers' fees in black lung cases. The West Virginia Supreme Court of Appeals ruled that the department's current system discourages attorneys from accepting black lung cases, thereby denying access to counsel and violating the claimant's rights to due process. The department's system does not allow payment to a lawyer until the case is final, and only if the case is won. (AMC contact: Kevin Burns, 202/861-2868.)

Congress Approves Funding for Clean Coal Technology

The House and Senate have approved the conference report on legislation (H.R. 2788) to provide funding for the Office of Surface Mining (OSM) and the Clean Coal Technology Program in fiscal 1990. The legislation is now ready for President Bush's signature. Under H.R. 2788, OSM will receive \$101 million for regulation and technology. In addition, \$192 million was approved for the Abandoned Mine Land (AML) Fund, but no AML funds would be granted to a state that does not participate in the agency's applicant violator system. H.R. 2788 appropriates \$450 million for the Energy Department's Clean Coal Technology Program. Fiscal 1991 funding would be boosted from \$100 million to \$150 million, but \$150 million was deleted from the program for FY 1992. However, the conferees said the program "would be fully funded through the third round solicitations."

AMC Board Elects Two New Members at Mining Convention

At its September meeting in San Francisco, the American Mining Congress Board of Directors elected two new members and confirmed Executive Committee action in the election of a third. Peter B. Lilly, President, Kerr-McGee Coal Corporation, was elected to fill the vacancy created by the resignation from the Board of Kerr-McGee Chairman Frank A. McPherson; Ian L. White-Thomson, President, United States Borax & Chemical Corporation, was elected to fill the vacancy created by the retirement of company chairman, Lord Clitheroe; and the previous election of Leonard R. Judd, President and Chief Operating Officer, Phelps Dodge Corporation, was confirmed to fill the vacancy created by the retirement of G. Robert Durham, Chairman and President of Phelps Dodge Corporation, on June 30, 1989. In other action, the Board approved the appointment of Frank D. Wicks, Vice President and General Manager, Barrick Resources (USA) Inc., as Chairman of the AMC Western Division Board of Governors.

MSHA Proposes Rule on Diesel Equipment Approval, Use

The Mine Safety and Health Administration (MSHA) last month proposed rules for the approval and use of diesel-powered equipment in underground coal mines. The rules are in response to last year's final report of the Diesel Advisory Committee. The proposed rules would establish new requirements for the approval of diesel engines and other related equipment, establish exposure monitoring and reporting requirements for air sampling of gaseous emissions and provide safety standards for the use of diesel-powered equipment in underground coal mines. The proposal also solicits comments concerning the scope of proposed approval requirements for diesel-powered machines, their content and how they would be administered through MSHA. Comments are due January 2, 1990. (AMC contacts: Mark Ellis, 202/861-2860, and Peter Tooker, 202/861-2867.)



American Mining Congress Board of Directors

SEATED, from left: R. Gene Dewey, Molycorp, Inc.; Kenneth J. Barr, Cyprus Minerals Company; Robert H. Quenon, Peabody Holding Company, Inc.; Milton H. Ward, Freeport-McMoRan Inc.; Allen Born, Amax Inc.; Richard de J. Osborne, Asarco Incorporated; William R. Stamler, The W. R. Stamler Corporation; Gerard K. Drummond, Nerco, Inc. SECOND ROW, from left: Charles F. Barber; Dana S. Getman, Getman Corporation; Lawrence Williams, Caterpillar Inc.; James T. Curry, BHP-Utah Minerals International, Inc.; Richard M. Holsten Jr., The Pittsburg & Midway Coal Mining Co.; Gino P. Giusti, Texasgulf Inc.; Leonard R. Judd, Phelps Dodge Corporation; G. Frank Joklik, Kennecott Corporation. THIRD ROW, from left: Reuben Richards, Inspiration Resources Corporation; H. L. Billhartz, Arco Coal Company; Robert T. Spitz, National Gypsum Company; Terry A. Kirkley, Exxon Coal & Minerals Company; John D. Janak, Texas Utilities Mining Company; Renold D. Thompson, Oglebay Norton Company; Arthur Brown, Hecla Mining Company; Robert A. Lothrop, J. R. Simplot Company; Stuart H. Theis, M. A. Hanna Company; Billie B. Turner, IMC Fertilizer Group Inc.; Lord Clitheroe, United States Borax & Chemical Corporation; Marc R. von Wyss, Dundee Cement Company; Richard G. Miller, Elgin National Industries, Inc.; Calvin A. Campbell Jr., Goodman Equipment Corporation; and Anthony J. Petrina, Placer Dome Inc.

AMC Priority Initiatives: Key Issues Facing Mining

This year at the annual meeting of the Resolutions Committee on September 16 in San Francisco, the leadership of the American Mining Congress continued the practice started last year in which eight directors of AMC highlighted the Priority Initiatives of the mining industry. The AMC Directors who presented the Priority Initiatives were: Leonard R. Judd, President, Phelps Dodge Corporation; Robert H. Quenon, President, Peabody Holding Company; Gino P. Giusti, Vice Chairman, Texasgulf Inc.; Billie B. Turner, Chairman, IMC Fertilizer Group Inc.; Robert T. Spitz, Senior Vice President-Manufacturing Technology and Resource Development, National Gypsum Company; William R. Stamler, Chairman, The W. R. Stamler Corporation; Gerard K. Drummond, Chairman, Nerco Inc.; and Richard de J. Osborne, Chairman, Asarco Incorporated. Excerpts from their presentations follow:

ACCESS TO PUBLIC LANDS

Our citizens must have access to public lands to explore for minerals and, if found, the security of tenure to develop a mine and bring those minerals into production. We are in a battle over public lands access—a battle fought against highly motivated, well-organized and handsomely funded forces who advocate a policy of no-growth and who seek to prohibit hardrock mining, oil and gas drilling, and for that matter, grazing and timber harvesting on the public lands. For years, the environmentalists have sought the Mining Law's repeal and its replacement with a leasing system that would permit them to pressure the government to block mineral development. These groups have planted the impression on Capitol Hill that the mining industry is divided on this issue. At the same time, they have attempted to gull our industry by maintaining that environmentalists will be satisfied with only modest changes in the law. Don't believe it. I can assure you the environmentalists seek total repeal of the law and institution of a leasing system. The militant, hardline leaders of



JUDD

the movement are gearing up for a major legislative effort to accomplish exactly that purpose.

CLEAN AIR

Now that a concrete Clean Air Act proposal has been submitted formally to Congress by the Bush Administration, it is doubtful that either political party will want to enter the 1990 elections without having passed a bill of some sort into law.

The fundamental problems with the legislation derive from its basic requirements. The acid rain title requires a reduction in annual sulfur dioxide emissions of at least 10 million tons (below the 1980 level) by 2001. Whether a reduction of this magnitude in this time frame is necessary and whether it will achieve identifiable benefits is not at all certain.

The bill lists some 187 pollutants that would be regulated as hazardous air pollutants. Many of these are present at our mining and mineral processing facilities. In many ways, this bill is a quantum leap from what we have seen to date in the way of air pollution regulation.



QUENON

HUMAN RESOURCES

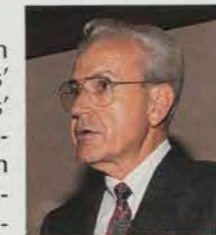
Conscientious mine management recognizes the necessity and value of investments in safety and health programs that eliminate personal injury, equipment damage and production interruptions. The mining industry's safety accomplishment is improving. Last year the lowest number of fatal injuries occurred in the history of U.S. mining. As a priority issue, the AMC will continue to publicize superior safety and health achievements through the exemplary and prestigious Sentinels of Safety awards. AMC also has taken an increasingly active role in the issue of Congressionally mandated, employer-provided employee benefits, seen by many as a new wave of social policy.



GIUSTI

MINE WASTE

AMC supports the policy position espoused by the National Governors' Association and Western Governors' Association favoring a state-based approach for protection of public health and the environment, taking into account current site-specific, waste-specific and waste management-specific practices, and, to the maximum extent feasible, relying on existing state regulatory programs for mining waste. A reasonable regulatory system cannot be developed without drawing upon the technical expertise of the U.S. Bureau of Mines and the experience of the states and other federal agencies that have been regulating mine waste management practices for many years.



TURNER

MINERAL POLICY

AMC continues to monitor legislation dealing with the National Defense Stockpile, to support in Congress funding for the activities of the National Critical Materials Council to enable it to take the lead in federal government mineral and material policy coordination and analysis, and to monitor the progress of the National Strategic Materials and Minerals Program Advisory Committee. This committee was formed in 1984 to advise the Secretary of the Interior.



SPITZ

PRODUCT LIABILITY

AMC continues to support adoption of a federal law that will compensate fairly those persons injured by products, foster the international competitiveness of U.S.-produced goods, reduce unreasonable legal costs and lessen the severity of the periodic product liability insurance crises. It is our belief that a federal product liability tort law will benefit not only U.S. industry, but also our society as a whole.



STAMLER

TAXES

The priority tax issues facing the industry are: (1) the defense and preservation of the percentage depletion allowance; (2) prevention of further erosion in the current deductibility of mine exploration and development expenses; and (3) retention of adequate capital cost recovery allowances. The industry also will continue to pursue modification of the alternative minimum tax (AMT) to eliminate those aspects that discriminate against the mining industry and to oppose increases in the AMT rate.



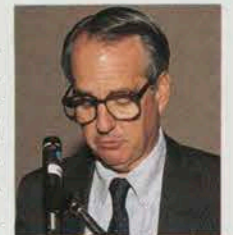
DRUMMOND

TRADE

AMC encourages the U.S. government to work to eliminate all restrictions on the principles of open and fair trade. We also urge the Executive and Legislative branches to weigh carefully the adverse impact of actions that may place U.S. minerals and metals producers at a disadvantage relative to foreign producers.

AMC continues to support the Uruguay Round of multilateral trade negotiations and advocates specific actions to enhance the international competitiveness of the U.S. mining industry.

AMC urges that multilateral financial institutions support economic development in lesser developed countries in a manner that does not foster otherwise uneconomic minerals production.



OSBORNE

AMC Manufacturers Division Board of Governors



Left to right: John E. Mahoney, Hitachi Construction Machinery (America) Corporation; Trevor J. Jones, Jeffrey Division, Dresser Industries, Inc.; Lawrence Williams, Caterpillar Inc.; C. E. Bryant Jr., Continental Conveyor and Equipment Corporation; Dana S. Getman, Getman Corporation; Herbert E. Gerhard, National Mine Service Company; William R. Stamler, The W. R. Stamler Corporation; C. P. Cousland, Harnischfeger Corporation; Edward S. Frohling, Mountain States Mineral Enterprises, Inc.; Calvin A. Campbell Jr., Goodman Equipment Corporation; Gordon G. MacVean, Eickhoff Corporation; and William G. Mulligan, Ingersoll-Rand Company.

AMC's Declaration of Policy:

'A Strong Minerals Industry Is Fundamental'



▲ AMC Chairman Milton Ward opens the meeting of the Resolutions Committee.
◀ William Lyons of Nerco Inc. served as chairman of the Resolutions Committee.

PREAMBLE

A strong domestic minerals industry is fundamental to the long-term security and economic health of the United States because reliable and low-cost raw materials must be supplied for the nation's agriculture, manufacturing and energy needs. The American Mining Congress, therefore, is committed to fostering a domestic mining industry that makes a substantial contribution to the economy and welfare of the United States and its citizens, is environmentally responsible, fulfills national requirements and minimizes the risks of undue dependence of the United States on foreign sources of supply. The contributions of the domestic mining industry are affected adversely, however, by certain government policies, laws and regulations, large federal deficits and international trade practices. The United States must have policies, laws, regulations and practices that will promote a stable and competitive domestic minerals industry, especially in view of efforts by other countries to expand their minerals production capacity through subsidized development projects.

Reasonable Earnings

The mining industry needs sufficient earnings to attract the capital required to replace depletable resources and to modernize facilities, while permitting an adequate return to shareholders. It must be recognized that investments in mining are long term, and that private sources of capital will not be adequate unless there is reasonable stability in government policy, regulation and taxes.

The federal tax system should encourage investment of capital in the high-risk, but much-needed mining industry by restoring necessary mining tax incentives and eliminating the perverse effect of the "minimum tax" while embodying the fundamental principle of certainty of treatment.

Although mining should pay its appropriate share of

costs relating to the environment, safety and health, and other important concerns of the American public, costs and benefits should be balanced realistically.

Free Markets and Fair Competition

Domestic mining is capital intensive and must compete in world markets. The industry can thrive only in a vibrant world economy that stimulates broad needs for minerals production and maintains a climate of fair competition.

While the U.S. government should continue adhering to fiscal, monetary and trade policies that foster vigorous economic activity and reliance on market forces at home, the U.S. government also should make every possible effort to ensure free and fair market policies and practices by other countries, particularly by those countries that choose to export to the world's largest market, the United States.

Such actions as the dumping of goods, direct or indirect subsidy of exports, unreasonable restrictions on return of capital, manipulation of currency exchange rates and acts of price protection give unfair advantage to one trading partner over another, adversely affect U.S. balance of payments and increase domestic unemployment. These actions should be resisted strongly by means of international negotiation and use of appropriate U.S. trade law remedies. While a new round of negotiations under the General Agreement on Tariffs and Trade (GATT) is in progress, the United States must enforce and advocate fair trade practices vigorously.

The United States should oppose any bilateral or multi-lateral financial support that directly or indirectly serves to promote uneconomic production of minerals.

Access to Minerals

Minerals can be mined only where they are found. Geological evidence indicates there are as yet undiscovered mineral deposits on America's vast public lands. Extensive withdrawal of these lands from mineral exploration and development severely restricts the domestic minerals base.

Whenever appropriate, public lands should be managed for multiple use, including mining, to provide a balance of environmental responsibility and economic results. In general, largely unexplored public lands represent the nation's most promising possibility for locating a substantial and sustainable supply of domestic minerals.



Frank Joklik of Kennecott presents the Preamble to the AMC Declaration of Policy.

Technology, Research and Education

The United States must guard against further slippage in productivity growth and a reduced standard of living relative to the rest of the world. In mining, as elsewhere, there is no choice but to emphasize technology, research and technical education along with the fundamental economic principles of private enterprise. Such emphasis applies not only to educational institutions, but also to industry and government. In order to achieve this goal, AMC is working to develop and implement a coordinated program to advance technological progress in the mining industry. Among the goals of this program are:

- Preservation of traditional mining universities both as education resources and as centers of excellence for development of new mining technologies.
- Greater sharing among U.S. competitors of significant technological developments.
- Promotion of cooperative research and development in innovative, cost-effective methods of minerals extraction and processing, as well as mineral utilization by consuming industries.

Allen Born, left, and John Paul of Amax follow the discussion.



Robert Spitz of National Gypsum Company offers the section on Minerals Availability.



FULFILLING DOMESTIC POTENTIAL

National Policy

The Mining and Minerals Policy Act of 1970 declared it to be the national policy to encourage, through the private sector, a sound and economically viable domestic mining and minerals processing industry in the United States. This goal was reaffirmed in the Materials and Minerals Policy, Research and Development Act of 1980 and again in the National Critical Materials Act of 1984.

Despite the repeated enunciation of a national policy to promote a strong domestic minerals base, little coordinated federal implementation has occurred. Meanwhile, in spite of extensive restructuring by the domestic mining industry, the United States has suffered a deteriorating position in global minerals trade and is increasingly vulnerable in its dependence on imports. This trend is due in large part to the cost of compliance with the regulatory burdens placed upon the industry. Recognizing that U.S. competitiveness is influenced greatly by government policies and shifts in currency values, AMC continues to urge that national minerals policy be implemented by means of an Executive Order issued by the President.

The National Defense Stockpile should be maintained as a form of insurance against military contingencies, the timing and nature of which are not predictable. This stockpile should provide access to critical materials to maintain our national defense readiness in unforeseen national emergencies and not be employed to offset federal budget deficits or managed in a way that distorts market prices.

AMC also urges Congress to promote the utilization of domestically produced advanced and strategic materials (for example, composite materials) and other materials important to national defense in government supported research and development programs. This policy would enhance national competitiveness and would foster additional commercial development.

Domestic Investment Climate

To ensure adequate domestic supplies of metals and minerals and to eliminate undue dependence on foreign sources, the mining industry needs a strong, secure economic environment. A period of continued stable economic growth is urgently required to sustain the industry's return to long-term fiscal strength. This strength is essential to permit the industry to remain competitive for funds in the international capital markets.

Accordingly, AMC urges the Administration and the U.S. Congress to:

- Pursue prudent fiscal, monetary and trade policies that will serve to reduce federal budget deficits and contain inflationary pressures.
- Adopt tax policies that will encourage capital formation and investment. (See Taxation.)
- Alleviate the heavy impact of government policies in many areas—e.g. environmental, public lands management, energy—that restrict the ability of the mining industry to generate and compete for investment capital. (See International Trade and Investment.)

Adopted on September 16, 1989, in San Francisco preceding the AMC Mining Convention '89, this Declaration of Policy sets forth the views of the mining industry of the United States on national issues and recommends courses of action.



David Delcour of Amax presents the resolution on Public Lands.

Land Management

Nearly two-thirds of America's vast and minerals-rich public lands now are effectively closed to minerals exploration and development. This restriction is unnecessary and short-sighted.

1. Multiple-Use Management of Public Lands

Although there may be good reasons in some instances to reserve certain public lands for an exclusive purpose, AMC believes most of these lands could and should serve multiple uses, including mining. In so stating, AMC is mindful that:

- Mining can take place only where deposits are found, and public lands offer as yet undiscovered mineral potential.
- Over the entire history of this nation, only a fraction of 1 percent of the land surface ever has been touched by mining.
- Improved technology and economics justify exploration in areas previously explored and the development of previously uneconomic deposits.
- Security of title under the general mining laws and adequate tenure under the mineral leasing acts are necessary to justify the large capital investment needed for mineral development.

AMC supports a continuing review of existing public land withdrawals to pinpoint their location and acreage. Withdrawal proposals must consider the mineral development potential of the area under study. AMC urges the Department of the Interior (DOI) to revoke those withdrawals that are unnecessary and to limit additional withdrawals only to that acreage essential to carry out a well-defined and justified public purpose. Where limited revocation is possible, as in the case of military lands, such revocation should be accomplished in accordance with these principles.

The Congress legislatively has classified various special federal land management systems including parks, fish and wildlife refuges, forests and wilderness. In establishing boundaries of areas withdrawn from mineral development, Congress provided an adequate protective boundary around those resources worthy of protection. AMC opposes additional buffer zones around such units.

2. General Mining Laws

AMC supports retention of the general mining laws that permit self-initiated exploration and provide security of title in the event of discovery.

AMC opposes placing locatable minerals under a leasing system. Such a system would discourage and reduce mineral exploration and would preclude participation by many individuals and small firms. Experience under the mineral leasing acts, with their attendant rulemakings and exposure to delaying litigation, has shown clearly that the extension of such a system could effectively close public lands to hard-mineral exploration and development for decades—a lapse that the nation can ill afford.

3. Wilderness Areas

Congress should amend the Wilderness Act to refocus its emphasis toward sound land management within a framework that recognizes the importance of wilderness

values, but does not preclude all other resource uses. New wilderness designations should permit exploration, mining and initiation of new rights under appropriate conditions.

Provision should be made for periodic review of existing wilderness and for modification of wilderness boundaries to exclude highly mineralized zones and to provide reasonable access to such zones.

AMC opposes the creation of buffer zones for wilderness by Congressional or administrative action for purposes of creating de facto wilderness areas.

Lands under the jurisdiction of the Bureau of Land Management (BLM) are being studied to determine their suitability for wilderness designation. The Department of the Interior has ruled that during the study non-impairment restrictions will be placed on mineral activities. The administrative interpretations and policies imposing these re-



◀ AMC President John Knebel and AMC Chairman Milton Ward participated in the development of the Declaration of Policy.
▼ Richard Cesped of Bechtel Inc., left, and Emil Romagnoli of Asarco follow the debate.



strictions are contrary to law. The department should correct these interpretations so that activities can proceed under the general mining laws.

In some instances, legislation has been introduced that preempts the BLM wilderness study process mandated by the Federal Land Policy and Management Act. AMC opposes such legislation.

Regarding lands being reviewed for wilderness suitability by the U.S. Forest Service under its Second Roadless Area Review and Evaluation (RARE II) program, AMC advocates that:

- The President reconsider and reduce excessive acreages recommended for wilderness.
- Lands recommended for further study or wilderness inclusion, not yet included, remain open to mining pursuant to existing law.
- Lands recommended for multiple-use management be so managed without further delay.
- Congress declare the RARE II environmental impact statement to be legally sufficient and not subject to judicial review.
- Lands recommended for wilderness should include an analysis of mineral development potential.

4. Federal Land Leasing for Coal

The U.S. Congress should amend the Federal Coal Leasing Amendments Act of 1976 expeditiously to correct unrealistic production obligations and other impediments that preclude reasonable coal development on leased federal land. Most urgently required is repeal or substantial mitigation of the provision that requires the Secretary of the Interior to terminate leases where an entity has held a federal coal lease for 10 years without producing coal in commercial quantities.

The Federal Coal Management Program must permit sufficient reserves to be available for development to meet the requirements of coal consumers as their demands expand. This should be accomplished by leasing sufficient federal coal under flexible terms for development, thereby permitting coal mining companies to respond to normal supply and demand forces. In those coal regions where the Regional Coal Teams (RCT) establish no regional leasing schedule but federal coal leasing interest exists, AMC urges RCT decertification to permit coal areas to be opened for leasing by application by qualified interested parties.

AMC opposes any moratorium on federal coal leasing as inimical to long-term U.S. interests. AMC also opposes repeal or major modification of Section 2(c) of the Mineral Lands Leasing Act of 1920, which bars common carrier railroads from holding federal coal leases except for their own use for railroad purposes.

The Department of the Interior has revised its rules for valuing coal for royalty purposes. While the royalty valuation regulations address in a positive way some of AMC's concerns, AMC cannot endorse the regulations in their entirety because of DOI's retention of the presumption that royalty value includes all proceeds flowing to the lessee from the sale of coal. Value for royalty purposes should be determined at a fixed point upon completion of crushing and sizing of coal actually mined and should exclude the value added by processes and handling beyond such point. The regulations properly exclude from royalty value such direct government levies as the black lung tax, abandoned mine land fees and state severance taxes, but improperly include federal royalty on royalty payments in the calculation of value.

Despite these concerns, AMC recognizes that the regulations are the product of a lengthy administrative process and should be given time to work. We endorse the Interior Secretary's decision to allow the regulations to remain in effect pending further administrative review. AMC does not agree with DOI's decision to focus such review on the impact the regulations will have on coal production, or on state and federal revenues. DOI should confine its review to a determination of whether the regulations lawfully define the statutory term "value."

AMC continues to oppose any assessment of royalties on government levies and other payments (take-or-pay), which do not represent the value of coal actually produced. AMC also advocates legislative reduction of the 12½ percent royalty rate and reduction of royalty rates for underground mines.

5. Water Rights

The assertion of federal and Indian reserved water rights, which has generated considerable litigation and uncertainty, poses threats to water rights vested under state law and sanctioned by federal law. AMC supports comprehensive and equitable state court adjudications of water rights through proper proceedings and reasonable and fair negotiated settlements.

In the event negotiation or adjudicative efforts fail, AMC recommends that Congress enact comprehensive legislation to:

- Reaffirm the dominant state role in water rights administration and adjudication.
- Limit the scope of federal reserved water rights so that impact on exercise of state water rights is minimized.
- Determine federal and Indian reserved water rights upon detailed and timely investigation and analysis of all issues raised by the conflicts.
- Determine the circumstances under which federal and Indian reserved water rights may be established in the future.
- Investigate the potential for water conservation and development projects that would ameliorate the conflicts between the exercise of federal and Indian reserved water rights and water rights established under state law.

Further, legislation establishing federal wilderness areas and other systems of reserved public lands must contain a provision expressly disclaiming reservations of federal water rights. AMC specifically opposes the concept of federal reserved water rights in withdrawn or reserved public land areas. AMC supports a system of water rights based upon state water law.

6. Land-Use Planning

Land-use planning has become a means of restricting rights of mineral exploration, discovery, development and ownership. Federal environmental statutes frequently have been implemented at federal and state levels in ways that amount to direct or indirect land-use controls.

The result is indiscriminate segregation of lands from both public and private use, rather than management of these lands.

AMC believes all land-use legislation, planning and implementation should recognize the unique nature of mineral occurrences. Government at all levels should:

- Establish "zero-based" land-use planning systems so that withdrawals can be reviewed and justified during each planning cycle.
- Implement land-use planning in a manner consistent with the acts setting forth the national minerals policy.
- Manage lands in accordance with multiple-use principles.
- Recognize that mining is among the highest and best uses of the land.



Conrad Welling of Ocean Minerals Company, left, presented the resolution on Undersea Mineral Resources. Seated next to him is Herbert Gerhard of National Mine Service Company.

7. Undersea Mineral Resources

The oceans contain vast deposits of untapped mineral resources—manganese and cobalt, among others—that eventually may be of strategic and critical importance to the security and economy of many industrialized nations.

The wise development of these resources requires establishment of a stable and realistic regime under which

investors with the necessary capital and skill can exercise their historic right of freedom of the high seas and pursue deep seabed mining in a secure, reasonable and nondiscriminatory manner.

The Deep Seabed Hard Mineral Resources Act of 1980 lays the groundwork for reaching broader agreement with a number of nations that share U.S. views. AMC urges that initiatives in this direction be undertaken.

With regard to hard minerals on the deep seabed within the Exclusive Economic Zone (EEZ), AMC supports the cooperative efforts of the departments of the Interior and Commerce in performing the necessary preliminary seabed mapping and resource reconnaissance activities to facilitate policy formulation and industrial activity in the EEZ.

Hard mineral operations in the EEZ should not be a part of the Outer Continental Shelf Lands Act (OCSLA). The OCSLA was prepared to address oil and gas and is not suitable for hard mineral operations.

AMC supports enactment of hard minerals legislation in order to provide a legal regime based upon hard minerals economic and technical data.

8. Surface Use and Damages Act

AMC opposes the establishment of a uniform state law regulating the statutory and contractual relationships between the owners of surface and mineral estates. Disruption of economic commitments based on long-standing contractual and legal rights is unwarranted and not a proper subject for a uniform state law proposal.

National Defense Stockpile

AMC opposes establishment of an economic stockpile, as well as the unlawful use of the National Defense Stockpile to assist in meeting budgetary objectives.

The National Defense Stockpile is an important element in minerals availability and national defense readiness, particularly in relation to certain critical metals for which the U.S. has a high degree of import dependence. AMC opposes any major reduction in stockpile goals without a comprehensive evaluation of the current program and of the market impact of the reduction, incorporating the views and expertise of industry.

AMC supports the concept of more efficient and consolidated management of the stockpile. Ideally, responsibility for the National Defense Stockpile should be placed in an independent corporation; this would help avoid the frequent, drastic swings in stockpile objectives and purchase and sale programs that have served periodically to destabilize some portions of the minerals industry.

AMC supports legislation to establish stockpile objectives in relation to an import formula. This would provide an objective standard less subject to manipulation for political or budgetary reasons, and automatically would align stockpile goals with changes in applicable technology.

Defense Production Act

The powers held by the government under Title III of the Defense Production Act have been used in the past with remarkable success and in a cost-effective manner to encourage the domestic production of essential strategic materials and to enhance the domestic resource base.

AMC supports the judicious use of the government's powers under Title III of the Defense Production Act as a means to provide additional security of supply for those strategic and critical materials for which the United States now must depend on imports to supply its requirements for defense purposes.

INTERNATIONAL TRADE AND INVESTMENT

The Need for Fair Trade

The American Mining Congress supports an open and fair trading system, which strengthens private enterprise worldwide. At the same time, there exist today many limitations to the principles of open and fair trade, including foreign government policies that unfairly affect the ability of the U.S. mining industry to compete. In fact, many sectors of the U.S. mining industry have been injured by unfair trade practices.

The U.S. government, when responding to unfair international trade practices, should apply trade remedies promptly, consistently and completely, and, in particular, should consider as subsidies the many indirect forms of support that so often accompany state trading in its various modern manifestations. Further, the U.S. government should enforce all relevant trade law when responding to practices resulting in two-tier pricing.

The Administration and the Congress also should be mindful of the potentially adverse impacts of their actions upon the international competitiveness of the U.S. mining and mineral processing industries, as well as the manufacturers of mining equipment. Legislative and Executive Branch initiatives, particularly those in the regulatory, tax and public land areas, prevent development and add costs that, in the aggregate, place U.S. producers at a disadvantage relative to the costs of foreign producers.

Strengthening the nation's educational system, particularly for technical education, is critical to the long-term viability of American industry. Government should support technology development important to the mining industry's competitiveness including mining-related research and study programs at the nation's colleges and universities. Increased cooperative efforts between government and industry should be employed to help share the burden of technological development.

Four leaders of the mining industry examine the resolutions. From left, Richard Osborne of Asarco, Lawrence Williams of Caterpillar Inc., Renold Thompson of Oglebay Norton and Carter Grinstead of Exxon Coal & Minerals.

Multilateral Trade Negotiations

The American Mining Congress supports the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade. As a general matter, the liberalizing of trade throughout the world is a desirable goal. At the same time, there is a critical need to improve the functioning of the multinational trading system and to reinforce its rules and disciplines, as well as to deal with problems not now addressed by the GATT.

1. Sectoral Negotiations

U.S. negotiators to the Uruguay Round should apply the principle of sectoral negotiations for mineral, metal and related products. By ensuring that U.S. concessions affecting the mining industry are matched by reciprocal concessions in the same sector by our trading partners, we can work toward the desirable goal of true free trade globally for minerals, metals and related products.

In the context of sectoral negotiations, the multilateral elimination of tariff and non-tariff barriers to trade for mineral, metal and related products should be pursued vigorously. The United States should negotiate to eliminate the wide disparities in the levels of protection that exist between the United States and other countries. U.S. negotiators also should seek to win concessions on specific subsidy practices that distort the flows of trade and the relative competitive position of U.S. industry in the world market.

2. Subsidies Code

To ensure greater discipline over the use of foreign government subsidies that confer unfair competitive advantage upon the products of the subsidizing country, the United States must seek to revise, clarify and strengthen the GATT rules on subsidies. Specific objectives for the new GATT Round should include: (1) broadening the definition of subsidies to include domestic subsidies, as well as export subsidies, (2) extending applicability of GATT subsidy rules to all GATT members and (3) improving GATT's complaint procedures for subsidy cases.

3. GATT Article XVII

To ensure that state trading entities operate in a non-discriminatory manner and base their decisions on commercial considerations, the United States should seek to revise and strengthen GATT Article XVII. Specifically, the United States should advocate the incorporation of specific language defining what constitutes unfair practices engaged in by state-owned enterprises, as well as the establishing of rules and disciplines covering such practices. A goal of the United States should be to prohibit the distortions to trade and the world marketplace that have resulted from the production and exportation of mineral commodities in world oversupply by nationalized, state-owned or government-controlled or -subsidized mining and mineral producing and processing industries operating in both developing and industrialized nations.

4. Investment Practices

The United States should seek to establish GATT rules that foster economically sound investments in mining projects and eliminate government policies that distort and restrict commercial operations and significantly alter patterns and levels of international trade.

5. Dispute Settlement Procedures

A U.S. goal in the Uruguay Round should be to seek the adoption of procedures to streamline and strengthen the GATT dispute settlement process. A strengthened dispute settlement mechanism would increase confidence in the GATT and in the global trading system generally. At the

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same time, it would put teeth in the goal of eliminating unfair and trade-distorting practices.

Bilateral Trade Negotiations

U.S. officials responsible for implementation of the U.S.-Canada Free Trade Agreement should seek early concessions on Canadian subsidy practices. The United States should implement aggressively the provisions of Section 409(b) (the Baucus/Danforth amendment) of the agreement's implementing law, which provides for a monitoring program and for remedies against subsidy practices affecting the minerals and metals sector. The principles of existing U.S. countervailing duty and anti-dumping laws should be preserved under the agreement.

The United States should seek to include mineral-based investments in any new bilateral negotiations leading to possible future trade agreements between the United States and other nations or regions. A priority goal of such negotiations should be the elimination of subsidy practices affecting the mining and minerals processing industries.

Sanctions

AMC opposes any policy calling for disposal of U.S. government gold reserves, or other stockpiled reserves, as a means to depress world mineral prices to influence the internal policies of other nations. U.S. producers are most likely to be hurt by such sanctions.



From left, Douglas Foote of Bond Gold Corporation, Earl Huntington of Texasgulf and Michel Schneider-Maunoury of Elf Aquitaine show a keen interest in the issues.

Role of International Financial Institutions

AMC contends that the role of multilateral financial institutions should be to support economic development, principally in lesser developed countries, without encouraging minerals production that would otherwise be uneconomic.

Our government should apply vigorously existing federal law governing the U.S. relationship to these institutions, which imposes strict criteria with respect to the position of the United States on specific lending actions.

AMC encourages international financial institutions to take into account environmental as well as occupational health and safety considerations when approving economic development loans that compete with U.S. mineral production. Lesser developed countries should not have an economic advantage by shortcutting environmental planning and controls.

AMC supports the competitive lending activities of the Export-Import Bank in facilitating U.S. mining equipment sales for private sector mining ventures abroad where such financing does not contribute significantly to the production of commodities that are already in excess supply worldwide.

(Continued on page 14.)

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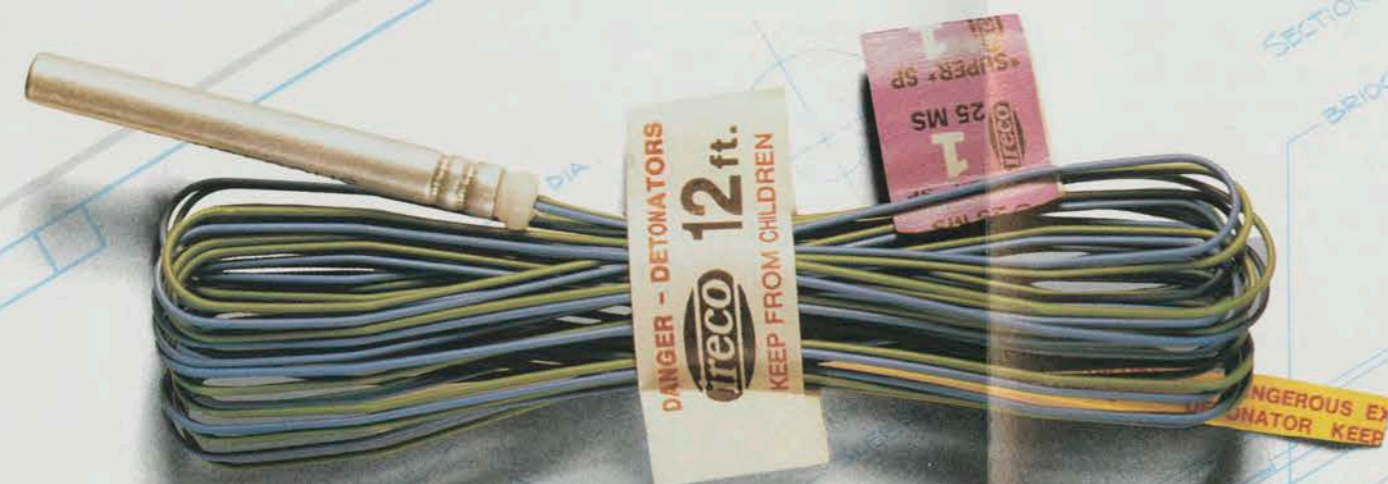
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Two AMC directors, John Janak, left, Texas Utilities Mining Company, and Kenneth Barr, Cyprus Minerals Company, listen to the debate.

ENERGY SECURITY AND DEVELOPMENT

United States' dependence on imported energy continues to grow. Such dependence increases U.S. vulnerability to another supply disruption. AMC urges the government to pursue policies that encourage development of a strong domestic energy industry so that risks associated with a growing import dependence can be minimized.

AMC commends the Administration for initiating development of a comprehensive national energy strategy. AMC shares the Administration's conviction that development of such a strategy is among its highest priority actions.

AMC supports research and development of technologies offering significant economic and environmental advantages in the near term for existing coal-burning facilities and continued research and development in the longer term for new coal utilization technologies.

AMC also supports research and development efforts for synthetic fuels technology.

AMC advocates a number of federal government policies with respect to the following major energy resources:

Coal

- Modification of existing environmental statutes and regulations and opposition to new statutes that create economic or mandatory discrimination against the use of coal as an energy source.
- Substitution, where appropriate, of performance standards for specific engineering and control regulations to achieve environmental and mine safety goals.
- Continuation of coal leasing on federal lands on a timely basis in response to market demand.
- Recognition that the federal coal royalty should be based on the value of the coal produced, not the gross proceeds accruing to the lessee from the sale of the coal. (See Federal Land Leasing for Coal.)
- Adoption of a new royalty rate and an effective royalty reduction procedure that reflect the economic realities of the coal market.
- Promotion of competition among rail carriers and other transporters as the best means of assuring rate reasonableness. Where competition does not exist, AMC supports amendments to the Staggers Rail Act to assure Interstate Commerce Commission (ICC) protection for captive shippers.
- Development and modernization of all modes of transportation to support the efficient and economic movement of coal to domestic and foreign consumers.

• Balancing of costs and benefits, based on the best available scientific evidence, when establishing regulatory standards. In this regard, AMC specifically advocates promotion of an industry-wide effort to enhance the environmental aspects of underground coal mining, particularly those relating to full extraction mining, subsidence and impacts on structures and the hydrologic balance.

• Implementation of the Surface Mining Control and Reclamation Act of 1977 in a manner that is based on science, protects the health values of society and strikes a balance among environmental protection, agricultural productivity and the nation's need for coal as an essential and economic source of energy.

• Continued revision of unnecessarily burdensome and counterproductive surface mining regulations through both the rulemaking process and judicial review.

• Recognition of the states as the primary regulatory authorities over surface mining and the Department of the Interior as the judicious and responsible oversight authority.

• Cost-effective use of the Abandoned Mine Reclamation Fund and termination of the reclamation fee on coal on August 3, 1992, as required by existing law.

• Continued funding under the Clean Coal Technology Program for the development and commercialization of new coal preparation and burning technologies that will enhance the value and use of U.S. coal while reducing potential environmental impacts.

• Congressional action to reduce delays and streamline siting and licensing procedures for major coal consuming facilities.

Nuclear

• Implementation of positive governmental policies for the domestic development of nuclear energy, recognizing its necessity and benefits, and governmental support for a viable domestic uranium production industry.

• Revision of governmental policy on uranium enrichment to assure that the domestic industry is competitive with foreign sources.

• Consideration of alternative means for financing, designing, constructing and operating nuclear reactors to encourage public confidence in this energy source and its economics.

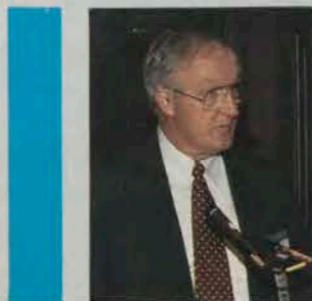
• Congressional action to reduce delays and streamline siting and licensing procedures.

• Balancing of costs and benefits, based on the best available scientific evidence, when establishing standards and regulations for controlling mill tailings, radionuclide emissions and worker exposures to ionizing radiation.

• Use of independent scientific organizations to assist agencies in developing regulatory controls based on sound scientific data.

• Promotion of informational programs for students, legislators, the news media and the public with respect to the desirability and safety of nuclear power.

• Enactment of legislation providing for equitable financing for radioactive mill tailings reclamation costs among the federal government, utilities and mill owners.



Terry Kirkley of Exxon Coal & Minerals Company presents the report on the Energy resolution.

Oil and Gas

• Establishment of reasonable and predictable access provisions to encourage exploration for and development of oil and gas resources on state and federally controlled lands, both onshore and offshore.

• Establishment of a streamlined permitting process.

• Modification of environmental statutes and regulations that create unreasonable economic burdens on the exploration and development of oil and gas, such as unnecessary prohibitions against offshore drilling.



Richard Kerch of Consolidation Coal Company presented the Environmental Quality resolution.

ENVIRONMENTAL QUALITY

In conducting its operations, the mining industry is committed to the protection of public health and the environmentally responsible management of the natural resources that are utilized. National environmental policy should center on achieving these goals, while recognizing that attainment of other important societal goals requires a vigorous domestic mining and minerals processing industry.

Major new environmental programs should be adopted only upon the certainty of significant risk to public health or the environment. Congress should balance competing societal goals when reauthorizing existing laws and adopting new environmental programs, so that the costs, including the cumulative effects on the international competitiveness of American industries, are commensurate with reduction in risk to be attained.

AMC supports improvements in the following major categories of environmental concern:

Solid Wastes and Superfund

1. Mining and Mineral Processing Wastes

Waste materials from the extraction, beneficiation and processing of ores and minerals should not be designated as "hazardous." AMC supports the Environmental Protection Agency's (EPA) 1986 determination that certain extraction and beneficiation wastes will not be regulated as hazardous wastes, and continues to believe that a similar determination is both proper and necessary for the remaining industry wastes.

AMC also supports cooperative efforts among EPA, the states, industry and other interested parties to ensure that mining waste regulations are protective of health and environment in a cost-effective manner and avoid redundancy, as intended by Congress and the courts. AMC believes that individual states are best equipped to develop minerals industry waste management programs because the states are better able to account for site-specific physical conditions, site-specific management practices and mineral-specific waste analyses that must be considered in the development of any such programs.

2. Superfund

Several significant problems continue to exist in the Superfund programs, such as joint and several liability that

results in EPA's reluctance to settle claims with individual responsible parties, post-closure liability protection, overzealous cleanup standards, costly remedial investigation and feasibility study requirements, litigation at the state level of natural resource damage claims and the incorrect assessment of mining related sites under the current Hazard Ranking System (HRS). Quick and effective implementation of the Superfund Amendments and Reauthorization Act (SARA) by EPA would help address some of these problems. AMC believes the following recommendations would alleviate some of the mining industry's concerns:

• The agency must not ignore the congressional mandate to adopt a more realistic approach to assessing risks posed by mining and mineral processing sites. AMC repeatedly has stated its willingness to work with EPA on the implementation of SARA's required revisions to the HRS. Unfortunately, EPA rulemaking is focused on only minor modifications of the HRS.

• EPA should allow greater involvement by the states in completing Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) actions. Deferral to the states in many cases is more effective because they are better equipped to administer and manage relevant and appropriate site-specific remedial actions and better able to respond to local concerns. Deferral also allows for more efficient applications of EPA resources to major sites with broader or regional interest.

• The joint and several liability implications of CERCLA act as a disincentive for the reworking of those old, often abandoned, mine sites that are technologically and economically amenable to reprocessing. CERCLA should be amended to encourage reprocessing as an alternative remedy.

• In implementing the reporting requirements of Sections 102 and 103 of CERCLA, EPA should clarify that reports are incumbent upon only bona fide releases or potential releases of hazardous substances from containment structures that directly threaten public health or the environment.

Air Quality

Air quality is a valuable natural resource that must be protected and enhanced, to the extent reasonably achievable. Air quality programs designed to prevent significant risks to public health and the environment are necessary and appropriate. The mining industry supports the basic policies and framework of the Clean Air Act, even though its implementation has resulted, and will continue to result in significant costs to the mining industry. AMC takes the following positions with respect to the act:

1. National Ambient Air Quality Standards (NAAQS)

In the area of air quality standards, AMC urges Congress to maintain its role of establishing broad policy to be implemented specifically by EPA. Congress should set goals, leaving the regulatory implementation to the agency. The act, especially its requirements for independent scientific review, establishes workable procedures for protecting public health and the environment.

2. Acid Deposition

While the environmental consequences of acid rain remain questionable, the adverse impacts of acid rain legislation on American industry, and consequently on the nation's economy, will be real and substantial.

These new costs will make energy-intensive heavy industries, such as mining and minerals processing, less competitive in the world markets in which they must oper-

ate. Absent a demonstrated environmental problem, the government should not add to the economic burdens of these industries.

The above notwithstanding, the Congress is moving swiftly towards amending the Clean Air Act. In view of this political reality, AMC believes it best to work with Congress and the Administration to ameliorate those proposals that would be especially harmful to the nation's mining and mineral processing interests. The following outlines issues included in the Administration's acid deposition proposal that AMC will work to change:

AMC will work toward use of the already accepted 1980 National Acid Precipitation Assessment Program emissions inventory that shows total 1980 sulfur dioxide (SO₂) emissions from all sources of 26.9 million tons, as the base from which reductions should be measured. AMC will work to reform the bill to change it to a 10-million-ton, not a 12-million-ton plus bill, with a Phase One rate standard consistent with an actual 5 million ton reduction by the end of 1995 (measured against the 1980 base) rather than the approximate 8 million tons that will occur under the bill (2.7 million from industrials, 1980-85; plus an approximate 5 million ton reduction from utilities alone, 1980-95).

AMC takes the position that the tonnage cap on existing plants should be eliminated and that the rate cap for new and existing plants in Phase Two should be no lower than the permitted emission standard for New Source Performance Standards plants, i.e. a 1.2 lbs. SO₂/MMBtu standard or the federally permitted rate for that plant. This should be measured on an annual basis. The offset requirement for all new units should be eliminated.

Relative to Clean Coal Technologies (CCT), AMC:

- Supports the extension of time for Phase Two installation of CCT until at least 2005. The current proposed extension is until 2003.
- Supports the use of currently available CCT to meet Phase One requirements and an extension of time for those Phase One plants choosing CCT to the applicable requirement for Phase Two. The technologies eligible for such an extension, including retrofit technologies, should be named by the Department of Energy (DOE).
- Will work to extend the number of technologies eligible for inclusion in the Phase Two extension, which are now limited to five. DOE should be charged with the task of naming technologies that can be used under this bill and with reviewing and updating the list on an annual basis.
- Supports an extension of the benefits and incentives suggested for repowering with CCT to new greenfield plants.
- Will continue to work toward incentives for CCT utilization.

3. Air Toxics

Section 112 provides a program for regulation of hazardous air pollutants. Although its implementation has been criticized in the past, the problems were largely administrative in nature. Directed by the courts, EPA set out to remedy these deficiencies, and progress has been made.

Current legislative proposals would amend Section 112 to list hundreds of elements and chemical compounds as hazardous air pollutants and mandate controls without a clear showing of human toxicity at ambient levels.

AMC believes risk assessment and risk management coupled with independent peer review should be the hallmarks of any new air toxics legislation. Congress should acknowledge that exposures, even to carcinogens, can be safe and that safe does not mean risk-free as recognized in

decisions of the courts. AMC believes technology-based controls should be required only for those sources that emit air toxics in amounts large enough to cause unsafe exposures to real people living nearby the source.

4. Nonattainment

AMC believes that any new nonattainment provisions for particulate matter should contain reasonable deadlines for achieving compliance and recognize that natural sources will cause widespread exceedances of the NAAQS, particularly as the result of windblown dusts in arid and semi-arid areas. In these and other situations, construction and operation of man-made sources of fugitive dust such as surface mines should be subject only to increased control of their particulate matter emissions consistent with their percentage contribution to nonattainment.

5. Global Climate Change

Global climate change, or global warming, is an international issue requiring coordinated global consideration. The first step must be to pursue international agreement on the science of the issue. AMC is committed to participating in future scientific analyses and policy development. Congress should keep any legislation addressing this issue separate from the present Clean Air Act amendment process.

As to particular air quality regulatory programs now under consideration by EPA, AMC takes the following positions:

- Existing ambient standards for sulfur dioxide and particulates provide for protection of public health with an adequate margin of safety.
- There are appropriate means for protecting visibility under the Clean Air Act. The adoption of a secondary NAAQS for fine particulates is not warranted.
- EPA should redefine particulate matter increments as used in its "prevention of significant deterioration" program to mean PM₁₀, i.e. to include only particles of 10 microns or less.
- EPA has proposed to list surface coal mines for Prevention of Significant Deterioration purposes. The issue is pending before the agency. AMC will continue to work for a complete reversal of this proposal or the adoption of a suitable compromise.

Water Quality

1. Surface Water

Our surface water resources support many uses including potable water supplies, recreation, irrigation and wildlife propagation, as well as industrial usage, and must be managed properly. Drinking water supplies must be managed to protect human health.

Revisions to existing surface water quality standards designed to protect or enhance the quality of public waters for designated uses are being adopted by the states with emphasis and direction from EPA. Surface water quality management authority historically has resided with the state governments and should continue to do so. AMC believes that the federal government should continue to provide the financial and technical support for state surface water management programs. AMC believes that these standards should be revised solely on the basis of sound scientific findings that revisions are necessary to protect public health and the environment.

Federal regulation of stormwater runoff from point sources and nonpoint sources would have tremendous impact on industrial operations and on mining operations in particular. AMC believes that any initiatives toward manage-

ment and control of stormwater runoff should reflect a careful balancing between the need to protect the quality of our surface water resources and the desirability of avoiding an excessive burden on industry.

2. Groundwater

Groundwater is a vital resource that must be managed for many purposes. When used for potable water, groundwater quality must be managed to protect human health. Public policy also must recognize that other uses of groundwater are vital to our quality of life and the economic well-being of the nation.

Primary authority for groundwater management should continue to reside with state governments. AMC believes that it is appropriate for the federal government to provide technical and financial assistance for state groundwater management programs through federal agencies such as the U.S. Geological Survey and EPA. The federal government also should provide the technical support necessary for public groundwater education programs.

AMC supports national legislation that provides technical and financial assistance to the states and believes the federal government has sufficient authority under existing environmental statutes to protect groundwater if further action is needed to protect human health.

William Murray of Kerr-McGee Corporation presented the resolution on Safety and Health.



HUMAN RESOURCES

Safety and health

Providing a safe and healthful working environment for its employees is of paramount importance to the mining industry.

Achieving this end requires programs to detect, evaluate and eliminate the causes of mining-related injuries, illnesses and diseases, and the cooperative efforts of industry, employees and government. AMC, therefore, will continue to cooperate to:

- Identify and eliminate potential causes of injuries, illnesses and diseases.
- Develop, promote and conduct safety and health training programs.
- Assist in the determination of the most effective and efficient use of government resources appropriate to establish safe and healthful work places.

To achieve the elimination of occupational diseases, AMC supports prevention of excessive exposures and appropriate medical surveillance, as well as training and control programs. AMC opposes, however, risk notification programs that fail to focus on individuals truly at risk and, therefore, serve only to encourage unfounded worker anxiety and unwarranted litigation.

AMC will continue to work with employees and their representatives to recognize and promote joint responsibility in reducing injuries, illnesses and diseases.

AMC maintains that prompt regulatory and legislative reform is essential to permit the government to focus its finite resources on problem areas that truly merit governmental involvement and eliminate unwarranted burdens on industry. AMC will continue to provide substantive contributions to such reform efforts and to encourage standards and product approval requirements that:

- Focus on true health and safety workplace concerns rather than insignificant paperwork burdens.
- Recognize differences in mining methods, conditions and processing operations.
- Are not introduced or promulgated to circumvent traditional labor-management relations concepts.
- Offer requisite flexibility to reduce safety and health risks.
- Promote the introduction of new technology.
- Incorporate clear and concise performance requirements.

AMC pledges its continued efforts to achieve the elimination of workplace injuries, illnesses and diseases.

Employee Relations

AMC supports management and labor relationships that improve safety and productivity, maintain America's competitiveness in the global marketplace, curb wasteful practices that fuel inflation and provide fair levels of compensation and benefits for employees and a reasonable return on investment for shareholders.

To advance these goals, the enactment and administration of labor-management relations laws should adhere to certain precepts, including:

- Free and informed choice in employee decisions on whether to be represented by a union. That choice must be protected by a secret ballot and with no person's job dependent upon membership or nonmembership in or payment or nonpayment of fees or dues to a union.
- Application of national emergency dispute provisions of existing law, without government assumption of authority to impose terms for settling private-sector disputes.
- Prohibitions on the use of public funds directly or indirectly to support strikes.
- Rejection of initiatives that would cloud the justifiable distinctions between safety and health and other labor-management relations laws.
- Congressional action to redress the anti-employer bias in many laws and regulations and their implementation, including those that relate to nondiscrimination and the National Labor Relations Act.
- Congressional restraint in areas best left to resolution in the workplace.

John Johnson, center, of Newmont Mining Corporation, presented the Employee Relations resolution. Seated at the table with him are Charles E. Barber, left, former AMC Chairman and former Chairman of Asarco and, right, Gino Giusti of Texasgulf Inc.



AMC is concerned as well about the emerging trend in social policy of Congressionally mandated employee benefits, the costs of which are imposed on employers. This further government intrusion into the private sector increases industry's costs of doing business and decreases U.S. ability to compete in world markets.



Calvin Campbell, left, of Goodman Equipment Company, presented the Product Liability resolution. Others in the picture are Richard Holsten, standing, of the Pittsburg & Midway Coal Mining Co., Billie Turner of IMC Fertilizer Group Inc. and Robert Spitz of National Gypsum Company.

PRODUCT LIABILITY

AMC supports enactment of a fair and balanced federal product liability tort law.

A rational federal product liability tort law will: ensure that persons injured by products are compensated fairly, contribute to the prevention of periodic crises in the availability and affordability of product liability insurance, reduce unreasonable legal costs, and foster the international competitiveness of U.S. goods.

AMC urges that the following elements of law be incorporated in a federal product liability tort statute:

- A limitation on the application of strict liability.
- A presumption that for a manufacturer to be found liable, his product must be determined to have been a proximate cause of the plaintiff's alleged harm.
- A manufacturer's defense against actions in which
 - the plaintiff's negligence caused his harm,
 - the plaintiff misused the product,
 - the aspect of the product alleged to have caused the harm was an open and obvious danger,
 - the product was altered without the manufacturer's authorization and the alteration was the proximate cause of the harm, and



Three Phelps Dodge executives follow the discussion. From left, Charles Burns, Leonard Judd and Steven Whisler.

—the product, at the time of original manufacture or production, was in compliance with the then state-of-the-art standards for design, manufacture and labeling.

• The elimination of joint and several liability under which defendants with the deepest pockets are pursued for a disproportionate share of damages while being only marginally responsible for the alleged injury.

• The conduct of separate proceedings to determine liability and punitive damages; and the establishment of a higher standard to be met in awarding punitive damages.

• A limitation on pain and suffering and punitive awards.

• A reduction of awards by the amount of collateral sources of compensation.

• The adoption of reasonable statutes of limitation and repose.

• The availability of binding alternative dispute resolution procedures to facilitate and expedite early settlements.

To accomplish the goals set forth above, AMC supports the enactment of federal proposals modifying tort law in general, as well as product specific legislation. In addition, AMC recognizes the need for product liability tort law reform at the state level.



Robert Boyce of Newmont Mining Corporation presents the resolution on Taxation.

TAXATION

Essential to the survival of the U.S. mining industry is a federal tax system that recognizes the industry's importance to the nation's security and economic well-being by encouraging the exploration for and development of mineral resources.

Certain tax incentives are of critical importance in the high-risk mining industry. These incentives are necessary to encourage capital investment, maintain a strong domestic minerals base and allow the industry to survive in a cyclical and highly competitive international marketplace. Such incentives include the percentage depletion allowance, the full deductibility of mine exploration and mine development costs and a stimulative capital cost recovery system.

The current tax system is deficient to the extent that it does not recognize the importance of these incentives to the mining industry and the country. Also, the tax system places U.S. mining companies at a competitive disadvantage in international trade by unduly restricting the use of the foreign tax credit. These problems are further compounded both directly and indirectly through the alternative minimum tax (AMT).

AMC believes the tax system should be modified to restore full deductions for percentage depletion, allow full expensing of mine exploration and development expenses in the year incurred, and provide for a stimulative capital cost recovery system. The foreign tax credit limitation

should be modified to permit more equitable allocation of cost to U.S. activities and the Foreign Sales Corporation rules should be clarified with regard to mining to promote export of mineral products. The AMT should be revised to: (1) lower the rate, (2) modify the structure of the preferences so as not to discriminate against the mining industry, (3) make all AMT fully creditable against regular taxes, (4) eliminate the limitations on the use of loss carryovers and foreign tax credits under the AMT, and (5) reduce administrative and compliance burdens. Moreover, discriminatory tax policies aimed at specific segments of the natural resources industry and expansion of Superfund and other environmental taxation should be avoided.

State and local taxes also constitute a significant growing burden on the mining industry and an impediment to the success of the industry's mission in society. Income taxes, severance taxes and property taxes are being imposed at increasingly higher levels on the industry. This trend should be reversed.



John Paul of Amax delivers the Transportation resolution.

TRANSPORTATION

As a major shipper of bulk commodities to domestic and foreign markets, the mining industry is vitally concerned with all modes of transportation and their development, modernization, efficiency and costs.

Rail Rates for Captive Shippers

AMC considers the mining industry's most serious transportation problem to center on the lack of restraint on railroads' power to set rates, particularly for captive shippers.

Although Congress substantially deregulated railroads in 1980, the Congress also provided that where a railroad held a transportation monopoly, the ICC should prevent abuse of "market dominance" by that railroad.

AMC believes the ICC has failed to prevent abuse of market dominance. Rather, the ICC's actions have been devoted excessively to improving the financial condition of the railroads, largely ignoring the need to protect captive shippers against monopoly pricing.

AMC supports the goals and recognizes the successes of the legislation that was meant to deregulate and rehabilitate America's rail system in order to meet the needs of interstate commerce and national defense. AMC deplors, however, the ICC's failure to adhere to another objective of the legislation, which was to promote competition and prevent abuse of captive shippers.

AMC supports administrative actions, legislative alternatives and possible litigation to reach the goal of balance in

meeting the needs of rail carriers and shippers alike. This includes: (1) requiring the ICC to employ a definition of market dominance that is directed specifically to the lack of transportation competition, a condition inherent to many mining properties; (2) requiring a railroad to prove that its rates are reasonable, that the rate-setting process considers the competitive position of the U.S. industry and that the establishment of those rates does not require captive shippers to pay more than their fair share, and (3) prescribing a realistic method of determining "railroad revenue adequacy" that relies on the broad array of accounting indicators normally used to assess the financial health of a company or industry, that allows for increases and decreases in rates and that considers railroad productivity gains in cost recovery determinations.

AMC does not support legislative efforts that would seek to re-regulate railroads by undoing the provisions of the Staggers Act that promote deregulation where transportation competition exists and that encourage railroads and shippers to contract for transportation services.

AMC also supports the principle of subjecting railroad monopoly power to meaningful antitrust scrutiny to ensure that railroads do not abuse a market-dominant position by denying captive shippers competitive rail service.

AMC believes that an independent body, such as the ICC, should continue to oversee certain aspects of the railroad industry, particularly those affecting captive shippers.

Other Concerns

The nation's ports, as well as the Great Lakes and the inland waterways, are also essential components of the transportation system and of concern to the mining industry. The Water Resources Development Act of 1986 significantly increased the share of non-federal funds that must be committed to water development projects. AMC urges Congress to appropriate the necessary federal share of funds to improve waterways facilities to enhance commerce and increase U.S. export competitiveness. AMC opposes the concept of cargo preferences.

Finally, AMC supports the present heavy reliance upon competition in the trucking industry, with appropriate regulation and enforcement of adequate safety measures.



Ian White-Thomson, left, and Lord Clitheroe of United States Borax & Chemical Corporation follow the discussion.

INDUSTRY NEWS

Lac to Purchase 65% of Bond International

Lac Minerals Ltd., a Canadian gold mining company, has agreed to buy 65 percent of Denver-based Bond International Gold Inc. for \$10 a share, or \$373.8 million. The stake in Bond is held by companies controlled by Australian financier Alan Bond, who reportedly has been selling assets to reduce debt. The transaction is expected to close November 31.

The Bond International stake roughly would double Lac's gold production and substantially reduce its average cost of producing gold, according to news reports. Bond is expected to produce about 600,000 ounces of gold in the

fiscal year ending June 30, while Lac expects to produce about 400,000 ounces this year.

Last year, Bond spent an average \$204 to produce an ounce of gold at mines in North and South America and in Australia, compared with Lac's average cost of \$260 an ounce.

Bond recently announced a new gold discovery at its Red Mountain project east of Stewart, British Columbia. Significant gold mineralization was found in two steeply dipping zones, grading as high as 9.88 grams of gold and 49.29 grams of silver per ton in one of the 13 drill holes.

Amax Gold to Proceed with Hayden Hill Mine

Development of the Hayden Hill gold venture in Lassen County, California, will proceed, according to its joint venture partners Amax Gold Inc. (60 percent) and U.S. Gold Corporation (40 percent). Construction will begin once all relevant permits are received and financing arrangements for the project are negotiated, probably in early 1991, with initial production in 1992.

Current proven and probable reserves are estimated to be 45.3 million tons of ore at an average grade of 0.032 ounces of gold and 0.22 ounces of silver per ton of ore. Annual production is expected to be about 145,000 ounces of gold and 445,000 ounces of silver. Total development costs are to be about \$73 million and will include a conventional mill and a cyanide heap leach processing facility.

Tim Haddon, President of Amax Gold, noted that this phase of the project "has come to a satisfactory conclusion as a direct result of teamwork, which has resulted in a doubling of reserves and the designing of an economically attractive project."

Freeport Indonesia Wins Exploration Concession

Freeport Indonesia, Inc., an 85.4-percent-owned unit of Freeport-McMoRan Copper Company, has received an important exploration permit from the Indonesian Department of Mines and Energy. The permit guarantees the company exclusive rights during a 12-month period to copper and

associated mineral exploration activity within an area of 6.1 million acres (9,649 square miles) adjacent to its existing 24,710-acre work area in Irian Jaya. Freeport's existing Ertsberg mining concession currently is producing 316 million pounds of copper and 152,000 ounces of gold per year. The operation is undergoing a \$550 million expansion that will increase the output to an annual rate of 566 million pounds of copper and 546,000 ounces of gold per year by mid-1992.

Doe Run Plans Lead Recycling Facility

The Doe Run Company plans to build a \$34 million facility in Boss, Missouri, to recycle lead, plastic and acid from used automobile and industrial batteries. The recycler will be environmentally safer and will produce two-thirds less waste than any other plant currently in use in the U.S., says Doe Run General Manager Kenneth Buckley. He noted that the technology was developed by an Italian firm, Engitec Impianti SpA of Milan and has been used successfully in plants around the world.

The new plant will be built adjacent to an existing Doe Run primary lead smelter to reduce the cost of construction. It is expected to produce 60,000 tons of lead per year from 120,000 tons of spent batteries. Doe Run also produces 225,000 to 240,000 tons of primary lead annually. The plant also will recover sulfate for use in the detergent industry and polypropylene chips to be recycled into new battery cases.

Baseball Honored with Silver Medallions

The National Baseball Hall of Fame has announced its first "Official Proof Issue" of three medals to commemorate its 50th anniversary. The coins, valued at \$5, \$29.50 and \$295 (1 pound of pure silver), honor the first inductees into the Hall of Fame: Babe Ruth, Honus Wagner, Ty Cobb, Walter Johnson and Christy Mathewson. The obverse depicts the home of baseball's archives, the Hall of Fame in Cooperstown, New



York, and the words, "50th Anniversary." On the two smaller medals, the reverse side features a circle of honor linking the names of the five baseball greats around a baseball player. The 3.522-inch diameter, 1-pound medallion features portraits of the five original Hall of Famers on its reverse side.

The medallions may be obtained from the Hall of Fame Fulfillment Center, P.O. Box 711, Main Street, Cooperstown, NY 13326, 800/453-2800.

Homestake's Australian Gold Output to Double

Homestake Mining Company's production from Australian gold operations will nearly double in 1989, reaching 180,000 ounces. In 1990 Homestake expects its share of the gold venture to increase by another 50 percent to nearly 280,000 ounces, representing 30 percent of the company's attributable gold production.

The company operates in Australia through its 80-percent owned subsidiary Homestake Gold of Australia Ltd. (HGAL). Homestake credits the consolidation of its holdings into a half interest in the Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM), rapid development of KCGM's "Super Pit," which will be Australia's largest open pit gold mine, and the startup of HGAL's Fortnum mine in Western Australia for the dramatic increase in production. HGAL expects to recover more than 45,000 ounces of gold a year from Fortnum for at least five years.

HGAL also conducts an aggressive

exploration program with expenditures nearing \$7 million this year, says Homestake. The most advanced project is Reedy's, located in Western Australia, where HGAL has a 50 percent joint venture interest. Reedy's could be in production during 1990.

DOE Helps Fund Sparrows Point Emissions Cleanup

The Energy Department (DOE) will join Bethlehem Steel Corporation in funding a \$45 million advanced system to clean air pollutants from the steel company's Sparrows Point, Maryland, plant. It is the first project selected under the second round of DOE's Clean Coal Technology Program to complete contract talks. The agreement, which Congress must approve, calls for DOE to provide \$13.5 million of the project's cost with Bethlehem providing the rest.

The innovative system to be installed is designed to remove most of the sulfur-bearing compounds from coke oven gases in a less costly and more reliable manner than traditional clean-up systems. Also, it will reduce emissions of toxic chemicals such as benzene and other volatile hydrocarbons.

The new system will incorporate four processes that have been tested previously as separate, commercial-scale units but never linked together. The processes cool the hot gases exiting the coke ovens, remove and recover hydrogen sulfide and ammonia, destroy the ammonia and produce sulfur as a salable by-product. The project is expected to take four years.

Sikaman Finds Industrial Mineral Deposit in Nevada

Sikaman Gold Resources Ltd. has announced a discovery of a large wollastonite deposit on its mining claims located in the Gilbert district of southern Nevada. A high-grade deposit amenable to shallow surface mining was reported. Wollastonite, a naturally occurring calcium metasilicate, is a relatively new industrial mineral in the ceramics and filler markets, says Sikaman, which notes that the greatest potential for growth appears to be in the use of high acicular material in asbestos replacement and reinforcement fillers in plastics and resin systems.

Sikaman will defer its current gold exploration activities on the Gilbert property and concentrate on defining and testing the quantity and quality of its wollastonite showings.

Increased Gold Output Aids Balance of Trade

In conjunction with "America's Gold Week," on October 2 the Gold Institute released its annual *World Mine Production of Gold* that indicates the new "American Gold Rush" will continue through 1992. The U.S. mined 6.6 million ounces in 1988 and is expected to produce 10.1 million ounces of gold by 1992. This is an increase of more than 900 percent from 1980.

Total free world gold production in 1988 was 47.2 million ounces and is projected to increase to 57.8 million ounces in 1992, according to the survey. Soviet and Chinese gold production is expected to increase, but at lower growth rates.

The Gold Institute emphasized that the U.S. will generate an annual 3 million ounce surplus for export by 1992, resulting in a \$10 billion improvement in the trade deficit.

BP, Shannopin Venture Opens Coal Recovery Plant

Ember Energy Company's fine coal recovery plant, designed to recover up to 80,000 tons of coal annually, was dedicated last week at Shannopin Mining Company's mine office in Bobtown, Pennsylvania. Ember Energy is a joint venture between AFT, Inc., a member of the BP Group of Companies, and Shannopin of Pittsburgh.

The new plant will operate adjacent to Shannopin's coal preparation facility in Poland Mines, Pennsylvania, and will recover coal from material that otherwise would become reject from the existing preparation plant. The plant uses AFT's innovative mineral separation technology and its patented Spray-flot flotation cell.

Callahan Closes Ropes Gold Mine Indefinitely

Callahan Mining Corporation has placed its Ropes gold mine in Michigan on indefinite shutdown due to ground control problems in the mine near the main production shaft. Callahan Chairman Charles D. Snead Jr. said, "These conditions, if unchecked, could result in the loss of a section of the shaft. Management is studying how best to control the ground."

Resumption of production may require not only an effective method for controlling the ground but also higher gold prices, noted Snead.

MILL METALLURGIST/GOLD

Responsible for daily monitoring and optimizing metallurgical process for gold recovery from oxidized and refractory ore in circuits automated by programmable logic controls including oxide milling and the start-up of an autoclave circuit. The oxide mill circuit includes carbon-in-leach, elution, electrowinning and tailings disposal. Evaluate mill operating data, conduct lab tests, implement changes in circuit; research and development of new process design and/or circuits for economic efficiency. Work with Mill Foreman, Metallurgical Technicians and Vendors. Coordinate metallurgical and operations group. Minimum requirements: B.S. in Metallurgy and 1 year experience in Metallurgy or related field. Education, training and/or experience must include autoclave circuits and plant automation by computerized process controls and must include start-up of gold milling circuits. \$37,000 per year. 40-hour week. For consideration, send resume to Nevada Employment Security Department, 70 W. Taylor St., Reno, NV 89520, Attn: M. B. Lewis. Refer to job order No. 8904454.

SECTION ADMINISTRATOR

Seeking experienced safety professional to serve as primary administrative and technical liaison between Council and the mining-related industries.

Responsibilities include program administration and technical support to volunteer and industries' committees; review technical training materials; and conference/workshop development.

Requires a B.S. in a technical field or physical science; safety/health course work; minimum 3 years industrial safety/health administrative experience. Must possess knowledge of MSHA/OSHA requirements and related safety/health standards. CSP designation a plus.

Position located in downtown Chicago. Some light travel possible.

Please send resume including salary requirements to:

Stacey Donovan
NATIONAL SAFETY COUNCIL
444 No. Michigan Avenue-SA
Chicago, Illinois 60611

Not for profit/non governmental
EOE

PEOPLE IN THE NEWS

OPERATORS

- Asarco Incorporated: **James Woods**, Chairman and Chief Executive Officer of the Great Atlantic and Pacific Tea Company, elected to the Board. **Kevin R. Morano** advanced to Treasurer.
- The National Gypsum Company: At Gold Bond Building Products **Gerard P. Carroll** named Vice President of Manufacturing Operations replacing **Robert T. Spitz**, who was promoted to Senior Vice President of Manufacturing Technology and Resource Development.
- The RTZ Corporation: **Sir Alistair Frame** named non-Executive Chairman after retiring as Executive Chairman. **Derek Birkin** will continue as Chief Executive and Deputy Chairman. At Kennecott **David B. George** appointed Manager of Smelting for Utah Copper.



MORANO

CARROLL

GEORGE

- Noranda Inc.: **Alex Balogh** named President of Falconbridge Ltd., succeeding **Bill James**.
- Coeur d'Alene Mines Corporation: **Michael C. Tippett** advanced to Exploration Manager.
- Pfizer Inc.: **Allen J. Wenzel** promoted to Vice President of Business Planning and Acquisitions-Minerals in the Materials Science Products Division.
- Reynolds Metals Company: **Guy Sarrazin** advanced to Director of Public Relations for the Canadian Reynolds Metal Company.
- Texaco: **William H. Cummins** and **Robert S. Burton III** named Director and Operations Manager, respectively, of the Montebello Research Laboratory.

MANUFACTURERS, ENGINEERS

- Fluor Corporation: **Leslie G. McCraw** elected Chief Executive Officer and Vice Chairman succeeding **David S. Tappan Jr.** who retires. **Vincent L. Kontny**, President and Chief Operating Officer of Fluor Daniel, succeeds McCraw as President of Fluor Corporation.
- The W.R. Stamler Corporation: **Glen P. Wagner** named Plant Manager. **James A. Fryman** appointed Production Manager.

OTHERS

- Idaho Mining Association: **Arthur Brown**, Chairman and Chief Executive Officer of Hecla Mining Company, elected President of the association.
- Utah Mining Association: **Frank D. Wicks**, Vice President and Director of American Barrick Resources (USA) and General Manager of the Barrick Mercur Gold Mine in Utah, elected Chairman.
- American Mining Congress: **Jim Gilchrist** named Vice President for Environmental Affairs, while **Rod Dwyer** named Assistant Vice President for Environmental Affairs. Gilchrist joined the AMC staff in 1988 after working for nearly 20 years in various divisions of the Exxon Corporation. Dwyer came to AMC in 1980 from the Outdoor Power Equipment Institute. **John W. Prezioso** retired as Art Director.

□ Obituary: **Herbert M. Weed**, 68, former Vice President of the Anaconda Company, died October 10 in Denver. Weed was a member of one of the most prominent families in the mining industry. His late father, Clyde Weed was Chairman of Anaconda and Chairman of the American Mining Congress. Herb Weed also was active in AMC. Weed was also a past president of the Copper Club. After his retirement from Anaconda in 1977, he served as Vice President and a Director of the United Park City Mines. He is survived by his wife, Jeanne Perham Weed; two sons, Clyde, New Rochelle, New York, and Michael, Los Altos, California; and two granddaughters.



TIPPETT

McCRAW

WEED

□ Obituary: **C. DeWitt Smith**, 72, mining engineer and consultant, died at his home in Salt Lake City, Utah. Smith had worked for Phelps Dodge Corporation, St. Joseph Lead Company, the Copper Range Company, The Oil Shale Company and his own consulting firm.

CALENDAR

December 3-4, Tucson, Arizona. **Annual Meeting of the Arizona Conference of AIME.** Contact: Meetings Dept., Society for Mining, Metallurgy and Exploration, Inc., P.O. Box 625002, Littleton, CO 80162; 303/973-9550.

December 3-8, Palm Coast, Florida. **Advances in Coal and Mineral Processing Using Flotation.** Contact: Harold A. Comerer, Director, Engineering Foundation, 345 E. 47th St., New York, NY 10017; 212/705-7835.

December 4-6, Virginia Beach, Virginia. **The 1990 National Electric Code.** Contact: Dr. E.K. Greenwald, P.E., Engineering Professional Development, University of Wisconsin-Madison, 432 N. Lake St., Madison, WI 53706; 800/262-6243.

December 6-8, Spokane, Washington. **Mining's Environment in the '90s.** Contact: Karl W. Mote, Executive Director, Northwest Mining Assn., 414 Peyton Bldg., Spokane, WA 99201; 509/624-1158.

December 7-8, Salt Lake City, Utah. **An Industry Under Siege: Some Facts About Subsidence.** Contact: Stuart A. Sanderson, American Mining Congress, Suite 300, 1920 N St., N.W., Washington, DC 20036; 202/861-2857.

December 7-8, Denver, Colorado. **Special Institute on Natural Resources and Environmental Litigation.** Contact: Rocky Mountain Mineral Law Foundation, 7039 E. 18th Ave., Denver, CO 80220; 303/321-8100.

December 8, Pittsburgh, Pennsylvania. **Subsidence Special Institute.** Contact: Eastern Mineral Law Foundation, P.O. Box 6130, Morgantown, WV 26505-6130; 304/293-2470.

December 10-15, San Francisco, California. **ASME Winter Annual Meeting.** Contact: ASME Dept. WAM89A, Accounting Services Center, 22 Law Drive, Fairfield, NJ 07007-2900; 1-800/THE-ASME.

Editor's Note: AMC Journal needs a minimum of 2 months' notice for announcements of events, conferences, exhibitions and courses.

THE LAST WORD



Policy Declaration Spells Out Mining's Concerns for the 1990s

By John A. Knebel

"THE MORE THINGS CHANGE, the more they stay the same."

Ninety-two years ago, when the U.S. mining industry decided it needed an organization to represent its interests, the forerunner of what was to become the American Mining Congress (AMC) was founded.

At its first meeting in Denver in 1897, the fledgling organization's Resolutions Committee focused on issues ranging from access to public lands—including the need for legislation to simplify procedures for obtaining title to these lands—to the need for a national minerals policy and to the safety of workers in the mines.

Meeting this past September in San Francisco, the AMC Resolutions Committee spelled out a similar set of mining priorities for the 1990s. These ranged from access to public lands, to the need for a national minerals policy, to the safety and health of mine workers, as well as a number of other specific issues, such as clean air and mine waste and product liability, which were unknown to the miners of a century ago.

But essentially, many of the bread-and-butter issues of the last century are still with us and the reasons for the

'The Declaration of Policy lays out a program designed to ensure the continued health of the industry whose well-being is intertwined inextricably with the continued economic growth and military security of our great nation.'

founding of AMC in the first place are just as valid as ever. The interests of an industry that developed the West, helped spread the industrial revolution to the four corners of the country and provided the armaments needed to fight half-a-dozen wars *must* be properly represented.

The *Declaration of Policy* approved in September by the AMC Board of Directors spells out in specific terms just what the industry seeks and needs to do its job. Reflecting the consensus of America's mining leaders, it contains eight priority initiatives, as well as some two dozen other issues that could affect mining for better or worse.

To ensure as broad a base of participation as possible in the formulating of the *Declaration of Policy*, 60 new members were added this year to the Resolutions

John Knebel is President of the American Mining Congress. "The Last Word" column is open to readers to discuss issues of major import.

November 1989

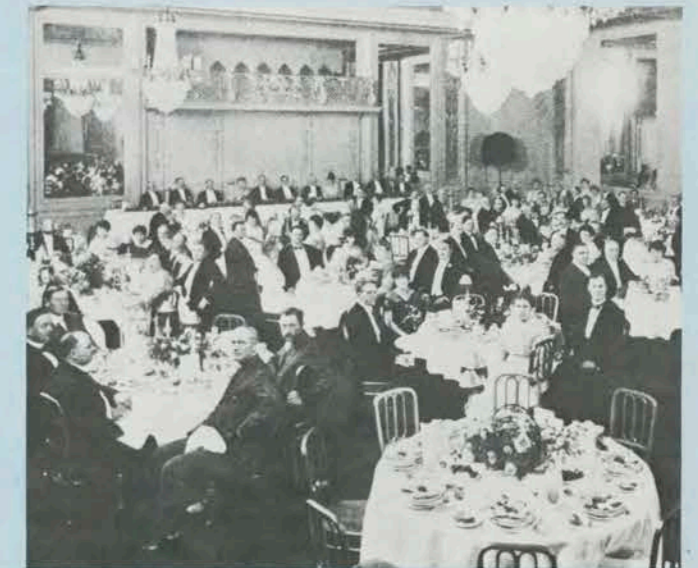
Committee and involvement by all AMC member companies actively was sought. The result is a document of which we in the industry can be proud.

Today, nearly a century after its founding, I can say with confidence that the AMC is doing the job for

'The interests of an industry that developed the West, helped spread the industrial revolution to the four corners of the country and provided the armaments for half-a-dozen wars must be represented properly.'

which it was established. For one thing, it provides a unique service to the industry by concentrating on issues of concern to mining that no other national organization either is interested in or involved in defending or promoting. Our effort to preserve the Mining Law of 1872 is a case in point.

IN SUM, the *Declaration of Policy*, which is printed in full in this issue of the *Journal*, lays out a program designed to ensure the continued health of the industry whose well-being is intertwined inextricably with the continued economic growth and military security of our great nation. Read in that context, I think you will conclude it is a noble effort and that all who participated in its development should be commended for their efforts.



THE MORE THINGS CHANGE . . . The concluding banquet of the AMC Mining Convention in San Francisco in 1915.

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Whit

February 2, 1990

TO: Senator Dole
FROM: Betty
RE: Speech to American Mining Congress Monday, Feb. 5

As a follow-up to Sheila's memo re the request from Jack Knebel of the American Mining Congress to speak to a luncheon meeting of their group on Monday, February 5.

Attendance will be between 900 and 1000.

The luncheon will be at the Mayflower -- in the Ballroom.

Reception at 11:30

Luncheon at 12:00 Noon

SPEAK 12:30 or 12:40

You can be out by 1:00.

Will pay \$2,000 honorarium.

They would like an overall view of what's coming up in the Senate this year, with particular emphasis to environmental issues.

May I accept to Knebel?? Yes _____ No _____

Whit - Dole

Whit Phone: 861-2800

Dave Spears is also doing talking points Ag related parts to environmental issues Senator coming in on Sunday at 4:00 to Hart Bldg. Betty will be in tomorrow. Joyce