



January 6, 2003

The Honorable Spencer Abraham
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

Dear Mr. Secretary:

The National Mining Association was among the first to congratulate the President for his new and innovative approach to climate change announced last February. We strongly support the voluntary, research and technology oriented path charted by the Climate Change Strategy that allows our nation to address this important issue while continuing to assure that our nation has the reliable and affordable energy necessary to maintain our strong economy.

I am pleased to write you to detail the steps that the National Mining Association is taking to respond to the President's challenge to the business community to develop and participate in voluntary initiatives that will contribute to the overall goal of reducing the greenhouse gas emissions intensity of our economy by 18% by 2012.

Many of our members have already made significant progress in increasing the energy efficiency of their operations and in reducing the emissions intensity of each unit of product processed or produced. We have developed five major voluntary initiatives that build and expand upon the progress already made. Our goal is to obtain participation, or agreement to participate, in one or more of these initiatives by close to one hundred percent of our Board membership by the end of 2003.

To summarize, NMA and our members are committed to:

- Continuing to increase the energy efficiency of our operations, thus continuing to lower both costs and the emissions intensity at coal, uranium, metal and non metal mines, processing facilities and manufacturing plants. This will be accomplished in part through the NMA-DOE Allied Partnership agreement that is specifically designed to contribute to the goal of obtaining a 10 percent increase in efficiency in those systems that can be optimized with the processes and techniques developed by DOE and made available to the mining industry through this partnership;

- Continuing to be a leader in coal mine methane recovery and maintaining the 30 percent, 25 million metric ton CO₂ equivalent annual reduction in methane emissions achieved since 1990 (a 175 million ton reduction since 1990) and working to achieve additional reductions as new technologies are developed and wherever economically and technically possible;
- Maximizing efforts to realize the annual carbon reductions that are projected as a result of the research conducted under the DOE-NMA Industry of the Future partnership. These projections are 600,000 metric tons of carbon equivalent by 2010 and 2 million metric tons reduction by 2015;
- Cataloging and reporting on the strides made industry wide to sequester carbon on reclaimed mine lands and on the potential for future reductions once methods to measure sequestration are agreed; approaching the Department of the Interior and other appropriate agencies to work collaboratively to make certain that regulations encourage practices to allow greater amounts of carbon to be sequestered; and
- Developing a consistent methodology for the mining industry to use to voluntarily inventory and report on emissions, on progress already achieved in reducing greenhouse gas emissions intensity ratios (on a per unit of production basis) and to enable companies to consider and voluntarily set future emissions intensity goals.

NMA commits to issuing a report shortly after the close of the first quarter of 2004 that will include: a review of the goals set and activities undertaken in 2003, a measurement of the progress made toward achieving these goals (including a report on participation), and a review of actions that can be taken to cost effectively reduce emissions from the present through 2012. The 2004 report will include a catalogue of activities that our members are engaged in that have already resulted in greater efficiencies (and lower emissions intensities) and that will contribute to avoidance, reduction or sequestration of emissions and reduction of emissions intensity in the future. The report will include our estimate of past and current industry emission intensity levels and the potential for cost effective reductions in emissions intensity in the future.

National Mining Association represents the nation's producers of the coal and uranium that support some 70 percent of our electricity supply, the metals and minerals that are essential for our economic prosperity and the key manufacturing industries that support mining. It is important to note that our initiatives will bring in many companies that, heretofore, have not been involved in climate initiatives. They span the entire mining spectrum beginning with the companies that manufacture mining equipment and continuing on to the companies that explore for resources, mine and process the product and reclaim the land. Although greenhouse gas emissions resulting from mining activities are not large in comparison with other industries, our initiatives are designed to reduce emissions wherever economically and technically feasible and to contribute towards overall national goals.

The members of the National Mining Association believe that actions to address climate must be part of our overall policy on sustainable development. When our Board

unanimously adopted a sustainable development policy for the mining industry last September, we recognized that climate is a special concern of global scope that requires significant attention and a responsible approach that cuts across all three of the sustainable development pillars: social, economic and environmental. The initiatives that I have described, and that are discussed in greater detail in the attached material, have been developed by the mining industry while considering the need to balance these principles

Mr. Secretary, the members of National Mining Association are pleased to be part of this important program. We look forward to working with you at the Department of Energy, the Department of Interior, the Environmental Protection Agency and with other appropriate agencies as we all move forward to making the President's goal a reality.

Sincerely

Jack Gerard

CC: NMA Board of Directors

Mr. James Connaughton, Chairman
Council on Environmental Quality