2016 Year in Review

TMRA Past Chairman Chris Sumner, LHOIST North America

SOURCE: LARRY JONES
I couldn’t let 2016 come to an end without a very personal note to Chris Sumner, our outgoing TMRA chairman, and Lhoist North America, thanking both for their continued support of our mission and goals.

While I bet no one missed it, 2016 has been a year of challenges for TMRA and many of our members. Through those challenges, Chris has led us with his skills and heart. Leading TMRA with strength and wisdom is never easy, but certainly 2016 put our leadership, support team and members to the test. None of these attributes was reflected more strongly than by Chris.

I try to always surround myself with people smarter and even more dedicated than am I. The smarter part is easy. On the dedication side, Chris has shown his commitment over many years, and especially during these past 12 months when it was key to the continued success of the association.

While 2017 will also see a host of challenges, our new leadership, headed by Brett Wilson, will lead us with skill and commitment. A real bonus is that Chris – as our immediate past chairman – will still be there to help guide TMRA and help maintain the strength of our coal/lignite, industrial minerals and uranium industries and our invaluable TMRA Support Members.

Best

Ches Blevins,
TMRA Executive Director
The TMRA Lignite Committee is comprised of TMRA Texas lignite mining company representatives with expertise and interest in regulatory and legislative issues that impact surface coal mining in Texas. Generally, lignite company environmental or operations managers attend meetings, sometimes accompanied by select staff. The committee works with related entities, including the TMRA Environmental Committee, the Gulf Coast Lignite Coalition, Balanced Energy for Texas, the National Mining Association, TMRA member ad hoc governmental affairs committees and other ad hoc committees, and colleagues on TMRA’s Industrial Minerals and Uranium Committees.

The TMRA Lignite Committee met quarterly in Austin, Texas, at the Jackson Walker law offices; in 2015 on Dec. 3, and in 2016 on March 3, June 2 and Sept. 8. A special meeting was called on April 28 to discuss specifically how the committee would interface with the Texas Railroad Commission (RCT).

Sunset Review

2016 – a non-legislative session year – saw the Lignite Committee focused on Sunset Review. The intention was and is to work directly with the RCT to resolve industry issues and build trust. During the 1st quarter of 2016, the Lignite Committee, through TMRA, suggested meeting with the Surface Mining and Reclamation Division (SMRD) director to address issues and suggest improvements on such issues as bond release, wildlife permitting and enforcement.

April 2016 saw the retirement of the Surface Mining director, with the committee resolving to wait until a new director was named, which occurred in July 2016. The decision of the committee is to maintain open communications and allow the new director the opportunity to take action on communicated industry concerns.

Regional EIS

Through 2016, our consultant completed the work on the Regional EIS and submitted final invoicing to TMRA. The USCOE issued a decision document. The Regional EIS is anticipated to be completed by Q4 2016 or Q1 2017.

Stream Protection Rule (SPR)

All congressional meetings have been held on the SPR. OSM has said the rule will go forward before President Obama leaves office. Individual states will file lawsuits to contest the SPR.

Regional Haze

The courts ordered the EPA to re-evaluate regional haze based on economic impacts on the basis that the benefits do not justify the cost.

2016 Annual Meeting

Nathaniel Huckabay and Jason Buenemann were nominated and elected as chairman and vice chairman, respectively, during the 2016 Lignite Committee meeting held in conjunction with the TMRA Annual Meeting.

It was suggested that the Lignite Committee use the meeting during the TMRA Annual Meeting to conduct annual planning for strategic initiatives to work toward the upcoming year.
The TMRA Industrial Minerals industry had its fair share of challenges in 2016 and is looking at some legislative challenges in 2017 as well.

Water quality and water rights were at the forefront. As the Environmental Protection Agency (EPA) continued its attempt to legislate through the Water of the U.S. Rules (FR Volume 80, No 124, 37057), commonly referred to as WOTUS, numerous court suits have been filed and continue to challenge the legitimacy of the process and legality of the rules.

On Aug. 28, 2015, WOTUS went into effect, despite diligent lobbying efforts by companies and associations to halt EPA overreach. The far-reaching cost impact for implementing WOTUS has long been shown to significantly outweigh the minimal environmental benefits of the program. In the wake of the ongoing legal battles, the EPA has developed the “National Enforcement Initiative: Reducing Pollution for Mineral Processing Operations.” The 2017 initiative is a base enforcement level program that will focus on reducing the risk of mining waste contamination from mining and mineral processing facilities.

TMRA Industrial Minerals members will also be faced with potential legislation that will seek to require some form of reclamation. State Rep. Andrew Murr of District 53 is seeking the proposed legislation. The details of the proposed legislation and the circumstance that precipitated the anticipated initiative are still surfacing. However, as Texas gears up for the 85th Legislative Session, TMRA realizes the value of not only a strong association, but also an association that makes up a network of industries and nationwide associations. This is just one of the many reasons that the committee was created. We will continue to reach out to member and non-member producers to strengthen this branch of TMRA for the many challenges on the horizon.
Member Companies in 2015
Uranium Energy Corporation
Energy Fuels, LLC
Rio Grande Resources Corporation
Uranium Resources, Inc.

Two things dominated the uranium industry this year: falling prices and new EPA proposed regulations. The price of uranium is at a 12-year low, which has prevented project development and caused production in Texas to cease. The effect is nationwide, as the U.S. has reduced production by 30 percent compared with the first two quarters of 2015. The remaining companies making up the uranium industry were forced to make additional layoffs this year and are running in standby mode to maintain compliance and equipment.

Regulations
EPA’s proposed rules under 40 CFR Part 192, developed into draft rules after numerous meetings and comments, were submitted to EPA by industry and state regulatory agencies. Among the arguments were EPA’s reluctance to work with industry and the TCEQ prior to drafting the proposed rules and the EPA’s inability to prove that an actual risk existed. Despite the overwhelming data and unwillingness of the EPA to work with state regulators, it was not enough to keep the new regulations from moving forward. As of October 2016, the new draft rules are at the Office of Management and Budget (OMB) for review and recommendation. A number of uranium operators, state regulators and trade associations have already met or will be meeting with OMB as a last-ditch effort to withdraw the draft rules before they go into effect.

Committee Work
The Uranium Committee held conference call meetings on Dec. 3, 2015, and in 2016 on June 2, Sept. 8 and Oct. 30. In addition to discussing the ramifications of the down market and potentially devastating EPA proposed rules, the following is a list of topics the uranium industry worked on this year:

- A local Groundwater Conservation District decided to update its rules and draft new rules for uranium mining. Operators were sent a copy of the draft rules for comments, with multiple operators submitting comments on behalf of their companies. For the most part, the rules were drafted in accordance with current state regulations under the Railroad Commission of Texas and the Texas Commission on Environmental Quality. Final rules were to be voted on on Oct. 25, but the industry is not aware of the outcome at this time.
Another project the industry worked on was a petition for rule-making with the TCEQ. The proposed rule changes include:

- Removing a major amendment fee of $10,000 once restoration and remediation are complete.
- Revising the monitor well sampling schedule from a strict 15-day period to a variable schedule of 10-20 days from the first monthly sample.
- Revising the definition of excursion. Currently, it only takes one control parameter exceedance to trigger excursion status. The revision proposed requires an exceedance of two control parameters before an excursion is triggered.
- Revising restoration samples from all constituents in the restoration table to a set of indicator constituents based on the chemistry of production and restoration solutions.
- Revising the timeline for amending an existing restoration table from 120 days with three sets of sampling data at 30-day intervals to samples encompassing at least one year’s data consisting of at least three sample sets taken at 30-day intervals.
- Revising annual license fees to differentiate between projects that have not been reclaimed and projects that are reclaimed and waiting on approval from NRC.
- Revising RSO requirements from at least four weeks of specialized training to 40 hours of specialized training, plus retroactively accepting any radiation safety/health physics training that an RSO candidate has taken during his role as RSO.

Several members of the TMRA Uranium Committee participated in the annual TMRA Teacher Workshop that took place in Corpus Christi from July 31-Aug. 5. As usual, the workshop was extremely valuable in shedding light on the benefits of uranium mining and realities of environmental risk. It’s amazing how the teachers’ perceptions change from day one to the last day of the workshop.

Overall, the industry is staying diligent and working hard to cut costs every way possible. This includes the petition for rulemaking that will hopefully reduce the financial burden of maintaining projects during non-operational times. In 2017, companies will continue to maintain compliance and keep projects as close to production-ready as economically possible, while it awaits market recovery.
If I were to describe TMRA’s 2016 communications program in one word – “expansion” would come to mind. The TMRA Communications Committee was able to expand its current communications programs, as well as experiment with a new and exciting initiative: TMRA’s first social media campaign. Thanks to the TMRA Executive Committee for its support, openness, flexibility and trust in helping to achieve our goals.

**TXMining Magazine**

This year we added enhanced cover graphics, a Teacher Workshop focus and a News Briefs section. As always, we value the feedback we received from the member satisfaction survey and will do our best to incorporate the many wonderful suggestions from the membership. In addition to the print edition, the magazine is also published as a PDF and housed on the TMRA website. We encourage members to share the PDF articles in emails and on their own and their company’s social media channels.

Thanks to those who consistently submit content in the form of features, photos and news. For those members who have yet to take advantage of this opportunity, please consider contributing content in 2017. Our editorial themes include Texas Energy Policy (Spring), Leaders in Mining (Summer) and Technology (Fall). Keep your eyes peeled for Call for Content announcements!

**Member Collateral Material**

This year, the committee developed a 42-slide industry PowerPoint presentation that is a perfect piece for members’ use during speaking engagements. In addition, to ensure consistency of messages when communicating with targeted audiences, we encourage members to refer to TMRA’s key messages, which are updated throughout the year.

Both documents can be found in the member portal of tmra.com.

**Teacher Workshop Social Media Campaign**

This summer, the committee spearheaded a Lignite Teacher Workshop social media pilot project. The project featured Heather Wood, a middle-school science teacher from Dallas who agreed to recount her experiences as an attendee of the year’s first workshop, which was held at North American Coal’s Sabine Mine in Hallsville, Texas in July.

The goal of this campaign was to raise the profile of the TMRA Teacher Workshops by utilizing social and digital media to effectively reach new and broader audiences, including educators, mining publication representatives and the news media.

The outcome of the project was a positive one. As expected, through the use of her Twitter account and her personal blog Texas Sci Teacher (https://texas-camping.wordpress.com/), Heather’s
perceptions of the lignite industry were revealed to our targeted audiences in a genuine, transparent and positive way. We actively managed and analyzed the campaign through Hootsuite, a social media management tool.

In a relatively short period (from May 23 to July 12), we attracted 75 followers to Heather’s Twitter account using the Teacher Workshop content to engage our audiences. Heather’s followers include fellow educators and energy industry stakeholders, including Fracking Texas, Coal Conferences, Klondike Strike and North American Energy News, in addition to news media, including Tawnell Hobbs, education writer for the *Dallas Morning News*; Jordan Shapiro, who writes on education and tech for *Forbes* magazine; Jonathan Rowland, editor of *World Coal*; and CBS TV’s Mo Rocca’s Innovation Nation.

**Media Outreach**

The TMRA Communications Committee also spearheaded the proactive development and strategic distribution of the following news items:

- “What about nuclear?” – A letter to the editor published in the *Fort Worth Star-Telegram*;
- “Texas’ coal industry commends the U.S. Supreme Court’s decision” – An op-ed published in the *Austin American-Statesman*; and
- Announcements regarding TMRA’s Legislator and Elected Officials of the Year: press releases published in numerous Texas newspapers, including the *Tyler Morning-Telegraph* and the *Kilgore News-Herald*.

### 2017 Objectives

- Encourage more members to contribute to *TXMining* magazine via best practice case studies, Career in Mining profiles and other news items;
- Expand the current Teacher Workshop social media campaign into all teacher workshops;
- Continue issues management media relations with timely development and strategic distribution of news releases and media statements; and
- Continue to increase collaboration between all TMRA representatives and committee chairs.
The TMRA Education Committee met three times in 2016, with members of the committee, including Janet Bowman, Linda Campbell, Mike Colar, Shauna Duby, Sam Feagley, Francye Hutchins, Rob Montgomery, Gerry Pearson, Mark Russell, James Thomas and Robert Gentry (chairman).

The 2016 program of work for the Education Committee included:

**Expanded the role of the education program** beyond workshops to include education outreach. To share positive messaging about mining in Texas, the Education Committee will work with the TMRA Communications Committee to develop standardized talking points and presentations and communications packets. It will identify individuals at each mining site to serve as part of a Speaker’s Bureau to make presentations in Texas communities about TMRA and the mining industry. This is in the early stages of development and will continue in 2017.

**Designed and purchased new displays** for use at trade shows and events, such as at the Conference for the Advancement of Science Teaching (CAST) to promote the TMRA education program and the Teacher Workshops.

**Developed a succession plan** for the education outreach program to ensure continued success in the future. The plan includes identification, training and development of instructors for summer workshops and existing staff development training. In addition, the committee will continue to work on the succession plan for the position of education director. The education director created a workshop guide/manual to assist in maintaining continuity of the program during future transition. This project is still in progress and work will continue in 2017.

**Created an alternate funding option** in addition to the annual auction to provide continued financial support of education outreach and workshops. This initiative includes a teacher sponsorship program, where individuals and/or companies can sponsor a teacher for $1,500, which will cover all costs associated with a teacher attending one of the summer workshops. The “Sponsor-a-Teacher” program will provide opportunities for many more TMRA members to be able to help support the education program. This proposed funding option was presented to the TMRA Executive Committee in the fall, approved and launched at the TMRA Annual Meeting in October.

At the meeting, the TMRA Annual Auction raised an amazing amount again this year from generous TMRA Owner/Operator and Support Members, totaling more than $237,000 to support education and outreach programs.

In 2017, the Education Committee will continue to explore new ways to expand and enhance the education program, such as with podcasts, a TMRA app and other innovative tactics.
This year, the TMRA Governmental Affairs Committee continued to facilitate communication with Texas state leadership and industry allies to oppose various EPA pending rules, including the Clean Power Plan and the Regional Haze Rule.

The committee teamed with industry partner Balanced Energy for Texas (BET) to host legislative briefings from Texas Congressman Will Hurd (R-Texas) and Congressman Lamar Smith (R-Texas).

The committee recommended and acknowledged its annual awards presented at TMRA’s Annual Meeting, this year from Oct. 30-Nov 1 at the Hyatt Regency Lost Pines Resort & Spa in Bastrop. Our Legislator of the Year was Texas State Sen.-elect Bryan Hughes and our Public Officials of the Year were Limestone County Judge Daniel Burkeen and Limestone County Commissioner John McCarver.

During the annual meeting, the TMRA Governmental Affairs Committee briefed TMRA members on the legislative demographics and potential key issues, along with the pending state and federal rules that will impact the lignite, uranium and aggregate industries.

Also at the annual meeting, we provided an audience for Kim Corley, executive director of the Railroad Commission of Texas (RCT), and Denny Kingsley, director of the Surface Mining and Reclamation Division, to brief TMRA members on what they can expect on the legislative and regulatory front, including the likely passage of the RCT Sunset bill.
The Planning Committee assisted with two events during 2016, the TMRA Support Member Conference and the TMRA Annual Meeting.

The TMRA Support Member Conference took place from May 11-13 at Horseshoe Bay Resort in Marble Falls in conjunction with the RMCMI Regional meeting. This is the third year this event has been held and it appears that it’s a favorite among our TMRA Support Members, with more than 100 people attending. It’s a smaller, shorter meeting than the TMRA Annual Meeting, but still has the same informative, casual atmosphere, which provides members an opportunity to meet one-on-one with TMRA Owner/Operators about their upcoming services and equipment purchases.

The TMRA Annual Meeting was held at the Hyatt Regency Lost Pines Resort & Spa outside Bastrop from Oct. 30-Nov. 1. A total of 209 individuals attended the three-day meeting, which was capped off with the ever-popular auction night benefiting the TMRA Education Outreach Program. Through various efforts, we were able to raise $237,950 to be used in all areas of education.

We would like to thank the following companies for their continued support. Without the support of these companies, the TMRA Annual Meeting would not be the success it has always been.

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2017 TXMINING MAGAZINE THEMES

Spring 2017
Texas Energy Policy
This issue will explore the role that coal and uranium plays in Texas’ energy policy, and the legislative and regulatory issues that face the industry i.e., the Stream Protection Rule and the Clean Power Plan. We’ll also include an update on the 2017 Legislative Session from the TMRA Governmental Affairs Committee.

Summer 2017
Leaders in Mining
This issue will feature industry leaders (past and present), including Mike Nasi on legislative and regulatory issues and others on in-situ mining. We will explore the positive contributions they have made to Texas mining, as well as gain insight into their thoughts about the future of the industry.

Fall 2017
Technology
This issue will explore how the industry uses technology (for example Lhoist and San Miguel Mine’s drone usage) to cut costs, lessen emissions and meet or exceed regulatory requirements. We will also include a special report from the TMRA Education Committee.

Winter 2017
Year in Review (Digital)
TMRA Committee Chairs will recap the year and take a look ahead. This is a digital report only that will be posted online in December.

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