

## House approves extension of coal tax provisions

**The bill expands the 20 percent credit for IGCC projects and the 15 percent credit for projects using other technologies, to a 30-percent credit.**

The U.S. House of Representatives approved legislation that includes a section of energy-related provisions that addresses key coal tax measures.

The Energy and Tax Extenders Act of 2008 (H.R. 6049) was approved in the House by a vote of 263-160. The bill primarily extends expiring tax credits for businesses and individuals, but also contains a coal excise tax refund for coal exporters and expands and modifies the advanced coal project credit for power generation projects that use integrated gasification, combined cycle (IGCC) or other advanced coal-based electricity generation technologies. The bill expands the 20-percent credit for IGCC projects and the 15-percent credit for projects using other technologies to a 30-percent credit. And it allocates an additional \$1.25 billion worth of credits to qualifying projects.

The bill includes a carbon audit of the tax code. It directs the Secretary of the Treasury to request that the National Academy of Sciences (NAS) identify tax provisions that have the largest direct and indirect effects on carbon and other greenhouse gas emissions and to estimate the magnitude of those effects. The NAS is also charged with evaluating the potential for changing the tax code to reduce carbon emissions.

In addition, the bill includes an extension of the current rate of excise tax on coal through 2018, unless the Black Lung Disability Trust Fund becomes solvent. Currently, the excise tax is scheduled to fall in 2014 from \$1.21/t (\$1.10/st) on underground coal and 60 cents/t (55 cents/st) on surface coal to 55 cents and 27 cents/t (50 cents and 25 cents/st), respectively.

## Bills to promote coal-to-liquid fuels introduced to U.S. House

**H.R. 6131 creates a new excise tax credit of 50 cents/gal for the use of alternative aviation fuels and blends, such as CTL fuels.**

A series of three different bills, all designed to accelerate the domestic production and use of coal-to-liquid (CTL) fuels, have been introduced in the U.S. House of Representatives. The bills are part of an effort to control energy costs and promote U.S. energy independence.

Rep. Shelley Moore Capito (R-WV) introduced the Clean Coal-Derived Fuels for Energy Security Act (H.R. 6170). This bill mandates the production of 22.7 GL (6 billion gal) of CTL fuels by 2022. The mandate begins in 2015 with a requirement that 2.8 GL (750 million gal) of CTL fuel be produced, with that figure increasing annually until the 22.7 GL (6 billion gal) target is reached.

Rep. John Sullivan (R-OK) introduced H.R. 6131. It creates a new excise tax credit of 50 cents/gal for the use of alternative aviation fuels and blends, such as CTL fuels. The bill also authorizes the U.S. Department of Defense (DOD) to sign contracts for up to 25 years for fuels derived from coal, oil shale or tar sands. The long-term contracting authority contained in the bill is meant to help private sector companies secure the necessary financing from Wall Street to construct the first fleet of domestic CTL plants and jumpstart American alternative fuel production.

Rep. Mike Rogers (R-MI) unveiled H.R. 6161. It aims to accelerate the use of CTL fuels in the aviation sector. Specifically, the bill directs the U.S. Department of Transportation and other agencies to establish programs to develop jet fuel made from coal and other domestic feed stocks. The bill also grants the DOD and other agencies the authority to sign long-term CTL contracts with fuel manufacturers. The bill requires that such contracts be competitively bid; have prices that are market competitive; last no longer than 25 years and use fuel with life-cycle greenhouse gas emissions equal to or less than the greenhouse gas emissions of the fuels that are replaced. The bill also directs the Federal Aviation Administration to designate a university as a Center of Excellence for Coal-to-Liquid Fuels.

## New congressional mining caucus launched

**The caucus aims to educate members of Congress on the importance of mining**

In an effort to be a voice for sound and responsible mineral policies, a bipartisan group of members of the U.S. House of Representatives launched the Congressional Mining Caucus. The group is comprised of 45 members and is co-chaired by Reps. Jim Matheson (D-UT), Bill Sali (R-ID), Tim Holden (D-PA) and Shelley Moore Capito (R-WV). In addition to acting as a voice for the mining industry, the caucus aims to educate members of Congress on the important role that mining and mineral processing play in ensuring America's economic prosperity and national security.

The caucus conducted its initial briefing on June 10 to provide caucus members with information about the important economic and security roles played by mining in the United States. The briefing included presentations on the role of coal, industrial minerals, metals and aggregates. ■