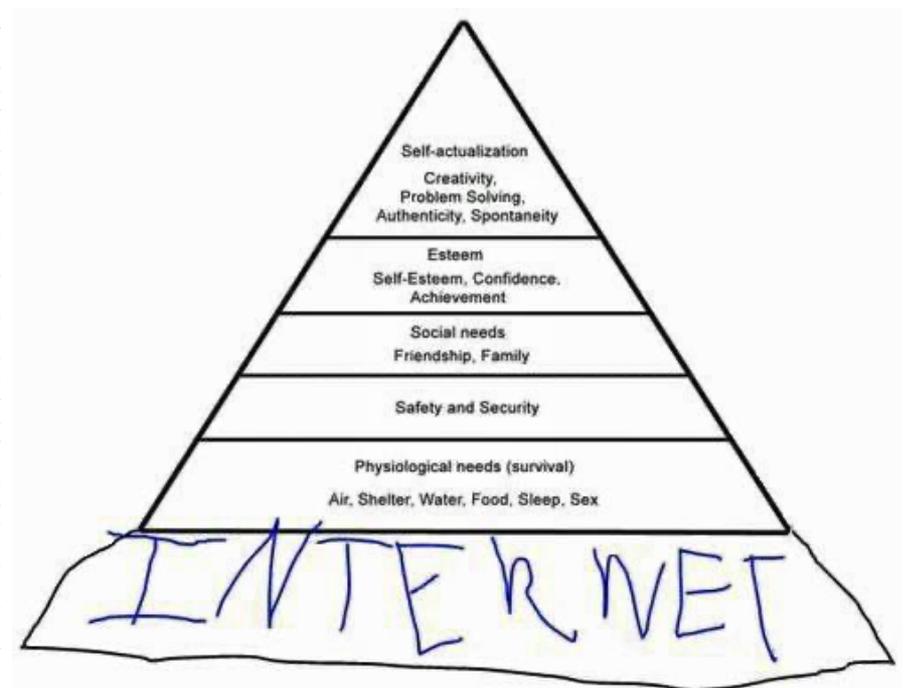
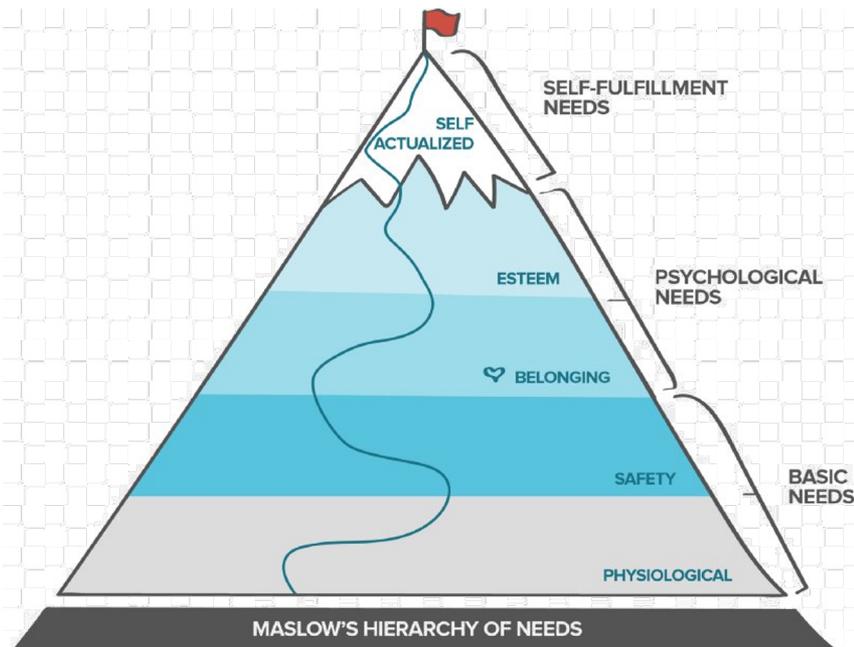


CRITICAL INFRASTRUCTURE INDUSTRIES



Public Utilities, Energy, and Technology Interim Committee
June 17, 2020

ESSENTIAL WORKERS vs. CRITICAL INFRASTRUCTURE



CRITICAL INFRASTRUCTURE

PRESIDENTIAL POLICY DIRECTIVE 21

“The Nation's critical infrastructure provides the essential services that underpin American society.”

“Critical infrastructure must be secure and able to withstand and rapidly recover from all hazards.”

“U.S. efforts shall address the security and resilience of critical infrastructure in an integrated, holistic manner to reflect this infrastructure's interconnectedness and interdependency.”

“This directive also identifies energy and communications systems as uniquely critical due to the enabling functions they provide across all critical infrastructure sectors.”

CRITICAL INFRASTRUCTURE



CRITICAL INFRASTRUCTURE — MINING

FOOD & AGRICULTURE

“Workers of companies engaged in the production, storage, transport, and distribution of chemicals, drugs, biologics (e.g. vaccines), and other substances used by the human and agricultural food and agriculture industry, including seeds, pesticides, herbicides, fertilizers, minerals, enrichments, equipment, and other agricultural production aids.”

CRITICAL MANUFACTURING

“Workers necessary for mining and production of critical minerals, materials and associated essential supply chains, and workers engaged in the manufacture and maintenance of equipment and other infrastructure necessary for mining production and distribution.”

ENERGY

“Workers in fuel sectors (including, but not limited to nuclear, coal, and gas types and liquid fuels) supporting the mining, manufacturing, logistics, transportation, permitting, operation, maintenance, and monitoring of support for resources.”

“Workers who produce, process, ship, and handle coal used for power generation and manufacturing.”

COVID-19 IMPACTS

Revenue Impacts:

Decline in global commodity prices

Reduced demand and cancelled contracts



COVID-19 IMPACTS

Cost and Operational Impacts:

New health and safety procedures

Supply chain disruptions —
increased prices for supplies /
consumables

Worker absences

Service provider slowdowns

Delayed exploration and capital
investment projects



COVID-19 IMPACTS

Worker and Community Impacts:

Pay reductions, temporary furloughs, overtime reductions

Decreased tax and royalty revenue for state and local governments

Decreased community financial contributions / sponsorships

Domino effects for suppliers, service providers, local businesses



COPPER Commodity

5,646.00 -139.65 (-2.41%)

03:58:41 PM MI Indication

Add to watchlist

Prev. Close	5,785.65	Open	-	Day Low	Day High	52 Week Low	52 Week High
				-	5,646.00	4,617.00	6,300.50
							5,646.00

Intraday 1w 1m 6m **Ytd** 1y 3y 5y Max

Indicators

Mountain-Chart





COAL Commodity

44.80 0.40 (0.90%)

06:09:00 AM MI Indication

Add to watchlist

Prev. Close 44.40 Open - Day Low - Day High 44.80

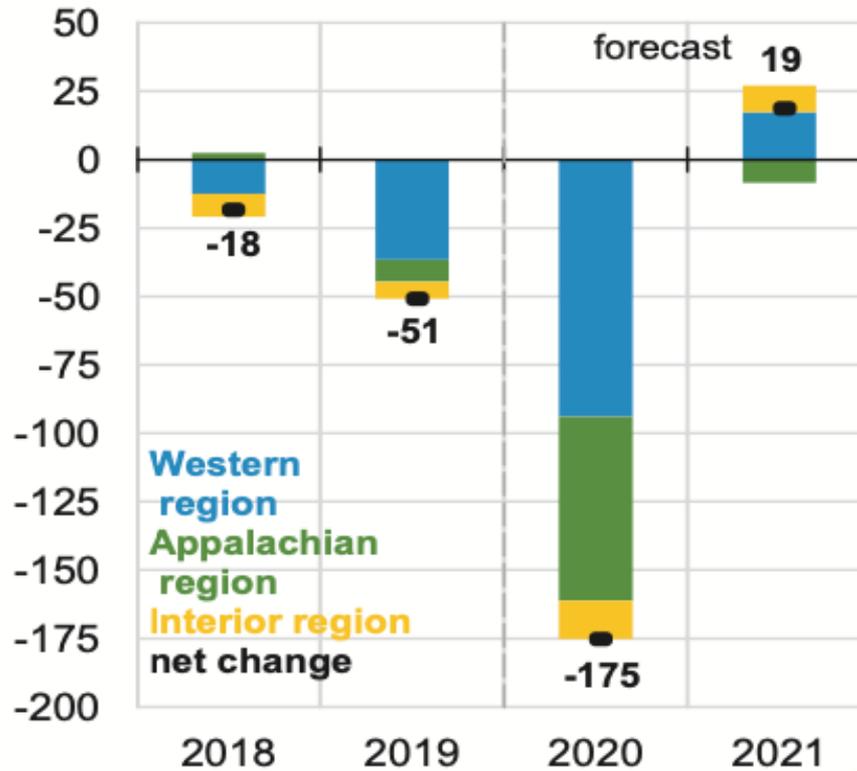
Intraday 1w 1m 6m **Ytd** 1y 3y 5y Max

Indicators

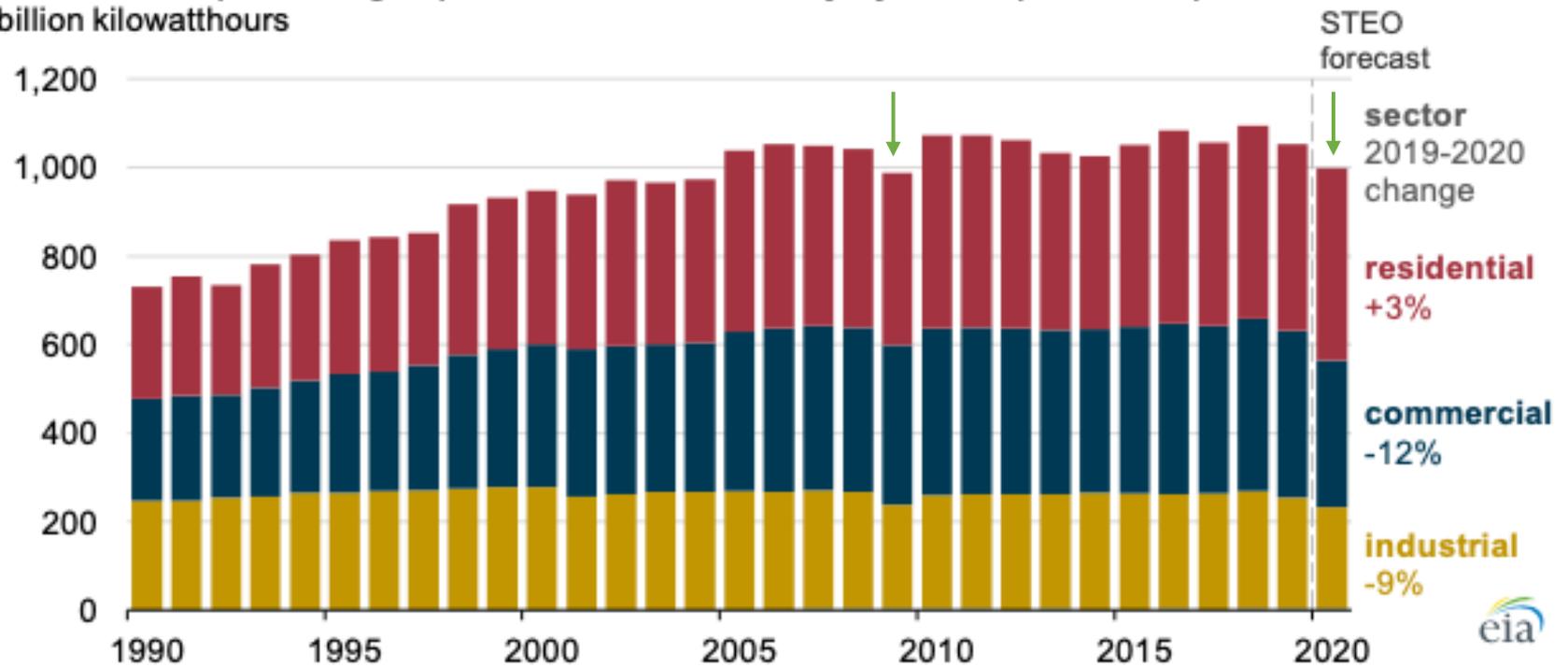
Mountain-Chart



Components of annual change million short tons

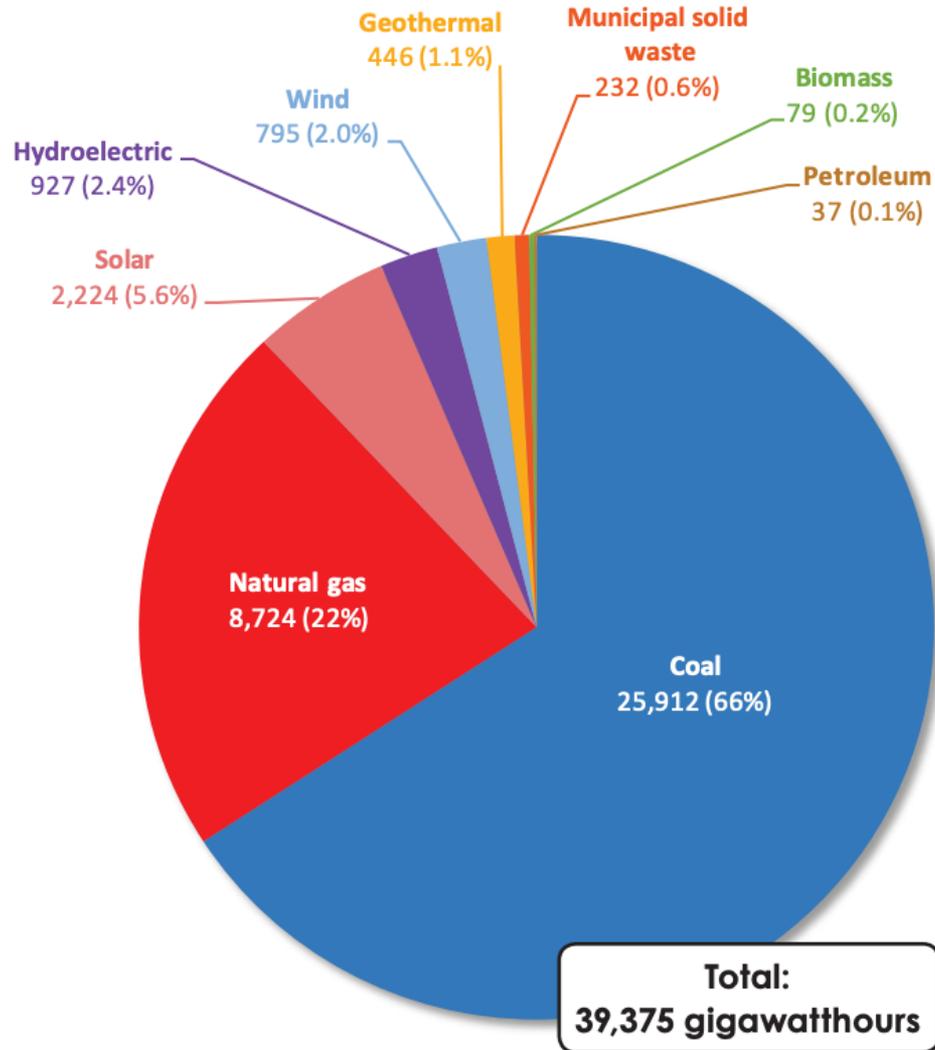


U.S. summer (June–August) retail sales of electricity by sector (1990–2020)
billion kilowatthours

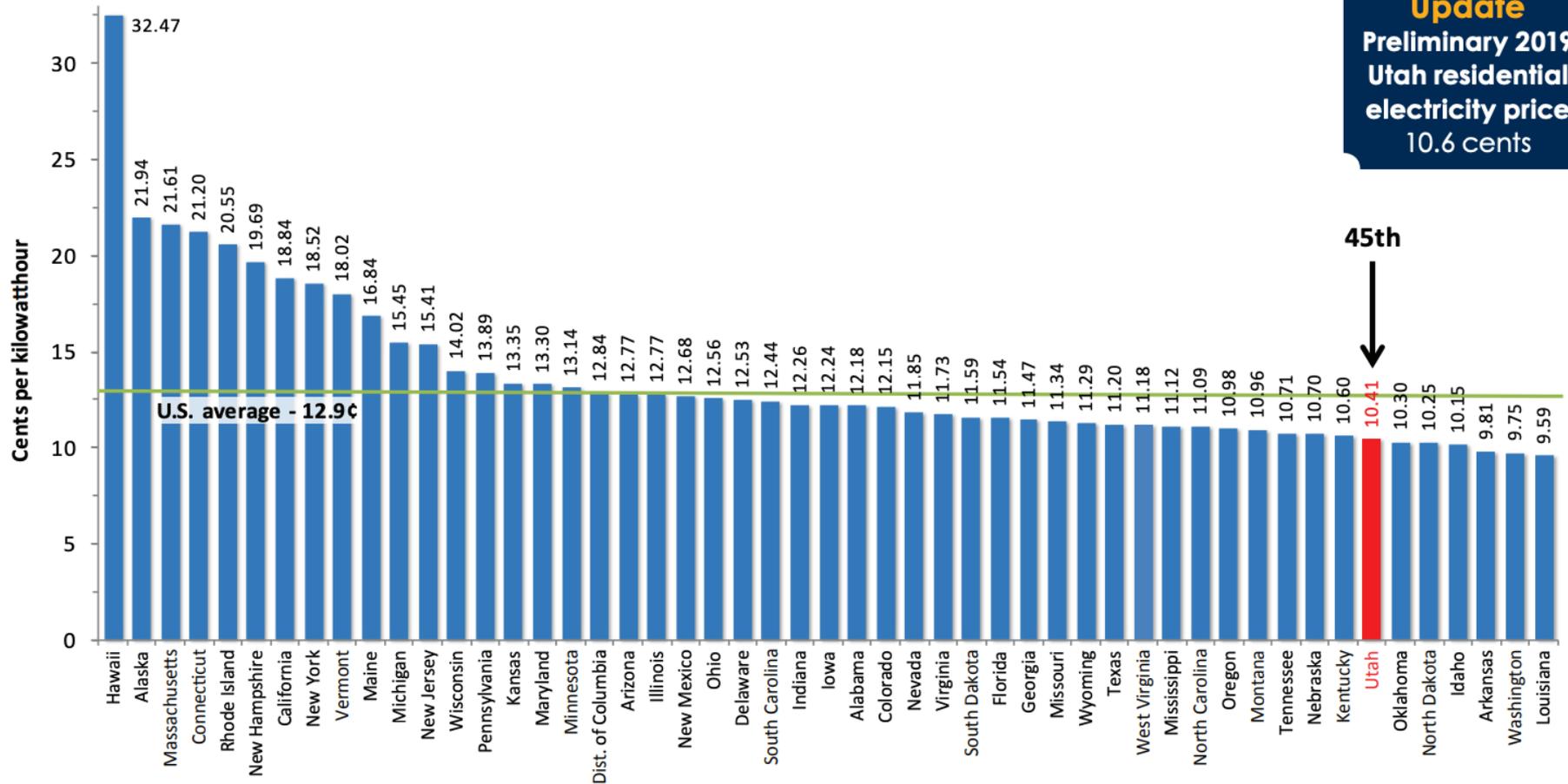


2018

Gigawatthours (Percent of total)



Average Residential Price of Electricity by State, 2018



URANIUM Commodity

33.25 -0.05 (-0.15%)

10:20:00 AM MI Indication

Add to watchlist

Prev. Close 0.00 Open - Day Low - Day High -

Intraday 1w 1m 6m **Ytd** 1y 3y 5y Max

Indicators ▼

Mountain-Chart ▼



Extractive Economics

\$6.8 billion in mineral commodity production in 2018

43,517 jobs in Utah



Extractive Economics

\$40 Million

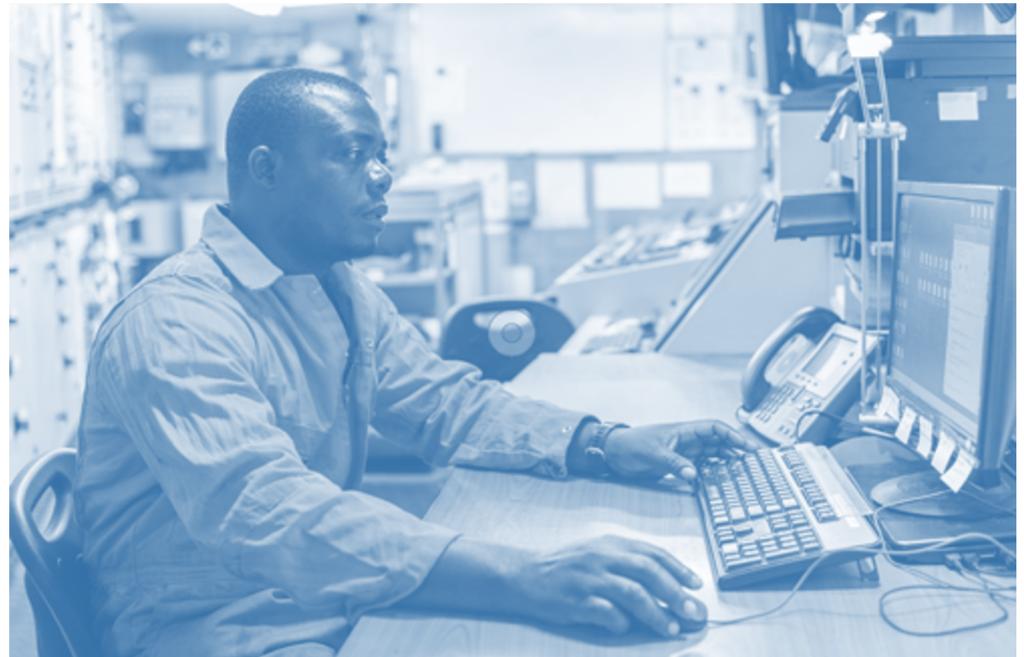
*Combined Severance Tax
(2018)*

\$112 Million

*Combined CIB contributions
(2019)*

\$41.8 Million

*Combined SITLA royalties
(2018)*



Extractive Economics

Top 10 Employer

<i>Carbon</i>	<i>Morgan</i>
<i>Duchesne</i>	<i>Sevier</i>
<i>Emery</i>	<i>Tooele</i>
<i>Juab</i>	<i>Uintah</i>

Largest Private Employer

<i>Carbon</i>	<i>Morgan</i>
<i>Duchesne</i>	<i>Sevier</i>
<i>Emery</i>	

Top 15 Employer

<i>Grand Millard</i>	<i>San Juan</i>
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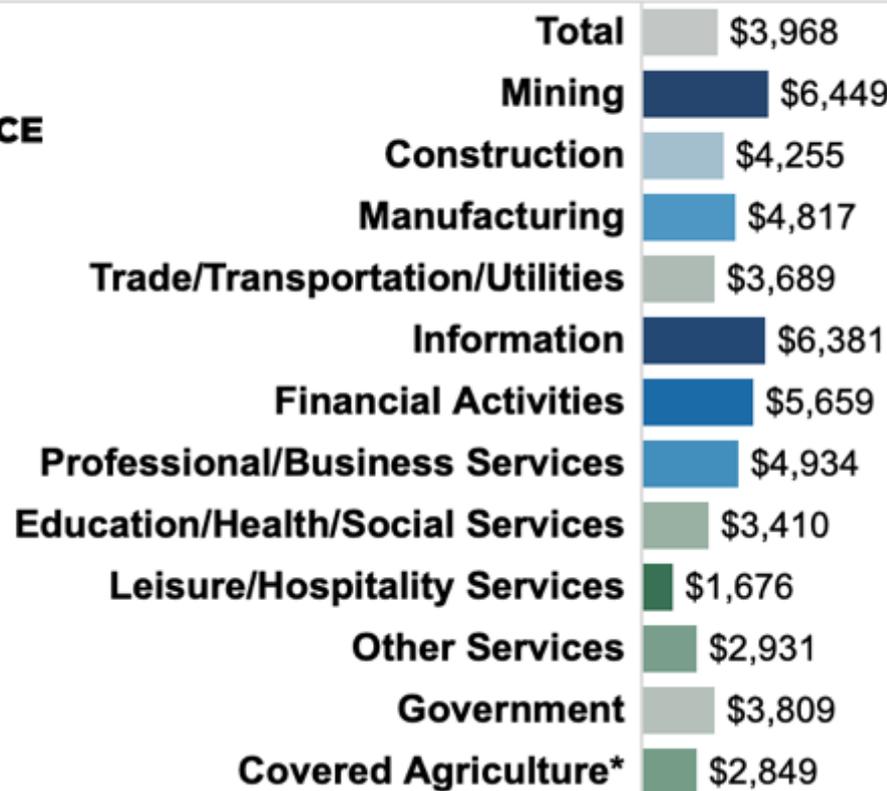


Extractive Economics

2018 Average Monthly Nonfarm Wage



DEPARTMENT OF
**WORKFORCE
SERVICES**



Extractive Economics

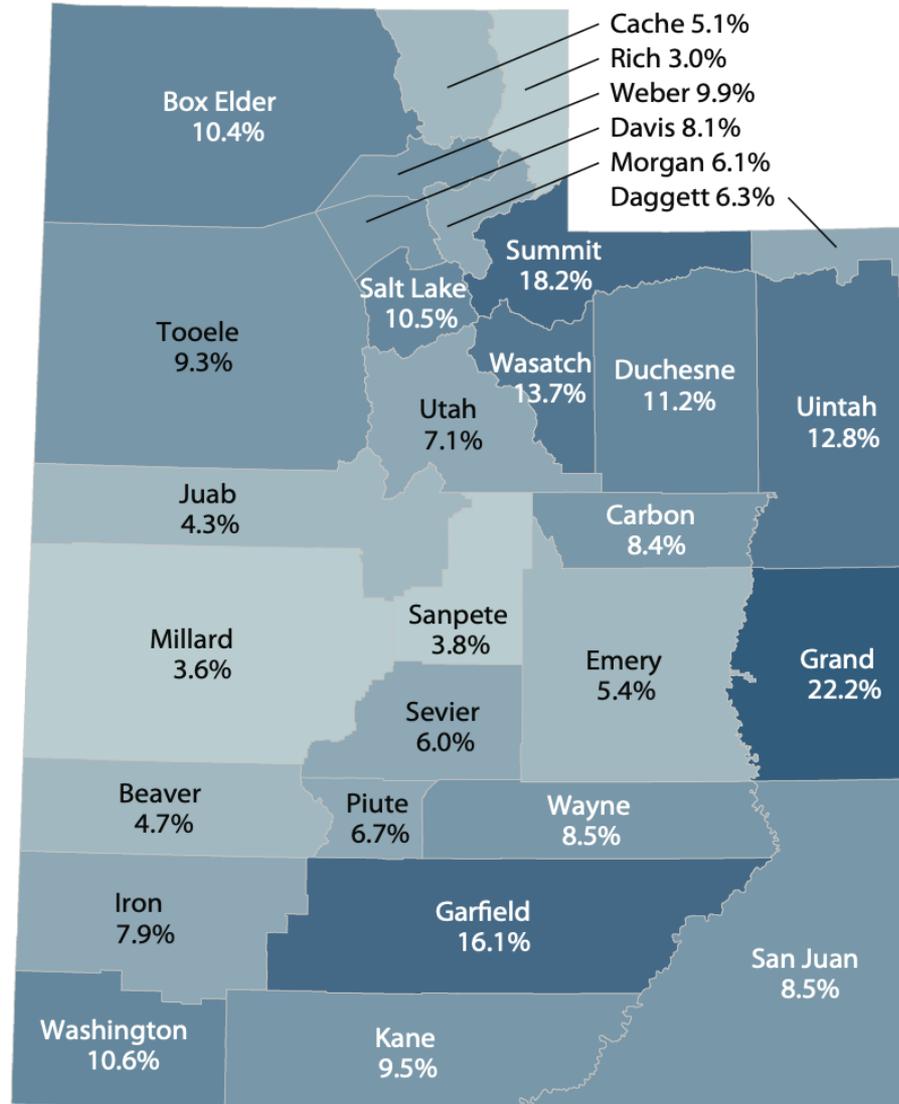
Extractive Industry Wages

Average monthly wage percentage greater than county average

Carbon	124%
Duchesne	63%
Emery	61%
Sevier	91%
San Juan	106%
Uintah	65%



COVID-19 Initial Claims as a Percent of County Workforce



Carbon County

Carbon County

Average Monthly Wages

Mining	\$7,542.00
Leisure/Hospitality	\$1,020.00
	<u>639% greater</u>

Carbon County

County Employment (2018)

Mining	836
Leisure	748
	<u>11.8% greater</u>

Carbon County

Aggregate Wages (2018)

Mining	\$75.9M
Leisure/Hospitality	\$9.2M
	<u>722% greater</u>

POLICY CONSIDERATIONS

Federal:

Royalty rate reductions

Paycheck Protection Program

Mainstreet Lending Program

Critical minerals / supply chain /
domestic sourcing / stockpiles



POLICY CONSIDERATIONS

State:

Regulatory / rulemaking relief

Pause fee increases

Preserve regulatory agency budgets

Regulatory agency funding study

Critical infrastructure designation

Testing prioritization

CARES Act state allocation investments

Lending facility

Economic development incentives

Infrastructure / bonding investments



CRITICAL INFRASTRUCTURE INDUSTRIES



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