



February 6, 2008

Dear Senator:

The National Mining Association (NMA) wishes to express its support for the "Economic Stimulus Act of 2008" as approved by the Senate Finance Committee on Jan. 31.

Given the uncertain economic forecast facing our nation, NMA believes that two provisions included in the committee approved bill would help our member companies make investments that would stimulate needed economic growth and spur job creation. Provisions in the committee bill that permit companies to monetize Alternative Minimum Tax (AMT) credits in lieu of claiming bonus depreciation and that refund certain excise taxes on exported coal would help generate important economic activity and warrant approval.

The mining industry is one of a number of industries that have a stockpile of unused AMT credits, standing at over \$2.5 billion according to the most recent data. Particularly for companies that are not currently profitable, for whom utilizing bonus depreciation simply creates a larger tax loss, allowing the monetization of unused AMT credits would free up a significant source of tax assets to fund capital investments and create new jobs. The amendment would allow the utilization of AMT credits only for qualified capital investments.

The other provision of particular importance to the coal industry is the refund of certain excise taxes on exported coal. The Congressional Budget Office estimates that approximately \$200 million worth of excise taxes have been imposed on exported coal that several courts have ruled were collected unconstitutionally and should be refunded to affected operators. This provision would improve the cash flow available to companies and facilitate growth-orientated investments.

Again, NMA believes these provisions will help encourage mining companies to make investments that will stimulate needed economic growth and spur job creation. As such, we urge you to support the committee approved economic stimulus package. Should you have any questions please do not hesitate to contact me or NMA Director of Congressional Affairs Hewitt Strange at (202) 463-2642 or hstrange@nma.org.

Sincerely yours,

Kraig R. Naasz
President & CEO

