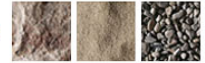


November 9, 2009

National Stone, Sand & Gravel Association



MSHA, Economy in the spotlight at PMD Annual Meeting; Gollhofer elected Division chairman

Amid unprecedented economic turmoil and an increasingly volatile political situation in Washington, leaders of the pulverized calcium carbonate industry met at NSSGA headquarters in Alexandria, Virginia on Sept. 24 for the 2009 PMD Annual Meeting. In addition to the annual PMD Board of Directors meeting and a

member dinner at one of Alexandria's hottest new restaurants, the meeting featured speakers on a range of topics including Mine Safety and Health Administration (MSHA) enforcement and economy.

Mark your calendar!

The PMD 2010 SPRING MEETING will take place in Cincinnati on Feb. 15 in conjunction with the NSSGA Annual Meeting and AGG1.

Look for details in your email inbox in the coming weeks.

PMD Execs go back to school with MSHA 101 training

The meeting kicked off with an MSHA 101: Mine Safety & Health Regulation for Executives training session by Bill Doran and Margo Lopez, attorneys with the firm of Ogletree, Deakins, Nash, Smoak & Stewart, P.C. Doran told the group that, "The story is in the numbers. Citations have gone up. MSHA is issuing more citations and more serious citations." He told PMD members that in the new enforcement environment, "Doing the things that you've been doing from year to year to produce a safe workplace isn't necessarily going to fit the bill."

Doran and Lopez spent considerable time discussing how to handle inspections. "Knowing the law is important, but managing the inspection is even more important," Doran

said. "You need the right people. There's a time to talk, there's a time to listen, and there are considerations about which documents need to be handed over."

Doran said that when accompanying inspectors, observe what the inspectors are observing and take notes. "You don't want to rely on the inspector to create the entire record," Doran said. He also suggested taking photographs of violations cited by inspectors both close up and from a distance. "The inspector will take close ups," Doran said. "Take pictures that provide better context." Finally, Doran urged PMD members to get help when necessary. "Don't answer right away if you don't have all the info. And you probably don't," he said. "Don't put yourself on record if you don't know everything."

Doran provided an example of a form PMD members can use to record mandatory periodic inspections of their facilities at the beginning of each shift (included at end of this issue of *Newsline*).

PMD members wishing to contact Doran and Lopez can do so at 202-887-0855.

MSHA's Merrifield: Commitment to safety will get workers on your side

Shortly after the MSHA training session, meeting attendees heard from Neal Merrifield, acting MSHA administrator for metal/nonmetal. Merrifield prefaced his remarks by saying that 2009 had been a record safe year. "We appreciate the concern for worker safety," Merrifield said. "Most operators know that safety has to be a core value of their organizations. If your workforce doesn't believe safety is a core value, you won't totally have them on your side. Then productivity and cost reductions fall into place when they're with you and you're working to make them as safe as possible."

He told PMD members that the biggest criticism of MSHA is the lack of consistency in how regulations are interpreted in the field. With that in mind, he said that the agency had initiated a new inspector training program that involved the inspectors spending 22 weeks in Beckley, West Virginia. He said that MSHA is, "Constantly striving to be as consistent as we can be in the area of enforcement. Auditors look for abnormalities in statistics (high or low), look at the enforcement levels, and look at the facility to see if it's being audit properly."

Merrifield said that the law requires inspectors to write up every violation they see. "That's being taken more seriously now," Merrifield told the group, saying that that fact probably accounted in part for the perception that MSHA is being stricter in its enforcement. "Whereas previously an operator would just be told to fix a problem, now inspectors are abiding by their legal obligation to write everything." Merrifield said that MSHA's new culture was driven in part by heightened scrutiny from Congress, the press, labor, and operators, and internally by the inspector general.

Merrifield told the group that in the coming year MSHA's focus would be on health. "In the past we've looked at dust and noise, but we want to take a broader approach," Merrifield said. "With the resources we have, we'll sample the widest range of contaminants across the full spectrum of metal/nonmetal starting this year."

Fuller declares recession over

Back by popular demand at the PMD Annual Meeting for the third year in a row was nationally-renowned economist Stephen Fuller, Ph.D., director of George Mason University's Center for Regional Analysis. Fuller said that economic data showed that the recession had come to an end. And it's not your imagination: This was the worst recession in memory.

Fuller said that this recession was "like a blood disease because it affected the entire system." He said that unlike Europeans, who invest differently than we do, Americans react based on assets and sense of accumulated wealth. This recession affected everyone's assets. "It's been a very different recession" and recovery will take time, Fuller said.

Passing the gavel ...



Newly-elected PMD Chairman Mike Gollhofer (right) congratulates outgoing Chairman Jim Ruddell for two successful years at the Division's helm at PMD's 2009 Annual Meeting on Sept. 24 in Alexandria, Virginia.

Fuller told the group that unemployment, which at the time of the PMD meeting was 9.8 percent, had not yet peaked. "Job growth lags recovery," Fuller said, pointing out that of the 25 economic indicators he tracks, every indicator is positive or less negative except for one group: the labor market.

He explained that economic recovery could start without more employment because the major factor that determines whether the economy is in recession is value of goods produced. "Labor is part of the calculation, but so is personal earnings," Fuller said. "Personal earnings can grow because people are working more hours or because jobs lost are lower income jobs. You can be losing employment and still be gaining output value." Fuller

explained that during the recession, business have 'right sized' and selectively laid off the workers they don't need or the ones who are less productive. "Right now, the average workweek is getting longer," Fuller said, "But the cost of working your workforce more fully doesn't go up because you don't pay more fringe benefits when people are working longer hours."

As to what's ahead, Fuller said that the economy needs to grow by more than three percent to have any effect on unemployment and that there was not enough economic activity predicted for next year to have any positive impact on job creation. He predicted that the unemployment rate would hit 10 percent and stay at that level through the end of the year. "That will create anxiety with people who have jobs and hurt spending by those who don't," Fuller said. Fuller told PMD members that for the foreseeable future there would be a surplus workforce, which would hold down wages. On the interest rate front, Fuller predicted that the Federal Reserve will start to increase interest rates in the fourth quarter of 2010 and that home mortgage interest rates would be up to 7.1 by 2014. He also said that IHS Global Insight is predicting that in 2010 new residential construction would be up 10 percent and that it would increase 28 percent in 2011.

Carroll describes benefits of better wildlife management

The final presentation of the day was by David Carroll, a former vice president for environment at Lafarge North America, who briefed PMD meeting attendees on the activities of the Wildlife Habitat Council (WHC). Carroll is a former chairman of the non-profit organization, which works with corporations to help them manage wildlife habitat on corporate-owned lands. Carroll profiled several of the group's projects and described the enormous public relations benefits that NSSGA members can derive from being affiliated with WHC. More information about the group is available online at <http://www.wildlifehc.org/>.

Golliher elected PMD chairman

Following the Annual Meeting's general session, the PMD Board elected new leadership for the Division for 2010. Mike Golliher of the Colorado Lien Company was elected to a two-year term as chairman and Jeff Redoutey of Specialty Minerals was elected vice chairman. Golliher replaces Jim Ruddell of Franklin Industrial Minerals, who had served as PMD chairman since 2007. In addition to Golliher, Redoutey, and Ruddell, the Board also elected the following individuals to the PMD Executive Committee for 2010: Reed Sherar of Columbia River Carbonates; Mike Clark of J.M. Huber (who serves as the Division's environment and regulatory committee chairman); and David Lapierre of Omya, Inc. The Board also recognized Bob Baker of J.M. Huber for his many years of outstanding service as chairman of PMD's Technical Committee.

EPA issues final GHG reporting rule

The U.S. Environmental Protection Agency (EPA) published its new mandatory greenhouse gas reporting rule in the Federal Register on Oct. 30.

While the rule does not limit greenhouse gas emissions, it requires suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and facilities that emit 25,000 metric tons or more per year of GHG emissions are required to submit annual reports to EPA.

The gases covered by the proposed rule are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and other fluorinated gases including nitrogen trifluoride (NF₃) and hydrofluorinated ethers (HFE).

The full text of the final rule is available at <http://edocket.access.gpo.gov/2009/E9-23315.htm>. More information from EPA about the rule is available at <http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>.

NSSGA has developed a mechanism to help members estimate their greenhouse gas emissions. For more information, contact John Hayden at jhayden@nssga.org or 703.525.8788.

NSSGA unveils new Mineral Identification and Management Guide

NSSGA's new *Mineral Identification and Management Guide* provides a range of investigatory tools which you can use to assess whether asbestos or asbestiform fibers are present on a mining site. This is of particular interest to PMD member operations in igneous or metamorphic rock.

The goal of the program outlined in the Identification Guide is to provide a resource to geologic personnel who are charged with identifying potential areas where these types of fibers may occur in a given site. The guide applies to both new and existing sites and is implemented in four steps:

- Periodic on-site geologic inspections
- A program for testing settled dust
- A qualitative geologic survey

PMD Newsline

November 9, 2009

Page 5 of 5

- Further steps as appropriate

The 17-page Mineral Identification and Management Guide may be downloaded from the "Members Only" section of NSSGA's web site at www.nssga.org. You will need your personal NSSGA member number to access this site. If you do not have your member number, please contact NSSGA's John Hayden jhayden@nssga.org or 703.525.8788.

SAMPLE SAFETY & HEALTH SHIFT INSPECTION FORM

**PROVIDED BY OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C**

**THIS DOCUMENT IS PROVIDED FOR INFORMATIONAL
PURPOSES ONLY AND IS DISTRIBUTED WITH THE
UNDERSTANDING THAT NSSGA IS NOT ENGAGED IN
RENDERING LEGAL, ACCOUNTING, OR OTHER ADVICE
OR PROFESSIONAL SERVICES. IF YOU REQUIRE LEGAL
ADVICE OR OTHER EXPERT ASSISTANCE, PLEASE SEEK
THE SERVICES OF A COMPETENT PROFESSIONAL.**

SHIFT INSPECTION

30CFR 56/57.18002 (a) A competent person designated by the operator shall examine each working place at least once each shift for conditions which may adversely affect safety or health. The operator shall promptly initiate appropriate action to correct such conditions. (b) A record that such examinations were conducted shall be kept by the operator for a period of one year, and shall be made available for review by the Secretary or his authorized representative.

Plant/Quarry Name: _____

Date: _____ Shift: _____

This record verifies that I examined the working places(s) listed below for conditions adversely affecting safety or health.

| | | |
|---------------------------------|--------------------------|---------------------------|
| ___ Pit, Quarry, Highwall Areas | ___ Primary Crusher Area | ___ Processing Plant Area |
| ___ Stockpile/loadout Areas | ___ Roads and Entrances | ___ Shop/Yard Areas |
| ___ Drill/Blast Area | ___ Other _____ | ___ Other _____ |

Reviewed by _____ Signature of Examiner _____

Detach top portion of this form at dotted line and keep in separate file for MSHA's review

Inspection Report: Privileged Document

List all deficiencies found and report them immediately for correction. Prompt corrective action must be taken and documented. Fill in all blank spaces that apply to the area or items examined.

| Deficiencies Noted <small>(List all deficiencies found)</small> | Corrective Action Taken <small>(Document what was done for all deficiencies)</small> | Date of Correction | Initials of Person Confirming Correction |
|--|---|--------------------|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Date: _____ Signature of Examiner: _____

Reviewed by: _____ Shift: _____

Note: Keep the top and bottom sections of this inspection record for one year and then discard. Maintain separate files for each section. Mark the file for the bottom section "Privileged Inspection File".