



Our membership and services span the globe

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July 11, 2009

The Honorable Max Baucus
U.S. Senate
Washington, D.C. 20510

The Honorable Jon Tester
U.S. Senate
Washington, D.C. 20510

The Honorable Dennis Rehberg
U.S. House of Representatives
Washington, D.C. 20515

To the Montana Congressional Delegation,

The Northwest Mining Association (NWMA) is writing to express our grave concern about General Motors' decision to terminate its palladium and rhodium supply agreement with Stillwater Mining Company, located in Montana.

NWMA is a 114 year old non-profit mining industry association based in Spokane, Washington with 1,650 members residing in 40 states. Our membership represents every facet of the mining industry, including geology, exploration, mining, engineering, equipment manufacturing, technical services, legal services, and sales of equipment and supplies. Stillwater Mining Company is one of our corporate members.

General Motors (GM) has petitioned the bankruptcy court to terminate outright the palladium and rhodium supply agreement with Stillwater Mining Company. We are very troubled that GM, while looking to prematurely dissolve its contract with Stillwater, plans to continue its agreements to buy palladium from producers in Russia and South Africa.

Some may argue that this is simply a business decision by GM. However, with the federal bailout GM received, their business model has changed. The U.S. taxpayer is now the majority owner of GM. If GM is going to buy palladium using U.S. taxpayer dollars, then they should buy it from an American company at whatever price is set by the court, not from Russia or Africa. The bankruptcy court has the right to terminate the contract and renegotiate terms, including price. The bailout of GM was intended to save thousands of jobs in Michigan and Ohio, but not at the expense of jobs in Montana. Our tax dollars should not be exported overseas.

Stillwater Mining Co. is not asking for a government handout. They are asking that GM honor their contract to supply palladium and rhodium to GM instead of importing those metals from Russia and Africa. Why should GM, being kept alive by U.S. taxpayer money, be allowed to terminate a contract with a U.S. producer in favor of foreign sources of those same minerals?

Since GM did receive a government bailout, GM should be utilizing domestic sources of raw materials whenever possible, preserving U.S. jobs.

Please do not interpret NWMA's position to be one of protectionism. Our association has many members from Canada and other countries, most of whom have property or projects in the United States. Our intention with this issue and our efforts advocating for responsible amendments to the Mining law is about preserving the ability of all of our member companies to do business in the U.S.

GM's sales contract with Stillwater is currently set to expire in 2012. If a federal bankruptcy court permits GM to prematurely dissolve its contract, Stillwater Mining Company (the largest private employer in Montana) and its employees will be severely impacted. As a result we urgently seek your action to maintain Stillwater's contract.

Thank you for your time and consideration on this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Laura Skaer".

Laura Skaer