

Sent via Facsimile to: Telefax: (202) 69 3-9441 regarding 'RIN 1219 -AB51

October 20, 2006

Mine Safety and Health Administration Office of Standards, Regulations, and Variances 1100 Wilson Blvd., Room 2350 Arlington, Virginia 22209-3939. Received 10/20/06 MSHA/OSRV

RE: RIN 1219-AB51 Criteria and Procedures for Proposed Assessment of Civil Penalties

Dear Sirs:

Kinross Gold Corporation is submitting these written comments for the record in response to the Mine Safety and Health Administration's (MSHA's) proposed rule published in the Federal Register on September 8, 2006 at Vol. 71, No. 174, p.53054. We also read these comments into the public hearing in Salt Lake City on October 4, 2006. For your convenience, we are providing our comments in writing as well:

Good morning my name is Jack Cottrell; I am the Corporate Manger of Health and Safety for Kinross Gold Corporation. Kinross is a Multi National gold mining company with surface and underground mines employing approximately 1,100 miners in Alaska, Washington, and Nevada. These mines are among the safest in the country measuring Loss Time Accidents in Years — <u>not</u> hours; our Washington mine received the 2005 Sentinel of Safety Award.

Kinross appreciates the opportunity to comment on the proposed "Criteria and Procedures for Proposed Assessment of Civil Penalties" which were issued in September 2006.

Regarding the proposed Civil Penalties regulations Kinross wishes to comment on the following issues:

- 1. Total Number of Violations-Section (100.3(c)(1))
- 2. Repeat violations of the Same Standard Section (100.3(c)(2))
- 3. Negligence Section(100. 3(d))
- 4. Reducing assessment based on the affect of the assessment on the ability to stay in business (Section 100.3(h))
- 5. General comments regarding Section III A. General Discussion in the preamble.

When these proposals are considered individually they seem innocuous, however when considered as reframing the MSHA penalty structure, the proposed regulations remove mine operators from interacting with the agency regarding misinterpretations of the regulations and denies the operator the right to contest citations. The relevance of the proposals is also largely unsubstantiated.

1. Section 100.3(c)(1) Total number of violations

This section addresses the total number of violations issued each day and establishes a ratio based on the number of citations issued per inspection day.

Kinross encourages the agency to stipulate in the regulation (not the preamble) that inspection days are based on the number of inspectors on site each day. If three inspectors are on site for one day, this would count as three inspection days.

2. Section 100.3 (c)(2) Repeat violations of the same standard

If a pattern of violation is to be established it must be based on violations that are more serious that a typical 104(a) citation. There are so many variables that enter into a citation and many are paper work violations or a minor exceedance of MSHA rules. Many of these citations are issued because of what is important to the inspector and thus a company may be placed on a pattern of violation because of the inspector's philosophy and not on the requirements of the Act.

Many violations of this nature are contested and vacated and in later sections of the proposal MSHA is recommending that this provision be removed. Citations which are inappropriately written must not be held against an operator.

The agency has not explained how this will reduce accidents.

Kinross recommends the agency rethink this proposal and develop a more realistic approach for repeat violations.

3. Section 100.3(d) Negligence

"Mine operators are required to be on the alert for conditions and practices in the mine and to take steps to correct or prevent hazardous conditions or practices."

What constitutes being on alert? Kinross mines have task training programs, planned inspections, task observation, risk assessments, accident investigation and safety communication procedures and standards; does this constitute "being on alert"?

If MSHA truly wants to reduce accident rates, negligence of both the company and the miner must be addressed. Kinross encourages MSHA to become proactive in assisting the mining industry by focusing on systems and processes versus the reactive punitive approach.

Kinross recommends that the Good Faith percentage discussed in Section 100.3 be increased and provisions added to provide incentives to implement and maintain proactive safety systems.

4. Section 100,3(h)

This is the only place noted that discusses the reduction of a penalty, and it only addresses the provision if an assessment would adversely affect a business. This, in effect, frames all citations in a pay all or nothing status.

Kinross urges the agency to readdress this issue as it is either unclear or the agency is consciously trying to limit communications with mine operators.

5. Section III A. General Discussion - (Preamble)

The philosophy in the last paragraph is flawed where the agency states, "The proposed changes are intended to induce greater mine operator compliance with the Mine Act and MSHA's safety and health standards, thereby improving safety and health for miners."

As MSHA is aware, in the larger mining community there are 5 separate industries, namely Metal mining, Nonmetal mining, Sand and Gravel, Coal Mining and Specialty mining. These industries are unique and each has its own set of issues involving safety. Just as the transportation industry has several unique industries within the larger industry, shipping can not be regulated the same as trucking and trucking can not be regulated the same as the airline industry. The same is true with mining.

Kinross believes the agency must redirect their thinking and refocus on how to prevent injuries. The agency must not assume that by penalizing large metal mining companies, small coal or small sand and gravel companies will solve their safety and health problems. These proposed regulations suggest this philosophy.

When miners receive and then disregard mandated training instructions, or willfully violate MSHA safety rules and the agency does not address the issue; safety is not served. When personal responsibilities are considered and proactive management systems are implemented to manage task training, planned inspections, task observations, risk assessments, and safety communications then a reduction of accidents will occur and miners will be protected.

Statistics indicate that miners are injured by how they work not where they work. Yet there are no provisions in the proposal to address this issue.

The agency must address issues where the problem exists and not use the one regulation fits all or the broad brush philosophy to solve problems that do not exist in other mining industries. Regional or local problems must not be the biases to regulate unrelated industries in the mining community. In this regard increased penalties should be directed to the coal industry; since this is the industry, which prompted Congressional action.

Kinross encourages MSHA to abandon the punitive approach of "yesterday" and address issues proactively and provide incentives through regulations that encourage companies to implement systems and processes that prevent safety issues instead of punishing them after the fact. If the punishment tool must be used it should be the exception not the rule and Kinross believes the Act recognizes this.

MSHA has the opportunity with this proposed regulation to improve the way the Act is managed and Kinross cannot emphasize enough the need for the agency to manage the Act proactively instead of harboring the punitive approach which has had a limited ability to lower mine accidents.

Thank you again for the opportunity to comment on these proposed regulations and considering our concerns.

--- End of Comments ---

Please do not hesitate to contact me if you have any questions about my comments. Kinross appreciates the opportunity to provide these comments to MSHA.

Sincerely yours,

Jack Cottrell

Corporate Manager, Health and Safety