

**The Alpha Foundation for the Improvement of Mine Safety and Health, Inc.**  
**- *Moving Forward***

The Alpha Foundation for the Improvement of Mine Safety and Health, Inc. (Foundation) is pleased to present its second semi-annual report, *Moving Forward*. The aim of the report is to provide an update on the first solicitation of the Foundation and the process to be followed for project review and final selection for funding. This report also summarizes a number of administrative accomplishments for this reporting period, as the Foundation is gaining momentum and organizational maturity.

Let me start with the announcement of Dr. Thomas Barczak, as the Technical Director of the Foundation. Tom recently retired as the Director of the Mining Science and Technology Division, Office of Mine Safety and Health Research, at the National Institute of Occupational Safety and Health (NIOSH). He has been involved in safety and health research for the past 36 years and he is recognized as an international expert in the field of ground control, with over 100 major publications (see biography at [http://www.alpha-foundation.org/executive\\_team.html](http://www.alpha-foundation.org/executive_team.html)).

Prior to announcing the first solicitation, the Foundation, as previously reported in the first semi-annual report, devoted a significant effort to developing research priorities, engaging the scientific research community, and encouraging a continuing dialogue with all stakeholders, e.g., the mining industry, government agencies, mineworker organizations and support companies and vendors. This discussion was formally opened with the research meeting held in Charleston, West Virginia, October 2012, and continued with comments, suggestions and ideas subsequently submitted to the Foundation.

The first call for proposals was released on January 18, 2013. Under this announcement, the Foundation requested concept papers in four broad areas: 1) Safety, 2) Health, 3) Safety and Health Management, and 4) Training. Concept papers were due by March 15, 2013. In developing the research priority areas, the Foundation has attempted to expand the knowledge base of mining safety and health information, address gaps and critical areas and encourage projects that can lead to resolving complex mining safety and health problems. Complete details of the call for concept papers can be found at: <http://www.alpha-foundation.org/callforproposals.html>.

The Foundation was extremely pleased with the response of this first solicitation, which led to the submission of 159 concept papers, addressing all major focus areas outlined in the proposal call. The project selection cycle has begun with the review of the concept papers submitted. A number of independent review teams have been established, involving about 80 outside reviewers, who will make recommendations to the Directors. After this independent review, applicants of selected concept papers will be invited to submit full proposals, including a detailed technical approach and budget. The second-round proposals will be evaluated through a similar review process, using outside experts, and the Foundation is anticipating that the final project selection will be announced in September 2013. Approximately \$10 million is committed to this first solicitation and it

is expected that up to 15 qualified multi-year projects will be awarded. The Foundation greatly appreciates the effort and dedication of all the reviewers in assisting the Directors to select the most promising projects for funding.

The Foundation also announced in February 2013 its plans to support **Short-Term Research Projects**. This category encourages new, exploratory and developmental research studies, by providing support for the early and conceptual stages of project development. These studies may involve considerable risk but may lead to a breakthrough in a particular area, or to the development of novel techniques, agents, methodologies, models, or pilot and feasibility studies. A detailed solicitation for this category of projects is expected to be announced in fall 2013, with the goal of selecting projects for funding in 2014.

During this reporting period, the Foundation also made significant progress in resolving a number of pending issues, achieving its organizational structure, and accomplishing its goals. Notably:

- The IRS approved the Foundation's tax exempt application, as described in Section 501(c)(3) of the Internal Revenue Code, on December 18, 2012.
- The Foundation and its investment manager, Glenmede Trust Company (Glenmede), have approved an investment plan, based on funding schedule agreed upon with Alpha Natural Resources, which will fully fund the Foundation to the amount of \$48,000,000 by December 2013.
- The Foundation developed and established a requirement for written acceptance of conflict of interest and confidentiality statements by the independent concept paper reviewers.
- In cooperation with the administrative contractor, Glenmede, the Foundation has established a system of step-by-step management and control of the concept paper review process.
- The Foundation is currently developing its first annual budget and has finalized with Glenmede financial reporting procedures and practices.
- The Foundation is currently preparing for its first annual financial audit by the external firm of Shapiro& Duffalo LLC, New York.
- A distinctive logo was designed and accepted by the Foundation and was submitted by legal counsel for approval, under the trademark process.

The Foundation continues to develop and update its website ([www.alpha-foundation.org](http://www.alpha-foundation.org)), which serves as the main medium for communication with the broader stakeholder community. The Foundation welcomes comments or recommendations to improve this site and its contents. The Directors also are active in outreach activities and have attended a number of regional and national meetings, where they made presentations and participated in discussions on the Foundation, in an effort to inform the community and the general public of its mission, goals and progress.

Finally, the Directors are looking forward to the next six months and the announcement of the successful projects of the first funding solicitation.

A handwritten signature in blue ink, appearing to read "Michael Karmis", is written over a horizontal line. The signature is stylized and cursive.

Michael Karmis, President  
Alpha Foundation for the Improvement of Mine Safety and Health, Inc.  
May 1, 2013