

News
From _____

CONGRESSMAN

Nick Rahall

WEST VIRGINIA-4th DISTRICT

STATEMENT OF CONGRESSMAN NICK J. RAHALL, II, (D-WV)

CHAIRMAN, CONGRESSIONAL COAL GROUP

Good morning, and welcome to this meeting between the Congressional Coal Group and Department of Commerce Assistant Secretary for Trade Development William Morris, who is appearing today as Chairman of the Administration's Coal Interagency Working Group. The Coal Group invited other Members of Congress with an interest in coal exports and port development to this meeting, however, due to the scheduling of a Democratic Caucus meeting this morning, I expect many of them will not join us until a little bit later.

As most of you are well aware, coal exports offer this nation a chance to reduce its balance of payments deficit while at the same time provide energy security for allied nations around the world. Last year, the U.S. exported upwards of 90 million tons of coal, and I might add that around 40 percent of that tonnage came from West Virginia making it the nation's chief exporting State. By some estimates, coal exports could triple by the year 2000, which could place the U.S. in the enviable position of running a trade surplus in energy. Without a doubt, this would be a dramatic reversal in comparison with last year when our 4.5 million dollar coal surplus was overwhelmed by a \$77 million dollar oil deficit.

However, this level of coal exports is neither ours by right, nor to be taken for granted. In part, foreign nations began looking toward the U.S. for increased supplies of steam coal due to labor unrest in Poland and transportation constraints at South African and Australian ports. As these nations encountered these problems, foreign coal ships began to line up outside U.S. harbors while brokers scrambled to get a piece of the new-found coal export boom. Only when this occurred did the U.S. realize the inadequacy of its port facilities to handle increased steam coal demand.

Today, the problems faced by coal exporters include a lack of coordination of shipments between mine and port, antiquated coal loading facilities originally built to handle small amounts of metallurgical coal and the lack of ground storage areas at the ports. In the long-term, the key to sharply increased coal exports from the U.S. remains the availability of added port capacity and deeper harbor channel depths to accommodate coal vessels of the future with capacities of over 100,000 deadweight tons.

Realizing the importance of coal exports along with domestic coal production, the Administration created the Coal Interagency Working Group and issued a "Coal Export Policy." In addition, it sent to Congress a legislative proposal seeking port improvements through the implementation of user fees.

This morning, Assistant Secretary Morris will discuss the goals of the Coal Interagency Working Group and how it will address the problems facing coal exports.

-30-