

# RAHALL Report

COAL EXPORTS MUST BE  
VIEWED IN THE CONTEXT OF  
WORLD SECURITY

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OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

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● Mr. RAHALL. Mr. Speaker, the Subcommittee on Water Resources has just completed a series of hearings on issues relating to commercial navigation on the Nation's deep and shallow draft waterways. After receiving countless hours of testimony from shippers, users, and consumers of commodities transported by water, it is evident that the administration's cost recovery proposals would have a devastating impact on the price of dry-bulk cargo. Under the administration's proposals, there would be economic flight from regions dependent on waterborne commerce, consumers would witness drastic price increases for everything from electricity to steel products and the ability of this Nation to remain competitive on the world coal market would be seriously threatened due to 100 percent cost recovery for port improvements.

The Reagan administration's user charge proposals illuminate the imbalance between its foreign and national security policies and its energy policy, if indeed it can be said this administration has such a policy. Energy is a powerful diplomatic tool in today's world, and a policy governing domestic energy exports cannot be differentiated from this Nation's foreign policy. Yet, while the administration proposes to spend billions of dollars in defense and foreign aid, it refuses to spend a fraction of that amount to facilitate increased coal exports to our European allies by expediting port improvements. The NATO nations are looking to this country to provide them a measure of energy security through coal. However, it has been made crystal clear that unless U.S. ports are improved, our coal will not be competitive on the world market. This point has been reiterated on numerous occasions before various congressional committees:

Other coal exporting countries today have or are going to have more and better deep-water ports. This means increased competition for your coal industry. And we do not see a better way to beat that competition than to have similar terminal and port facilities \* \* \* You need the French market, we need the American coal industry. Please build a better future.—William Daniels of ATIC, French coal buying agency.

In the long-run, failure to make the necessary decision on dredging the U.S. coal ports will be a great obstruction to the coal exports from this country.—Representative of Danish coal importing agencies.

As there seems to be a dangerous lack of awareness in many countries of how long it will take to have new facilities ready for operation, it is essential that the U.S. Government will make decisions now.—Dr. Theo Schut, Municipality of Rotterdam.

Mr. Speaker, we are now seeing what can occur when the Europeans lose faith in our ability to provide them with energy supplies. Western banks are rushing to underwrite the construction of the Soviet Yamal natural gas pipeline which will transport natural gas from Siberia 3,600 miles to West Germany where it will then be piped to 10 Western European Nations. Once in operation, the Soviet pipeline will supply up to one-third of the Europeans' energy needs. Five of these countries are NATO members, Mr. Speaker, and the possibility of energy blackmail by the U.S.S.R. will become quite distinct. With the revenues from the sale of this natural gas, the Soviets will be able to continue with their rapid military buildup. And Western banks, saddled with large investments in the pipeline, will not have acquired an asset, but will be held hostage to the whims of the Russians.

American coal is the best alternative to this Soviet natural gas pipeline. So I again urge, let us dispense with rhetoric about making port users pay the full cost of port improvements and look at this issue within a world context. Increased coal exports not only help the Europeans with their energy problems, but contribute toward a favorable balance of trade for this Nation along with creating jobs in the shipyards, steel, coal, and railroad industries. The opportunities offered by coal exports are enormous, and the ramifications of not taking advantage of this opportunity is equally enormous. For the sake of this Nation, and world security, we must formulate a positive port and coal export policy.●