

RAHALL Weekly Report

CONGRESSMAN NICK RAHALL

"Coal Industry in West Virginia"

This is the first in a series of three "Weekly Reports" on the outlook for the coal industry in southern West Virginia.

The current depressed situation in the coal industry may be reversed by a number of initiatives. First, however it is important to distinguish the two different types of coal being produced in our region of the State.

While all southern West Virginia coal is low-sulfur, the coal in Cabell, Wayne, Mingo and Logan Counties is high volatile and is suitable for in electric generating power plants.

Coal produced in Wyoming, McDowell, Mercer and Raleigh Counties is low volatile coal and can only be used for coking purposes--as in the making of steel--unless mixed with high volatile coal, in which case it can be burned in an electric utility boiler.

It should be noted that some coal seams in portions of all these counties are medium volatile and can be easily adopted to mixing. Coal in all these counties have sulfur contents of less than 1.5 percent.

As such, operations in the counties with coal which can be used for utility consumption will benefit from increased coal-generated electricity demand and from any increase in export steam coal demand.

Operations in counties with metallurgical coal will stay depressed since the demand for this coal--both on the domestic and export front is not expected to grow.

There are exceptions to these considerations, and they will be discussed next week.