

news from ... Congressman Nick Rahall

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Rahall Renews Request for Captive Coal Shipper Legislation

Washington, D.C. -- In testimony before a congressional subcommittee considering legislation to amend the Staggers Rail Act of 1980, 4th District Rep. Nick Rahall (D-WV) renewed his request for action on a bill to protect captive coal shippers and consumers from abuses of market power by the nation's railroads.

"Today, in our nation's coalfields, we have a situation where the railroads are capturing any profits associated with the coal business. This leaves the coal producer with a revenue shortfall equivalent to that formerly experienced by the railroads," Rahall told the Subcommittee on Commerce, Transportation and Tourism, chaired by Rep. James Florio (D-NJ). "The coal industry's revenue problems are not being solved, but have only been shifted from the railroad to the producer and ultimately to the users of coal -- you, me and our constituents."

Rahall added, "In West Virginia, the result of this situation can be seen in the large number of mine closings and resulting high levels of coal, and railroad, industry unemployment. I do not blame the railroads solely for this situation. But, at the same time, I have not heard them offering lower rates in an effort to assist these producers in capturing domestic and foreign markets so that they may stay afloat."

Rahall charged that the Interstate Commerce Commission has failed in its obligation to protect captive coal traffic from monopolistic railroad pricing practices, an obligation required by law -- the Staggers Rail Act of 1980 which partially regulated the industry. The legislation supported by Rahall seeks to reinforce congressional intent largely by removing some of the discretion the ICC has had in interpreting and implementing captive shipper protections.

Rahall specifically took issue with the ICC's determination that the nation's major railroads are not earning adequate revenues which, under ICC policy, enables them to make unlimited rate increases on captive coal traffic. "I find it ironic that the very same railroad which the Secretary of Transportation has annointed as the 'deep pocket' buyer of Conrail is also deemed to be revenue inadequate by the ICC, as are all Class I railroads, many of which are buying barge and trucking lines, natural resource companies and resorts," Rahall said.

Rahall concluded, "Today, customers of coal-burning electric utilities under current ICC policies are being made to pay what constitutes a tax to the railroads to make up for their revenue shortfalls on other commodities."

Jerry - we may want to
have copies for
Thurs. hearing.

DRAFT

Press release only, the sub.
will take care of the testimony.

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RAHALL RENEWS REQUEST FOR CAPTIVE COAL SHIPPER LEGISLATION

In testimony before a congressional subcommittee considering legislation to amend the Staggers Rail Act of 1980, U.S. Rep. Nick J. Rahall (D-WV) renewed his request for action on a bill to protect captive coal shippers and consumers from abuses of market power by the Nation's railroads.

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Rahall added, "In West Virginia, the result of this situation can be seen in the large number of mine closings and resulting high levels of coal, and railroad, industry unemployment. I do not blame the railroads solely for this situation. But, at the same time, I have not heard of them offering lower rates in an effort to assist these producers in capturing domestic and foreign markets so that they may stay afloat."

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"In conclusion, today, customers of coal-burning electric utilities under current ICC policies are being made to pay what constitutes a tax to the railroads to make-up for their revenue shortfalls on other commodities."