Dateline D.C.—Rail Act under attack

The head of the Senate Coal Caucus has designated Senator Jay Rockefeller (D-WV) to lead the fight for reform of the Staggers Rail Act.

Senator Wendell Ford (D-KY), Chairman of the Senate Coal Caucus, tabbed Rockefeller to be the caucus "point man" in the bipartisan effort to lower rail rates for captive shippers, particularly those in the coal industry. Ford's appointment followed a caucus meeting to establish coal's legislative priorities for 1987.

"Staggers reform is the single biggest thing Congress can do to get West Virginia coal miners back to work," Rockefeller said in accepting the appointment.

"To make the price of Appalachian coal competitive again, we've got to bring down rail rates. And the surest way to accomplish that is to give our captive shippers a fair shake before the Interstate Commerce Commission (ICC).

"I welcome this challenge – and I'm honored that Senator Ford and the other members of the Coal Caucus has entrusted me with it," Rockefeller said.

A member of the Commerce Committee panel with jurisdiction over rail issues, Rockefeller indicated that his reform measure was to be formally introduced late last month. It's expected to attract strong bipartisan support.

Originally adopted in 1980 as a way to de-regulate railroads, the Staggers Act was also supposed to protect captive shippers by empowering the ICC to move against excessive rail rates. Unfortunately, Rockefeller noted, the ICC has yet to rule against a railroad in any of the innumerable complaints registered by captive shippers since the Act went into effect.

The Rockefeller bill would tighten the Act's language to ensure that the ICC takes corrective action against predatory railroad practices. Large numbers of coal shippers in West Virginia are served by only one rail line, and are totally at the mercy of that particular railroad, Rockefeller noted. The right kind of Staggers reform could conceivably bring the cost of coal down between three and six dollars a ton.

Rockefeller predicted the Staggers reform would be adopted by the Senate Commerce Committee this spring. The bill stands a "solid chance" of being adopted by the full Senate this year, he noted.

Meanwhile, Rep. Nick Rahall (D-W. Va.) warns that the continued reluctance of America's coal hauling railroads to provide reasonable rates is contributing to increased levels of coal imports. Rahall, chairman of the Subcommittee on Mining and Natural Resources, announced that his subcommittee will conduct a hearing on coal import legislation on March 19.

"The level of imported coal entering the U.S. rose by 20% last year to over 2 million tons. Of that amount, 36% came from Columbia," Rahall said. "In fact, the amount of imported coal from Columbia rose by 42% between 1985 and 1986."

Rahall said the failure of domestic coal-hauling railroads to respond to the foreign coal challenge by providing reasonable rates for U.S. producers is enabling imported coal to make further inroads in the domestic market.

"It's time for the domestic railroads to wake up and read the writing on the wall," Rahall stated. "If they do not respond to this threat by providing reasonable coal transportation rates and unless other actions are taken, there will be nothing in place to prevent foreign coal producers from obtaining an ever increasing share of the U.S. coal market."

Rahall said his subcommittee will conduct a hearing on this situation as well as on three coal import bills pending before the panel.

All three bills are designed to combat the trend of increased levels of imported coal by inserting a measure of equity between domestic and foreign producers and complement efforts to amend the Staggers Rail Act of 1980.

The import bills would: Impose an $8 per ton duty on coal imports; prohibit the issuance of federal coal leases to companies engaged in the production and importation of foreign coal; and require electric utilities interested in purchasing imported coal to make the prices for that coal publicly available so domestic producers have the opportunity to counteroffer.

March 1987
Volume 7, Number 3

West Virginia Coal Bell

Editor
R. Daniel Miller

Business Manager
Mary Ann Steele

Chairman
Theodore J. Brisky

The West Virginia Coal Bell is a monthly publication of the West Virginia Mining and Reclamation Association, with offices at 1624 Kanawha Blvd., E., Charleston, West Virginia, 25311. Telephone, (304) 346-5318.

President
Benjamin C. Greene

Asst. to Pres.
Patty Bruce

V. President
William B. Raney

March 1987