

News
From _____

CONGRESSMAN

Nick Rahall

WEST VIRGINIA-4th DISTRICT

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RAHALL SAYS EXPANDING COAL EXPORTS REQUIRES INNOVATION

NORFOLK, VIRGINIA -- WITH THE BASIC PUBLIC WORKS INFRASTRUCTURE BEING PUT INTO PLACE TO FACILITATE THE EXPORT OF APPALACHIAN COAL, INNOVATIVE THINKING IS REQUIRED TO EXPAND THE U.S. SHARE OF THE INTERNATIONAL COAL MARKET WAS THE MESSAGE U.S. REP. NICK J. RAHALL (D-WV) DELIVERED TODAY TO AN AUDIENCE OF COAL AND TRANSPORTATION REPRESENTATIVES.

IN THE KEYNOTE ADDRESS AT A CONFERENCE ENTITLED "VIRGINIA PORTS: ENHANCING APPALACHIAN COAL HORIZONS," BEING HELD AT NORFOLK, VIRGINIA, RAHALL SAID THAT THE DEEPENING OF THE HAMPTON ROADS CHANNELS, WHICH HAS BEEN AUTHORIZED BY CONGRESS, SO THAT THE PORTS CAN BEGIN TO ACCOMMODATE LARGER COAL COLLIERIES WILL IMPROVE THE EXPORT POTENTIAL OF APPALACHIAN COAL. HOWEVER, HE SAID IT IS TIME TO PLACE GREATER FOCUS ON OTHER FACTORS WHICH WILL HELP DICTATE THE DEGREE OF SUCCESS EFFORTS IN THE PUBLIC WORKS REALM WILL MEAN FOR VIRGINIA'S PORTS AND APPALACHIAN EXPORT COAL.

"THE INTERVENING WORLDWIDE SOFT ENERGY MARKET, CURRENCY FLUCTUATIONS AND THE ENTRY OF SEVERAL OTHER MAJOR COAL PRODUCING COUNTRIES INTO THE INTERNATIONAL COAL MARKET PRESENT US WITH A VERY DIFFERENT PICTURE IN 1988 THAN WE WERE FACED WITH ONLY EIGHT YEARS AGO," RAHALL STATED IN REFERENCE TO 1980 WHEN LONG LINES OF FOREIGN-FLAG COLLIERIES CONGREGATED IN CHESAPEAKE BAY TO AWAIT THEIR TURN AT OVERTAXED LOADING FACILITIES IN THE PORTS OF BALTIMORE AND HAMPTON ROADS. "FOR INSTANCE, WHO IN THIS ROOM WOULD HAVE IMAGINED BACK THEN THAT WE WOULD EVER BE COMPETING AGAINST COLOMBIA AND VENEZUELA FOR EXPORT COAL MARKETS."

SOUTHERN WEST VIRGINIA COAL HAS A BIG STAKE IN VIRGINIA'S PORTS. RAHALL SAID THAT THE N&W AND C&O TRACKS MAKE VIRGINIA'S PORTS THE LIFE-LINE FOR SOUTHERN WEST VIRGINIA'S EXPORT COAL. "WE MOVE LARGE TONNAGES THROUGH YOUR PORTS, AND WITHOUT THEM THE SHUTTERS WOULD BE DRAWN OVER OUR OPEN WINDOW TO THE WORLD," HE NOTED.

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AS A WAY TO PROMOTE APPALACHIAN COAL EXPORTS FURTHER, RAHALL ADVANCED WHAT HE CALLS THE "LINKAGE" CONCEPT. HE GAVE AS AN EXAMPLE SITUATIONS SUCH AS WHEN THE EXPORT-IMPORT BANK FINANCES COAL-FIRED POWER GENERATION EQUIPMENT FOR A FOREIGN COUNTRY. RAHALL SUGGESTED THIS TYPE OF ASSISTANCE SHOULD BE TIED TO THE UTILIZATION OF U.S. COAL. THE SAME WOULD APPLY TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT WHEN IT GOES OUT AND BUILDS COAL-FIRED POWERPLANTS IN THE THIRD WORLD.

"THE LINKAGE CONCEPT AS I'VE DEVELOPED IT RECOGNIZES THAT THE U.S. IS NO LONGER IN THE POSITION IT ENJOYED DURING PERIODS IN THE PAST, SUCH AS AT THE END OF THE SECOND WORLD WAR WHEN WE COULD AFFORD TO PLAY BIG BROTHER," RAHALL SAID. "AT THE SAME TIME, IT RECOGNIZES THAT DESPITE THE ADVANCES MADE BY THE PACIFIC RIM COUNTRIES AND THE EUROPEAN ECONOMIC COMMUNITY, THERE ARE STILL ITEMS THEY WANT FROM THE U.S."

RAHALL NOTED THAT JAPAN CERTAINLY VALUES THE U.S. MARKET FOR THEIR STEEL PRODUCTS. "AND THIS IS ANOTHER AREA WHERE I HAVE BEEN TRYING TO ACHIEVE LINKAGE. IN MY MIND, THERE SHOULD BE SOME RECIPROCITY BETWEEN THE AMOUNT OF JAPANESE STEEL IMPORTED INTO THIS COUNTRY AND THE AMOUNT OF METALLURGICAL COAL JAPAN IMPORTS FOR THE U.S. METALLURGICAL COAL IS, AFTER ALL, AN ESSENTIAL INGREDIENT IN THE STEELMAKING PROCESS."

GETTING APPALACHIAN COAL TO THE PORT IN AN EFFICIENT AND COST-EFFECTIVE MANNER STILL REMAINS ONE OF THE APPALACHIAN REGION'S MAJOR DISADVANTAGES IN COMPARISON WITH OUR COMPETITORS IN AUSTRALIA, SOUTH AFRICA, CANADA AND COLOMBIA.

"WHO WOULD HAVE TO WORRY ABOUT THE INTERSTATE COMMERCE COMMISSION'S MIS-IMPLEMENTATION OF THE STAGGERS RAIL ACT, FOR EXAMPLE, IF THE GOVERNMENT BUILT DEDICATED COAL EXPORTING RAIL LINES TO DEDICATED DEEP-DRAFT PORTS FOR OUR COAL INDUSTRY LIKE THEY DID FOR THE EL CERREJON MINE IN COLOMBIA," RAHALL SAID.

WHILE HE WILL CONTINUE TO SEEK AMENDMENTS TO THE STAGGERS RAIL ACT TO ENSURE THE TYPE OF CAPTIVE COAL SHIPPER PROTECTIONS THE ICC SHOULD HAVE BEEN INSTITUTING ALL ALONG, RAHALL NOTED THAT WITH THE PENDING CHANGE OF ADMINISTRATIONS THERE WILL BE A NEW CHANCE TO GET SHIPPER ORIENTED PEOPLE APPOINTED TO THE ICC.