



U.S. Congressman
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WORKING FOR WEST VIRGINIANS

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RAHALL BLASTS PROPOSED FEDERAL CARBON TAX

WASHINGTON, D.C. -- A \$15 per ton of coal proposed tax being considered as part of the Budget Summit would sound the death knell of the coal industry, U.S. Rep. Nick J. Rahall (D-WV) said in letters to White House Chief of Staff John Sununu and members of the House leadership.

As part of the Budget Summit, consideration is being given to a proposed tax on the carbon content of fuels, such as oil, natural gas and coal. Rahall is especially concerned with the proposed tax on coal in light of the dramatic effects on employment, consumers and the coal industry in certain regions already expected from enactment of the Clean Air Act amendments. He also believes that President Bush's sudden support for new taxes might make the proposal more attractive.

"Let there be no doubt in anybody's mind, adoption of this proposed tax would be the death knell of the coal industry in the United States. Its proponents might just as well simply seek to outlaw coal mining and be done with it," Rahall stated. "The question we face then is whether this country is prepared to immediately undertake a massive transition from any use of coal for the purposes of generating electricity and completely depend on nuclear, solar, wind and hydro power."

At \$15 per ton the tax would represent a 68% tax on the average price of domestically-produced coal. Meanwhile, the proposal would ultimately impose a \$3.25 per barrel tax on oil and 40 cents per million cubic feet tax on natural gas.

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