



U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR IMMEDIATE RELEASE
JANUARY 31, 1991

CONTACT: JIM ZOIA
(202) 226-7761

**RAHALL MOVES AGAINST FEDERAL INTERVENTION IN
COAL MARKETPLACE**

WASHINGTON, D.C. -- Legislation to protect eastern coal producers from unfair federal government intervention in the marketplace has been introduced by U.S. Rep. Nick J. Rahall (D-WV), the chairman of the House Subcommittee on Mining and Natural Resources. The measure also seeks to impose a disincentive for U.S.-based corporations from engaging in the production and importation of foreign coal into the country.

Rahall fears that the more stringent electric utility emission requirements contained in the Clean Air Act amendments will foster a dramatic increase in demand for federally owned low-sulfur coal reserves in the western states.

"A policy question I believe needs to be addressed is whether these publicly owned coal reserves would be developed to the detriment of coal already in production from private lands located in the Appalachian and Midwestern states, displace this coal from its historic markets and consequently, contribute to the loss of employment in the mining of this coal. I, for one, believe that if market demand is being met with non-federal coal resources it would not be appropriate for the federal government to arbitrarily become a competitor by utilizing its control over publicly owned coal," Rahall stated in introducing the legislation.

Under the "Federal Coal Equity Act of 1991," the Interior Secretary would be required to consider the effects development of a proposed federal lease might have on eastern coal production and its markets. If the lease's development would have an adverse effect on the production of eastern coal by displacing it from its historical markets, the federal lease could not be issued.

Rahall's bill also seeks to address his concern with foreign coal entering the country, especially from Colombia and Venezuela. "These coal imports represent a tumor on the energy security of this Nation. This tumor can only be diagnosed as being malignant; growing and spreading throughout the electric utility markets of the Gulf and southeastern States with foreign coal even penetrating the northeastern region," he said.

According to Rahall, one of the factors that has been an essential element in the establishment of new mining operations in both Colombia and Venezuela is the financial and technical expertise of U.S. mining entities. His bill would prohibit the issuance of new federal coal leases to any entity which is involved in the production and importation into the U.S. of foreign coal.

"From a public policy standpoint, I see no reason why the people of this country should award these companies with public coal resources when these very same entities are responsible for robbing citizens in my State of West Virginia, of employment opportunities," Rahall concluded.