

Coal sales to Ukraine being touted as major business - and political - news in Pennsylvania

Ukraine

Posted by:

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The purchase and transport of 700,000 tons of mostly Pennsylvania coal to Ukraine is seen as a lifeline for a U.S. presidential administration desperate for positive news in the face of its health care legislation defeat and failure to move on any other legislative front.

PORT CLINTON, PA, Aug 13, 2017 - (UBO) – The first six months of the presidential administration of Donald Trump has seen little in the way of positive legislative progress. However, what is being touted as a strictly private business initiative that will see 700,000 tons of coal produced and shipped from Pennsylvania is being claimed as proof of an improved U.S. business and export climate. While the large coal purchase excited the most immediate and positive attention in the United States, there are a number of other elements that will kick-in later to make the complete package one of major impact in both countries. After extensive negotiations between Ukraine's national rail conglomerate, Ukrzaliznytsya, and the U.S. companies cooperating on the deal, a news release was published by the U.S. Embassy in Kyiv highlighting the benefits. Quoting Chargé d'affaires George Kent, the July 31 embassy news release pointed out that Presidents Petro Poroshenko and Donald Trump in their June 20 White House meeting talked about the possibility of Ukraine buying American coal. "Six weeks later, the contract was signed...I wish to congratulate XCoal and Centrenergo for successfully concluding this deal, which will supply U.S. coal to Ukraine ahead of this year's heating season. This deal is the latest example of how our close cooperation can be mutually beneficial," Kent was quoted as saying. As Ukraine makes preparations to receive the coal and distribute it to the many generating plants where it will be staged for use, the effects have been immediately felt as coal producers, primarily in Pennsylvania, West Virginia and other major coal producing states, begin ramping up operations. Immediately affected have been a number of Pennsylvania's coal producing companies and the Reading and Northern Railroad, headquartered in Port Clinton, Pennsylvania, for which the deal has immense ramifications. Andrew Muller, Jr. CEO of Reading & Northern, was effusive in his praise of the deal with Ukraine. Describing the impact on his company's business prospects, Muller told WFMZ-TV's business reporter Tim Silfies, "Healthy would be an understatement. It's tremendous." Much of the coal coming from this area, Schuylkill County, is the anthracite for which the region has long been known. Evidencing his enthusiasm, Muller went on, "This year? I mean we could do a million tons...It's hard to even imagine this, but coal pulled out of the ground in our area is being shipped to Reading, down to Baltimore, and then to Ukraine." While it is Muller's Reading railroad that is handling much of the coal transportation, it is XCoal Energy and Resources that is the aggregator and owner of the coal that Ukraine is purchasing. "We're talking about approximately 700,000 tons of coal," Ernie Thrasher, CEO of XCoal told TV reporter Silfies. Thrasher was quick to point out that his company won the contract with the primarily state-owned Ukrainian utility Centrenergo PJSC – with the U.S. government helping seal deal - but it is strictly a private business deal. "There's no government money involved, no government subsidies involved. It's a true commercial transaction," Thrasher said in the television interview. While the deal helps his company, and local mines, it's also part of a

foreign policy strategy to lessen Russian influence over Ukraine. "There's a history of Russia using energy as a foreign policy tool," Thrasher said, adding "This will free the Ukrainians of the obligation to succumb to pressure from the Russian coal mining companies." Also key to U.S.-Ukraine positive developments were efforts of the United States-Ukraine Business Council, the largest Ukraine-related business association located outside Ukraine with headquarters in the District of Columbia. USUBC President Morgan Williams said: "USUBC is pleased that additional business win-win contracts have been signed or soon will be between companies in the U.S. and Ukraine. This agreement is making an immense positive impact in both countries. This deal will bring short term relief to heating needs in the coming winter and open the door for broader cooperation in the out-years. "Further, a very important GE agreement with Ukraine's rail conglomerate Ukrzaliznytsya has been signed and will begin the process of modernizing Ukraine's rail rolling stock, and also lead to the upgrading of Ukraine's capabilities as a manufacturer of engines and other key rail equipment. USUBC have been very active in promoting Ukrzaliznytsya and U.S. companies to find concrete ways to work together to support the development of the Ukraine railway system and the services it provides."

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