

Misery compounds as mass layoffs continue in West Virginia

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“We heard on Facebook that it was a total shutdown. Not one phone call from anyone,” a West Virginia coal miner’s wife told the *State Journal* newspaper after Seneca Coal Resources closed its Wyoming County Pinnacle Mine. The 200 miners employed at the pit showed up for work on December 31 to find it had been abruptly idled.

Tom Clarke, the CEO of Seneca Coal Resources-affiliate Virginia Conservation Legacy Fund, which acquired Pinnacle from Cliffs Natural Resources just one week before the closure of the mine, stated that the operation was simply too productive for the market. Coal was “getting backed up into the hollers,” he said. “[B]ecause the operation had been mining coal more quickly than the company could sell it ... Seneca’s first priority was to close down the mine,” the *State Journal* reported.

The Pinnacle Mine closure is typical of the crisis battering the coalfields over the past few years, exacerbated by plummeting global commodities markets and the downturn in industrial production worldwide. The coal industry in Appalachia—where seams have been extensively mined and production costs are higher than in the western US—has been decimated.

Companies including Patriot, Arch and others have fled into bankruptcy courts to offload pension and health care obligations for workers and retirees, and mine operations have been snatched up in a wave of mergers and acquisitions.

Pinnacle Mine employees confront a double burden of unemployment and the imposition of an insurance policy under the mine’s new owners that includes copays of 50 percent. The United Mine Workers of America (UMW) has stated merely that it had “objected to the health care changes” and that the company said it was due to “a mix up of health care providers.”

Across the state, communities are reeling from similar layoffs.

While the statewide jobless rate fell to 6.5 percent in November, West Virginia remains the worst in the country for unemployment and labor force participation rates. Moreover, despite the seasonal uptick related to holiday retail jobs, unemployment rates increased in 30 of West Virginia’s 55 counties in November and the situation has worsened steadily after the Christmas season.

On January 11, some 200 Blackhawk Mining employees received notices that they would lose their jobs in March. Most

of the miners work at the Winchester Underground Mine or the Toms Fork Prep Plant and Loadout in the Elksdale area.

Both operations were recent acquisitions from an auction of Patriot Coal assets. In its layoff announcement, Blackhawk stated: “All of the terminations are expected to be permanent, and there are no bumping rights.”

“It’s like a ghost town,” an older resident told local television station WSAZ. The local Workforce West Virginia unemployment office reported serving at least 800 displaced workers in the past couple of weeks.

CONSOL Energy announced plans January 13 to idle the Twin Branch surface mine in Mingo County, impacting 88 workers. The company cited unseasonably warm weather in December that it said “impacted our customers’ ability to accept previously contracted shipments of coal.”

Workforce West Virginia lists other job cuts, including the termination of 115 manganese workers at Felman Production in Letart, effective December 21, and the impending February 18 layoff of 120 Walter Energy miners at the company’s Maple and Gauley Eagle Mines.

On December 31, Murray Energy announced nearly 600 layoffs in northern West Virginia:

- 125 miners received pink slips at the Marshall County McElroy Mine, a move that follows the layoff of 260 others earlier in 2015.

- 112 workers have been laid off at the Shoemaker Mine in Ohio County, following the layoff of 170 others in 2015.

- 107 miners are out of work at the Harrison County Mine (formerly Robinson Run).

- 106 have been laid off at the Monongalia County Blacksville Mine, where some 130 others lost their jobs in 2015.

- 82 workers have been laid off at the Marion County Loveridge Mine.

These figures do not include layoffs of nonunion workers. Mike Caputo, the vice president of UMW District 31 and a Democratic state legislator, expressed the complacency and complicity of the union in a December 31 interview with the MetroNews “Talkline” program. “It’s just a bad day,” he said of the Murray Energy layoffs. “It’s a bad day for the industry and it’s bad for all of us who work in this industry. ... It’s sad

that on the final days of 2015, we get one last, cruel blow to coal mining families.”

The crisis in the coal industry is precipitating layoffs in rail transport and other industries in the region.

Rail giant CSX announced January 18 that it was closing its administrative offices in the hub of Huntington and reassigning the management of its traffic to adjoining divisions in Atlanta, Baltimore and elsewhere. The closure will eliminate 121 positions, though CSX said those Huntington management and union employees would remain employed “supporting the transition” over the next several months.

The Huntington Division services the coalfields of Central Appalachia. CSX reported coal revenue has declined by \$1.4 billion over the past four years,.

Until a few years ago the Huntington area was the center of coal shipments on the Ohio River. According to the US Army Corps of Engineers, barge traffic has collapsed on the Ohio, Kanawha and Big Sandy Rivers.

The Robert C. Byrd Locks and Dam, located between Huntington and Point Pleasant, handled more coal than any other facility on the river but is now one of the “least busy,” with coal movements falling from 42 million tons in 2005 to 15.8 million in 2015. On the Big Sandy River between Kentucky and West Virginia, coal shipments have dropped by nearly three-fourths in the past decade, from 25 million tons to 6.4 million tons in 2014.

McDowell County, one of the poorest counties in the United States, has seen the number of underground mines shrink from 34 to 13 in the last year. Last week, the county’s Wal-Mart announced it was closing and laying off 140 employees.

The closure not only eliminates the only major grocery store for 20 miles, it also removes \$65,000 in taxes to McDowell County, and some 90,000 pounds of fresh food donations from the busy Five Loaves & Two Fish food pantry in Kimball. Wal-Mart donated between 1,500 and 3,300 pounds of meat and produce each week to the pantry. “You’re just afraid to get up every morning,” pantry director Linda McKinney told the *Charleston Gazette-Mail*. “When you get up you think, ‘OK, today what’s going to close? Who’s going to lay off? You would pray, but our tax base is basically zeroed out.”

Fifty-six-year-old Hazel Cooper arrived at the food pantry at 11 p.m. to be first in line when it opened the next morning. She was chased off by police, but came back, sleeping in her car under layers of clothing. Cooper told the *Gazette-Mail* she only started her car to warm her feet in the middle of the night. “Most people don’t have the gas to let their car run all night,” she explained. “People will do that to put food on the table.”

The collapse in coal production has compounded already severe budget shortfalls at the state, local and departmental levels. Counties have cut jobs and benefits and eliminated programs as the amount of so-called coal “severance” tax revenue has fallen.

In 2016, the state Treasurer’s Office anticipates an ongoing

decline of coal severance. In a January 6 news release, the Treasurer’s Office offered a best-case projection of a stable collection of \$5.5 million in the first two quarters of the fiscal year, resulting in a 23 percent downturn in county and city collections.

Governor Earl Ray Tomblin enacted a 4 percent across-the-board budget cut last fall in the face of a \$150 million shortfall. In spite of the deep cuts, the shortfall has widened to more than \$350 million. Tomblin has proposed regressive measures such as a cigarette sales tax hike to raise revenue, placing the burden of the budget crisis on the shoulders of the poorest citizens.

For its part, the coal industry has lobbied for further cuts in coal severance tax rates, from the current meager 5 percent rate on all coal mined to a mere 2 percent. “It’s designed to help mitigate further losses and decline within the coal industry,” West Virginia Coal Association Vice President Chris Hamilton insisted. “There are a lot of uncertainties out there today, a lot of cost factors that cause our coal industry to be at a disadvantage.”

The industry is also lobbying to remove a 56-cents-per-ton tax on coal that goes toward the Workers’ Compensation Debt Reduction Fund, a system that pays into the underfunded state workers’ compensation program.

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