

## Appalachian fall



The McCoy Elkhorn mining complex straddles the border of Pike and Floyd counties in eastern Kentucky. It has underground and surface mines, as well as coal-processing plants and a section of freight rail lines, onto which mined coal can be directly loaded. If you pull to the side of Airport Road in Pikeville and look over the guardrail, you see huge trucks with empty beds sitting beneath a conveyor belt, waiting for coal from the underground mine.

They may be waiting a long time. On September 16th James River Coal Company stopped production at that mine and several others in eastern Kentucky. It furloughed roughly 525 workers. The company blamed “continued weakness in the domestic and international coal markets”.

In America at least, coal appears to be in secular decline. Natural gas is cheap, abundant and cleaner to burn. Coal remains the largest source of American electricity, but the share it generates fell from 50% in 2005 to 37% in 2012. The Energy Information Administration (EIA) baseline forecast keeps it top of the heap until 2040, though low natural-gas prices could hasten its tumble: between now and then, 63% of new electricity-generating capacity will come from plants burning natural gas; 31% will come from renewables; and just 3% each from nuclear and coal. As mines become less productive, coal prices will rise, making the fuel less competitive.

The places where coal is mined are also changing. Though most Americans, when they think of coal, tend to think of West Virginia—the only state wholly within the 1,000-mile-long Appalachian region, which stretches from southern New York to north-eastern Mississippi—in fact Wyoming mines more than any other state. The EIA expects that trend to continue: the amount of coal mined in the West (particularly Wyoming and Montana) and South will rise, while the amount mined in Appalachia, where the mines are old, will fall. Between 2000 and 2012, both output and productivity, measured in tonnes per hour worked, have fallen markedly in eastern Kentucky. So has employment in local mines.

Some Appalachians, however, see a different villain behind coal’s woes: Barack Obama and his overreaching Environmental Protection Agency (EPA). Four days after the James River closures, the EPA released a proposed rule limiting emissions from new fossil-fuel-fired power stations to 1,100 pounds of carbon dioxide per megawatt-hour—far less than the average coal plant emits. To meet this standard new coal plants would have to capture and store much of their carbon emissions. Critics complain that the technology enabling carbon capture and storage (CCS) is too expensive and works far better in theory than in commercial practice.

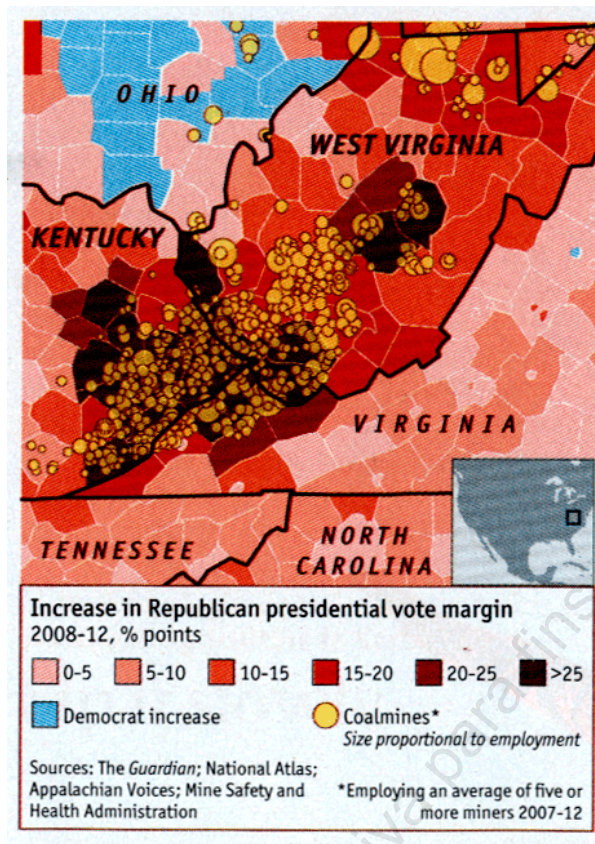
In recent years the EPA has also promulgated rules limiting the release of mercury and other toxins from power plants, and tried to limit interstate air pollution (a federal court struck down the latter rule; the Supreme Court will hear the EPA's appeal in its next term). Gina McCarthy, who heads the EPA, told the House Subcommittee on Energy and Power that her agency would release emission guidelines for existing plants in June 2014. Jim Cauley, a Democratic political consultant from Pikeville, says that Appalachians used to fear "revenueurs coming for their moonshine. Now it's the EPA-ers coming for coal."

The Democratic Party itself has not suffered the sort of wholesale decline in Appalachia that it has suffered in the Deep South. West Virginia and Kentucky both have Democratic governors. But Mr Obama himself is about as popular as a Hatfield in the McCoy house. Shelley Moore Capito, a House Republican running for the Senate in West Virginia next year, says, "When people see neighbours losing their jobs and stores closing because of a direct link of the policies of this president, that leads to an unpopular view of him." In 2012 Mr Obama lost big in counties with coalmines (see map).

But his unpopularity in the region predates his presidency: in the 2008 primaries Hillary Clinton beat him resoundingly. In the general election Mr Obama did worse than John Kerry, the 2004 Democratic nominee, had done in much of Appalachia. Bill Clinton won both Kentucky and West Virginia twice (despite sharing a ticket with the author of "Earth in the Balance") and remains immensely popular in both states. But he is a familiar type: charming, funny, white and raised in rural poverty.

Mr Obama is different. He is urban: Appalachia is rural. He is biracial: Appalachia is white. He is cosmopolitan—well-travelled, well-educated, brought up in Hawaii and Indonesia: Appalachia, thanks to its mountains and patchy road network, is still insular and isolated. During his campaigns he lavished attention on Pennsylvania and Ohio, battleground states with Appalachian parts, but bypassed Kentucky and West Virginia, which he stood little chance of winning.

If Alison Lundergan Grimes and Natalie Tennant, the Democrats' likely Senate candidates in Kentucky and West Virginia, want to stand a fighting chance next year, they will have to emulate Joe Manchin, a Democratic senator from West Virginia, and criticise Mr Obama often and loudly (Mr Manchin shot a proposed cap-and-trade bill in a campaign ad, and has accused the president of waging "war on America" with his climate-change policies). Mitch McConnell, Ms Grimes's formidable opponent, has promised to "be the leader of the forces that take on the war on coal." Mr Cauley believes that will play well: "That's what Appalachians want. They want someone to fight for them—for their way of life and their families."



Fonte: The Economist, London, v. 408, n. 8855, p. 30, 28 Set. a 4 Oct. 2013.