

# ALASKA RAILROAD CORPORATION



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## **Export of Coal Back on Track**

### *Agreement Revives Export of Coal from Healy to South Korea*

New contracts between the Alaska Railroad Corporation (ARRC) and Hyundai Merchant Marine, and between Usibelli Coal Mine (UCM) and Hyundai, have paved the way for a revival of the export of coal from Healy, Alaska to South Korea. Under terms of the agreements, ARRC will move 400,000 tons of coal purchased by Hyundai from UCM for two years.

Depressed prices for coal, led by cheap exports from Indonesia, resulted in a discontinuation of coal shipments from UCM to South Korea. In an effort to preserve the capability to export Alaskan coal from tidewater, U.S. Senator Ted Stevens (R-Alaska) earmarked \$9.6 million in the 2003 omnibus appropriations bill for the ARRC to purchase the Seward Coal Facility. The facility, currently owned by Hyundai (51%) and the Alaska Industrial Development & Export Authority (49%), receives coal shipped by rail from Healy and loads it on to Hyundai ships bound for South Korea.

The agreements are contingent on Federal Railroad Administration approval of the grant. Grant monies include dollars to improve the Seward Coal Facility as well. Hyundai has agreed to lease and operate the facility for the duration of the two-year contract. Improvements to the Seward Coal Facility are planned to increase capacity and to allow more efficient operations.

“We are pleased to be able to continue the export of coal from Healy to South Korea,” John Binkley, ARRC Chairman of the Board, said. “This agreement will support jobs for Healy and Seward, as well as further development of Alaska’s export economy.”

The quantity of coal for export will employ two 80-car trains weekly between Healy and Seward. Shipment will begin later this month.