Alpha to Close Two Mines, Cut Back at Others

VICKI SMITH, Associated Press

MORGANTOWN, W.Va. (AP) — Alpha Natural Resources announced Wednesday it's permanently closing two mines and a coal preparation plant in Logan County, and scaling back operations at two other southern West Virginia operations.

Altogether, about 100 people will be laid off, spokesman Ted Pile said. Another 80 workers will transfer to other Alpha operations. The changes are effective immediately, and workers were informed of them at both morning and afternoon meetings.

Virginia-based Alpha says it's closing the Superior surface mine, the Hatfield underground mine and the Stirrat prep plant in Logan County.

That affects about 95 employees, 65 of whom have been offered other Alpha jobs. The 30 being laid off will stay on the payroll for 60 days, Pile said, but Alpha has no intention of reopening those operations.

The company is also eliminating 59 positions at the Black Castle Surface Mine in Boone County and an affiliated trucking company, Trace Transport. Alpha has found other opportunities for about 12 of those people, Pile said.

Another 11 workers will lose their jobs at the Republic Surface Mine in Fayette County.

The decisions are driven by a combination of low demand and low coal prices as consumption of cheap natural gas grows. Pile said new estimates on the number of coal-fired power plants being retired also rose this week, while coal stockpiles are at near-record levels.

The Black Castle mine, however, is being affected largely by global trade.

"The export coal market was really robust last year, and it dropped off substantially this year," Pile said. "Coals produced in West Virginia and shipped to Europe are not competitive anymore."

Last month, Alpha posted a first-quarter loss of $29.1 million due to weak demand for coal and rising costs. It said at the time it planned to reduce capital spending and further cut production.

Alpha has struggled to generate consistent profits since buying Massey Energy for $7.1 billion last summer.

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