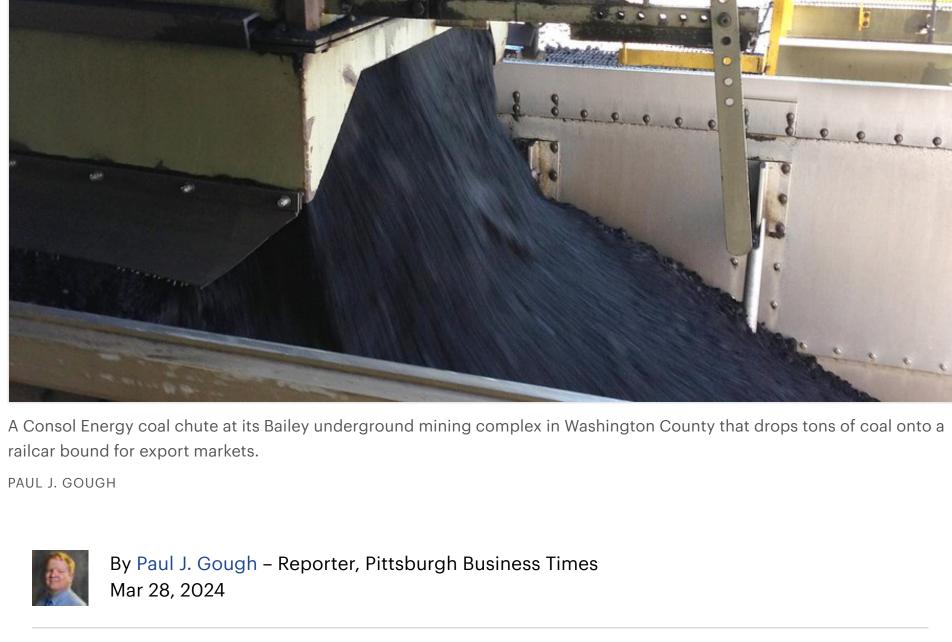
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challenge with Port of Baltimore closure

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CEIX) and other coal companies, with the help of the railroads, are rerouting shipments

operations. An S&P report Wednesday estimated coal exports out of Baltimore could be

disrupted only for between 10 and 15 days. Others told the Business Times it might take

shipments through the Port of Norfolk until the Port of Baltimore reopens," said Ernie

that will allow them to continue exporting until the Port of Baltimore resumes

"We've had good support from the rail carrier, Norfolk Southern, to reroute our

There's no word yet on when the remains of the Francis Scott Key Bridge will be removed, which will allow shipping to resume to and from the port. But Consol (NYSE:

several weeks or months before things returned to normal.

Thrasher, CEO of Latrobe-based Xcoal Energy and Resources.

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Xcoal doesn't produce coal but works with mines, most in Pennsylvania, to market and

ship coal to customers outside of the United States. That includes coal for power

the mines that supply the coal in Pennsylvania," Thrasher said. Baltimore is the second-largest coal terminal along the East Coast, exporting about 8.2

million metric tons of metallurgical coal and 17.1 million tons of thermal coal in 2023,

according to S&P Global Commodity Insights. Baltimore already exported 4.3 million

One of the companies that has a substantial exposure to coal shipping in Baltimore is

metric tons of coal in 2024 through Tuesday and more than half went to India, according

Consol, whose large underground mining complex in Greene and Washington counties in southwestern Pennsylvania provides high-grade coal prized outside the country. More than 60% of the coal produced by Consol in Pennsylvania went to the export market and

While Consol has dealt with delays in the past out of Baltimore, there's likely been nothing in its history that compares to the blow of shutting down the Port and stranding a major route for coal out of the U.S. Consol said Thursday that it was working on alternatives to keep the coal flowing. "At this time, no one has a definitive timeline of when vessel access or normal operations

"The extent of the financial impact will depend on how long the terminal remains inaccessible to vessels with some potential offset from any business interruption insurance coverage," said Sandeep Sama, VP and senior analyst at Moody's Ratings. But one well-known coal analyst, Lucas Pipes of B. Riley Financial, thinks the market overreacted Tuesday when it sent Consol shares down. Pipes, in a research report,

"I wish the market would have taken some pause to reflect on what actually was going to happen and in the scope of Consol or Arch or any other companies that use the port," Thrasher said. "It's a challenge, but these companies are up to the challenge. We're getting great support from both railway companies, Norfolk Southern and CSX."

S&P Global Commodity Insights analysts estimated Wednesday that between 2.5 million

metric tons and 4 million metric tons of coal could be delayed, depending on how long it

rerouting that will be needed from the rail lines in Pennsylvania south to Virginia, as well as the costs of unloading the rail cars of coal and then onto the ships, not to mention whether the ships themselves are able to go to an alternate port. "Those are all questions coal companies, ocean carriers and ports are going to have to figure out," Saldanha said. "There will be additional costs involved."

S&P believes coal could be diverted to terminals in Hampton Roads and Newport News

but that the capacity to handle extra coal might be limited.

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Consol shares drop after bridge collapse stops coal shipments

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generation, metallurgical for steelmaking and other industrial uses. All of the business of Xcoal, with 19 offices around the globe, involves exports out of the country. Thrasher said Xcoal doesn't expect a large impact from the Port of Baltimore shutdown if "We're not anticipating missing any shipments, and there's been no impact to the jobs or

represented more than \$1 billion in revenue in 2023, through either Consol's owned and

operated marine terminal in Baltimore or through the nearby CSX coal-loading terminal.

Pennsylvania coal through the port to overseas markets. The terminal had a record year

Consol also handles coal from other companies like Xcoal that use the rails to move

in 2023 with 19 million tons of coal handled.

domestic shipments."

takes to clear the waterway.

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will resume, but we have initiated discussions with our customers and contingency plans are being implemented," Consol said. "These plans include, but are not limited to, the ability to move coal tons through open terminals on the East Coast and increasing

Consol shares tumbled Tuesday in the hours after the bridge collapse and when it

became clear the Port of Baltimore shipping was halted if the bridge and the ship that hit

it remained in the waterway. There's been a lot of questions about the short- and long-

term impact on the closure for Consol. Moody's, one of the major bond ratings firms,

predicted the fallout from the Baltimore port closure would be credit negative.

acknowledged there will be an impact — maybe a loss of 1 million metric tons of coal shipped — but that it won't take as long as feared to recover and that Consol and other coal producers, including Arch Coal, will work on alternatives. Xcoal's Thrasher agreed.

"It doesn't look like an easy task, so I wouldn't be surprised if it takes upward of a month to at least clear portions of that channel. ... That's going to do a lot in driving prices up to at least recover costs of relocating shipments to Hampton Roads (Virginia) and the crimp in supply and demand," said John Saldanha, a professor at West Virginia University and Sears Chair of Global Supply Chain Management.

Saldanha also believes costs to the companies will increase because of the extensive

• How Consol Energy is handling port closure that stopped flow of coal • Engineering expert urges checks of bridges over water in Pittsburgh Baltimore bridge collapse will have big impact in Pittsburgh

The Port of Baltimore's closure continues to put pressure on Appalachian coal producers, especially Consol Energy Inc., which ships much of its Pennsylvania coal overseas through its facility along the waterfront there.

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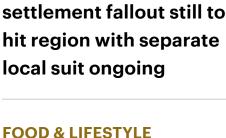
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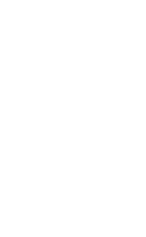
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