

Bills aim to boost Appalachian fortunes, chemical renaissance

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House Republicans are backing the push to keep the Appalachian Regional Commission running and use the independent development agency to help build a politically charged petrochemical storage hub project in the region.

Rep. David McKinley (R-W.Va.) introduced two bills last week that mirror legislation previously put forward by Sen. Shelley Moore Capito (R-W.Va.).

H.R. 4434 would reauthorize the ARC, which serves 420 counties in 13 states along the Appalachian Mountains, through 2025. Congress has rebuffed attempts by President Trump to eliminate the 53-year-old agency.

Like Capito's **S. 2273**, McKinley's bill would increase ARC's annual budget from \$165 million to \$180 million, reserving \$20 million for broadband development.

"At my rural broadband roundtable in western Maryland this month, I heard loud and clear that we need more funding for rural broadband," said Rep. David Trone (D-Md.), a co-sponsor alongside fellow Appalachia lawmakers.

McKinley's second bill, **H.R. 4433**, does not have the same backing.

The "Appalachian Regional Energy Hub Initiative Act," a companion to Capito's **S. 2280**, would mandate ARC to spend \$5 million on building an ethane storage hub.

Similar to propane and butane, ethane is a "wet gas" separated from natural gas that is used as feedstock in chemical and plastic manufacturing.

In the midst of a shale gas boom, developers and elected officials have rallied behind a proposed Appalachian Storage and Trading Hub for ethane with Energy Secretary Rick Perry backing a \$1.9 billion loan guarantee from his department to the \$3.3 billion project.

Fellow West Virginia Republican Reps. Alex Mooney and Carol Miller co-sponsored the bill that could offer a return to glory for petrochemical manufacturing in the Chemical Valley — a nickname for the area around Charleston, W.Va.

Senate Majority Leader Mitch McConnell (R-Ky.) has backed Capito, who is pushing to include both new bills in the federal highway bill reauthorization that she is working on as chairwoman of the Senate Environment and Public Works Subcommittee on Transportation and Infrastructure.

"We must make this project a priority so that we can ensure that our domestic supply is not at risk," McKinley said in a statement.

Sen. Joe Manchin (D-W.Va.) has raised trade concerns about Chinese investment in the development. In 2017, China Energy Investment Corp. signed a memorandum of understanding with Gov. Jim Justice (R) to invest \$83.7 billion over the next 20 years.

"If China's intent is to remove butane, propane and ethane and export it, I'm against it because then there is no storage hub, there is no new manufacturing base for us, there is no backup for the United States in terms of energy policy," he told the U.S. Energy Association in May.

Manchin has introduced [S. 1064](#), which would mandate an Energy Department study of the national security implications of new petrochemical infrastructure.

ARC relocation

Neither McKinley nor Capito, however, has revived the Republican idea to move ARC headquarters out of Washington, D.C.

The bipartisan "Revitalizing the Economy of Coal Communities by Leveraging Local Activities and Investing More Act" — [H.R. 2156](#) and [S. 1232](#) — no longer includes a provision to relocate the regional agency to Appalachia ([*E&E Daily*](#), May 1).

Democrats have worried about a potential "brain drain" as longtime employees may not move with ARC, but Rep. Morgan Griffith (R-Va.) now has the stand-alone "Appalachian Regional Commission Relocation Act."

The text of [H.R. 176](#) notes other regional commissions headquartered in their respected regions.

"The commissions are housed in more affordable locations than the District of Columbia," the bill states, "thereby reducing administrative overhead and making the commissions closer and more accountable to the people the commissions were designed to serve."