

Joe Street, West River Conveyors, Talks to Coal Miner Exchange



Joe Street and Jerry Roulett, Co-Founders, West River Conveyors

Bill Reid: *We're with Joe Street, the Co-Founder and Vice President of Sales of West River Conveyors + Machinery Company. Joe, we certainly appreciate you talking to us this morning. Could you please tell us how the company got started?*

Joe Street: The company started in 1981. There was a small company that was building conveyors for small operations here in Buchanan County, Virginia. The principals were getting older and they wanted to sell so they put it up for auction. We bought it and looked at each other and said now where are we going to get the money to pay for it? So we borrowed \$118,000 from the bank and we paid it back and we've been here ever since.

Bill Reid: *I noticed you started your career teaching. How did you get from teaching to coal mining?*

Joe Street: Well actually I quit teaching in 1977 and went to work for United Coal Company for three years and decided in 1980 that wasn't for me. So I went out on my own with J.B. and decided we would buy a small conveyor business. So, it started at that point and we've been in business for 36 years.

Bill Reid: *I know that you started off with rebuilding all types of equipment, and then you focused on belt conveyor equipment. Why was that?*

Joe Street: Well back to the '80s and '90s we did equipment rebuild work for the coal industry. We rebuilt miners, we'd do shuttle cars, we'd do just about everything. The mining business got real bad and we owned Royal Machine which did mining equipment and then we owned the old Jolo Manufacturing that we had bought under West River and we felt like West River would probably be ongoing. With the decline in the market in the 90s, we bought the old VP #2 (Island Creek Coal Company) on Dismal River Road. We expanded from there and now we've grown to where we sell all over the United States and into Canada, both Ontario and Saskatchewan in the potash and gypsum industries. We are also working on some projects to the south over into Mexico, down into Chile and Colombia.

Bill Reid: *I know at your plant, you've got over 100,000 square feet of total manufacturing and warehouse space. Tell us about the plant please?*

Joe Street: We started out with one building and then we expanded it to include everything we need: fabrication, press breaks and a complete machine shop. One building is machinery where we have machinists, welders and fabricators. We do conveyor work for all of the mining industry. So, for manufacturing, we have 60,000 square feet of manufacturing space dedicated to machining, fabricating, preparation and assembly. The rest of it is warehouse space and office buildings with one complete building used for gearbox rebuild and repair.

Bill Reid: *How many employees do you have Joe?*

Joe Street: We have 36 at the present time. In 2012, we were at 44, so we are down somewhat than what we were in 2012, but everybody knows what happened in 2012. We didn't have to worry about orders. It was just a matter of getting it out the door in 2011 and 2012. Our sales have been down a little bit but they're coming back quite strongly. We've been pretty much level and we've maintained 28 to 32 employees throughout this downturn. But today, it is looking like coal companies have money to spend this year and we've established business outside of the coal industry as well.

Bill Reid: *Let's turn now to your products, Joe. I know you design and manufacture belt conveyor equipment. Talk about your line of products please if you would?*

Joe Street: Ok. Well, we do terminal groups complete from the head drive, which could be 25 horsepower up to 3,000 horsepower belt conveyor drives. We build take-ups according to the specifications and what the company is going to do that with particular product. For example, if they are going to run 5,000 tons per hour then everything is custom designed. We have computer programs that run all of these special drives and special requirements that tell us what we need in order to build that particular conveyor. We build all types of take-ups, electric winches, tailpieces of all sizes and discharges. We build chutes. Big chutes are common out West and in Canada. We build quite a few for those areas. We do a lot of roof mounted material. We do storage units. We've done several storage units for the potash industry in Canada comprising 480 feet of storage which are all roof mounted. We build all sizes of starters. Some of these we do ourselves and some we contract out to facilities that do us a good job especially when we are very busy. We also furnish VFDs (variable frequency drives) that we buy from a third party that we fit right into our systems.

Bill Reid: *Joe, what separates you from the competition?*

Joe Street: Well, we can react quickly. As you are aware, some of our competitors are now gone. Caterpillar sold off their belt conveyor division to a company and then they later closed their doors about a year ago. We're small. We don't have the gigantic corporate structure. J.B. and I make decisions in a matter of minutes if we need to make a decision on where we go. If some customer needs some of our management team, we can have them on the site the next day. We've always reacted 24/7. If someone is broken down and they want a part, they can get up with somebody here at all times. We have somebody that lives on the property 24/7. And we have the biggest part of our inventory online. We have access to it at home or vacation or wherever. So we've made it our top priority to serve the customer and be able to solve any problems as soon as possible. We feel like we can react much faster than most of the other companies.

Bill Reid: *How do you see the future at West River Conveyors?*

Joe Street: At the present time, we've actually picked up market share all over the United States with different companies in coal as well as aggregate, gypsum and salt. With the losses of a few of our competitors, we have a good handle on the market

throughout the United States. There may be less coal produced, as there is already a 300-350-million tons reduction, but we feel like we can make up that difference in products with other non-related companies that use conveyor equipment. Going forward, I think at this point we have an excellent name in the industry, so it's just a matter of keeping our existing customers plus picking up some new ones in new markets.

Bill Reid: *My final question, Joe, is how do you see the future of the coal industry. As we travel around the country, we see a great deal of optimism now. How about you?*

Joe Street: Well, the new administration will certainly be able to stop the bleeding. They should put some of these regulations on hold and try to finance more clean power plants. Many of the old power plants have shut down and America has reduced its CO2 into the atmosphere several points over the last few years. I know that all the projections are that coal is going to be part of the energy mix for many years. It has to. I don't think solar and wind are going to be able to produce the peak power that we need in the dead of the winter or the dead of the summer. People need to remember when the wind doesn't blow and the sun doesn't shine, there is no power. So there'll be coal produced, for both the steel and steam markets for many years to come.

Bill Reid: *So you're quite optimistic?*

Joe Street: Oh I'm optimistic on where we are right now. Under the other Administration we had in Washington, it was known that everything was going 100% away from coal and there was no stopping it. But with the new Administration, I think this will slow down and be reversed. I don't think we'll ever bring back all of what we've lost. But we will bring back some of it. I know the demand is up a bit more now and there is increasing optimism in the industry with natural gas prices increasing and coal markets at last improving. So I'm very optimistic!

Bill Reid: *Well, Joe, thank you very much for talking to us.*

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