New Report Quantifies Coal Export Expansion

Local News

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OLYMPIA, Wash. - A new report released today by the Energy Policy Research Foundation finds that expanding the export of coal from the Powder River Basin of Montana and Wyoming will bring $2 to $6 billion to the U.S. economy annually. This finding comes at a time that business, labor, trade and community organizations have come together to launch the Alliance for Northwest Jobs & Exports, which supports the development of coal export terminals in the Northwest so the region can directly benefit from the thousands of jobs and millions in new tax revenue that these increased exports would create.The report states: “The economic value from Powder River Basin exports of 50-100 million short tons per year would yield a net economic gain to the national economy between $40 and $60 per short ton, for a total of $2 to $6 billion per year. These are the net benefits to the national economy from exporting low cost PRB coal. Australia and Indonesia are well placed to capture some of this market, but U.S. producers can also capture a substantial volume of this growing market.”Furthermore, the report concludes that U.S. exports would displace coals that would otherwise be sourced from other countries, and thus would have no net impact on coal consumption globally.

“The United States has the world’s largest endowment of low-cost, high quality coal reserves. These reserves can be competitively produced and shipped to high value destinations through rail and seaborne transport. Coal’s low cost and abundance continues to make it a highly preferential fuel for power generation in the developing world.U.S. production will merely replace higher cost production with minimal or no effect on world and U.S. coal prices. Neither net world coal combustion nor GHG emissions will change as a result of an expansion of U.S. coal exports.”Lauri Hennessey, a spokeswoman for the Alliance for Northwest Jobs and Exports, said the report provided more evidence for why exporting coal through Northwest terminals and ports would provide a significant boost to the region’s trade economy.“This report confirms what we already know in the Northwest – we can continue to build on our strong trade heritage, creating thousands of new jobs and millions in new tax revenue for our region, and do it in an environmentally responsible way,”said Hennessey. “We heard in last week’s Oregon Public Broadcasting poll that a majority of Northwest citizens support expanding coal exports.As these sorts of facts and studies get out to the public, we are confident that support will only grow.”According to the report, an expansion of coal exports would create substantial new revenue streams for state, local and federal government.U.S. coal resources are the largest in the world, accounting for more than one fourth of the world reserves. The Powder River Basin has extremely low sulfur coal, offering much better quality than many other alternatives.**About the Energy Policy Research Foundation**The Energy Policy Research Foundation, Inc. (EPRINC), formerly PIRINC was incorporated in 1944 and is a not-for-profit organization that studies energy economics with special emphasis on oil. It is known internationally for providing objective analysis of energy issues. EPRINC researches and publishes reports on all aspects of the petroleum industry which are made available free of charge to all interested organizations and individuals. EPRINC has been called on to testify at every session of Congress in the last decade. The Foundation briefs government officials, including the State Department, the Department of Energy, and the Federal

Reserve, and legislators, and provides written background materials on request.**About the Alliance for Northwest Jobs& Exports**The Alliance for Northwest Jobs & Exports is a non-profit trade organization advancing export infrastructure to strengthen regional trade economies in the Pacific Northwest. The Alliance represents a strong labor and business coalition comprised of trade, transport, labor organizations, manufacturing, businesses, civic groups and others who support expanding regional exports for the economic benefits. The proposed terminals would create thousands of new jobs and generate millions in additional tax revenue for schools and other services. For more information, visit www.CreateNorthwestJobs.com.