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New Report Identifies Costs to Taxpayers for Proposed Coal Export Terminals
*Heavy Traffic Ahead: Taxpayers, farmers, communities would be affected
by huge increase in coal trains*

The price tag for upgrading rail lines, roads and other infrastructure to support proposed coal export facilities on the West Coast could reach into the billions of dollars across the four-state Northwest region, according to a report released today.

Heavy Traffic Ahead: Rail Impacts of Powder River Basin Coal to Asia, for the first time, identifies costs, many of which will fall on taxpayers for infrastructure due to increased rail traffic.

“There are many areas along the railroad routes which will require major upgrading and expansion of existing railroad tracks and related infrastructure which could cost billions of dollars,” said Terry Whiteside, one of the principal authors of the report. “State and local governments will likely bear the brunt and burden of the related infrastructure costs in their localities and will likely be required to spend hundreds of millions of dollars in related mitigation, litigation, debt and other costs associated with the necessary improvements to accommodate export coal traffic levels.”

The report shows that coal transport could exceed 75 million tons per year by 2017 and 170 million tons per year by 2022 to the proposed terminals in the Pacific Northwest. For comparison, trains unloaded about 80 million tons of freight in Oregon and Washington in 2010, according to a June 30, 2012 article in *The Oregonian*. The tremendous increase in rail transport will require additional overpasses, underpasses and other upgrades, costs which taxpayers have typically had to pay.

“As a local elected official, I want to make sure that those responsible for mining and shipping coal through Montana bear the burden of mitigating any adverse impacts that they might cause – be they environmental, economic, or social,” said Missoula, Mont. city council member Dave Strohmaier.

Transportation experts also found that increased rail traffic will affect grain producers that need access to rail space. The producers, the report shows, will face increased competition, potentially delaying shipments and increasing costs.

“Montana ranks first nationally in the production of certified organic wheat and third in the production of all wheat and barley. Montana agriculture brings in \$2 billion in annual revenue, much of that coming from grain growers,” said Arlo Skari, a lifelong grain grower from Chester,

Montana. “The ability to ship efficiently and economically is a critical component of success for our grain producers and markets.”

The report, prepared by Whiteside & Associates and G. W. Fauth & Associates for the Western Organization of Resource Councils, a Montana-based agriculture and conservation group, details the expected increase in coal transport and identifies impacts to communities along the transport routes.

“Many impacted railroad line segments, such as the line known as ‘The Funnel’ from Sandpoint, Idaho to Spokane, Washington, already have significant capacity and congestion problems and upgrades will be required,” said Gerald Fauth, III, another principal author of the report. “By law, the railroads can pay for no more than five percent of the total cost of rail and other infrastructure upgrades to accommodate the huge increase in rail traffic.”

Last week’s derailments of rail cars carrying coal in Washington, Illinois and Texas underscore growing concern over whether the Pacific Northwest (PNW) regional rail system is capable of handling the additional coal train traffic if six proposed coal export terminals are built in the Pacific Northwest.

Additional findings from the report to note:

- The projected increase in train traffic due to six proposed coal export facilities and three coal port expansions will equate to the movements of loaded and empty coal trains through the region from approximately 5 (or less) per day to 28 and eventually 63 coal trains per day.
- An increase in coal transport by rail will result in bottlenecks, traffic delays and congestion from trains throughout the entire route. These traffic issues can result in delayed emergency response times in every community along the routes.
- Increased coal rail traffic threatens to divert the lucrative container traffic from ports in Washington to Canadian and California ports.
- The two most impacted major cities will be Spokane, WA (up to 63 trains per day) and Billings, MT (up to 57 trains per day). Nearly every loaded and empty coal train will pass through these two cities.
- 1-1/4 mile long loaded and empty coal trains will travel through other populated cities like Portland, Sand Point, and Seattle as well as areas like Glacier National Park.

Bozeman, Mont. resident Beth Kaeding, a member of the Western Organization of Resource Councils, noted that under existing law, neither the states nor local governments have significant leverage over the railroads.

“That does not mean they are without power in this process,” she said. “First, everyone needs to come together to call for a full and complete, area-wide environmental impact study on the proposed West Coast ports – and this includes the cumulative and connected action of increased rail traffic from the mines to the ports. Second, they can call on the Surface Transportation Board to exercise their power of oversight on the system-wide impacts of shipping massive volumes of coal from Wyoming and Montana to the Pacific Northwest.”

The report is available at www.heavytrafficahead.org.

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