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Report sounds concern about capacity of rail system to handle more coal shipments

Taxpayers could be on the hook for hefty traffic mitigation costs

Coal and oil traffic jeopardizes other shippers

Billings, Mont. — Voluminous and very profitable coal and oil export rail traffic would consume most of the existing rail capacity in the region, displacing other traffic and resulting in higher freight rates for existing rail shippers, according to a new report released in a teleconference today by the Western Organization of Resource Councils (WORC).

Prepared by Whiteside & Associates and G. W. Fauth & Associates, the report, *Heavy Traffic Still Ahead*, evaluates the anticipated increase in coal train traffic from the Powder River Basin in light of the current proposals for new or expanded coal port facilities in the Pacific Northwest. In addition, the study incorporates the combined effects of oil trains traveling from North Dakota over the same routes.

The report also identifies impacts to communities along the transport route, consequences for existing rail users, including grain shippers, container traffic, and passenger service, and how coal export could affect rail corridors already near capacity.

If coal export proposals develop, the daily number of Powder River Basin to Pacific Northwest loaded and empty export coal trains could be as high as 27 to 36 trains in five years and up to 47 to 63 trains in 10 years, the report found.

“The rail system does not have the capacity to handle a very large influx of new traffic,” said Terry Whiteside, a co-author of the report. “The problems we are seeing now are just the tip of the iceberg, and communities along the routes should be aware of it.”

“Montana's wheat industry spent years working with U.S. Wheat Associates to develop a strong competitive position as a reliable supplier in the global market,” said Arlo Skari, a lifelong grain producer from Chester, Montana, and a former member of the Montana Wheat and Barley Committee. “That means that buyers can count on timely delivery, and we can charge a premium for that reliable service. The report tells us that our ability to ship reliably would be in jeopardy as large volumes of coal trains are added to a rail system that is already struggling at capacity.”

The report identifies two major bottlenecks along the rail lines: the Burlington Northern Santa Fe's (BNSF) line between Sandpoint, Idaho, and Spokane, Washington, known as "The Funnel," and the stretch between Huntley and Mossmain, Montana, which traverses Montana's largest city, Billings.

"The Funnel already has serious capacity issues and could feel the full potential impact of added coal export trains," Whiteside said. "Coal train traffic could increase 26 to 35 trains per day and grow to 45 to 60 coal trains per day in a decade."

"According to *Heavy Traffic Still Ahead*, Spokane may see an increase of 60 trains per day of coal," said Ben Stuckart, Spokane, Washington City Council President. "This does not include increased oil traffic. The BNSF lines that run through our community, run over the river, and have numerous at grade crossings. These trains take precedence over agricultural distribution. This increase in trains will disrupt emergency responders, pollute our rivers and disrupt distribution of agricultural goods. It is time for us to find a solution that is equitable for all of the communities that live on these rail lines."

The Funnel could bear 22 trains daily of loaded and empty Bakken oil trains moving to the Pacific Northwest, Whiteside said. "Rail traffic over this bottleneck could double and exceed its current capacity of approximately 70 trains per day," Whiteside said.

According to the report, the Huntley to Mossmain line now handles approximately 18 to 22 trains per day, and total rail traffic through Billings could more than triple in a decade.

"The report provides a fair warning to those of us who are heavily invested in and committed to the thriving vital economic engines of our downtowns from Billings to Bellingham," said Ed Gulick, a Northern Plains Resource Council member and architect who works near the rail tracks in downtown Billings. "Hundreds of businesses, billions in property investments are on the line and could be downgraded if coal export proposals come to fruition. Decision-makers in Washington, Oregon, and British Columbia can change the face of downtown Billings and dozens of other communities."

The report found that large increases in rail traffic could cost taxpayers hundreds of millions in local infrastructure and mitigation expenditures, including:

- Sheridan, Wyo. — \$156 - \$169 million
- Billings, Mont. — \$18 - \$150 million

- Livingston, Mont. — \$8.7 million
- Helena, Mont. — \$13 million
- Spokane, Wash. — \$71.6 million
- Seattle, Wash. — \$100 million
- Edmonds, Wash. — \$80 million
- Marysville, Wash. — \$92 million
- Mt. Vernon, Wash. — \$40 million
- Burlington, Wash. — \$40 million

Beth Kaeding, a member of the WORC from Bozeman, Montana, said state and local governments do not have much leverage over the railroads.

“That does not mean they are without power in this process,” Kaeding said. “First, everyone and every entity concerned about the impacts from increased coal-export train traffic need to come together to educate themselves and to involve themselves in the environmental impact studies on the proposed West Coast ports at Cherry Point and Longview and the Port of Morrow. The public must insist that these studies include the cumulative and connected consequences of increased rail traffic from the Powder River Basin mines to the Pacific Northwest ports. Second, they should call on the Surface Transportation Board to exercise oversight on the system-wide impacts of shipping massive volumes of coal from Wyoming and Montana to the Pacific Northwest.”

Heavy Traffic Still Ahead updates WORC’s 2012 report, *Heavy Traffic Ahead*, which detailed the expected increase in coal transport and identified impacts to communities along the transport routes. Both reports are available at www.heavytrafficahead.org.

Based in Billings, Montana, WORC is a regional network of conservationists and family farmers and ranchers.

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