

Local Outlook: Butte-Anaconda

By Paul E. Polzin

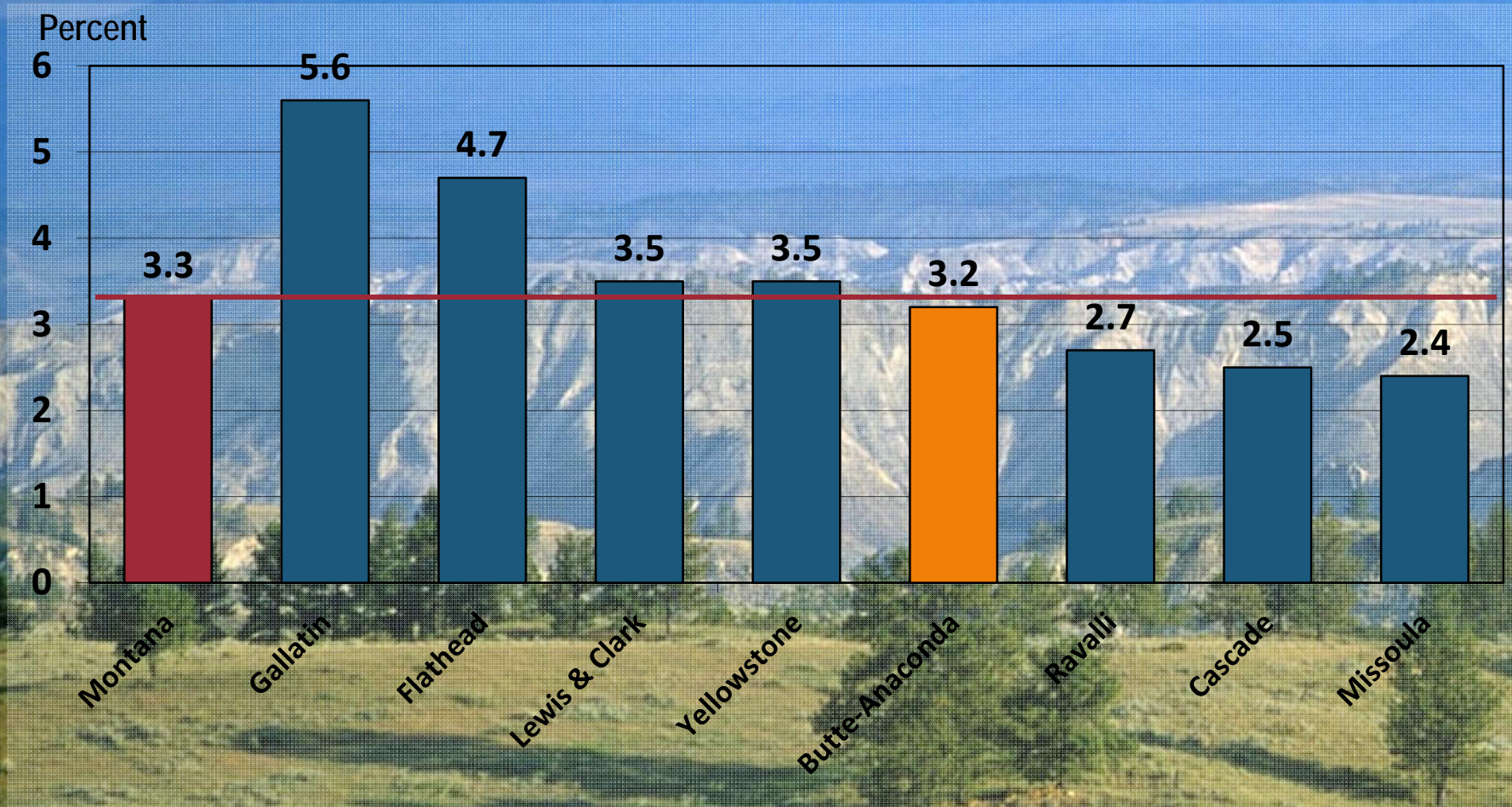
Director Emeritus

Bureau of Business and Economic Research

The University of Montana



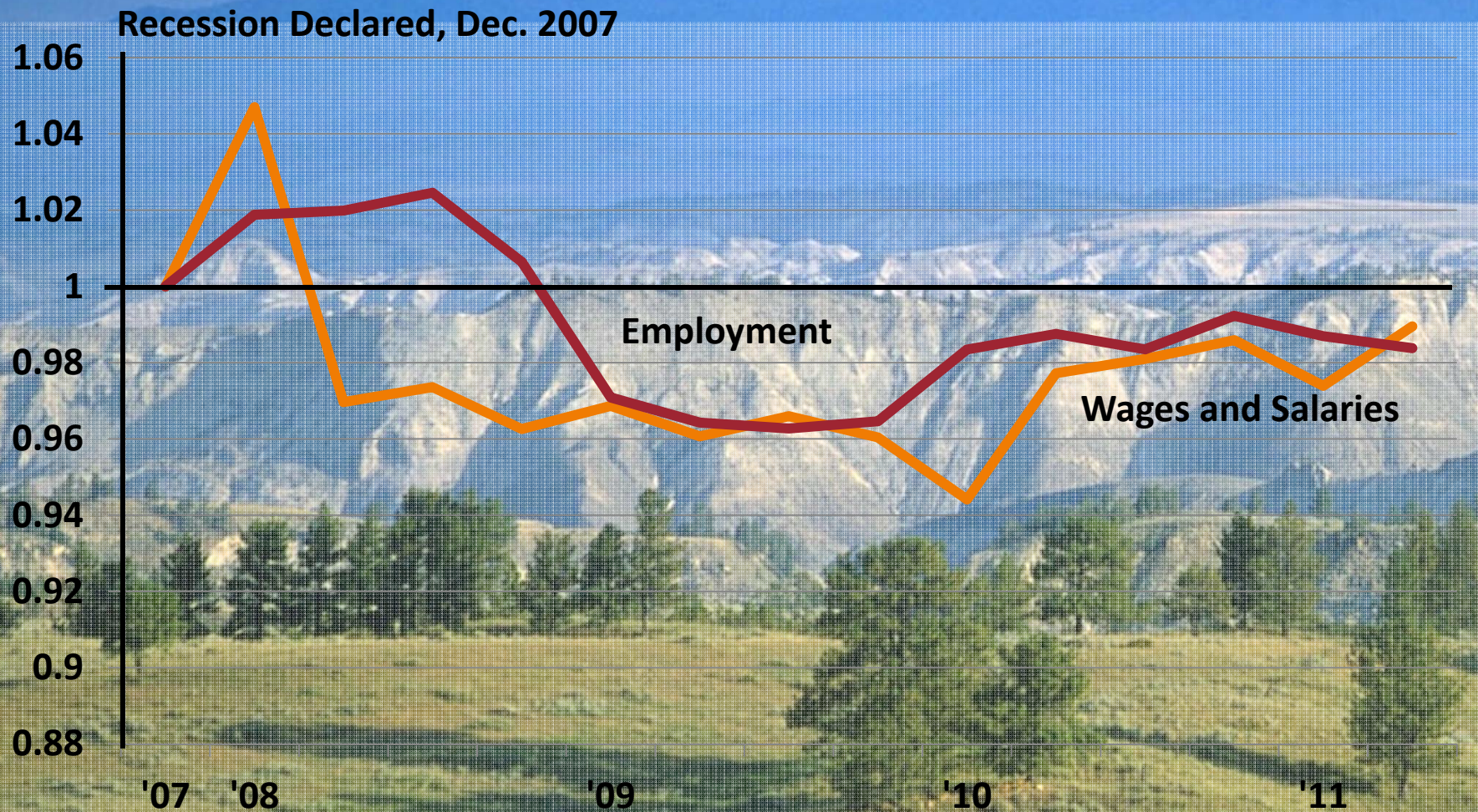
Annual Percent Change in Nonfarm Labor Income (in Constant Dollars), 2001-2007



Recession Scorecard

| | Duration (Years) | Severity (% Change) |
|----------------------|------------------------|---------------------|
| Lewis & Clark County | What Recession? | |
| Cascade County | | |
| Yellowstone County | 1 | -1.5% |
| Butte - Anaconda | 1 | -0.8% |
| Missoula County | 3-4 | -4.9% |
| Gallatin County | 2 | -7.9% |
| Flathead County | 4 | -10.2% |
| Ravalli County | 4 | -11.4% |

Non-Farm Employment and Inflation Adjusted Wages and Salaries, Seasonally Adjusted, Butte-Anaconda



Butte-Anaconda's Economic Base 2008-2010

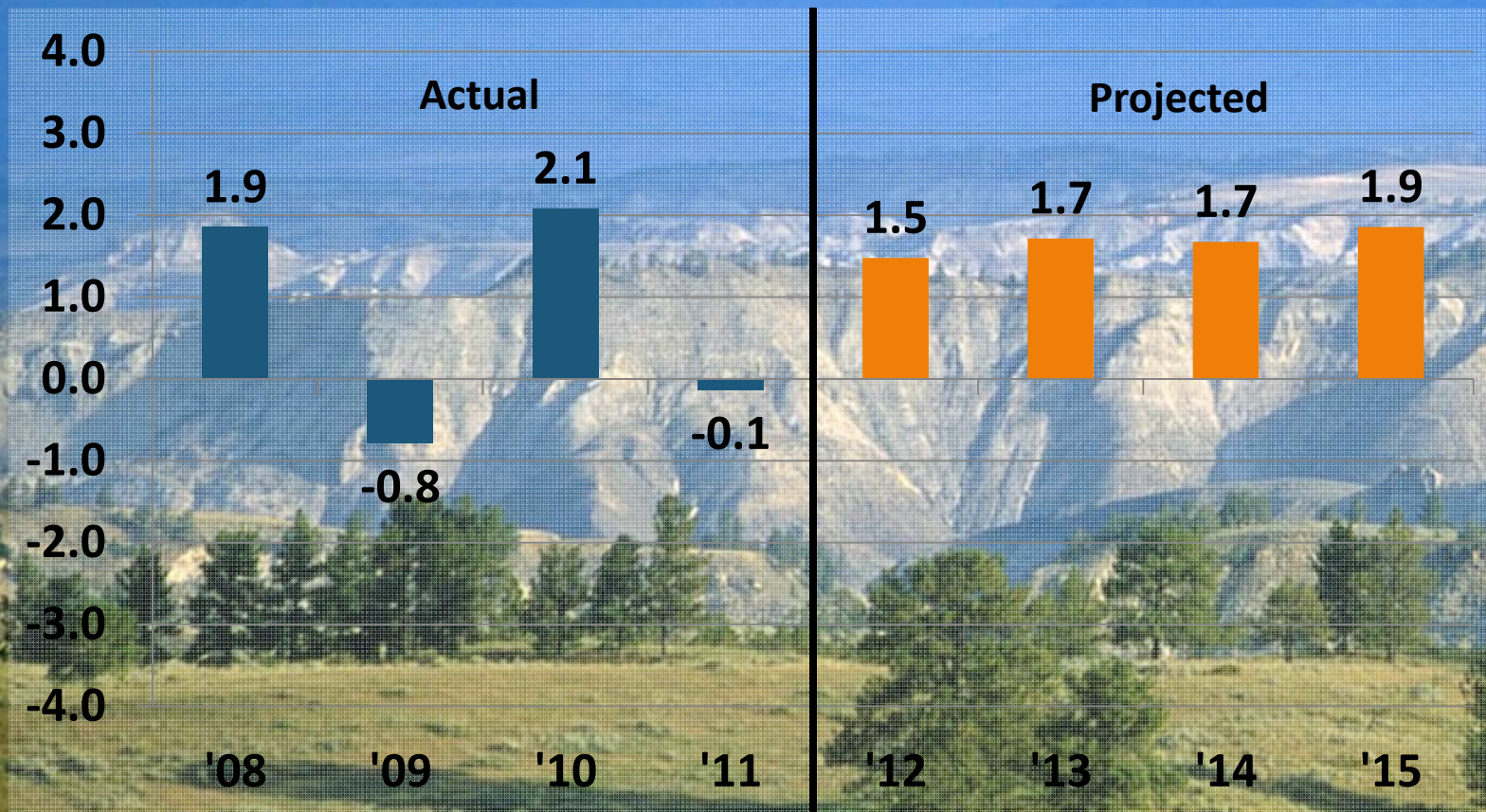
| | | |
|----------------------------|-----|-----------------------|
| • Manufacturing | 10% | World Markets |
| • Federal Gov. | 10% | Stable at Best |
| • Utility | 14% | Stable |
| • Trade Center Retail | 12% | Slow Growth |
| • Montana Tech, State Gov. | 15% | Pay Freeze |
| • Trade Center Services | 17% | Slow Growth |
| • Mining | 22% | Positive World Trends |

Construction

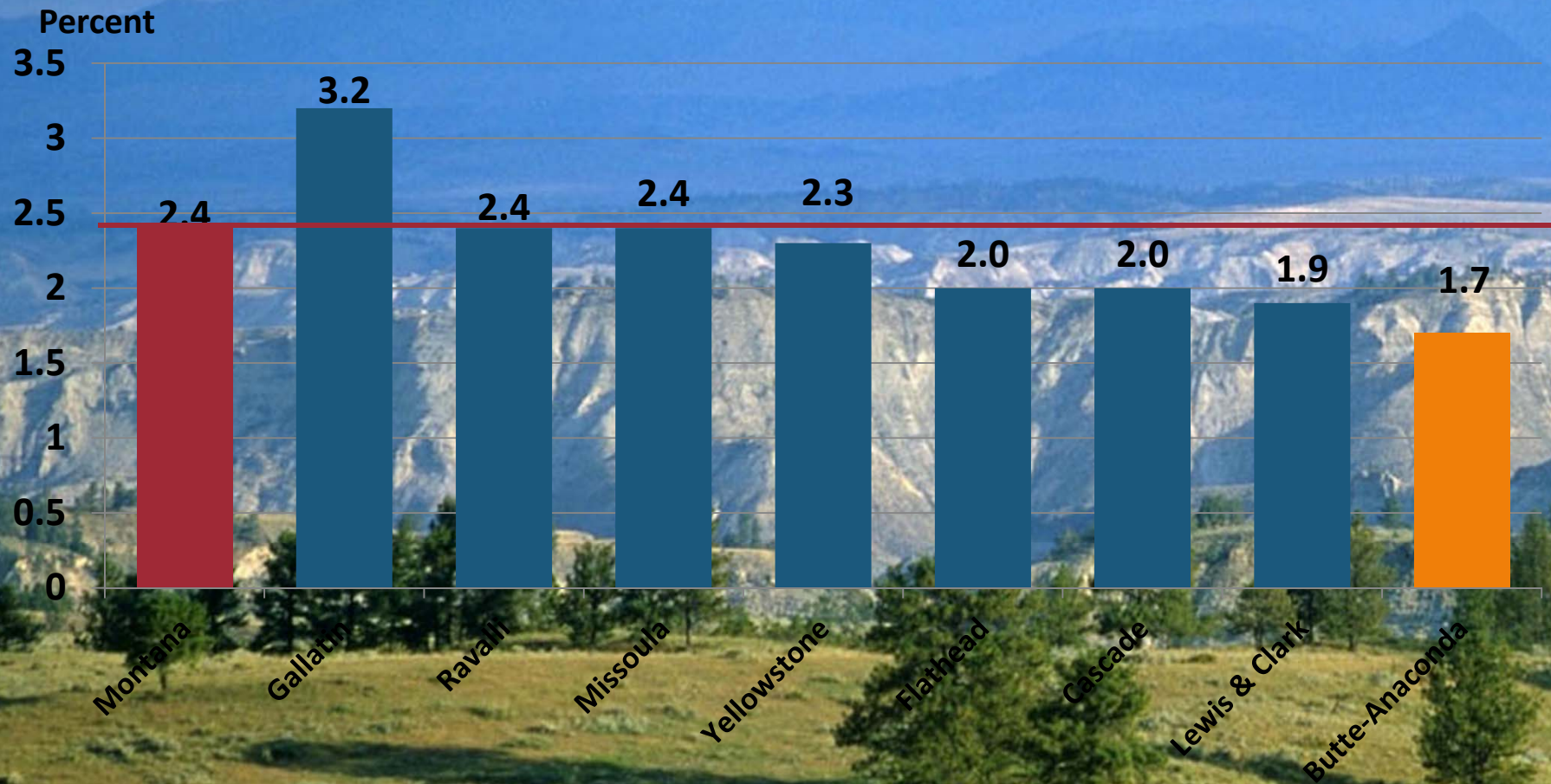
Not Before 2013

Actual and Projected Change in Nonfarm Earnings, Butte-Anaconda, 2008-2015

Percent



Projected Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2011-2015



Montana's Energy Transportation Systems



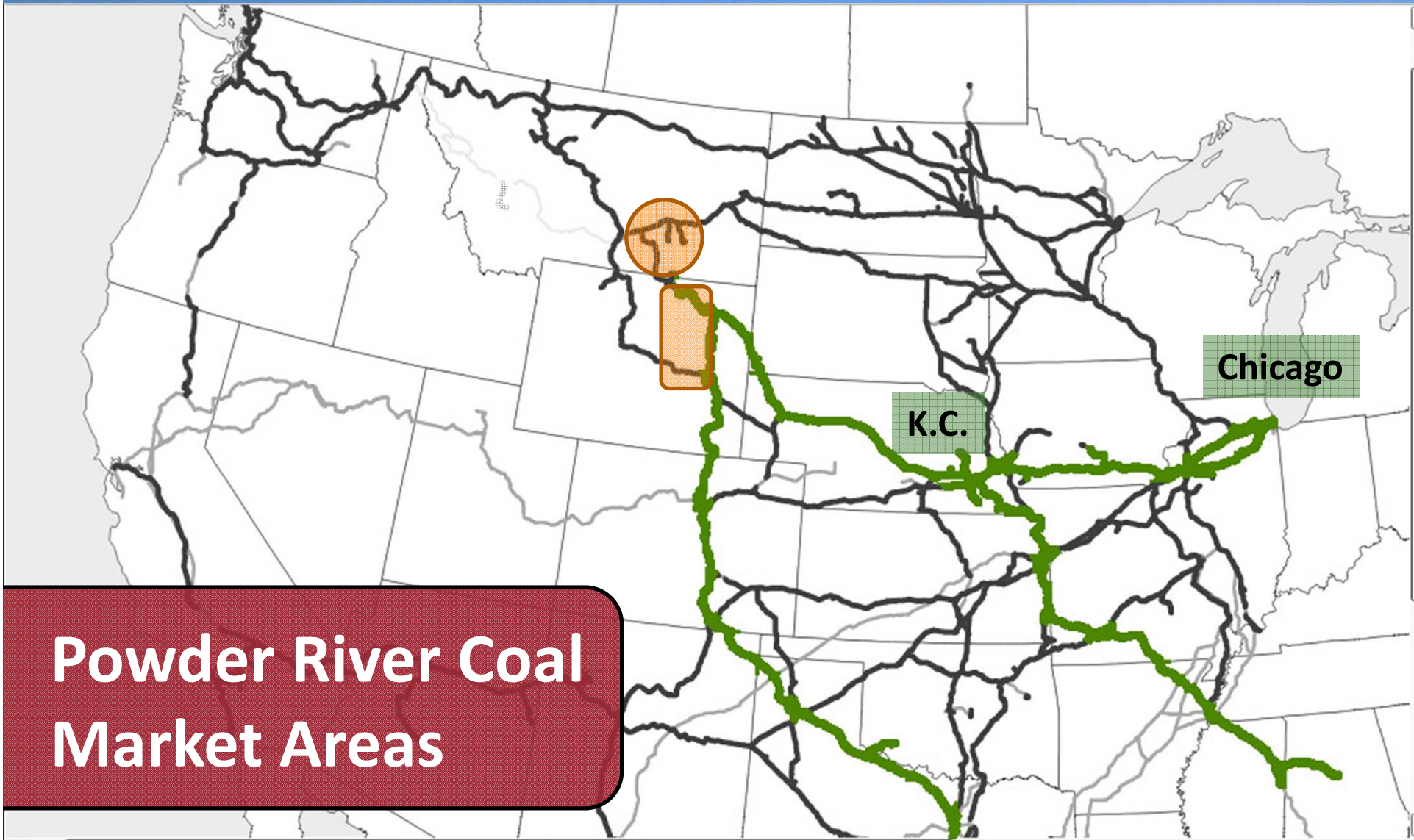
Coal Reserves and Production

| | Reserves (Billions of Tons) | |
|----------------|--------------------------------|--|
| Montana | 119.0 | |
| Wyoming | 61.0 | |

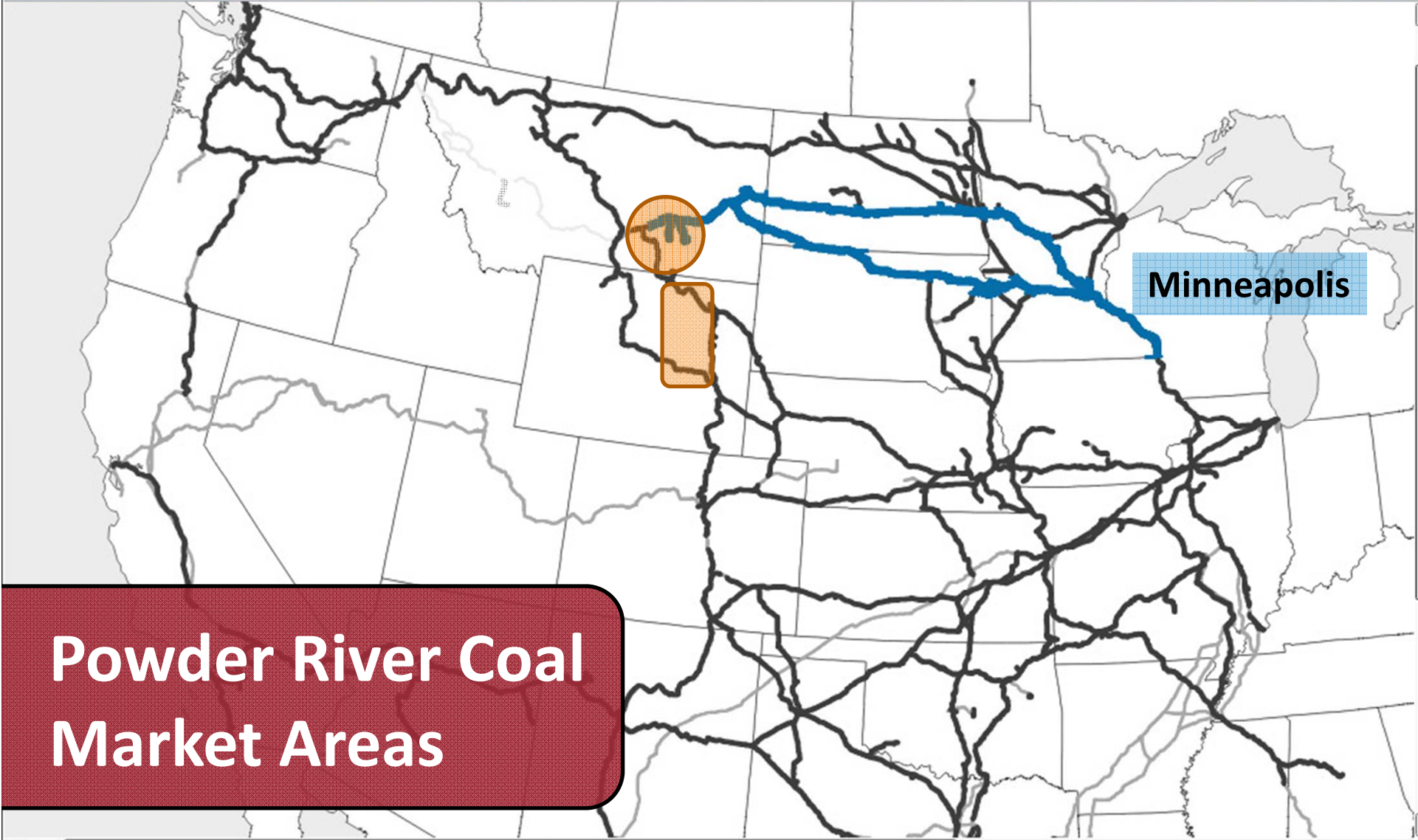


Powder River Coal Market Areas

Powder River Coal Market Areas



Houston

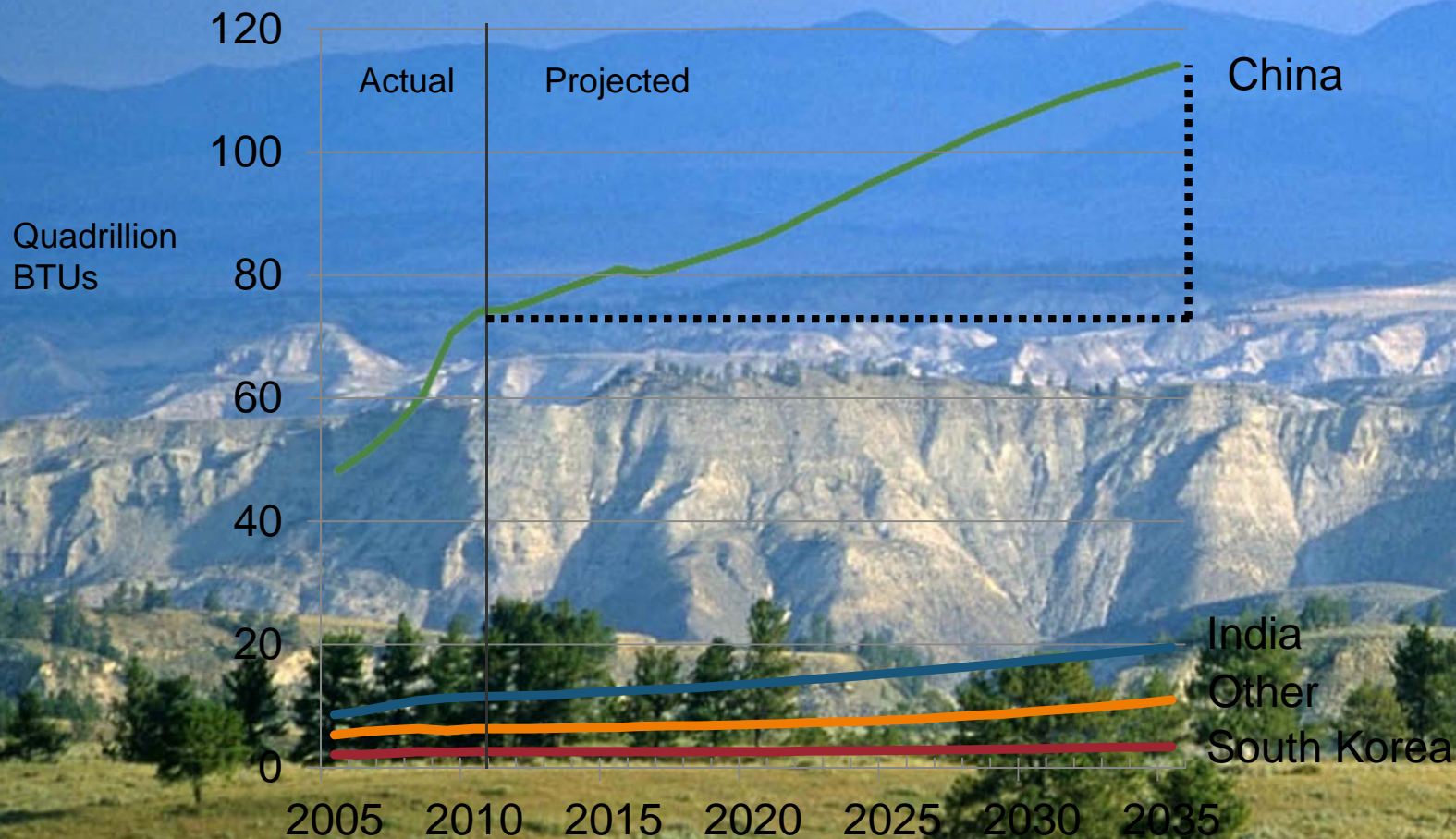


Minneapolis

Powder River Coal Market Areas



Actual and Projected Asian Coal Consumption



Sources: History: U.S. Energy Information Administration, International Energy Statistics database

Vancouver

Seattle

Portland

Signal Peak

Arch Coal

Future Powder River
Coal Market Area

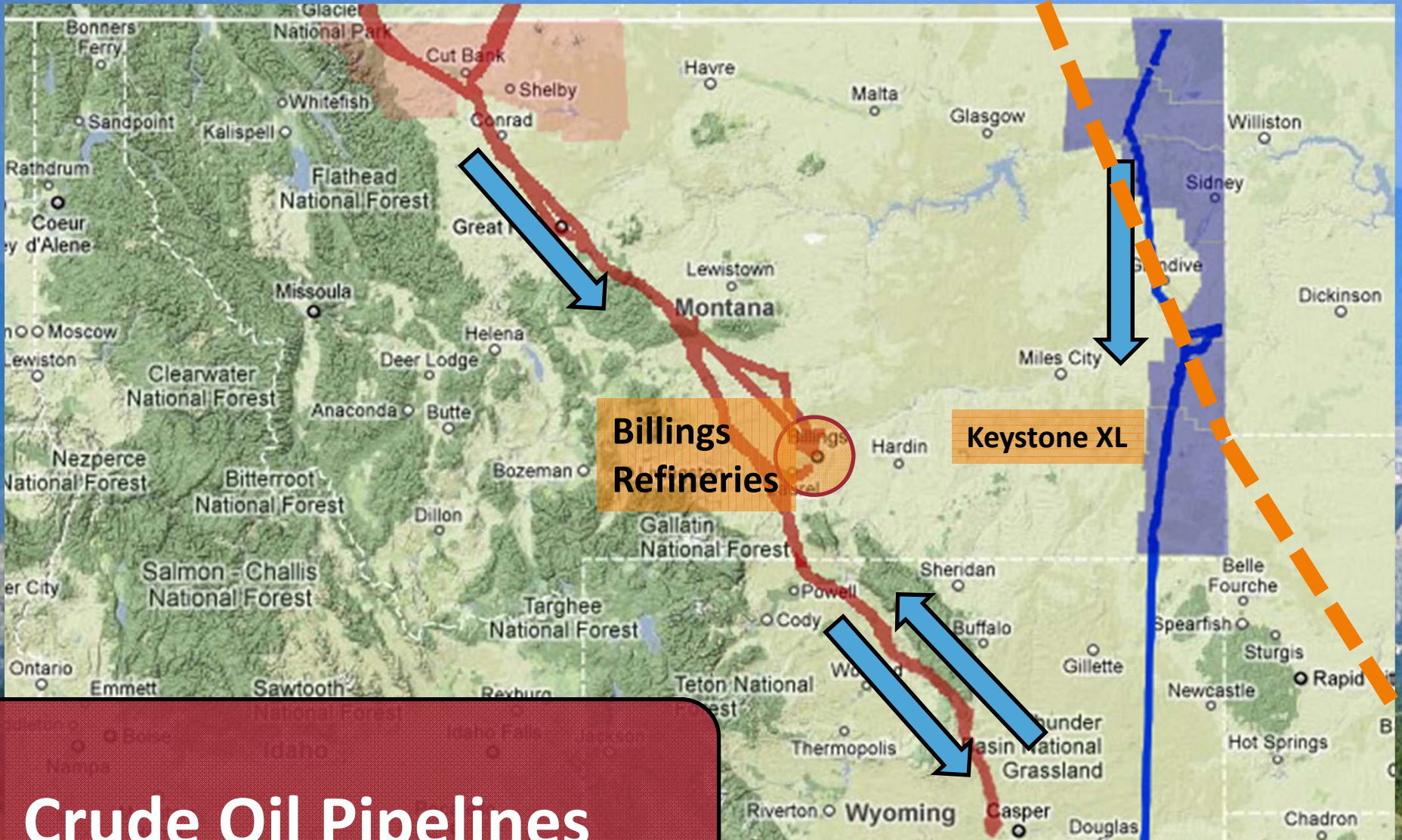


Montana Crude Oil, 2010

| | Barrels |
|--|---------|
| | |
| | |
| | |

Source: Montana Oil and Gas Conservation Division.

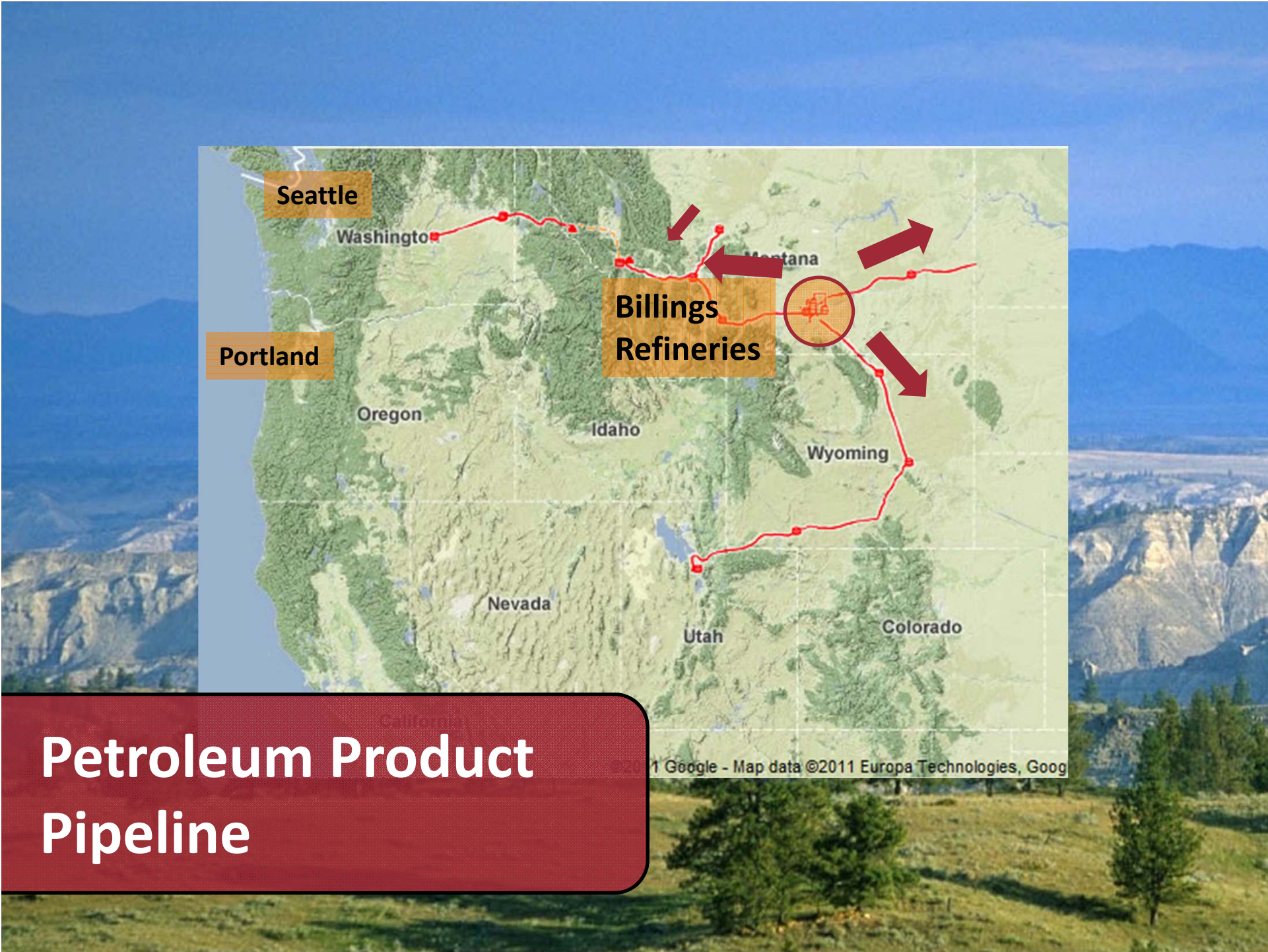
Edmonton



Billings Refineries

Keystone XL

Crude Oil Pipelines



Seattle

Washington

Portland

Oregon

Idaho

Nevada

Utah

Wyoming

Montana

Billings
Refineries

Colorado

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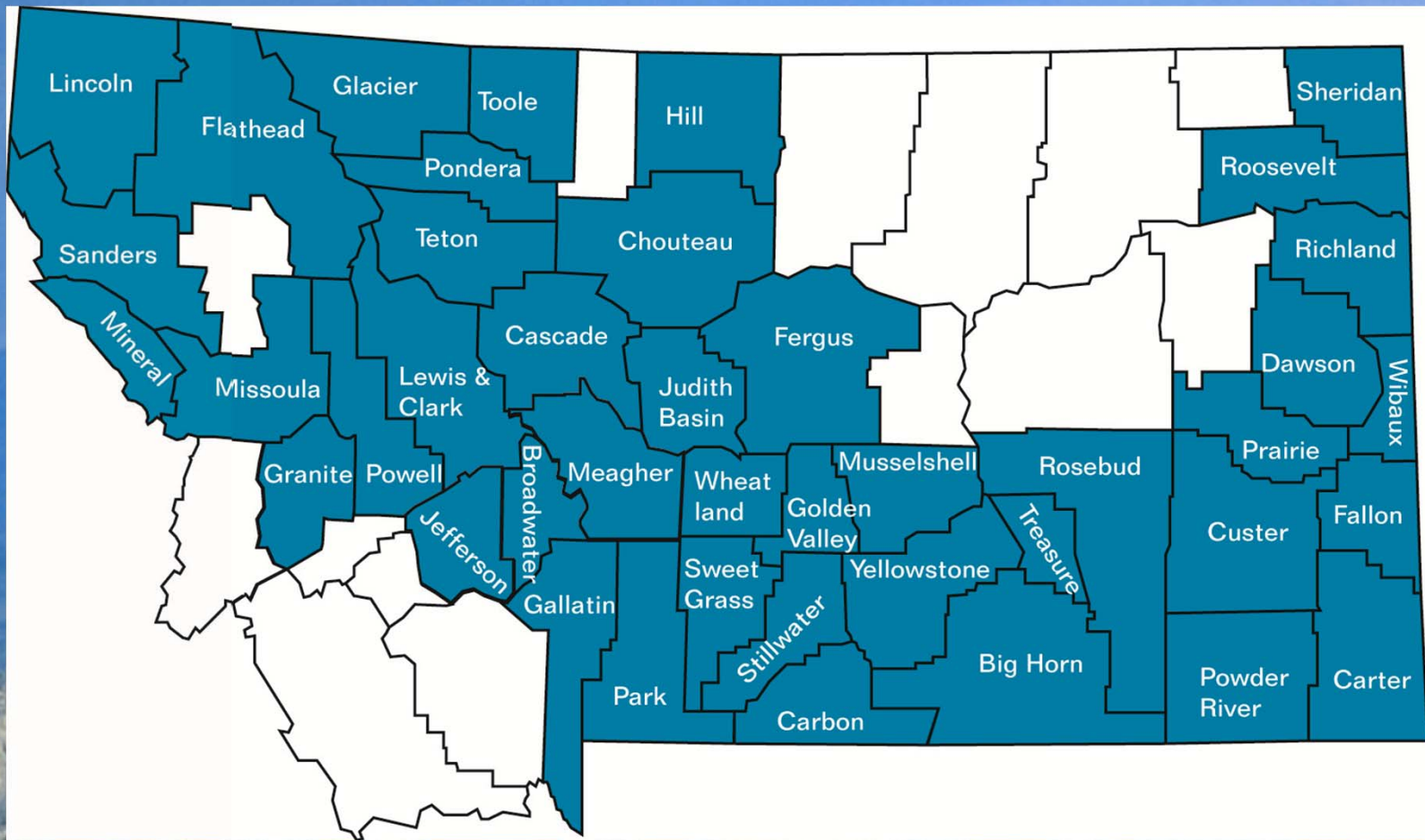
Petroleum Product Pipeline



**Colstrip 500 KV
Transmission Line**

Transmission Line Property Taxes to Counties

| County | Estimated Taxes |
|--------------------|--------------------|
| Rosebud | \$492,000 |
| Treasure | \$952,000 |
| Big Horn | \$241,000 |
| Yellowstone | \$1,467,000 |
| Golden Valley | \$372,000 |
| Stillwater | \$373,000 |
| Wheatland | \$615,000 |
| Meagher | \$865,000 |
| Broadwater | \$563,000 |
| Jefferson | \$401,000 |
| Powell | \$322,000 |
| Granite | \$401,000 |
| Missoula | \$568,000 |
| Mineral | \$784,000 |
| TOTAL | \$8,417,000 |



Montana's Energy Transportation Systems

A wide-angle landscape photograph showing a range of mountains. The foreground is a grassy field with several green trees. The middle ground features a series of rugged, light-colored rock formations or plateaus. The background consists of several layers of blue mountains, creating a sense of depth. The sky is a clear, bright blue. The word "Questions?" is written in a large, white, sans-serif font across the center of the image.

Questions?