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STUDY SUGGESTS COAL EXPANSION WOULD BOOST STATE ECONOMY

MISSOULA –

Montana's economy could be significantly impacted by expansion at its existing coal mines and development of new mines, according to a study recently completed by The University of Montana's Bureau of Business and Economic Research.

Expansion of the Spring Creek coal mine near Decker would boost Montana jobs, household income and tax revenues, according to an economic impact study conducted by BBER economist Patrick Barkey.

According to the report, "The Economic Impact of Increased Production at the Spring Creek Mine," commissioned by the Montana Chamber of Commerce, a proposed increase of coal production by 20 million tons at the mine owned by Cloud Peak Energy would more than double output at the facility and require expansion in capital and equipment, labor force and new purchases of resources such as electricity and work uniforms.

The study found that with a status-quo, no-expansion scenario, by 2018 the project is expected to create 1,421 permanent jobs across a wide range of industries and occupations in all regions of the state. Income for Montana households would collectively increase by more than \$58 million. Projected state government tax revenues on coal production and growth in Montana's tax base were estimated to reach more than \$55 million per year.

BBER's study found that the Spring Creek expansion would generate higher rail volume across Montana as well. Rail and coal jobs pay significantly more in wages and benefits than the state average, and the spending by those workers combined with additional purchases by vendors and suppliers would support hundreds of additional jobs in industries such as construction, retail, health care services and public schools.

BBER director and study author Barkey notes that while a number of coal projects in the state propose new mines, Spring Creek is unique in that it represents growth of an existing operation.

"This is the first study we've done that measures growth as a result of coal expansion," Barkey said. "The results demonstrate that whether we measure jobs, income or output, the economy of the state of Montana stands to benefit significantly from the project."

BBER is a research center producing economic and industry data for Montana. For more information visit <http://www.bber.umt.edu/>.

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