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Organization:

State: Montana

Agency: Surface Transportation Board

Initiative: Tongue River Railroad

Submission Text

The DEIS emphasizes that the Tongue River Railroad is intended to haul Otter Creek Coal to domestic markets. The evidence argues against this assumption. Under the current proposed federal regulations limiting carbon emissions, AKA 'The Clean Power Plan', coal production is expected to plummet. The Energy Dept. estimates coal production will drop by 1/5 in 5 years and by 1/3 in 10 years. Several Midwest power plants have intentions to move away from coal and transition to natural gas in the next 5-10 years and, over time, to renewable energy. These are the very plants which are currently being supplied by lower sodium coal mines in the Powder R. Basin. Wyoming has been making inroads into the geographic area where transportation costs previously created a protected market for Montana coal. But the assertion is that the Otter Creek coal will somehow, against normal economic forces, 'displace' the Powder River suppliers with cheaper per ton costs because the transportation route is shorter. But, wait, isn't there the crucial necessity of building a short-line railroad first? Where is that cost factored in? In TRRC's Supplemental Alternative Screening Analysis submitted to OEA on April 30, 2013, TRRC defined the following target markets: Upper Midwest utilities (primarily in Michigan and Minnesota) that have historically used Montana coal and Asia, by export through the existing Westshore Terminal located south of Vancouver, British Columbia, and possibly through other Pacific Northwest port facilities presently in the planning stages. Arch Coal has emphasized its unique operating position with a mine at one end of the rail line and a port at the other. Connecting the dots between the two is the obvious business move when your likely market is in Asia. The DEIS analysis of impacts on down line communities focuses on MT, WY, the Dakotas, and MN. Only scant references are made in the text and the maps to points west of Ashland. It's unlikely that Otter Creek Coal will be able to elbow its way into a market which is limited by competitive forces such as pre-existing suppliers. It seems more likely that the TRRR, BNRR, and MRL will haul Otter Creek Coal to west coast terminals and the down line communities will be those in western Montana, Idaho, and Washington. The need for this railroad is a real head scratcher. The economic outlook for domestic coal already on the market is evaporating by the day, major lending banks are withdrawing from investing in the mining or shipping of coal, states are still crafting their EPA mandated carbon emissions plans, and a couple of the proposed export terminals are null and void. Current Midwest power plants either don't burn high sodium coal or won't burn any coal in another decade or so. All evidence points toward the coal being bound for Asia by rail through western Montana, then Idaho, and onto ships at west coast ports. I urge you to decide on the No Action Alternative as there is no public necessity for Montana's resources to be shipped off after disrupting communities all along the rail line.