

RSCC Energy Shipping Subcommittee Conference Call
Thursday, May 28, 2015
3:00 pm
Dial: (712) 432-1212
Meeting ID: 188-484-591

Participants:

John Grewell, Carbon County Commissioner and RSCC Energy Shipping Subcommittee Chair
Mike Tooley, Director of the Montana Department of Transportation
Mike Kadas, Director of the Montana Department of Revenue
John Rogers, Director of the Governor's Office of Economic Development
Christopher Dorrington, Montana Department of Transportation
Diane Myers, Montana Department of Transportation
Todd O'Hair, Cloud Peak
Terry White, Consultant

Brief Background of RSCC Energy Shipping Subcommittee-Christopher Dorrington

- The RSCC Energy Shipping Subcommittee was formed due to the large volume and value associated with energy shipping by rail
- Mayor Jimison of Glendive previously served as Subcommittee Chair. He was nominated to the post due to Glendive's proximity to the Bakken formation.
- In December 2014, Mayor Jimison was appointed to serve as Chairman of the RSCC, creating a vacancy for Chairman of the RSCC Energy Shipping Subcommittee
- Commissioner John Grewell was appointed to serve as RSCC Energy Shipping Subcommittee Chairman in March 2015
- There is no formal subcommittee charter, but the subcommittee generally represents energy shipping, practice, technology and barriers to moving freight outside of state borders
- Foreign use of coal in Asia and related issues also continue to be present in dialogue

Subcommittee Chairman John Grewell asked what has been done to date to assist efforts of transporting coal to Pacific Northwest Ports. Christopher Dorrington noted that the RSCC commissioned two research efforts on coal shipments from Montana to the Pacific Northwest and some of the economic impacts and forecasts associated with coal shipments. Todd O'Hair provided a response from the coal industry. Key points:

- Transportation is the most expensive part of delivered coal
- Cloud Peak currently exports about 5-7 million tons of Montana coal annually
- Market and regulatory forces are expected to slow domestic coal consumption
- A new 48 million ton facility has been proposed near the Port of Bellingham, WA
- A 44 million ton facility expansion project has been proposed near the Port of Longview, WA
- Both projects require approvals from the US Army Corps of Engineers

Todd O'Hair will provide a basic update about port facility construction/expansion efforts and potential benefits for Montana's coal industry at the June 18 RSCC meeting in Helena.

The conference call concluded at 3:32 pm.