

# Would Planned Northwest Coal Exports “Just Go To Canada”?

Coal industry experts answer, in their own words.

February 19, 2013

Eric de Place, Sightline Institute

Proponents of Northwest coal exports sometimes argue that resistance to new terminals is futile. They say that if Oregon and Washington ports decline to build coal shipping capacity, US firms will simply export their products from existing facilities in British Columbia. But the truth is that Canadian coal port capacity is limited, and US coal interests desperately need new terminals in order to reach Asian markets.

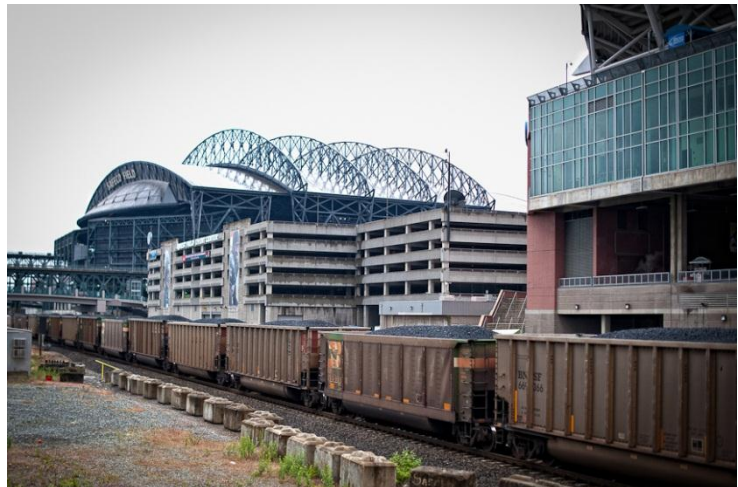
Here, in their own words, are the coal industry’s leading thinkers explaining why the industry wants new coal ports in the Pacific Northwest.

“**Canadian ports are actually at full capacity.** A lot of the contracts, at least for the recent expansion proposals, have been for Canadian coal to be exported...I talked to the head of the Westshore Terminal, actually, and he told me that they are already contracted and that it’s not going to be American coal.”

–[Ashley Ahearn](#), journalist, KUOW Public Radio, EarthFix Seattle Coal Export Panel, February 13, 2013.

“If we do not maintain and grow our export sales, our results may be materially adversely affected... **At present, there is limited terminal capacity** for the export of PRB coal to foreign markets. Our access to existing and any future terminal capacity may be adversely affected by regulatory and permit requirements, environmental and other legal challenges, public perceptions and resulting political pressures, operational issues at terminals and competition among North American coal producers for access to limited terminal capacity, among other factors.”

–[Cloud Peak Energy](#), from Form 10-K, page 28, filed with US Securities and Exchange Commission on February 14, 2013.



“Much of America’s increased exports have gone to Europe and Latin America via existing coal terminals on the east and Gulf coasts. Some go to Asia via ports in Canada and California. **But to really play in the booming Asian markets, the US has to dramatically expand its negligible west coast coal export capacity.**”

–[Ben Potter](#), “US coal firms export markets,” *Australian Financial Review*, February 6, 2013.

“It’s not far-fetched if all these projects stood up over a period of three to five years, the capacity of all of these **new terminals could add 120-140 million tons of capacity**, in addition to the Canadian expansions,”

–[Everett King](#), Ambre Energy president and CEO, quoted by Andrew Moore, *Platts Coal Trader*, “Ambre CEO confident US Pacific Northwest coal terminals will be built,” February 4, 2013.

“Haberlin, like Eaves, said **new export terminals in the Pacific Northwest would be a “game changer”** that would likely boost US coal exports past 200 million tons annually.”

–[John Eaves, CEO of Arch Coal, and J. Christopher Haberlin, vice president of research of Davenport & Co.](#), quoted by Andrew Moore, *Platts*, “Coal exports a major focus for US producers as supply needs change: execs,” January 31, 2013.

“Ten years from now, maybe there will be some export capacity on the West Coast, but for right now, **what we have is completely full.**”

–[Former Montana Governor Brian Schweitzer](#), quoted by Dan Testa, *SNL Financial*, “Former Mont. Gov. Brian Schweitzer calls most Wash. coal export plans 'dead',” January 17, 2013.

“**There’s really nowhere to ship Powder River Basin coal right now.** The terminals in Vancouver (B.C.) and farther north near Alaska near Prince Rupert in British Columbia are at capacity. They’re expanding as fast as they can, and it’s really not economical to ship it by rail all the way up to Prince Rupert in British Columbia. So, the economics of transportation—and it’s not cheap to haul this coal—make it really difficult to earn any money at all by shipping it that far.”

–[Darren Epps](#), coal export editor for *Platts*, quoted by Cassandra Profita on Oregon Public Broadcasting’s program “EarthFix Conversations: The Economic Pull Of Coal Exports In The Northwest,” April 3, 2012.

“While demand from our Asian customers remains strong, **this year’s exports will again be limited by available terminal capacity** out of the Pacific Northwest.”

–[Cloud Peak Energy](#), “Cloud Peak Energy Inc. Announces Results for the First Quarter of 2012.”

**For a more detailed explanation** of why Canada’s ports cannot handle large volumes of US coal, see Eric de Place and Pam MacRae, “[Coal Exports From Canada](#),” Sightline Institute, July 2012.

Photo courtesy [Paul K Anderson](#).