

WHAT SHOULD U.S. POLICY BE ON ENERGY EXPORTS?

Exporting U.S. Coal Helps America and Developing World – by Hal Quinn, NMA

The United States has an unrivalled self-interest in serving international markets that urgently need coal to grow their economies and improve the livelihoods of their people. In fact, increasing our coal exports is an unusually clear example of how unfettered trade benefits both exporting and importing countries.

With the world's largest coal reserves, the U.S. finds itself in the enviable position of having more of what the fastest-growing countries of the world need. China and India are lifting hundreds of millions of people out of poverty by building vast electricity grids that bring coal-generated power to homes and workplaces. Coal is the only fuel for electricity generation that is sufficiently affordable and abundant to literally bring this power to the people. It is also a vital ingredient for the steelmaking plants in Asia and Brazil that are laying foundations for a 21st century industrial revolution. American metallurgical coal is a building block of this progress much as it is for our own industrial progress.

The benefits of U.S. coal exports are reciprocal. The U.S. has a 265-year coal supply, more than enough to serve its domestic needs. Far from depriving Americans of opportunities, coal

exports provide them –high-wage jobs in coal country from Appalachia to the Powder River Basin, in the rail industry that transports coal to ports and in export terminals that exist or are envisioned for the Gulf and both coasts. The \$16 billion worth of U.S. coal exported last year also delivered revenue to hard-pressed communities across the U.S. heartland.

Some critics are blinded by their wealthy lifestyles to the powerful evidence that coal-based generation has greatly improved the lives of millions abroad who are less fortunate. For the 1.4 billion people worldwide who have no access to electricity, efficient coal-based generation provides a healthier and better life. It often offsets the demands for heat and light that heretofore have been met with fuels derived from deforestation, animal wastes and uncontrolled in-home use of kerosene and other fuels.

In short, coal exports are a classic example of America's competitive advantage. Recent history offers grim examples of what happens to countries that only buy from the rest of the world and sell nothing to them. The president appears to understand this lesson with his call to double exports in five years.

Presumably he also understands how coal exports, up almost a third last year, are helping him reach this goal.

To forego this competitive advantage would be a classic example of short-sighted public policy that will only deepen the economic gloom Americans now face.