

Statewide Socioeconomic Impacts of Usibelli Coal Mine, Inc.



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Founded in 1943, Usibelli Coal Mine (UCM) is a family-owned, fourth-generation coal mine in Healy, located 115 miles south of Fairbanks, Alaska.

Currently the only operating coal mine in Alaska, the mine produced an annual average of 1,960,000 tons of coal from 2009 to 2013. With over 500 million tons of proven reserves in Healy, UCM has approximately 250 years of supply.

UCM coal is used to generate power and heat from six plants in Interior Alaska. Coal is also exported from the Seward Coal Loading Facility operated by Aurora Energy Services (AES), a UCM subsidiary. UCM also staffs offices in Fairbanks and Palmer.

By the Numbers (2013)

140: Direct jobs

278: Indirect and induced jobs

222: Additional downstream jobs at Interior Alaska coal-fired plants

640: Total jobs (direct, indirect, induced, and coal-fired plants)

\$14.7 million: Direct wages

\$48.5 million: Total wages (direct, indirect, induced, and coal-fired plants)

100%: Employees living in Alaska

\$101,952: Average mining sector wage (excluding benefits)

\$40.7 million: Direct spending with Alaska businesses

360: Number of Alaska businesses serving UCM/AES

\$3 million: Payment to the State of Alaska for rents, royalties, and taxes

\$618,000: Royalty payments deposited in the Alaska Permanent Fund

\$130,000: Payments to 7 local city and borough governments

20+: Number of academic scholarships supported annually

6: Number of coal-fired plants supplied

20%: Percent of Alaska Railroad Corporation's freight revenue

USIBELLI COAL MINE OPERATIONS





JOBS & WAGES IMPACT

The positive economic impact of UCM/AES occurs at three levels:

- **Direct impacts** – UCM/AES’s own jobs and wages
- **Indirect impacts** – jobs and wages generated in businesses that provide goods and services to UCM/AES
- **Induced impacts** – jobs and wages created as UCM/AES employees and employees of its contractors and vendors spend their wages in the local economy

2013 IMPACTS ON REGIONAL ECONOMIES

In Interior Alaska (*Fairbanks North Star and Denali Boroughs*):

- Total impact (direct, indirect, and induced) of 476 jobs and \$38.6 million in wages
- \$17.4 million spent with 166 Interior Alaska businesses, including 43 nonprofit organizations

In Kenai Peninsula Borough:

- 14 AES employees operating the Seward Coal Loading Facility receiving \$950,000 in wages
- \$1.2 million spent with 29 businesses (including nonprofits) in Seward, Soldotna, and Kenai

In Matanuska-Susitna Borough:

- 2 staff in Palmer office
- \$340,000 spent with 27 businesses (including nonprofits) in Wasilla, Palmer, Big Lake, Talkeetna, Sutton, and Chickaloon
- \$31,000 in property tax payments

In Healy and Denali Borough:

- A stable economic foundation for Healy with year-round jobs and spending
- 15% of all Denali Borough off-tourist season jobs and 20% of all private sector jobs
- 40% of all wages paid in the Denali Borough
- About 28% of all students attending Healy’s K-12 Tri-Valley School come from UCM employee households (accounting for \$370,000 in state funding support)
- \$270,000 spent with 20+ businesses in the Denali Borough
- \$100,000 paid in severance taxes in the Denali Borough

Want to know more? Visit www.usibelli.com

