

Press Release

For Immediate Release: May 18, 2016

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Mount Valley Pipeline would Impose \$Billions in Costs on Local People, Communities, According to new Research

Land value, natural benefits, and economic development will suffer short- and long- term losses

A new study by Charlottesville-based Key-Log Economics (“[Economic Costs of the Mountain Valley Pipeline: Effects on Property Value, Ecosystem Services, and Economic Development in Virginia and West Virginia](#)”) estimates the total cost to an eight-county region in southern West Virginia and southwest Virginia to \$8.0 to \$8.9 billion, in present value terms. That includes between \$65.1 and \$135.5 million in the short term as construction strips forest and other productive land bear, and as private property values take a hit due to the dangers and inconvenience of living near the MVP route. It also includes \$119.1 to \$130.8 million each and every year after construction due to permanent changes in land cover, lost property tax revenues, and dampened economic growth in key sectors.

A coalition of community groups and organizations from the eight counties (Greenbrier, Monroe and Summers in West Virginia, and Giles, Craig, Montgomery, Roanoke and Franklin in Virginia) commissioned the independent research to ensure that the Federal Energy Regulatory Commission (FERC) would have more comprehensive and robust estimates of economic effects that are typically discounted or ignored in pipeline approval processes. The coalition had previously debunked exaggerated claims that the MVP would provide benefits in the form of jobs and income in the region, and its new report provides at least a piece of the essential cost side of the benefit-cost evaluation.

“FERC’s procedures and its track record show a blatant disregard for established economic principles as well as clear evidence that pipelines reduce property values, discourage business development, and diminish the capacity of the natural environment to provide clean water, beautiful scenery, and other valuable services to people,” said the study’s lead author, Dr. Spencer Phillips.

Central findings of the Key-Log Economics report are that:

- One-time costs (lost property value and lost ecosystem service value during construction) would total in the range of \$65.1 to \$135.5 million.
- Annual costs (costs that recur year after year) would range from \$119.1 to \$130.8 million.
- Present discounted value of all future annual costs (discounted at 1.5%): \$7.9 to \$8.7 billion.
- One-time costs plus the discounted value of all future annual costs: \$8.0 to \$8.9 billion.
- Purported financial benefits to local governments are based on exaggerated MVP economic benefits claims.
- The need for the Mountain Valley Pipeline is not supported by economic benefits for impacted communities.

“Only if we count all of these costs (plus others our study did not get to, like the cost of damage to roads during construction or of heightened emergency response capacity after), weigh the full cost against reasonable estimates of societal benefits, and then ensure that the pipeline’s owners pay the full of the pipeline, could we possibly say that the MVP is a good idea, economically,” said Phillips.

Kirk Bowers of the Virginia Chapter of the Sierra Club adds that “Based on a comparison of even the exaggerated benefit estimates put out by the MVP’s backers with these very conservative cost estimates, it is hard to see this pipeline being worth it for the region.”

[Read the complete Key-Log Economics report.](#)

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