



NEWS RELEASE

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United States Export-Import Bank Votes for final commitment on Sasan coal fired power project

Civil society condemns taxpayer money used to fund corporate welfare and fossil fuels

Washington, D.C. – After bowing to political pressure to reverse its rejection of the 3,960 MW Sasan coal fired Ultra Mega Power and Mine Project, the United States Export-Import Bank (Ex-Im Bank) voted on Wednesday to send the project to Congress. The move marks the last step before final congressional approval of one of the world's largest point sources of carbon dioxide, and yet another strategic misstep for the global climate and the clean technology export sector in the United States.

Sasan is one of nine "Ultra Mega Power Plants" (UMPP) being pursued by the Indian government. Each UMPP is roughly the equivalent of eight average U.S. coal fired power plants. Sasan alone will be responsible for 26 to 27 million tons of carbon dioxide annually – one fifth of all proposed coal fired power plants in the United States combined.

Civil society groups ratcheted up their condemnation of Ex-Im Bank's reversal on Sasan saying "The fix is in. Ex-Im Bank bowed to political pressure to continue its fossil fuel binge and in doing so is destroying our climate" said Doug Norlen Policy Director for Pacific Environment. "The agency reversed course with political pressure, and that spells years of pollution for local communities".

Sasan is a project of Reliance Industries, owned by Anil Ambani one of the world's richest men who's brother is in the process of building a skyscraper in downtown Mumbai for his family of four. However, like many large scale projects it requires government backed financing to reduce the risk the private market refuses to take on. "At a time when the U.S. is struggling with high levels of unemployment, the Ex-Im Bank is providing corporate welfare to one of the world's richest men." Said Eric Pica Director of Friends of the Earth. The U.S. company set to profit from the deal Bucyrus, also took home hefty profits last year with \$2.6 billion in revenue.

The support of Sasan is however not an isolated incident. According to a recently released Government Accountability Office (GAO) report, more than 95% of Ex-Im's energy portfolio is based on fossil fuels, and in 2009 Ex-Im Bank financing for renewable energy was less than .5% of the agency's total financing. In addition, according to a recent study by the World Wildlife Fund, for every million dollars invested in energy projects, 13.5 jobs are created in the clean tech export sector, while only 3.7 and 4.9 jobs are created in the oil & gas and coal industries respectively. "Addressing climate change by developing and exporting tomorrow's clean energy technologies will keep the US economy strong. Continuing to finance outdated technologies that destroy our environment and don't produce jobs cripples our competitiveness in the long run" said John Coequyt Director of International Programs at the Sierra Club.

The agency is now turning its sights on an even larger and more destructive project, the Kusile coal fired power project in South Africa. The 4,800 MW project would be responsible for 36.8 million tons of carbon dioxide

annually and would increase South African energy sector emissions by 12.8% and the country's total contribution to climate change by 9.7%.

US citizens have already submitted nearly 7,500 public comments in opposition to the US government's contribution to this dirty project and its environmental impacts. The US Ex-Im Bank Board is expected to take up a due diligence vote on Kusile in early September. With the agencies reversal on Sasan, and the sheer scale of the Kusile project in the pipeline, it is likely to be a pitched battle.

"These investment decisions will literally determine our future. We can either help lead the world in a clean energy economy, or go the way of the dinosaurs. It's going to be a fight, and we are going to do everything we can to make sure we win" said Doug Norlen.

For more information, please find factsheets at these links:

<http://action.sierraclub.org/ExImFossilFuelFinancing>

<http://action.sierraclub.org/KusileFactsheet>

<http://action.sierraclub.org/SasanFactsheet>

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