

WORC

Western Organization of Resource Councils

13 June 2016

Millennium Bulk Terminals EIS
c/o ICF International
710 Second Avenue, Suite 550
Seattle, WA 98104

[Submitted electronically]

SEPA Draft Environmental Impact Statement comments

The Western Organization of Resource Councils (WORC) is a seven-state network of community based organizations that support responsible energy development, family farms and ranches and homegrown prosperity. WORC joins in the comprehensive comments prepared and submitted by Northern Plains Resource Council, our Montana based affiliate. In addition, we offer the following resources as references to deepen the understanding of the effects of issuing a permit for the port, particularly the effects that will result outside the State of Washington. These are concerns that were, for the most part, not addressed in the MBT Draft Environmental Impact Statement. In particular, the additional mining of 48.5 million short tons of coal that would supply the terminal and the effects of that rail haul on communities along the route between the mines and the port receives very little attention in the DEIS.

We also wish to register concern for the lack of serious economic analysis of capacity issues on the rail lines serving the proposed port and the consequences to other shippers that result from the addition of 18 trains per day if the proposed port is constructed.

Rail Traffic

WORC has invested in and prepared a detailed analysis of the routes and the volume of trains to carry 48.5 million short tons of coal from the Powder River Basin to the MBT. In 2012, WORC published *Heavy Traffic Ahead*, (<http://www.heavytrafficahead.org/pdf/Heavy-Traffic-Ahead-web.pdf>), subtitled, Rail Impacts of Powder River Basin Coal to Asia by way of Pacific Northwest Terminals. The report was prepared by well credentialed, qualified professionals with over 30 years each in overseeing railroads, shipping, and/or representing rail commodity producers in their dealings with railroads. The report found that agricultural shippers would likely experience delays and increases in costs as the rail lines in the region are already struggling at or near capacity. Additionally, it identified the costly issue of infrastructure

needed to address traffic and community impacts of vastly increased rail traffic along the routes between the coal mines and the ports being proposed – all the way from Wyoming and Montana.

In 2014, our report was updated with the publication of *Heavy Traffic Still Ahead*, <http://www.heavytrafficahead.org/pdf/Heavy-Traffic-Still-Ahead-web.pdf>

Heavy Traffic Still Ahead updated the earlier 2012 report, *Heavy Traffic Ahead*, and reevaluated the anticipated increase in coal train traffic in light of changing plans for ports in the Pacific Northwest. In addition, the update discussed the combined effects of oil trains traveling from North Dakota over the same routes. It also identified impacts to communities along the route, consequences for existing rail users, including agricultural shippers and passenger service, and how coal export could affect rail corridors already near capacity.

The report identified several issues most of which are not covered by the Draft EIS for MBT. They include:

- A major bottleneck is BNSF's 70.5-mile line between Sandpoint, ID, and Spokane, WA, which already has serious capacity issues and would feel the full potential impact of added BNSF PRB to PNW export coal trains. In addition, this line could see the addition of 22 trains per day of loaded and empty Bakken oil trains moving to the PNW.
- The 24.8 mile stretch between Huntley, MT, and Mossmain, MT (which traverses Montana's largest city, Billings) also represents a major bottleneck. Currently, this line handles approximately 18 to 22 trains per day. Total rail traffic through Billings could more than triple in a decade, depending on whether proposed export terminals are built in the Washington, or expanded in Canada.
- A variety of railroad freight shippers would likely be adversely impacted by tightened rail capacity if the export coal terminals are built. Intermodal container traffic and export grain traffic could experience higher freight rates, deteriorating service and higher equipment costs.
- Passenger and commuter rail traffic, including Amtrak's Empire Builder, which travels through the highly congested "Funnel" between Sand Point and Spokane, would likely be disrupted by increased rail congestion caused by an increase in export coal trains.

Local community infrastructure expenditures that could be triggered by large increases in rail traffic would cost taxpayers hundreds of millions, if not billions. Some (by no means all) of the identified potential mitigation projects include:

- Sheridan, Wyoming: \$156 - \$169 million
- Billings , Montana: \$18 - \$150 million
- Livingston, MT: \$8.7 million
- Helena, MT: \$13 million
- Spokane, WA: \$71.6 million
- Seattle, WA: \$100 million
- Edmonds, WA: \$80 million
- Marysville, WA: \$92 million
- Mt. Vernon, WA: \$40 million
- Burlington, WA: \$40 million

The two reports were prepared by Terry Whiteside and G.W. Fauth. Terry Whiteside is principal in Whiteside and Associates, a transportation and marketing consulting firm. He has over 30 years' experience in transportation with both carrier and shipper representations. He represents most of the wheat and barley commissions throughout the Western half of the U.S, including the Montana Wheat and Barley Commission. G.W. Fauth is a recognized expert in transportation issues with 30 years' experience, including the Surface Transportation Board where he served as staff advisor on transportation issues to one of the Commissioners. His experience includes economic, regulatory, public policy and legislative issues primarily associated with, or related to, the U.S. railroad industry.

Coal Mine Reclamation

Coal mines in the Powder River Basin are expected to supply coal for the Millennium Bulk Terminal. In June 2015, WORC produced an analysis of the growing gap between mined land disturbed and mined land reclaimed to meet the standards of federal and state law. That report can be found at **Undermined Promise II**, <http://www.underminedpromise.org/>. It found that after nearly 40 years of operating under the reformed federal strip mine law of 1977, designed to ensure reclamation success, mines in the Powder River Basin are not measuring up.

Key findings include:

- After decades of mining across 450 square miles of disturbed mined land in Montana, North Dakota, and Wyoming, only 46 square miles has met the reclamation requirements for final phase III and IV bond release. This calls into question the industry's prospects of successfully reclaiming the harsh, brittle and semi-arid ecosystems of Western states.
- The gap between acres of land disturbed by mining and acres released from reclamation bond continues to grow, and with it the outstanding bond liabilities

of coal companies mount. The largest mines have bonds in excess of \$300,000,000 apiece.

- Some states allow larger coal companies to “self-bond” their mining reclamation obligations rather than collateralize them with financial assurance instruments. In the year since the report identified the concern of self bonds, Alpha Natural Resources, Arch Coal, and Peabody, three of the largest producers in the Powder River Basin, have declared bankruptcy, calling into question their ability to fulfill reclamation requirements. The nearly \$2 billion burden of mine reclamation covered by self bonds in Wyoming could be left to U.S. and local taxpayers.
- Water is perhaps the most precious natural resource in the West and protection of the hydrologic balance is a principle goal of SMCRA, yet *Undermined Promise II* finds that mine permits too often fail to adequately capture essential data to fully assess the baseline hydrologic balance. Water resources cannot be protected during mining or afterward without this data.
- Protecting and restoring wildlife habitat to its pre-mining integrity is also a principle goal, yet SMCRA’s performance standards are not resulting in quality habitats. Lands claimed to be reclaimed by coal operators appear aesthetically pleasing, yet plant communities essential for wildlife are significantly non-diverse and non-native.
- Reclamation in the fragile sage steppe environment of the West that is home to the threatened sage grouse and hundreds of other wildlife species may take decades of natural development to reestablish the characteristics of native shrub communities comparable to pre-mining conditions.

For all of these reasons, which are not addressed by the DEIS, WORC encourages the State of Washington to deny the permits for the proposed Millennium Bulk Terminal at Longview.

Respectfully Submitted,

Nancy Hartenhoff-Crooks, Chair