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June 10, 2016

RE: Comments on Millennium Bulk Terminals draft environmental impact statement

Dear Ms. Placido and Ms. Torteuff:

On behalf of the members of Northern Plains Resource Council (Northern Plains) and the Western Organization of Resource Councils (WORC), we are submitting the following comments to the Washington Department of Ecology and Cowlitz County in response to the April 29, 2016, draft environmental impact statement (DEIS) on the application from Millennium Bulk Terminals – Longview, LLC (MBTL) to construct and operate a coal export terminal. Please ensure that our comments are entered into the public record.

Northern Plains is a grassroots conservation and family agriculture non-profit organization based in Billings, Montana. Northern Plains organizes Montana citizens to protect our water quality, family farms and ranches, and unique quality of life. Northern Plains is dedicated to providing the information and tools necessary to give citizens an effective voice in decisions that affect their lives. These comments are also submitted on behalf of the Western Organization of Resource Councils (WORC), a regional network of eight grassroots community organizations that includes 12,200 members and 40 local chapters in seven states; Northern Plains is a member of WORC. WORC is committed to building sustainable environmental and economic communities that balance economic growth with the health of people and stewardship of their land, water, and air resources.

Northern Plains formed in 1972 over the issue of coal strip mining and its impacts on private surface owners who own the land over federal and state mineral reserves as well as the environmental and social impacts of mining and transporting coal. Many of our members own farms and ranches in areas that are strip mined for coal. Our members' livelihoods depend

entirely on clean air and water, native soils and vegetation, and lands that remain intact. Many more of our members live along and near railroad lines that would be the conduit for the millions of tons of coal proposed for shipment to the Longview, Washington, coal export facility.

The MBTL applicant's financial backers continue to shift, bringing into question the stability of the applicant and its long-term ability to build, maintain, and manage the consequences of the project. When the DEIS for the terminal was released on April 29, 2016, the project was owned jointly by Arch Coal and Lighthouse Resources, both of which were facing questionable financial situations at the time. Since that time, Arch Coal has sold its share of MBTL to Lighthouse.

However, based on the recent management decisions of these two companies as well as recent statements made by them concerning the coal export market, one has ample reason to believe that the applicant may not be able meet all of the fiscal obligations this project would entail, if permitted. For example:

- Arch Coal, which until very recently owned 38% of MBTL, filed for bankruptcy on January 11, 2016. Arch Coal is currently in Chapter 11 bankruptcy proceedings. In a filing<sup>1</sup> from that proceeding, Arch Coal has sought to reject an existing contract for coal loading and unloading with Ridley Terminals, Inc. in British Columbia. Under that contract, Arch Coal is obligated to pay annual shortfall fees if shipments fall below a certain minimum amount. In the bankruptcy filing papers, Arch Coal stated " . . . given the continued weakness in demand for international seaborne coal, the shortfall fees in future periods would continue to be substantial."<sup>2</sup>
- The owner of the other 62% of the project was, originally, Ambre Energy North America. In order to avoid its own bankruptcy, Ambre Energy North America was purchased by Resource Capital Funds (RCF), a Cayman Islands hedge fund. RCF obtained a controlling interest in the company in November 2014 and rebranded it Lighthouse Resources. In the notice and explanatory statements for the directors and general shareholders meeting concerning the 2014 sale, Ambre Energy cited "what industry analyst firm Wood Mackenzie has described as a substantial oversupply of thermal coal in the seaborne market. . . ."<sup>3</sup>

Numerous professional economic analyses and projections point to a continuing decline in coal production and the use of coal as an energy source as well as weak coal export markets (see below for details). The financial and market analysis presented in the MBTL DEIS does not adequately examine the fiscal viability of the applicant or the strength of the Asian export market that the terminal is planned to serve.

Arch Coal is not the only existing Powder River Basin (PRB) coal mining company attempting to terminate its existing export contracts in British Columbia. Both Signal Peak

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<sup>1</sup> United State Bankruptcy Court Eastern District of Missouri Eastern Division. Chapter 11. Case No. 16-40120. Doc 28. Filed January 11, 2016.

<sup>2</sup> *Ibid* 3.

<sup>3</sup> "What Ambre Energy Says About Its Financial Collapse." Clark Williams-Derry, Sightline Insitute. December 3, 2014. <http://www.sightline.org/2014/12/03/what-ambre-says-about-its-financial-collapse/>

Energy and Cloud Peak Energy have, within the past 12 months, renegotiated shipping contracts with the Westshore Terminal in British Columbia. In these contract negotiations, the coal mining companies are paying penalties to the terminal in order to discontinue export of coal for, at a minimum, the next three years.

If permitted and constructed, the MBTL facility would increase rail traffic that would have significant and deleterious consequences for Montanans. However, the analysis presented in the MBTL DEIS does *not* include the connected and cumulative impacts that this project would have on Montana (see below for details) communities crossed by the rail line. The DEIS does not entirely ignore Montana rail impacts, but it does not analyze the rail impacts to Montana. Instead, the DEIS makes vague, generalized references to Montana rail impacts, while very specifically and thoroughly analyzing rail impacts on specific segments of rail line in Washington.<sup>4</sup> The DEIS completely ignores one Montana rail route that is currently used for coal transport: the Hi-Line, which is in northern Montana near the Canadian border and passes south of Glacier National Park on its path to Idaho and the West Coast. All of the coal trains that would haul coal to the MBTL project, as well as all of the empty coal trains on the daily return journey, would originate in the PRB of Wyoming and Montana. It is clear from the DEIS's analysis of rail impacts in Washington that the agency could evaluate and make a clear, thorough, and sophisticated study of rail impacts in Montana, but it does not. The environmental analysis must include such a study. The study area for rail transportation impacts in the MBTL DEIS is too narrow and completely ignores impacts to Montana and Montanans.

If permitted and constructed, the MBTL facility would result in increased coal strip mining in Montana with significant and deleterious consequences for the land, air, water, wildlife, and people in those areas. However, the analysis presented in the MBTL DEIS does *not* include the connected and cumulative impacts this project would have on Montana (see below for details).

Coal is the world's most carbon-intensive fuel. The burning of coal has global impacts because of carbon emissions. It does not matter where coal is burned, the pollution found in the emissions ride the global air currents to every part of our earth. If permitted and constructed, the MBTL facility would ultimately result in more coal being burned, which would release more greenhouse gases (GHG) into the atmosphere. These GHG are causing global climate change, which is already affecting Montana. The analysis presented in the MBTL DEIS does *not* include the connected and cumulative impacts this project would have on Montana (see below for details).

For all of these reasons, we believe that the MBTL DEIS does not fully disclose or analyze the issues, costs, consequences, or connected and cumulative impacts of permitting and building the proposed export facility. By ignoring the connected and cumulative impacts to Montana and Montanans, this DEIS does not clearly and concisely convey to the public and to government officials the environmental impacts of the proposed project. Thus, the MBTL DEIS fails to provide the public and agency decision makers with sufficient information to make an informed decision. We urge the decision makers of the Washington State Department of Ecology

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<sup>4</sup> See Table 5.0-4. Summary of Direct Impacts and Indirect Impacts Study Areas by Resource. Millennium Bulk Terminals—Longview Draft SEPA Environmental Impact Statement. Chapter 5. pp. 5.0-4.

and Cowlitz County to choose the "no-action" alternative and to deny issuance of any permits necessary for construction and operation of the Millennium Bulk Terminal – Longview.

### Coal Economics, Coal Markets, and the Future of Coal Exports

According to the DEIS, "the Applicant states the Proposed Action would enable western U.S. coal to compete in the Pacific international coal supply market by providing a facility designed to efficiently transport western U.S. coal from rail to ocean-going vessels. The Applicant states further development of western U.S. coalfields and the growth of Asian market demand for U.S. coal is expected to continue, and existing West Coast terminals are unavailable to support this need. According to the Applicant, to derive benefit from economies of scale, implementation of the Proposed Action would provide a coal export terminal sufficient in throughput to give U.S. coal producers the opportunity to expand their share of the international coal market."

Much of the coal that U.S. producers intend to export in order to expand their share of the international coal market has been leased from the U.S. Government via the Bureau of Land Management's (BLM) federal coal leasing program. Recently, that program has come under fire from taxpayer advocates, environmental non-profits, and the federal government itself. Both the Government Accountability Office (GAO) and the Department of the Interior's Office of Inspector General (OIG) released scathing critiques of the BLM's federal coal leasing program in 2013. These reports prompted Interior Secretary Sally Jewell to initiate a review of the federal coal leasing program in January 2016 through a Programmatic Environmental Impact Statement (PEIS). The PEIS will review and make appropriate changes to the entire federal coal leasing program. In the Secretarial Order that initiated the PEIS, Secretary Jewell writes that the PEIS must specifically consider the export of federal coal: "The PEIS should address whether leasing decisions should consider whether the coal to be produced from a given tract would be for domestic use or export."<sup>5</sup>

The primary area where coal to be mined for the market for the proposed terminal is the PRB, where approximately 80% of coal produced is from a federal lease. Yet the MBTL DEIS does not consider the PEIS and its review of the role of export in the federal coal leasing program. Outcomes of the PEIS may create significantly different alternative scenarios for filling export capacity at the proposed terminal. These outcomes should be considered in the MBTL DEIS.

While coal companies want to believe that coal markets will improve, that appears highly unlikely for both domestic and export markets.<sup>6</sup> This negative outlook for the coal industry is shared by the world's leading investment banks and coal consultants. Since 2013 major U.S. financial institutions from Goldman Sachs<sup>7</sup> to Bank of America<sup>8</sup> as well as the World Bank have been pulling back from and entirely divesting from coal. Additionally, non-profits such as the Rockefeller Brothers Fund and public institutions like Stanford University have also removed

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<sup>5</sup> Secretary of the Interior. Secretarial Order No. 3338. January 15, 2016.

<sup>6</sup> <http://www.bloomberg.com/news/articles/2015-07-13/the-latest-sign-that-coal-is-getting-killed>

<sup>7</sup> [http://thinkprogress.org/wp-content/uploads/2013/08/GS\\_Rocks\\_\\_Ores\\_-\\_Thermal\\_Coal\\_July\\_2013.pdf](http://thinkprogress.org/wp-content/uploads/2013/08/GS_Rocks__Ores_-_Thermal_Coal_July_2013.pdf)

<sup>8</sup> [http://about.bankofamerica.com/assets/pdf/COAL\\_POLICY.pdf](http://about.bankofamerica.com/assets/pdf/COAL_POLICY.pdf)

coal from their portfolios, as has the Norwegian government's pension fund.<sup>9</sup> Other financial institutions and analysts, including Deutsche Bank<sup>10</sup>, Sanford Bernstein & Co.,<sup>11</sup> Morningstar,<sup>12</sup> Goldman Sachs,<sup>13</sup> and others, are predicting that the coal market bubble has burst and production numbers and prices will remain low and even decline for many years to come.

It is particularly notable that Goldman Sachs went from being a significant investor in the proposed Gateway Pacific Terminal coal export facility near Bellingham, Washington, to divesting all of its shares in that project in January 2014.<sup>14</sup> The investment company later stated that "we believe that new investment in large-scale projects requiring new infrastructure is unlikely to earn a return; the window for profitable investment in new mining and infrastructure capacity has closed."<sup>15</sup> [NOTE: On May 9, 2016, the U.S. Army Corps of Engineers denied a permit for the Gateway Pacific Terminal.]

Until recent years, Western U.S. coal was produced almost entirely for domestic consumption. In 2011, as domestic coal sales were beginning to flatten for a variety of reasons (including, but not limited to industry transition to natural gas, increased energy efficiency, increased use of renewable energy sources, and increasingly difficult geologic conditions [the easily mined coal had already been extracted] for all coal producers), the PRB coal companies began to focus on the potential of the Asian coal export market. International coal sales from the PRB had grown from 3.8 million tons in 2009 to 20 million tons in 2011. The MBTL applicants (as well as other coal companies) envisioned a growing and profitable export market for their coal and proposed various coal export facilities, including MBTL. However, by 2012, the international coal export markets in Asia, especially China, were beginning to show signs of decline. While 31 million tons of coal were exported in 2014, this tonnage was below the U.S. Energy Information Administration (EIA) forecast, and EIA downgraded its 2015 and 2016 export outlook by 30% from its 2014 export outlook.<sup>16</sup>

Benchmark prices for thermal coal (which are based on the price of Australia's Newcastle coal) are the lowest they have been since 2007. At its peak in January 2011, the price was \$141.94/ton; by mid-March 2015, the price was \$59.50/ton; by December 2015 it was \$43/ton. Prices are predicted to stay at or below \$60/ton through 2021. This is below the profitability level that existing coal mines in the PRB have stated they need to participate in the export market (*e.g.*, in 2010/2011, both Peabody Energy and Arch Coal said they needed the price of coal to be in the \$90/ton range to make it worthwhile to export coal, and, in 2014, Cloud

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<sup>9</sup> <http://www.nytimes.com/2015/06/06/science/norway-in-push-against-climate-change-will-divest-from-coal.html>

<sup>10</sup> "Thermal Coal: Coal at a Crossroads," Deutsche Bank Markets Research, May 2013

<sup>11</sup> "Asian Coal & Power: Less, Less, Less . . . The Beginning and the End of Coal," Bernstein Research, June 2013

<sup>12</sup> "Burned Out: China's Rebalancing Heralds the End of Coal's Growth Story," Morningstar, April 2014

<sup>13</sup> "The Window for Thermal Coal Investment is Closing," Goldman Sachs, July 2013, [http://thinkprogress.org/wp-content/uploads/2013/08/GS\\_Rocks\\_\\_Ores\\_-\\_Thermal\\_Coal\\_July\\_2013.pdf](http://thinkprogress.org/wp-content/uploads/2013/08/GS_Rocks__Ores_-_Thermal_Coal_July_2013.pdf) and "The Thermal Coal Paradox," Goldman Sachs, May 2014, [http://www.eenews.net/assets/2014/05/28/document\\_gw\\_02.pdf](http://www.eenews.net/assets/2014/05/28/document_gw_02.pdf)

<sup>14</sup> "Wall Street Giant Backs Away From Washington Coal Export Project," Oregon Public Broadcasting, January 2014, <http://opb.org/news/article/wall-street-giant-backs-away-from-washington-coal/>

<sup>15</sup> "The Window for Thermal Coal Investment is Closing," Goldman Sachs, July 2013, [http://thinkprogress.org/wp-content/uploads/2013/08/GS\\_Rocks\\_\\_Ores\\_-\\_Thermal\\_Coal\\_July\\_2013.pdf](http://thinkprogress.org/wp-content/uploads/2013/08/GS_Rocks__Ores_-_Thermal_Coal_July_2013.pdf)

<sup>16</sup> Verified Statement of Thomas Sanzillo, 25 March 2015, submitted by Northern Plains to the STB as part of their petition to revoke the December 2012 TRR application.

Peak Energy said it needed the Newcastle price to be between \$80 and \$90/ton for it to export coal at a profit).<sup>17</sup>

Chinese thermal coal imports are declining dramatically (Chinese imports peaked in 2013), and its coal consumption fell 3% in 2014 despite an increase in energy demand; that trend continued in 2015 with thermal coal imports down 39.1% in January to July over the same period in 2014.<sup>18</sup> While China is not the only coal consumer in the Pacific Rim, that country is such a comparatively large consumer of coal that it serves as the market indicator for all Asia Pacific coal demand. Simply put, if China is purchasing large quantities of coal, then there is a large demand to fill. If China is reducing its consumption of coal, then the entire Pacific Rim coal market is likely oversupplied. At least five major Chinese coal-fired power plants have or are being shut down as that country deals with dramatic air pollution issues and industrial overproduction—issues that are significantly affecting China’s gross domestic product. More than 6,000 coal mines have already been closed in China. The Chinese government has announced plans to limit its annual coal consumption to 4.2 billion tons by the end of this decade – and its current production capacity is beyond 4 billion tons so it is unlikely that coal imports will increase.<sup>19</sup>

While Asian countries are still importing some coal, it is closer and cheaper to import coal from Australia and Indonesia as well as either Russia or South Africa rather than from the PRB of the United States. Indonesia is the world’s largest exporter of coal and Australia is second. Australia has plans to increase its port capacity. Should that happen, there would be a significant impact on market prices for coal in Pacific Rim countries. Even if that doesn’t happen, there are still problems for the viability and growth in tonnage of PRB coal into the international coal market.

Even the coal industry’s own analysts have boldly denounced the financial viability of proposed Pacific Northwest coal export facilities, including the MBTL. Wood MacKenzie, the premier mining industry consulting firm, recently stated on its website that Northwest coal ports are “nothing more than a risky long-term bet” because “future demand in Asia will continue growing less robustly than in the past. Negative netback PRB margins will persist. PRB coal simply will not compete in Asia until well after 2020.”<sup>20</sup>

The global coal market is oversupplied. In Europe, coal use (both production and imports) has been declining significantly in recent years. South Korea recently imposed a significant carbon tax on imported coal, which specifically prejudices against certain grades of sub-bituminous coal found in the PRB mines that propose to fill capacity at MBTL. In fact, the tax itself (on a per metric ton basis) is larger than the cost of a metric ton of coal at the mine

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<sup>17</sup> *Ibid.* and <http://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/planet3/PDFs/Coal%20Market%20Report%20Q1%202015.pdf>

<sup>18</sup> <http://www.businessinsider.com.au/chinese-coal-imports-are-collapsing-2015-9>

<sup>19</sup> “Asian Coal & Power: Less, Less, Less . . . The Beginning and the End of Coal,” Bernstein Research, June 2013; “Burned Out: China’s Rebalancing Heralds the End of Coal’s Growth Story,” Morningstar, April 2014; <http://www.newsweek.com/beijing-shuts-down-coal-power-plants-air-pollution-costs-economy-316829>; <http://www.mcclatchydc.com/2015/03/11/259356/chinas-push-to-cut-coal-use-may.html>

<sup>20</sup> “Planned US coal ports: a swift trip from vital to irrelevant.” Andy Roberts, Wood MacKenzie. February 10, 2016. <http://www.woodmac.com/blog/planned-us-coal-ports-a-swift-trip-from-vital-to-irrelevant/>

mouth of some PRB coal mines.<sup>21</sup> As explained above, China's imports of thermal coal fell dramatically from 2014 to 2015, and coal consumption at its electricity-generating power plants fell 10% in the same time period. China has a 6% coal tariff on U.S. coal, but it has no tariff on coal imported from Indonesia, which is closer to China and with which China has a free-trade agreement.

Even existing PRB exporters have ceased exports due to market conditions. Multiple Montana coal producers that were successfully exporting coal through British Columbia export terminals have renegotiated their contracts with those terminals in order to discontinue the practice. Cloud Peak Energy, a PRB coal producer, renegotiated its contract with Westshore Terminals in order to reduce their tonnage obligation to zero until 2019.<sup>22</sup> Signal Peak Energy, which operates a longwall mine in the Bull Mountains north of Billings, Montana, recently did the same.

While it is recognized that coal will not disappear from the energy stream immediately, market forces do indicate that coal is increasingly going to have a smaller and smaller share of the energy market, domestically as well as internationally. There is an explosion of renewable energy options for countries such as China and India. Citizens in these and other countries are demanding that pollution problems associated with burning of fossil fuels be cleaned up. Major cities in both China and India have experienced severe air pollution problems caused by the burning of fossil fuels, which has led to significant changes to those governments' energy policies and priorities. China is the world's biggest investor in renewable energy sources, spending a total of \$400 billion on clean energy in the past 10 years. China has already installed more wind power than any other country in the world (it added an additional 19.8 gigawatts of wind turbines to its grid last year), and it installed more solar capacity than any other nation in 2014.<sup>23</sup>

As noted above, many financial institutions and investment analysts are advising that the export market for U.S. coal is oversupplied, under severe stress, and likely to remain in this condition for the foreseeable future. Chinese coal imports drive the U.S. export market. The decline in the international market for coal affects PRB coal company plans for a vibrant export market to make up for the lack of a domestic market for coal. Consequently, there is little likelihood that a major, new, multi-million dollar coal export terminal would ever pay for itself, much less bring any sort of benefit to the people of Longview or Washington State, given the realities of today's – and tomorrow's – coal markets.

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<sup>21</sup> "South Korea's All New Tax on Imported Coal," Clark Williams-Derry, Sightline Institute, July 2014, <http://daily.sightline.org/2014/07/01/south-koreas-all-new-tax-on-coal-exports/> **and** <http://carbunion.com/panel/infoprecios/uploads/MCR%20327.pdf>

<sup>22</sup> "Fewer coal trains expected in Whatcom after Cloud Peak cuts." *The Bellingham Herald*. Matt Brown (Associated Press) and Ralph Schwartz, October 29, 2015. <http://www.bellinghamherald.com/news/local/article41872647.html>; and "Montana coal production down a third." Tom Lutey, *The Billings Gazette*. June 9, 2016. [http://billingsgazette.com/news/government-and-politics/montana-coal-production-down-a-third/article\\_d3ee32da-c82e-5e31-9d3a-a3932a7c7092.html](http://billingsgazette.com/news/government-and-politics/montana-coal-production-down-a-third/article_d3ee32da-c82e-5e31-9d3a-a3932a7c7092.html)

<sup>23</sup> "Longyuan First-Half Profit Climbs on Stronger Wind Output." Bloomberg News. August 18, 2015. <http://www.bloomberg.com/news/articles/2015-08-18/longyuan-first-half-profit-climbs-on-stronger-wind-output> **and** "China's Climate Goal Calls For Aggressive Push on Solar, Wind. Bloomberg News. July 1, 2015. <http://www.bloomberg.com/news/articles/2015-07-01/china-s-climate-goal-calls-for-aggressive-push-on-solar-wind>

The MBTL coal export facility is, frankly and simply, a risky long-term bet. The State of Washington and Cowlitz County must consider the real possibility that if the MBTL facility is permitted and construction begins, fiscal and market conditions could lead to abandonment of the project. What assurances would the residents of the community have that the area would be cleaned up and not left as an eyesore with possible environmental liabilities to their community? The facts about the viability of coal as shown by the current and future market analyses, including the export market, must be recognized and evaluated in the environmental analysis. Given a declining (some would say, lack of) market for coal that would be processed through MBTL, there is little purpose or need for MBTL. Thus, it is our opinion that these facts provide the Washington State Department of Ecology and Cowlitz County ample reason to recommend the no-action alternative and deny approval for what we believe is a speculative project.

#### Increased Train Traffic in Montana Due to MBTL

While we believe, based on the evidence thoroughly presented above, that the MBTL project is speculative and is based on a seaborne coal market that will not materialize, if the State of Washington and Cowlitz County decide differently, it must be under the assumption that the Asian coal market is – or at least will become – strong. Under this assumption of a strong market that makes use of the Proposed Action, there will be a dramatic increase in coal train traffic through many communities in Montana. Any action alternative must fully assess the impacts of increased coal train traffic through Montana – from the coal mines in the PRB to the proposed MBTL port and back again.

While the DEIS examines increased train traffic *in Washington*, those trains do not simply appear at the Washington state border; they come from somewhere. In fact, those trains originate at PRB coal mines in Wyoming and Montana and traverse Montana on their way to the proposed facility as well as on the way back to the PRB. The DEIS states that there will be 16 additional trains each day traveling the rails if MBTL is approved. There would be numerous impacts to Montanans and Montana communities from this increase in the number of trains – and those impacts are not just "inconveniences." There would be health, safety, quality of life, as well as actual financial costs to Montana citizens and communities as well as to our rural areas that would result from this increase in coal train traffic.

An increase in the number of trains would mean more frequent and longer traffic delays at rail crossings. This would disrupt the business and commerce of all Montana communities bisected by the rail line. Delays due to increased coal train traffic would also disrupt residents and businesses in rural areas where at-grade, private crossings connect farms and ranches with public roads and highways. Already, idled trains that block rural private crossings are a major complaint of rural residents.

An increase in the number of trains would also result in a greater potential for vehicle collisions with trains and for pedestrian accidents. While the MBTL DEIS analyzes rail safety impacts from the proposed action in the project area and along selected rail routes in Washington,<sup>24</sup> it ignores rail safety impacts in Montana. Coal train traffic to and from MBTL

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<sup>24</sup> Millennium Bulk Terminals—Longview Draft SEPA Environmental Impact Statement. Section 5.2 Rail Safety. pp. 5.2-1.

would negatively impact Montana rail routes and the communities they bisect equally as that traffic affects those routes and communities in Washington.

Importantly, for all communities and rural areas, an increase in the number of trains decreases access across the train tracks. This is especially problematic for emergency services such as fire trucks and ambulances. With an additional 16 full-length coal trains on the rails, emergency responders and other emergency services would be further delayed in reaching residents when there is a medical emergency, a fire, or the need for police. Several medical emergency conditions are time-sensitive. In certain stroke patients, five minutes may make the difference between being able to treat the patient with thrombolytics or not (in certain stroke patients, thrombolytics can reverse devastating neurological effects of a stroke). In heart attack victims, a delay of minutes can result in heart muscle death. And, in major traumas, time delays can result in increased blood loss and organ failure.<sup>25</sup> These impacts are a connected and cumulative impact of the proposed MBTL project and must be recognized and thoroughly examined in the environmental analysis. These connected and cumulative issues must be considered by permitting officials at the Washington State Department of Ecology and Cowlitz County.

Sixteen additional full-length coal trains in Montana means an increase in the amount of airborne pollutants (particulate matter) from diesel engines as well as from coal dust. Additionally, more trains would mean more vehicles idling at train crossings when trains are passing – adding their exhaust (containing particulate matter and other pollutants) into the air. Particulate matter is solid matter suspended in air. Particles 10 microns in diameter or smaller are directly linked to health concerns. Diesel fumes contain particles that are 2.5 microns in diameter.

Medical studies have shown a clear link between both diesel air pollutants and coal dust and disease. Increased exposure to diesel fumes can lead to impaired pulmonary development in adolescents; increased severity and frequency of asthma attacks, ER visits, and hospital admissions of children; increased rates of heart attacks in adults; increased and measurable pulmonary inflammation; and an increased risk of cancer. Increased exposure to coal dust is associated with chronic bronchitis, emphysema, and pulmonary fibrosis. (Coal dust also results in increased environmental contamination through the leaching of toxic heavy metals, including mercury.) While those with chronic disease, the elderly, young children, and pregnant women are most at risk, the health effects from particulate matter exposure may occur years later, so even healthy individuals need to be concerned.

Section 5.6 of the MBTL DEIS addresses air quality impacts of the proposed action, and Section 5.7 assesses coal dust and its impacts. However, Montana is once again excluded from the review and analysis. Air quality implications of the proposed action in some Montana rail communities may be even more serious than in Washington communities. Both Missoula and Helena, Montana (which are crossed by the rail line that would be used by the coal trains traveling both directions between the PRB mines and MBTL) experience air quality inversion events and are regularly unable to meet National Ambient Air Quality Standards (NAAQS) for

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<sup>25</sup> Dr. Eric Schultz in “Health concerns about coal export in the Northwest,” Power Past Coal, 2013. <http://powerpastcoal.org/wp-content/uploads/2013/12/health-impacts-03.pdf>

certain pollutants, including particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>). The proposed action could have severe impacts to these communities, and the agencies preparing the environmental analysis must take these cumulative and connected impacts into consideration in their review.

In a paper titled, “PRB Coal Degradation, Causes and Cures,” Roderick J. Hossfeld and Rod Hatt explain that “PRB coal is extremely friable [crumbly] and will break down into smaller particles virtually independent of how the coal is transported or handled.” The authors go on to say that “once PRB coal is exposed by mining, the degradation process begins – the majority of the damage can occur in a very short time, even as short as a few days. The extent of the degradation that occurs depends in large part on . . . how long the coal is exposed to the atmosphere during transportation.”<sup>26</sup>

Another study by Daniel A. Jaffe et al.<sup>27</sup> measured particulate matter (PM) emissions at two rail sites in Washington State. The “measurements demonstrate that rail traffic emits substantial quantities of diesel exhaust and that PM<sub>2.5</sub> concentrations are significantly enhanced for residents living close to the rail lines. . . . after passage of coal trains there was a statistically significant enhancement in large particles . . . [that] most likely consist of aerosolized coal dust.” the Jaffe study goes on to state that “the enhancement in PM<sub>2.5</sub> is not only due to the [emission] spikes that occur as a train passes, but also the residual that accumulates in the local airshed.”

Additionally, a report by Dr. Alan Lockwood,<sup>28</sup> found that coal trains are responsible for releasing coal dust particles and diesel fumes “into the air, degrading air quality and exposing nearby communities to dust inhalation,” and the report specifically noted that “railroad engines and trucks release over 600,000 tons of nitrogen and 50,000 tons of particulate matter into the air every year in the process of hauling coal, largely through diesel exhaust. Diesel engines currently produce approximately 1.8 million tons of NO<sub>x</sub> [nitrogen oxides] and 63,000 tons of small particles (less than 2.5 microns in diameter) each year. These emissions adversely affect many organ systems.” It is worth noting that children often face the most severe health risks from coal dust pollution, with Dr. Lockwood noting that children and infants are the most vulnerable population in five of eleven enumerated diseases caused by coal dust pollution.

The air pollution associated with a dramatic increase of 16 additional coal trains per day through Montana communities and rural areas along the rail lines would have serious public health impacts for local residents. Cumulatively, thousands of Montanans live near the rail lines and would experience these increased health risks. The health impacts associated with this project should be included in the MBTL DEIS; however, it is our understanding that the health impact assessment (HIA) for MBTL’s proposed action is not included in this DEIS. It is also our understanding that the HIA will not be completed until a review of the DEIS has been completed by an HIA Steering Committee.

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<sup>26</sup> “PRB Coal Degradation – Causes and Cures.” Roderick J. Hossfeld, Jenike & Johanson, Inc., and Rod Hatt, Coal Combustion Inc. <http://krtcommodities.com/files/PRB%20COAL%20DEGRADATION.pdf>

<sup>27</sup> “Diesel Particulate Matter Emission Factors and Air Quality Implications from In-Service Rail in Washington State, USA” January 2014. [http://www.atmos.washington.edu/jaffegroup/uploads/Jaffe\\_2014\\_trains\\_final.pdf](http://www.atmos.washington.edu/jaffegroup/uploads/Jaffe_2014_trains_final.pdf)

<sup>28</sup> “Coal’s Assault on Human Health,” Dr. Alan Lockwood, et al., November 2009. <http://www.psr.org/assets/pdfs/psr-coal-fullreport.pdf>

It seems to us irregular to publish a DEIS that lacks a HIA. We consider this a major deficiency with the DEIS. The lack of a HIA limits the public's ability to comment on one of the most important aspects of this proposed project's impacts: public health. What Northern Plains finds additionally concerning is that it is not clear that the HIA will include impacts to Montanans nor that the public will have an opportunity to comment on the HIA. We respectfully request that you allow the public to provide comments for the HIA even if the public comment period has to be separated from that of the DEIS.

Trains are noisy; more trains means more noise. Medical literature links noise to significant human health issues including cardiovascular disease, hypertension, arrhythmia, stroke, and ischemic heart disease; sleep disturbance and resultant fatigue; an increased rate of accident and injuries; cognitive impairment in children; and exacerbation of mental health disorders such as depression, stress and anxiety, and psychosis. Not only does noise impact humans, but it would impact wildlife and livestock. Noise impacts to livestock can include loss of weight, which would affect the rancher's profitability when the livestock is sold at market.

The MBTL DEIS states: "because the Proposed Action would result in more rail traffic on BNSF [Burlington Northern Santa Fe] main line routes, average noise levels would increase." We couldn't agree more. The DEIS goes on to provide a summary table of existing train volumes compared with anticipated 2028 baseline train volumes and projected 2028 train volumes when proposed action-related trains are added. This useful table very clearly compares train volumes for these different scenarios on the BNSF lines in Washington but ignores train volumes and increases in noise pollution for all scenarios on rail lines in Montana. As is stated above in these comments, the trains that would traverse Washington on their way to and from the proposed terminal would also traverse Montana. Noise pollution impacts and train volume increases along the rail line in Montana are a cumulative and connected impacts of the proposed action and must be considered in the EIS.

These significant health issues are connected and cumulative impacts of the proposed MBTL project and must be recognized and thoroughly examined in the environmental analysis. These connected and cumulative effects must be considered by the decision makers.

Increased coal train traffic from the PRB mines to the proposed MBTL would directly lead to increased financial costs to Montana communities and taxpayers. For example, federal law requires train engines to blow when approaching a crossing, whether that crossing has guard arms that come down or not. There is a process that communities can go through to establish "Quiet Zones" in order to eliminate the sound of train horns. But, the citizens of any Montana community wanting a Quiet Zone generally will have to pay for the infrastructure upgrades required that allow trains to not blow their horns.

It is understood that if a rail company needs to upgrade its track or a bridge or a tunnel or a crossing in order to facilitate current or increased train traffic, they will do so and they will pay for it. However, if a city or county wants to have a particular crossing in their community upgraded to deal with local impacts and the rail company doesn't want to do this, under existing law the railroads do not have to respond to the local government concerns.

Billings would be significantly affected by this increase in the number of coal trains as it is a bottleneck for rail traffic – all outgoing coal trains from the PRB headed for MBTL pass through that community. Billings taxpayers would need to fund the construction of an underpass downtown (between Montana Avenue and Minnesota Avenue) at the cost of at least \$19 million to relieve traffic congestion. Helena taxpayers would need to pay around \$13 million for an overpass at Montana Avenue in the middle of town as well as more than \$1 million to facilitate a Quiet Zone. Missoula taxpayers would need to fund a yet-to-be-estimated multi-million dollar underpass or overpass to connect the populous Rattlesnake Creek area with downtown. Smaller Montana communities would similarly be affected.

These significant costs to Montana taxpayers are connected and cumulative impacts of the proposed MBTL project and must be recognized and thoroughly examined in the environmental analysis. The connected and cumulative effects of this project to Montana taxpayers must be considered by the decision makers.

Finally, an increase in the number of trains could increase the number of wildfires in Montana. The dry, windy conditions found in southeastern and central Montana can favor fire risk and its spread. Worn brakes, sparks from brake shoes or wheels, arcing from traction motors, failed wheel bearings, dripping oil, sparks smoldering on old creosoted cross-ties, and thrown rods from locomotives all have the potential to start fires. Because of reduced employee numbers on trains, a train-caused fire might not be detected until it is burning more intensely. The potential for more wildfires that are the result of increased train traffic is a connected and cumulative impact of the proposed MBTL project and must be recognized and thoroughly examined in the environmental analysis and considered by the decision makers.

Since 2012, many city governments, county governments, and elected Boards of Health in Montana have taken advantage of multiple public comment opportunities to weigh in with their concerns about the impacts of increased coal train traffic that would result from constructing additional coal export infrastructure. The various public comment opportunities have come in the form of NEPA scoping comment periods and draft environmental impact statements from a variety of agencies, including the Washington Department of Ecology, Cowlitz County, the Army Corps of Engineers, and the Surface Transportation Board. The various letters and resolutions expressing concern over the economic, public health, and infrastructure impacts of coal export-related increases in coal train traffic have come from: The City of Livingston, Gallatin City-County Board of Health, City of Helena, Lewis & Clark City-County Board of Health, City of Missoula, Bonner-Milltown Community Council, Missoula County, Missoula City-County Board of Health, Missoula City-County Air Pollution Control Board, and the City of Whitefish. A sampling of these letters and resolutions are included as addenda to this letter. The concerns of these local governments should be considered as the Washington Department of Ecology and Cowlitz County prepare a final environmental analysis.

#### Increased Coal Strip and Longwall Mining Due to MBTL

If the proposed MBTL coal export facility is approved, it would mean more coal strip mines and mining in the PRB with more impacts to the land, air, water, wildlife, and people in those areas. In their scoping report for the MBTL DEIS, Washington State Department of

Ecology and Cowlitz County declared that they would not consider mining impacts induced by MBTL in the DEIS for the project. Respectfully, we do not believe that the Washington State Department of Ecology and Cowlitz County can adequately complete a thorough and accurate environmental analysis for MBTL without considering the cumulative and connected impacts of additional coal mining induced by the proposed action. The final EIS should include this consideration of mining impacts.

Coal strip mining industrializes ecologically important areas that are also home to vibrant and economically important agricultural communities. Strip mining completely destroys the land, which is often productive agricultural land. Topography is obliterated, vegetation is scraped away, aquifers and other water sources are destroyed, livestock must be moved, and quiet areas become filled with noise. These changes can and do affect the profitability of any ranch near the coal strip mine.

The air quality at coal strip mine sites is often degraded. Coal mining operations include scraping off overburden soils, digging, drilling, blasting, dragline operation, and loading and unloading coal. In the dry and windy environment of the PRB, mining activities that denude the soil will eventually lead to blowing dust, dirt, and debris. As a result of both blasting and mine operations, particulate matter and coal dust are in the air at any coal strip mine. Coal dust not only affects the health of the mine workers but has a negative effect on the surrounding environment. There is also the potential for emissions of nitrogen oxides (“orange clouds”) as a result of blasting operations. Nitrogen oxides can rise into the air and present a health threat to people at the mine and those living nearby.

Water is a precious resource in the semi-arid region of the PRB in Montana where coal is strip mined. Coal seams are filled with water and function as vital aquifers in this region. Coal strip mines sever and destroy these aquifers. The impacts of this severance can be seen many miles from the mine. Not only do down-gradient wells and springs dry up when the aquifer is severed, but springs and seeps above the mine that are hydrologically tied to the coal-seam aquifers will be drained and will dry up. Many of these springs are important sources of water for livestock (as well as wildlife) and require no electricity for pumping and, thus, are a valued resource. These springs also provide runoff for intermittent and ephemeral streams and pools that support riparian vegetation, which is important if not critical habitat for numerous wildlife species, including amphibians, migratory birds, and a diversity of aquatic life especially adapted to these environments.

Ranchers and other residents who live in the area rely on surface waters for irrigation and agricultural production. Shallow aquifers provide water for domestic and livestock use as well as sub-irrigate the agricultural land. Those who live farther from surface water sources rely principally on groundwater wells for their water. Often there are many maintenance-free springs and seeps in the area that are used by both wildlife and livestock. The quality of water greatly affects the operation of a ranch. In the arid western United States, good quality water is a scarce commodity. Poor quality water can rob producers via decreased performance (growth, reproduction) and has resulted in acute illness and death in livestock (and wildlife). Soils surrounding coal seams and the underground aquifers in coal seams are highly laden with sodium

salts. Improper discharge of these sediments and waters will impact the surface water quality and can sterilize the soil.

Coal strip mines notoriously have large footprints beyond the actual area where coal is being blasted and dug out of the ground. Many miles of roads, rail lines, tipples and conveyor systems, utility lines, buildings, storage areas, fencing, and sewage disposal areas as well as noise, lights, and a myriad of traffic and machinery will be part of the landscape of a coal strip mine. All of this development has environmental consequences for the wildlife that inhabit the relatively quiet, rural, undeveloped area. Construction activity, mine operation, increased human presence, increased traffic, noise, disruption of water resources, fencing, and many other factors that a strip mine entails have negative impacts on a variety of species. Wildlife does not just move to adjacent areas or even distant areas when development occurs. Therefore, wildlife conflicts increase when coal strip mining expands, and wildlife deaths are the most common result of these conflicts. Historic game migration corridors are disrupted not only by the coal strip mine but also by fences put in to keep wildlife out of mine areas. Wildlife access to water is often blocked. Biologists have documented dramatic decreases in some wildlife populations in areas of the PRB developed for coal strip mines.

Prairie bird species (both game birds and non-game resident and migratory species) are an important ecological component of the short-grass prairie where coal strip mines are generally located. Many of these species are struggling due to declines in this once wide-spread habitat. Raptors such as burrowing owls, short-eared owls, golden eagles, ferruginous hawks, and merlins often inhabit these areas before mines are built and decline after operations begin. Many neo-tropical migratory species rely on rural prairie habitats and are negatively affected by coal strip mines. The sagebrush steppe is one of the most severely threatened bird habitats in the Intermountain West. Brewer's sparrow, sage sparrow, sage thrasher, and sage grouse are particularly vulnerable as sagebrush declines, which is happening due to habitat destruction and human disturbance that are the result of coal strip mines. Small creeks and intermittent streams and ephemeral channels are extremely important in the PRB area. Some of these areas are part of the last remnants of a once widespread Great Plains riverine-prairie ecosystem. A significant body of research in the Great Plains indicates that not only do intermittent streams support fish, but they also play an important role in the biodiversity of the region. Coal strip mining is impacting this habitat.

And, then there is reclamation — or lack thereof. Despite federal and state laws that mandate reclamation following coal strip mining, it is not happening. There is a woeful lack of evidence of contemporaneous reclamation and/or reclamation success as measured by bond release throughout the West, and this is a significant issue in Montana.

Coal strip mines have been operating in Montana for more than 40 years. But as of September 2015, of the 41,005 acres that have been disturbed by coal strip mining operations, only 20,290 acres have achieved Phase I reclamation and bond release, which means that a permittee has completed the backfilling, re-grading, topsoil replacement, re-contouring, and drainage control required for a bonded area. Of particular concern, during this time only 491

acres in all of Montana have achieved Phase IV bond release.<sup>29</sup> This bond release verifies that all surface coal mining and reclamation activities and all disturbed lands within any drainage basin have been reclaimed in accordance with Phase I, II, and III requirements (and includes successful restoration of the hydrologic balance that supports post-mining land use).

The financial backer of MBTL is Lighthouse Resources, which is wholly owned by Cayman Islands hedge fund RCF. Lighthouse also owns and operates the Decker coal mine in southeastern Montana. Of all of the major strip mines in Montana and Wyoming, the reclamation record at Decker is quite possibly the worst. Despite being in operation for more than 40 years, the Decker Mine has achieved exactly 0 acres of full reclamation out of 7,745 acres mined. This is according to data from the Office of Surface Mining Reclamation and Enforcement's surface mine reclamation tables for Evaluation Year 2015.

The Surface Mining Control and Reclamation Act (SMCRA) requires that coal companies complete "contemporaneous" reclamation, and the Decker Mine's poor reclamation record is both an indicator of Lighthouse Resources' poor stewardship of the land and natural resources entrusted to them via government permits as well as a legal liability for the company, which, as recently as January 27, 2016, testified to the BLM's Regional Coal Team for the PRB that it intends to expand its mining operations at the Decker Mine fivefold – to increase production from approximately 3 million tons of coal per year to 15 million tons of coal per year – for the sole purpose of export via MBTL. If the Proposed Action is permitted, the landowners, neighbors, and public land users at or near the Decker Mine face rapidly expanding impacts to the land and water of southeastern Montana with no promise of timely reclamation of the disturbance. This is a cumulative and connected impact of permitting the MBTL project, and this issue must be considered and analyzed in this environmental analysis.

The connected and cumulative impacts to the land, air, water, and wildlife in the PRB and Montana from strip mining the coal that will be moved through the MBTL coal export facility are significant and must be recognized and thoroughly examined in the environmental analysis. These connected and cumulative effects of the MBTL project must be considered by the decision makers.

### Increased Greenhouse Gases and Climate Change Due to MBTL

The sole purpose of the MBTL is to export coal. Coal is the world's most carbon-intensive fossil fuel. When coal is burned, carbon dioxide (CO<sub>2</sub>) and other greenhouse gases (GHG) are released into the atmosphere (conversely, this CO<sub>2</sub> is trapped as carbon inside the coal in the ground and does not impact the earth's atmosphere). It is now well-established in the scientific community that the burning of coal and other fossil fuels is putting us on a dangerous path toward irreversible climate change.<sup>30</sup> According to the 2009 *U.S. Global Change Research*

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<sup>29</sup> "Undermined Promise II," Western Organization of Resource Councils, Natural Resources Defense Council, and National Wildlife Federation. 2015 (<http://underminedpromise.org/UnderminedPromiseII.pdf>) *and Cumulative Montana Reclamation Status Table EY-1999 to Present [September 2015]*. Personal communication from OSMRE Program Analyst Frank Bartlett, Sept. 23, 2015.

<sup>30</sup> Fact Sheet: Social Cost of Carbon, EPA (Nov 2013), <http://www.epa.gov/climatechange/Downloads/EPAactivities/scc-fact-sheet.pdf>.

*Report*,<sup>31</sup> “The global warming observed over the past 50 years is due primarily to human-induced emissions of heat-trapping gases. These emissions come from the burning of fossil fuels (coal, oil, and gas), with additional contributions from the clearing of forests and agricultural activities.” The potential climate impacts that would result from the proposed MBTL coal export terminal cannot be ignored. Full consideration must be given to the long-term, connected, direct, and indirect impacts that the proposed MBTL project would have on global climate change.

Construction and operation of the proposed MBTL would have direct climate impacts due to diesel combustion emissions both from transporting materials and operating equipment for the construction of the export terminal and from operation of the railroad bring coal to the MBTL. The principal climate impacts, however, would be indirect and would come from the combustion of the coal exported from MBTL, an undeniable cumulative and connected impact of the construction and operation of MBTL.

Virtually every ecological community and natural system in Montana, and, indeed, the world, is already being impacted by global climate change. These impacts will continue to become more and more severe unless the use of coal is dramatically curtailed and all nations make a concerted effort to develop other forms of energy. Wherever the PRB coal that is transported to the MBTL coal export facility is burned, the GHG emissions will eventually impact Montanans.

Within the last century, Montana has seen a 1.3°F increase in its average temperature.<sup>32</sup> The Intergovernmental Panel on Climate Change has projected that, within the 21<sup>st</sup> century, temperatures will increase 4°F in the spring and summer months and 5°F in fall and winter. In Montana, increasing temperatures are:

- leading to a loss of snowpack through earlier snowmelt with resulting effects on the water supply available for humans, livestock, crops, fish, and wildlife. Snowpack in Montana holds about 75 percent of the State’s water supply. Less snowfall and earlier snowmelt affects aquifer recharge, stream flow, and stream temperature. Early snowmelt also produces an increase in stream flow in winter and spring but a reduction in summer and fall flows. This is detrimental because the summer and fall flows are critical for irrigation, power generation, fishery protection, recreation, and other uses.
- leading to extreme heat waves. In general, heat waves are already occurring at a more frequent rate, thereby increasing mortality and morbidity. EPA studies indicate that Montana is particularly susceptible to more heat waves since it already has irregular, intense heat waves as part of its weather pattern. Heat waves produce a variety of problems, including increased fatalities among the elderly and other vulnerable populations. They also increase the spread of pests and invasive species. In reference to pests, EPA has reported that mosquito populations having the potential to carry encephalitis already exist in Montana. As conditions become warmer, the habitat for

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and <http://climate.nasa.gov/scientific-consensus/>

<sup>31</sup> <http://downloads.globalchange.gov/usimpacts/pdfs/climate-impacts-report.pdf>

<sup>32</sup> *Climate Change and Montana*, EPA, 1997, [http://www.spatialsci.com/files/images/EPA\\_MT\\_climchange.pdf](http://www.spatialsci.com/files/images/EPA_MT_climchange.pdf)

disease-spreading insects and pathogens will likely expand and create a greater risk of infection for Montanans.

- increasing the danger of wildfires. Wildfires are already becoming more prevalent and destructive in Montana, especially during summer months. During the period from 2000 through 2007, three National Forests in Montana experienced a loss of over 1,420,000 acres of land due to wildfires. Moreover, in fiscal year 2008 alone, Montana spent \$84.3 million on fire and damage control. The 2012 fires in southeastern Montana alone burned 421,006 acres and cost \$16.5 million to fight. These costs to the State will only increase as global warming escalates. Wildfires also release huge quantities of CO<sub>2</sub> thereby creating a feedback loop that drives global warming ever higher.

Climate change is expected to have significant impacts on water supplies and the productive capacity of agricultural lands. In Montana, agriculture is the state's largest industry and comprises 64% of the state's land area. Along with the problems for water supplies that result from climate change in Montana, increasing summer temperatures can negatively affect cattle and crops, reducing weights and yields, respectively. Climate change also results in more violent storms and other weather pattern changes during other seasons. Agricultural producers are greatly affected by these changes not only for how it affects their operations but also because these changes often result in economic losses. As Northern Plains member Mark Fix testified in the 2014 EPA hearings on the draft Clean Power Plan, climate change is resulting in more violent winds and hail storms during spring and summer, which harm and destroy cattle and crops. There are more cold temperatures for longer periods of time during some winters and, increasingly into spring. These changes particularly can negatively impact calf survival.<sup>33</sup>

According to Dr. Steven Running, a University of Montana climate scientist, 30 years ago snow melts in Montana occurred around the beginning of April. In recent years, they have occurred in mid-March, and this trend is only continuing. The growing season currently begins a month earlier than it did 30 years ago, and summers are longer, hotter, and drier with lower river flows and more wildfires.

In this DEIS, the Washington State Department of Ecology and Cowlitz County fail to take into account the social cost of carbon. Under the leadership of the Office of Management and Budget (OMB), the social cost of carbon was developed by a dozen federal agencies and offices in 2010 (and updated in 2014); it is the best existing tool to help agencies and the public make decisions regarding projects that impact the climate. The social cost of carbon estimates the global financial cost of each ton of extra carbon pollution in the atmosphere and seeks to incorporate impacts as diverse as drought, fire, diminished agricultural productivity, and more.<sup>34</sup> The social cost of carbon is backed by years of peer-reviewed scientific and economic research and has already been used by agencies in both rulemaking and project-level NEPA [National Environmental Policy Act] review.

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<sup>33</sup> Testimony of Mark Fix on behalf of Northern Plains Resource Council at the Denver, Colorado, EPA hearings on the draft Clean Power Plan, July 29, 2014

<sup>34</sup> "Refining Estimates of the Social Cost of Carbon," Howard Shelanski, White House Blog. November 1, 2013. <https://www.whitehouse.gov/blog/2013/11/01/refining-estimates-social-cost-carbon> and "The Social Cost of Carbon," Environmental Protection Agency. retrieved June 10, 2016. <https://www3.epa.gov/climatechange/EPAactivities/economics/scc.html>

In June 2014, a U.S. District Court ruled against the federal government in *High Country Conservation Advocates, et al. v. U.S. Forest Service, et al.* citing, among other things, its failure to analyze the social cost of carbon.<sup>35</sup> After this decision, and in response to a letter from more than two dozen conservation organizations, the U.S. Department of Agriculture affirmed that the social cost of carbon is an “appropriate tool for measuring and disclosing the social and economic implications” of federal coal leasing decisions.<sup>36</sup> The Washington State Department of Ecology and Cowlitz County’s failure to examine the social cost of carbon associated with the Proposed Action is a significant deficiency and makes the GHG analysis of this DEIS inadequate.

These significant social and environmental costs of carbon to Montana and Montanans are connected and cumulative impacts of the proposed MBTL project and must be recognized and thoroughly examined in the environmental analysis. These connected and cumulative effects must be considered by the decision makers.

### Conclusion

Coal company commercials and politicians tout "clean coal" — and tell us that coal is cheap. But there is no such thing as "clean coal" and if we honestly calculated the costs of coal to the land, to our health, and to our planet, we would find that coal is not cheap. What is happening now is that the significant costs of coal are shifted into the future and onto others while the coal, rail, and terminal corporations pocket any profits. The true costs of coal are being externalized.

We believe that the Washington State Department of Ecology and Cowlitz County must fully consider the consequences of all the connected and cumulative impacts that would result to Montana and Montanans if a permit is granted for the proposed MBTL coal export terminal. These comments are submitted with the hope that the decision makers will recognize that the DEIS prepared for this project is grievously deficient with regard to the issues we raise and to our concerns.

Thank you for the opportunity to participate in this important public process.

Sincerely,



Kate French, Chairperson  
Northern Plains Resource Council

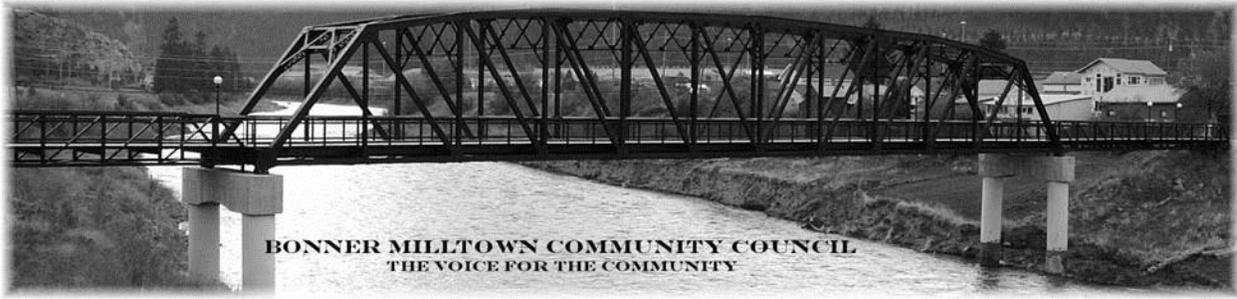


Nancy Hartenhoff-Crooks, Chairperson  
Western Organization of Resource Councils

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<sup>35</sup> “Court Blocks Coal Mine Expansion for not Counting the Costs of Carbon Pollution,” Nidhi Thakar, June 2014, <http://thinkprogress.org/climate/2014/06/30/3454764/court-blocks-arch-mine-coal-expansion/>

<sup>36</sup> Letter from Robert Bonnie, Under Secretary for Natural Resources and Environment, U.S. Department of Agriculture, to J. Nichols, WildEarth Guardians (Mar. 6, 2015).



PO Box 376, Milltown MT 59851

June 13, 2016

Missoula County Commissioners  
200 W Broadway  
Missoula MT 59802

Dear Commissioners:

The Bonner Milltown Community Council (Council) requests that you approve our submitting this letter to the Washington State Department of Ecology as our public comment on the Draft Environmental Impact Statement for the proposed Millenium Bulk Terminals coal export proposal at Longview, Washington.

The Proposed Action would create important adverse impacts in Missoula County. Eight loaded and 8 empty coal trains would pass through the County daily. Forty four million metric tons of coal would be exported annually to markets in Asia where it would be burned in coal-fired power plants.

**Climate change.**

- “The international scientific community is in agreement that human activities have contributed – and continue to contribute – to climate change. One of the primary causes of climate change is the emission of greenhouse gasses...” (DEIS 5.8-2)
- Greenhouse gas emissions – The Proposed Action would annually generate 3,192,548 metric tons of CO<sub>2</sub> when the coal is burned in Asia (DEIS Sect 5.8)
- Induced impact – The export of this large amount of coal would lower coal price on the international market and stimulate additional coal consumption and additional adverse climate impact (DEIS Sect 5.8)
- Climate change impacts expected in Washington State will be mirrored in other Pacific Northwest states. An example is the “snow water equivalent,” which is forecast to “decline (in Washington State) by almost half (46%) by the 2040s and virtually disappear by the 2080s, greatly reducing streamflow in some areas.” (DEIS Sect 5.8.2.4). Climate change impacts resulting from the increase in greenhouse gasses persist for a long period of time, are considered permanent, and are global in nature.
- The emissions attributed to the Proposed Action would be adverse and significant (DEIS Page 5.8-16)

**Rail traffic impacts upon neighboring states were not evaluated in the DEIS**

Although the DEIS is thorough and well documented for Washington State, impacts outside the State are not considered. While this omission is inherent in an action that is a fulfillment of Washington State law, it is a serious shortcoming in the DEIS process because it ignores impacts upon neighboring states. Impacts of one’s actions upon neighbors are essential considerations.

**The frequency of Rail accidents** in Washington State are estimated in the DEIS using historic data. The observed frequency of accidents on BNSF track in the State is 2 accidents per million miles of train travel (DEIS Page 5.2-4). In Montana, approximately 200 miles of MRL track is adjacent to the Clark Fork River. Eight loaded coal trains/day would travel 1600 miles/day along the River. In a year, train travel adjacent to the Clark Fork would add up to 584,000 miles and be accompanied by the likelihood of 1 accident each year. **Impacts of a coal spill** upon the Columbia River were evaluated in the DEIS and expected to have minor consequence upon the River and aquatic life. The Clark Fork has aquatic geological and biological characteristics very different from those of the Columbia. The adverse consequences of a coal spill into this river are unknown, and could be seriously adverse. "...whether the alterations (from coal released into the aquatic environment) are significant enough to be potentially toxic to aquatic organisms depends on many factors, including the type of coal, the relative amount of time the coal is exposed to water, dilution, and buffering."( DEIS Page 4.7-33)

**Delays of emergency vehicles at rail crossings** outside Washington State were not evaluated. In the area served by the Bonner Milltown Community Council there are four MRL/BNSF rail crossings, two of which have no alternate road to residential areas. Using the 6,844 foot length of a coal unit train traveling at 50mph for calculation, the 16 trains/day (8 loaded, 8 empty) will add a half hour's delay every day to each crossing. Local emergency services have had no opportunity to evaluate potential consequences of this added delay, which would be longer if train speeds are slower.

**Health impacts of coal dust** were evaluated for Washington State only (DEIS Section 5.7). Of special concern were particles 10 microns and smaller, referred to as PM10 sized particles, and those 2.5 microns and smaller, PM2.5 sized particles. PM10 and PM2.5 particles are small enough to penetrate deep into the lungs and may even enter the bloodstream (EPA, <https://www3.epa.gov/pm/health.html>). Air monitoring equipment operated by Washington State along BNSF main lines detected no exceedances of federal standards.

However, an important shortcoming of the DEIS is the failure to address the long-term health risk over the lifetime of the proposed action (expected to be a minimum 30 year period, DEIS Page 2-11). Clearly, there would be long-term health consequences to residents in the vicinity of rail lines from the liberation of PM10 and PM2.5 particles from 2,920 loaded coal trains traveling each year for 30 years. Evidence that significant particulates are emitted from coal trains is bolstered by the existing need to re-apply surfactant topper agents one additional time during transport from the Powder River origin to the Longview, Washington destination. The extremely small size of PM10 and PM2.5 particles (the human red blood corpuscle is 7 microns in diameter) makes them invisible, broadly dispersible into the human environment, and present as an undefinable and adverse long term impact upon human health.

**The Bonner Milltown Community Council strongly recommends the "No Action Alternative" (The Proposed Action to export coal from the Longview Terminals would not take place) because of:**

1. The intolerable impact upon climate of increased greenhouse gas emissions resulting from the Proposed Action.
2. The failure of the DEIS to address significant impacts of the Proposed Action upon neighboring states.

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Don Felton

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Burt Caldwell

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Olivia Riutta

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Gary Matson

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Shelly Cook

## Resolution Number 7701

**A resolution of the Missoula City Council to request that the U.S. Army Corps of Engineers prepare a comprehensive Programmatic Environmental Impact Statement (PEIS) on the cumulative impacts of new coal export terminals in Washington and Oregon and hold public hearings in Missoula, Montana and other communities that will be significantly impacted from coal that will be transported by train from the Powder River Basin in Montana and Wyoming to terminals along the Pacific Coast.**

**Whereas**, currently, there are four coal-export terminal projects pending before the Corps: the Gateway Pacific Terminals (“GTP”) site at Cherry Point, Washington; the Millennium Bulk Logistics (“MBL”) site at Longview, Washington; the Oregon Gateway Terminal at the Port of Coos Bay, Oregon; and the Coyote Island Terminal site at the Port Morrow, Oregon. Additional permit applications are anticipated for a Kinder Morgan project at the Port of St. Helens, Oregon, and the RailAmerica proposal at the Port of Grays Harbor, Washington. Additionally, existing export terminals at port facilities in British Columbia are already receiving coal shipments and are considering expansions of their own; and

**Whereas**, taken together, the announced capacity of the planned U.S. projects is approximately 150 million tons of coal per year (compiled by Northern Plains Resource Council through press releases on each proposal). Operating at full capacity, these plans would mean approximately 60 coal trains – each about a mile and half long – moving through the Pacific Northwest, every day, year round. Many of these trains will pass through Missoula, Montana, and will potentially result in a significant adverse effect on our community that should be considered in any environmental review of these proposals.

**Whereas**, to ensure each individual permitting action accounts for the significant cumulative impacts of and mitigation for multiple proposed northwest coal export terminals, we believe that the Corps of Engineers must first prepare a PEIS that carefully analyzes the combined impacts of multiple, similar coal export terminal proposals.

**Whereas**, such analysis is allowed for, and most likely required, under the National Environmental Policy Act (NEPA). Under Section 1508.25(a)(1) and (2) of the Council of Environmental Quality's NEPA regulations, this environmental review must collect, analyze, and consider connected and cumulative actions for any federally supported project. Further, “cumulative” and “similar” actions should be discussed within a single environmental impact statement, necessitating the development of a PEIS.

**Whereas**, The railroad tracks and rail yard cut through a significant portion of the City of Missoula. In particular, the crossing at Greenough and Madison could cut off the Lower Rattlesnake neighborhood from vehicle by pedestrian travel, not to mention emergency services, item trains and increased traffic will result in additional emissions of air pollutants including greenhouse gases.

**Whereas**, any environmental analysis of these proposals must consider the negative effects that burning the large volumes of coal would have on the climate. Domestic demand for coal in the Powder River Basin has been rapidly declining. As a result, this coal will be shipped overseas to Asia, where it will permanently shape the developing energy markets there. With access to our cheap coal, countries in Asia will be induced to build new coal-fired power plants instead of transitioning to cleaner energy sources. This will lock in reliance on coal as a source of energy for the life of these power plans (thirty plus years), with an astronomically negative effect on climate change.

**Now therefore be it resolved** that the Missoula City Council requests that environmental reviews of these proposals consider the effects on the City of Missoula and other impacted communities.

**Be it further resolved** that we urge the U.S. Army Corps of Engineers to conduct a comprehensive programmatic EIS that includes an analysis of all of the indirect and cumulative environmental impacts, including the impacts on Montana communities, from all proposed coal ports in the Pacific Northwest.

**Be it further resolved** that we request that U.S. Army Corps of Engineers hold a public hearing in Missoula, Montana.

**Passed and adopted this 21st day of May, 2012.**

**Attest:**

**Approved:**

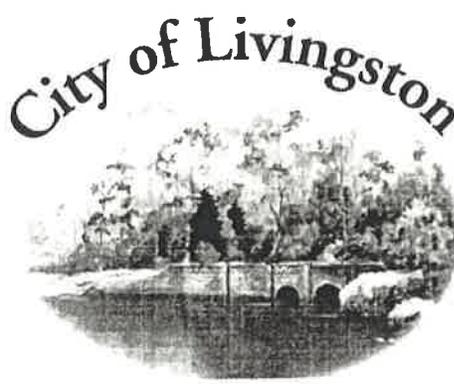
/s/ Martha L. Rehbein  
Martha L. Rehbein, CMC  
City Clerk

/s/ John Engen  
John Engen  
Mayor

(Seal)

**Interim City Manager**  
*Lisa L. Lowy*

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**Chairman**  
*James Bennett*

**Vice Chairman**  
*Dorel Hoglund*

**Commissioners**  
*Mel Friedman*  
*Sarah Sandberg*  
*Quentin Schwarz*

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

*Incorporated 1889*

RE: Public Response to Millennium Bulk Terminal EIS

To whom it may concern,

This letter is being written in response to the Millennium Bulk Terminal EIS released for Public Comment on April 29, 2016. Upon review of the Draft Document it was noted that the operational and environmental impacts focused primarily on the regional impacts in Washington State and did not adequately address the down rail impacts to other areas, specifically those in Montana. Coal originating out of the Power River Basin Mines will travel the majority of the main rail lines through Montana and specifically through our community in Livingston.

Based on the outline in the EIS, the construction of this terminal and the ensuing increases in rail traffic would essentially double the rail traffic Livingston currently experiences. Our community has several unique characteristics which create extraordinary challenges for an increase of traffic on this magnitude. They are:

1. Our community is bisected by rail lines with only 1 grade separated crossings and two at grade crossings. We already suffer significant bottle necks in the flow of our local traffic due to rail traffic which at times can have all at grade crossings blocked leaving only one alternative route.
2. Additionally, loaded rail cars (especially heavier loads such as coal) require additional pusher engines in order to get over the Bozeman Pass which gains significant elevation upon exiting Livingston. Coupling and uncoupling these additional engines, which all occurs in our downtown railyard, would create further delays that would significantly impact traffic flow as well as impede the ability of emergency services to access the North side of our community. Additional air pollution related to the increased operations and added idling time of the engines presents additional quality of life and environmental impacts to our community.
3. Our community additionally has safety concerns for pedestrian traffic with increases of this magnitude in our community. All of the safe route to schools utilized by our children and families from the North side of our community require the crossing of operating tracks.

It is our hope that as the Public Comment period concludes, sufficient evidence and concern will be raised and acknowledged so that the down rail impacts to Montana and specifically in Livingston as well as an adequate plan to mitigate those impacts can be developed as part of the final EIS for this project. Thank you very much for your consideration of our concerns as it pertains to this EIS and we are available to discuss any of the items further.

Very truly yours,

James Bennett, Chairman  
Livingston City Commission

Lisa L. Lowy, MHA  
Interim City Manager

# City of Livingston



Incorporated 1889

## City Manager

Edwin R. Meece

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**Commissioners**  
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Mel Friedman  
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Mr. Randel Perry  
U.S. Army Corps of Engineers, Seattle District  
C/O GPT/BNSF Custer Spur EIS Co-Lead Agencies  
1100 112th Avenue Northeast, Suite 400  
Bellevue, Washington 98004

### Subject: EIS Scoping Comments from Livingston, MT

Dear Mr. Perry,

The City of Livingston, Montana, population 7,500, is bisected by the southern main line of the Montana Rail Link/Burlington Northern Santa Fe railroad companies. The development of ports on Washington's coast will have an impact upon the City of Livingston by increasing train traffic. The City requests that the Army Corps expand its scope of the Environmental Impact Study for said ports to include an analysis of effects to the City of Livingston.

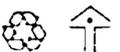
Increasing the number of trains through Livingston will exacerbate three issues currently facing Livingston, including 1. reduced access, 2. additional noise, and 3. potential health concerns from exhaust and coal dust.

- 1. Access.** As the City is bisected by the rail line, three railroad crossings, two at grade, and one underpass serve as access points. These crossings are currently stressed with re-routing and congestion issues. Increased traffic will in turn increase access issues for citizens, businesses and emergency response vehicles.
- 2. Noise.** Many citizens are currently impacted by train and whistle noise due to the central location of the rail line. Residents of Livingston have expressed considerable distress over potential increases in train noise from increased rail traffic.
- 3. Potential Health Hazards.** Potential health hazards, including exhaust from increased idle time from waiting motor vehicles, increased diesel exhaust from the trains themselves, and coal dust from moving trains are a concern for Livingston.

Please consider this request to address the impact of the development of Washington ports and associated increases to rail traffic on the City of Livingston.

Sincerely,

Steve Caldwell  
City Commission Chairman





**Missoula City-County Health Department**  
**AIR POLLUTION CONTROL BOARD**

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May 19, 2016

Dear Directors Placido and Toteff:

On May 17, 2012, the Missoula City-County Air Pollution Control Board (Board) submitted public comment to the Army Corps of Engineers regarding the numerous proposed coal export terminals in Oregon and Washington, including the Longview terminal. The Board administers matters pertaining to the Missoula City-County Air Pollution Control Program in order to require the use of all available practicable methods to reduce, prevent and control air pollution in the City and County.

Recognizing Missoula could experience significant adverse effects from the proposed operation of these terminals, the Board requested that a comprehensive programmatic environmental impact statement be conducted and include analyses of the terminals' indirect and cumulative impacts on Missoula and other Montana cities and counties. We understand this was given some consideration, as Montana is part of the study for the Longview Draft Environmental Impact Statement (DEIS). However, the document's coverage of Montana is cursory and deficient.

The Millennium Bulk Terminals-Longview (MBTL) State Environmental Policy Act DEIS mentions Montana in several contexts relating to rail use, air quality and climate change impacts. The document recognizes that many of these impacts in Montana will be serious and unavoidable.

We will address three of these impacts:

**1.0 Air Quality.**

The Missoula Valley lies in a bowl surrounded by hills and mountains, and experiences frequent air inversions that trap pollutants. This buildup of pollutants can result in air quality that becomes hazardous for human health - particularly sensitive groups. Missoula was designated non-attainment for PM10 upon the promulgation of the Clean

Air Act Amendments in 1990 and has not yet been removed from the list of PM10 non-attainment areas. In addition, fine particulate (PM2.5) levels in Missoula have come very close to exceeding the PM2.5 National Ambient Air Quality Standard (NAAQS). By significantly increasing the current number of trains through Missoula, an already sensitive air quality situation would be exacerbated. The DEIS finds that “increase in rail traffic would increase the emissions of criteria pollutants associated with rail transport.” (Air Quality Fact Sheet, p.2)

Missoula’s rail yard/switching yard bisects the downtown area, with thousands of residents living within two miles of the tracks. As acknowledged by the DEIS, inhalation cancer risks were highest in the major population centers along the rail route (Vancouver), with a cancer risk of up to 500 cancers per million. Smaller communities (Spokane, Yakima, etc.) had a risk of 300 cancers per million (Chapter 5, p. 9-10). While the exact number of additional trains the Proposed Action would bring through Missoula is not given, a doubling of the current 16.9 total trains per day would not benefit the health of residents near the rail yard

**Comments: *When will the Health Impact Assessment (HIA) be done and will we see it before the end of the comment period? The lack of a completed HIA is a serious deficiency in the DEIS.***

## **2.0 Rail Safety and Capacity.**

Increases in coal trains without rail expansions “could result in rail traffic on some...segments exceeding capacity outside of Washington.” (Summary p.30) The DEIS projects an increase of up to 16 trains per day (eight empty and eight full) traveling along Montana rail lines. All increases in rail use have the potential to increase risks of derailments and accidents across the cargo spectrum, possibly involving hazardous materials (such as crude oil). Catastrophic derailments and accidents involving hazardous cargo can affect air quality and endanger citizens’ health and well-being. In addition, the City of Missoula has two at-grade crossings and two rail overpasses. Outside of the city, there are 10 additional at-grade crossings bisecting communities along the rail line. Blocked rail crossings can lead to delayed response times for emergency vehicles, increased emissions from idling vehicles and decreased ability to quickly evacuate populations during disasters such as wildfire and toxic spills.

Successful MBTL operation is contingent on successful movement of trains through Montana. The DEIS partially addresses this for Montana, stating, “Without improvements to rail infrastructure to expand capacity (and safety), the Proposed Action could result in an unavoidable and significant adverse impact on rail transportation.” (Summary p. 53-54) Such improvements are not discussed specifically for Montana and Missoula County.

**Comments: *Please provide specific data regarding current and anticipated rail use and capacity through Montana. Who would be responsible for improvements? What mechanisms will insure that needed improvements are made? The lack of specificity in***

***your Montana data makes it difficult to plan ahead. The DEIS must consider the cumulative impacts on the rails of all coal and oil-by-rail proposals, including the Tesoro Savage proposal.***

### **3.0 Climate Change.**

Increases in CO<sub>2</sub> from burning coal in Asia via the Proposed Action will contribute to climate change globally and locally. According to the DEIS, greenhouse gas emissions from the Proposed Action would exceed various national and state thresholds; the emissions would persist beyond the proposed analysis and would be considered permanent (Summary p.39). The DEIS states that mitigation measures “must achieve emission reductions that are real, permanent, enforceable, verifiable and additional. They may occur...outside of Washington State but must meet all five criteria.” Emissions remaining after mitigation measures “would be significant and unavoidable, as described in Section S.7” (Summary, Table S.2, p. 58). Climate change “is global in nature”(Summary p.39), and Washington and Montana are already experiencing extreme heat and precipitation events, wildfire seasons that start earlier and end later, droughts (Chapter 5, Sec. 6.8, p.9), shorter winters with higher night-time lows, and opportunistic species (pine beetles, leafy spurge, etc.) that thrive and in some cases increase pollen counts. The Proposed Action supports infrastructure for burning coal for another 30 years and is antithetical to the December 2015 Paris agreement made by 195 nations to seriously work to reduce the threats of climate change to the planet by reducing the burning of fossil fuels.

***Comments: The DEIS should more thoroughly examine MBTL in light of domestic and international climate goals and evaluate the proposed project in light of the social cost of carbon. In addition to climate impacts, the DEIS should examine the long-term financial viability of the proposal, given economic and energy source changes occurring both within the United States and abroad. It is imprudent to make significant infrastructure investments as markets shift away from coal.***

In conclusion, the proposed coal export terminal would create significant adverse impacts to our community, our region and the planet that cannot be mitigated. Because of these unavoidable and significant adverse impacts and because of uncertainties and missing essential information in the DEIS, we ask that you select the NO ACTION alternative. Thank you for considering our comments.

Sincerely,

Ross Miller, Chair  
Missoula City-County Air Pollution Control Board