



November 18, 2013

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

RE: Scoping for Millennium Bulk Terminals Project

To Whom It May Concern:

The Washington Public Ports Association (WPPA) offers the following comments regarding scoping of the Millennium Bulk Terminals project.

The WPPA was authorized by the state legislature in 1961 as the coordinating organization for all public port districts in the state. Ports seek to balance economic development and job creation with responsible environmental stewardship. In our efforts to achieve this balance, ports around the state invest millions of dollars each year in initiatives that improve air and water quality, enhance habitat, and rehabilitate abandoned sites from the state's industrial past. Ports absolutely understand the synergistic relationship between economic development and environmental stewardship because the balance point between these mutual interests exists at the core of our operations. Our state's unique resources attract new businesses, and our vibrant trade sector provides the capital necessary to ensure new and more innovative environmental investment.

Washington is one of the most trade-dependent states in the country, and it has been

the clear policy of both our state, and of the current federal Administration, to support trade – especially exports. In order to continue to foster this trade, it is absolutely essential that governments not impose extraordinary burdens on trade development that are neither required, nor authorized, by state and federal law.

Our association has not taken any position regarding this proposed project specifically, nor the political and policy issues involved with coal exports generally. However, port districts around the state remain concerned that strong public sentiments surrounding this particular cargo not drive an expansion of the scope of appropriate environmental review beyond that authorized by relevant environmental laws. While there may be appropriate policy forums to discuss fossil fuel use generally and coal exports specifically, we ask the lead agencies to resist demands to use environmental review as the venue for conducting such policy debates.

We are especially concerned about requests by project opponents to substantially expand the scope of transportation impact analysis beyond what has been understood to be appropriate under State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA). A policy change that is proposed has far reaching implications and should not be undertaken simply because of the unpopularity of the cargo being shipped.

Keeping in mind the various site-specific elements of the environment that would be appropriate for review in the project EIS, we offer specific comments on the following areas:

- Transportation
- Greenhouse gas emissions
- Alternatives Analysis
- Cumulative Impacts
- Fiscal Impact and Economic development

TRANSPORTATION

Any evaluation of transportation impacts from the proposed terminal expansion projects should recognize two important points. First, the regulation of railroads in this state and across the country, is the jurisdiction of the federal government, through the Surface Transportation Board (an independent regulatory agency) and the Federal Railroad

Administration (a part of the U.S. Department of Transportation). No government action would be required to increase rail traffic volumes on existing rail lines in the state. While the state and local governments who are co-lead agencies in this environmental review do have some authority to impose environmental regulations on railroad operations and the safety of those operations, this authority is limited.

Second, the existing, historic ebb and flow of rail traffic in the state, including those times in the recent past when the rail lines were operating at a substantially greater volume of traffic than they may be today, should be considered as the existing, baseline condition, and not attributed to any individual port terminal project. The "direct, indirect and cumulative" impacts of a port terminal project should not include the operation of the entire transportation network used to move cargo to and from that shipping terminal, any more than the impacts of a proposed shopping center project should include the entire transportation network used to produce and move all of the goods to be sold at that center.

Further, that transportation system (be it highways, rail lines or barge and shipping channels) invariably experiences wide fluctuations in traffic, based on changes in economic activity. Currently, the state's rail system is operating below the levels seen prior to the current recession. Normal fluctuations in rail system operation are part of the baseline condition for all projects, not the result of any one project, or even a set of similar projects. When expansions of the transportation system become necessary, those expansions go through environmental reviews of their own. Unless the lead agencies can clearly demonstrate a need to expand existing transportation infrastructure that is directly related to the proposed terminal project and is not simply an example of the historic ebb and flow of trade volume, the environmental review for the proposed terminal facility should not be expanded to evaluate the entire transportation infrastructure network.

A recent study commissioned by WPPA (copy attached to these scoping comments), supports this point, demonstrating that the volume of existing or background traffic using the rail lines in Washington has varied substantially, depending on various trade and market conditions, not the least of which is the recent global recession. In fact, based on historic

volumes documented in the attached study, it is reasonable to assume that even a no-action alternative for the proposed Gateway Terminal EIS would have to assume increased background traffic volumes due to other commodity demands as global markets improve. SEPA and NEPA limit attribution of project impacts to those that are directly or indirectly related to the project, and require the lead agencies to recognize background and existing conditions, including demonstrated fluctuations in those conditions, before identifying impacts from the proposed project.

The direct, indirect and cumulative impacts of a cargo terminal project do not include operation of the freight transportation system that brings products to that terminal. Those impacts are present as part of the baseline condition of having a comprehensive freight transportation system in the first place. Analysis of any expansion of that system is properly a component of the permitting process for those expansions, not the permitting process for individual terminal projects for the movement of freight within that transportation system.

Should the lead agencies expand the scope of transportation impact analysis substantially beyond that typical for other new construction or expansion projects, WPPA is concerned that this determination could become an unwelcome precedent for other terminal expansion projects involving less controversial products, such as grain, fruit, airplanes, wine, hay , etc. Our port terminal facilities are critical to improving our state's economy, and as trade volumes increase some of these terminals will need to expand. It is bad public policy to turn a straight-forward, site-specific and direct environmental analysis into an expansive review of transportation networks spanning an unprecedented scale and scope that may include transportation of a commodity across the state, or even around the world. The impacts on the working waterfront in our state – not to mention the on farmers and manufacturers who depend on this trade infrastructure – could be significant. SEPA and NEPA do not require this and the agencies should not expand scoping to do so.

GREENHOUSE GAS EMISSIONS

WPPA and its members acknowledge that greenhouse gas emissions are now recognized as appropriately within the purview of project environmental review. In fact, several port members are leaders in sophisticated consideration of emissions related to port operations and expansion. The Ports of Vancouver and Tacoma, for example, have recently included greenhouse gas emission analysis under SEPA as part of recent developments in those communities.

However, expanding environmental review to include potential greenhouse gas emission impacts of a shipped product's harvest and use is beyond the scope of SEPA and NEPA requirements. While it is acknowledged that the burning of coal results in greenhouse gas emissions, the same could also be said of jet aircraft exported from Washington, or automobiles imported from other countries to the United States through our ports. In fact, the movement and ultimate use of any product results in greenhouse gas emissions and other forms of pollution. Assigning SEPA or NEPA to evaluate a more global consideration that includes impacts spanning the entire life of a product – from extraction, harvest of construction all the way through a use or consumption – is a significant leap from current consideration of terminal construction and operation. Such an expansion is far beyond the intent of SEPA and NEPA and would turn nearly any project review into a virtually impossible task.

Attempting to analyze the future effects of international shipments of a product that is available from other world market sources -- especially if the impact of greenhouse gas is not eliminated or even reduced by switching from one source to another – puts Ecology in the unenviable position of having to make arbitrary guesses about the net effect of a relatively small project in the context of international commodity demand. We are concerned that Ecology will be forced to make assumptions concerning the future actions of foreign governments and economies and that will undermine the credibility of the agency's analysis and result in litigation. Under the law, SEPA and NEPA do not support the analysis of impacts that are speculative in nature.

ALTERNATIVE ANALYSIS

The no action alternative analysis should recognize that coal exports are already occurring from coal terminal facilities on the west coast of Canada. Some expansion of these facilities is possible, and even likely. Because these existing Canadian facilities use the same

Washington rail infrastructure that would be used by the proposed Gateway terminal, even the no action alternative is likely to lead to increased coal train traffic along the same rail corridors, with no corresponding economic benefit to the state of Washington. Because the agencies with jurisdiction over the permits for the proposed Gateway Pacific Terminal have no jurisdiction to impact continued operation or expansion of those Canadian facilities, nor any authority to restrict the use or expansion of the existing transportation infrastructure in Washington that is being used to transport coal to these alternative existing Canadian facilities, a no action alternative is likely to have rail transportation impacts similar to the proposed alternative. In fact, the distance travelled through Washington to supply Canadian facilities would be greater, and additional communities north of the Gateway project would be impacted. WPPA believes that the “no action” alternative in the EIS should consider these impacts.

CUMULATIVE IMPACTS

WPPA is aware of many comments calling for an evaluation assuming construction and operation of up to five separate coal export facilities in the Pacific Northwest, only three of which, to WPPA’s knowledge, are in any stage of preliminary or submitted application. For that reason, WPPA does not believe that SEPA or NEPA would require or authorize such speculation regarding cumulative impacts. The analysis should be limited to known proposals.

FISCAL IMPACT AND ECONOMIC DEVELOPMENT

Finally, while not required by SEPA or NEPA, WPPA encourages the lead agencies to evaluate the fiscal and economic development impacts from the proposed project, as authorized by WAC 197-11-440(8) and 40 CFR 1508.14. This is especially important since the economic impacts of the proposal and alternatives are so central to the public debate and the agencies ultimate evaluation of the proposed project. It will be helpful to understand the potential economic costs and benefits in Washington State of US terminal expansion, so the agencies will have objective information from which to evaluate the debate that is and will continue to occur during project review.

Thank you for your consideration of WPPA's comments. Given our and our members' expertise on these important rail infrastructure and trade-related issues, we would welcome additional opportunity to discuss these issues and provide assistance to the agencies as you prepare the environmental documents.

Sincerely,

A handwritten signature in black ink that reads "Eric D. Johnson". The signature is written in a cursive style with a large, prominent "E" and "J".

Eric D. Johnson, Executive Director
Washington Public Ports Association
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enclosure