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J.E. "Sam" Ryan
Director

August 3, 2012

Terry Bornemann, Council President
Bellingham City Council
210 Lottie Street
Bellingham, WA 98225

RE: **Notice of Application for Gateway Pacific Terminal (MDP2011-00001, SHR2011-00009, VAR2011-00002)**

Dear Mr. Bornemann:

Thank you for your letters of May 15, 2012 and July 5, 2012 regarding the on-going permit review associated with the proposed Gateway Pacific Terminal (GPT). The issue of off-site rail impacts associated with the GPT project review and the type and extent of necessary improvements to existing rail corridors is one that Whatcom County Planning and Development Services (WCPDS) shares with the Bellingham City Council.

As you know, the above-referenced permits are subject to the State Environmental Policy Act (SEPA), and a Determination of Significance (DS) and scoping for the required Environmental Impact Statement (EIS) will be forthcoming from the Co-Lead Agencies. As the SEPA EIS requires identification and study of significant impacts associated with the project, including those outside the jurisdiction of the project permits alone, the issue of rail impacts and necessary improvements is best vetted through that process.

Whatcom County will be using the EIS process to ultimately inform the permit decisions and will be including all of the comments submitted in response to the Notice of Application, including both the May 15, 2012 and July 5, 2012 letters from the Bellingham City Council in the EIS review. This will ensure that all issues brought forward during the comment period on the notice of application will be appropriately addressed in the EIS process.

Thank you for your continued involvement in the environmental review process on the GPT project. Please let me know if you have additional questions or concerns related to this correspondence.

Kind Regards,

Tyler R. Schroeder
Whatcom County Planning Manager

Cc: Jeannie Summerhays, DOE
Randel Perry, USACE
Kelli Linville, Mayor of Bellingham
Jack Louws, Whatcom County Executive

Known Facts from studies about RR Capacity through Bellingham

Summary: Existing capacity is 14-15 trains per day. Current traffic is at that level.[i] GPT plans require an additional 18 trains per day. GPT is totally dependent on new siding construction in Bellingham.[ii]

The key reference for understanding capacity in the RR system is the *Statewide Rail Capacity and System Needs Study 2006* . Note that the 2010-2030 freight rail plan characterizes the 2006 work as the "key reference" for the entire statewide rail system:

> "The Statewide Rail Capacity and System Needs Study 2006 is a key reference prepared by the WSTC. This comprehensive study was developed to address the key question asked by the legislature…"

The 2006 study is the only detailed capacity study that used BNSF data and extensive simulations to accurately describe capacity down to smaller segments such as the corridor through Bellingham and from Ferndale to Blaine. It also identified the Bellingham siding solution. A recent study[iii] to review that data in light of current circumstances agreed with the conclusions of the original work.

BNSF on freight capacity - a WSDOT 2010-2030 freight study does not project traffic for the Bellingham corridor providing only a general "north from Everett" estimate which is "projected from economic assumptions" (i.e. not based on actual BNSF data or corridor capacities). What BNSF says in that study about the north-south corridor is that "sufficient capacity exists for the foreseeable future."[iv] and that the BNSF 5 year capital plans include no "significant expenditure" other than minor participation in siding projects being funded by passenger rail money.[v]

Siding solution - all three studies done in 2011 by Cascadia Center of Discovery Institute (for the Whatcom COG) are also based on the comprehensive 2006 studies, as was the 2007 Amtrak Cascade Long Range Plan. All of the siding projects funded in the Northern Corridor in the last few years (including the windfall TARP money) come directly from the 2006 work. The Bellingham Siding Extension was identified in that study and remains in use for the latest studies and simulations done in cooperation with BNSF.

Conclusion - the 2006 study detailed capacity through Bellingham at 14.4 trains per day. The 2012 TSM study put it at 15 trains per day. Current traffic has been characterized by BNSF at 14-16 per day. GPT plans call for an additional 18 trains per day.

Recent WSDOT statement - at the July 2nd City Council meeting a representative from WSDOT stated that the additional passenger trains to Canada "would not happen in my lifetime" and that any Bellingham siding construction would be driven by freight needs, not passenger.[vi]

Selected study text concerning RR Capacity through Bellingham

WSDOT, *Statewide Rail Capacity and System Needs Study*, Task 3 -Rail Capacity Needs and Constraints – Technical Memorandum, July 2006

Page 14:

Between Burlington and Ferndale, capacity is limited to 14.4 TPD by the running time between the Bow and Ferndale sidings. The intervening South Bellingham siding does not accommodate the typical train length on the line.

Page 15:

Burlington-Ferndale
The capacity between Bow and Ferndale sidings is 14.4 trains per day. If the South Bellingham siding is lengthened to accommodate the long trains that use this line, capacity can be increased to roughly twice that number.

Page A-8:

Bow-Swift

The capacity of this segment is 14.4 trains per day, affected by the running time between the sidings at Bow and Ferndale. The South Bellingham siding is generally too short to accommodate most of the trains that use this line. (See Figure 3.2, Location 25.)

Transit Safety Management, *Potential Local Direct Effects of Increased Coal Traffic On BNSF Railway Through Bellingham*, January 2012

Page 10:

Travel time for a freight train through the capacity-limiting segment between Bow and Ferndale is 48 minutes. That generates a theoretical capacity of 31 trains per day (24 hours / 0.8 hours), which is a practical capacity of 15 trains. Previous to the current economic downturn, normal traffic on the line would regularly reach 12 trains per day, including the four Amtrak trains. Thus, any expected increase in normal traffic, freight or passenger, would require additional infrastructure.

Page 14:

The study process expands upon the fundamentals that have been explained in this paper. In addition to development using these principles, simulation is extensively used in a process that establishes a proposed solution as effective and not excessive. BNSF can be expected to support any new business, including the proposed coal trains, with the minimum amount of effective investment.

BNSF has made no public announcement of how it intends to handle the additional traffic, nor what infrastructure must be constructed to support it. It appears likely from examination of the infrastructure proposed in the WSDOT Long Range Plan for Amtrak Cascades, that the infrastructure solution developed for increased coal train traffic will probably be similar.

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[i] Traffic has built slowly over the last 40-50 years and has reached, but not exceeded, similar peaks from time to time in recent years (previous one a result of NAFTA and the housing bubble).

[ii] The preferred solution is entirely within Bellingham, the only identified alternative requires two new sidings both of which include construction in Bellingham and unincorporated Whatcom County.

[iii] *POTENTIAL LOCAL DIRECT EFFECTS OF INCREASED COAL TRAIN TRAFFIC ON BNSF RAILWAY THROUGH BELLINGHAM*, Transit Safety Management, January 2012

[iv] December 2009 *Washington State 2010-2030 Freight Rail Plan*, Page 5-38

[v] Ibid, Page 5-30

[vi] Todd Carlson, NWR Planning Director WSDOT, in testimony to City Council July 2,2012
He provided an unambiguous statement that any new siding requirement would be driven by freight needs, not passenger. He expressed the opinion that "getting 4 trains to Vancouver BC is not going to happen in my lifetime" and noted the huge expenses required which BC has shown no inclination to fund on their side. He also noted that the plan was based on new 110mph trains and required other huge infrastructure expenses (which, for example, includes double track most of the way to Everett including a new Skagit River bridge and a separate passenger-only line tunneling under the Bellingham airport and running up along I-5 to Blaine).