January 7, 2013

GPT/BNSF Custer Spur EIS Co-Lead Agencies c/o CH2MHill

1100 112th Avenue NE, Suite 400

Bellevue, WA 98004

Subject: Draft EIS Scoping Comments related to rail access and bulk coal storage

Dear Mr. Randel Perry and Co-Lead Agencies,

We are property owners/residents located immediately adjacent to the Custer Spur and downwind from the proposed GPT site at Cherry Point. Please understand that we have real concerns and have "standing" in terms of being genuinely affected by the GPT project construction and operation. This letter offers two specific recommendations that should be included in the Alternatives Analysis and Draft EIS for the Gateway Pacific Terminal facility and the BNSF Custer Spur rail access.

CUSTER SPUR – ALTERNATIVE SLATER RD ROUTE:

The Draft EIS should include alternative rail access routes in lieu of the Custer Spur improvements. Although the Custer spur provides the convenience of an existing BNSF right-of-way it also has numerous shortcomings. A better rail access route would consist of a new rail spur following a corridor generally along Slater Road. The following is a summary of the advantages of a new rail spur instead of using the Custer spur;

1. A Slater Rd. rail spur alignment is only 9 miles in length (from Slater Rd and I-5) to GPT) whereas the Custer spur route is approximately 16 miles. Refer to the attached Exhibit illustrating a proposed rail spur route along the Slater Rd corridor. The new rail spur could be constructed at grades consistent with modern railroad design standards. For example the new rail spur could parallel an existing high voltage power line located just north of Slater Rd. that goes through essentially open agricultural fields for more than 3 miles. Then west of Elder Rd. it could swing to the south of Slater Rd. through undeveloped/forested land (Lummi Reservation) as it ascends the grade. Upon reaching Lake Terrell Rd. the alignment could go north through the refinery site and connect with the existing rail line near Unick Rd. The Slater Rd. rail spur would impact fewer

existing residential properties, have far fewer at-grade road crossings and other advantages as described in the following items.

2. The Custer spur passes through the heart of the Birch Bay Watershed – an environmentally sensitive area characterized in a 2007 study by ESA Adolfson. The Custer Spur has significantly more waterway/stream crossings than would a new spur in the Slater Rd. corridor. The Custer spur also passes through significantly more wetland areas than would a new spur paralleling Slater Rd. The Slater Rd. alignment is not within the Birch Bay Watershed and would have much lower environmental risk in the event of a mishap such as derailment or collision that spills chemical, oil, coal or fuel.
3. The Custer spur route puts significant additional load on two existing very old RR bridges in downtown Ferndale. One overcrossing at Main St. and another at the Nooksack River. The added GPT rail traffic will accelerate wear on the old bridges and would paralyze BNSF and GPT operations if either bridge were to fail or need to be replaced unexpectedly.
4. A new rail spur that branches off of the BNSF main tracks at Slater Rd. would eliminate the negative and unnecessary impact of train traffic through the communities of Ferndale and Custer and the commercial/industrial district at Grandview Rd and I-5. The Slater Rd. spur is a reasonable, economical and feasible alternative that eliminates all of the negative impacts that would occur to schools, residences, businesses, motorists, emergency services etc. in Ferndale, Custer and the numerous industrial and commercial enterprises along the I-5 frontage.
5. Although a new route going west at Slater Rd. will necessitate a new RR bridge crossing at the Nooksack River, a new bridge for the GPT rail traffic would virtually eliminate the risks associated with the old bridges in Ferndale as described in item 3 above.
6. A new rail spur would essentially eliminate the potential for conflicts with the refineries and aluminum plant. Operations of those facilities would be impacted by construction of the proposed Custer spur improvements. A separate rail spur for GPT would provide much more flexibility and greater reliability for that facility and not negatively impact the existing industries. Furthermore, if the Slater Rd. spur were a private rail spur, then GPT could operate essentially without BNSF constraints.
7. The Custer spur is essentially a "dead end road" – one way in and one way out. If a new rail spur is built from the south and connects into the south end of the Custer spur, a loop is created resulting in greater operational flexibility and reliability. It is possible that Intalco and the Conoco-Phillips refinery may find

that a new rail spur from the south would be beneficial to their operations and could offer an increased level of reliability and operational flexibility. Those industries may be willing to participate in the cost of a new Slater Rd. spur.

8. The Custer spur route would force trains to pass through at least 16 at-grade road crossings with a major roadway that is crossed twice per trip (e.g. Grandview Rd. SR548). Furthermore, the long coal trains would actually block 3 major roads simultaneously (e.g. Grandview, Bay and Kickerville). Inevitably, railway crossing gates will malfunction and the gates will be stuck in the down position- sometimes for hours. Such incidents will create major traffic backups.
9. The current proposal for improvements to the Custer Spur involving building a parallel track which will create a dangerous situation related to at-grade roadway/railway crossings. Where two rail tracks are used for trains that can travel in opposite directions, a deadly scenario occurs when a driver waits for a train to finish passing on the "near track" then proceeds (perhaps driving around the gates) only be struck by another train coming in the opposite direction on the far track and hidden from view by the first train. Crossings at Grandview and Bay Roads would most likely have that danger.
10. An existing high pressure natural gas pipeline parallels the Custer spur tracks. Building a new parallel track for GPT could inadvertently damage the existing gas pipeline and cause catastrophic explosions and fires. Construction damage to existing buried pipelines is not uncommon and often goes undetected for many years. A new rail spur along Slater Rd. would eliminate that risk.

GPT – COAL STORAGE, OPEN STOCKPILE VS. SHEDS

The EIS must offer an alternative that utilizes silos and sheds for all stockpiles and otherwise has no uncovered outdoor coal (or other bulk products) stockpiles. The added expense of protective structures will eliminate the unnecessary and costly consumption of potable water for dust suppression as currently proposed and should greatly reduce the level of contamination in storm water runoff. If a large shed structure can be built for potash handling then they can be built for coal stockpiles as well. Outdoor uncovered stockpiles (especially coal) will, with absolute certainty, be blown for miles in all directions and contaminate the adjacent marine waters, private and public land and the environment. The Draft EIS should include the cost and non-cost impacts of several "windblown coal dust incidents" from uncovered stockpiles during the operational life of the GPT facility. Costs related to such "incidents" would include environmental cleanup and remediation, litigation and claims, regulatory fines and penalties, public relations, facility shutdown etc. It is likely that only one "windblown coal dust incident" would be more costly than building the covered stockpile structures in the first place.

Thank you for considering the information presented herein. We believe the information and ideas we are offering are reasonable alternatives that are practical and feasible from a technical and economic standpoint would contribute to solutions for some of the issues that we know will be important for the successful implementation and operation of the GPT facility. We encourage you to include these in the Alternatives Analysis and Draft EIS documents.

Sincerely,

Jeff Voigt & Jennifer Sipma

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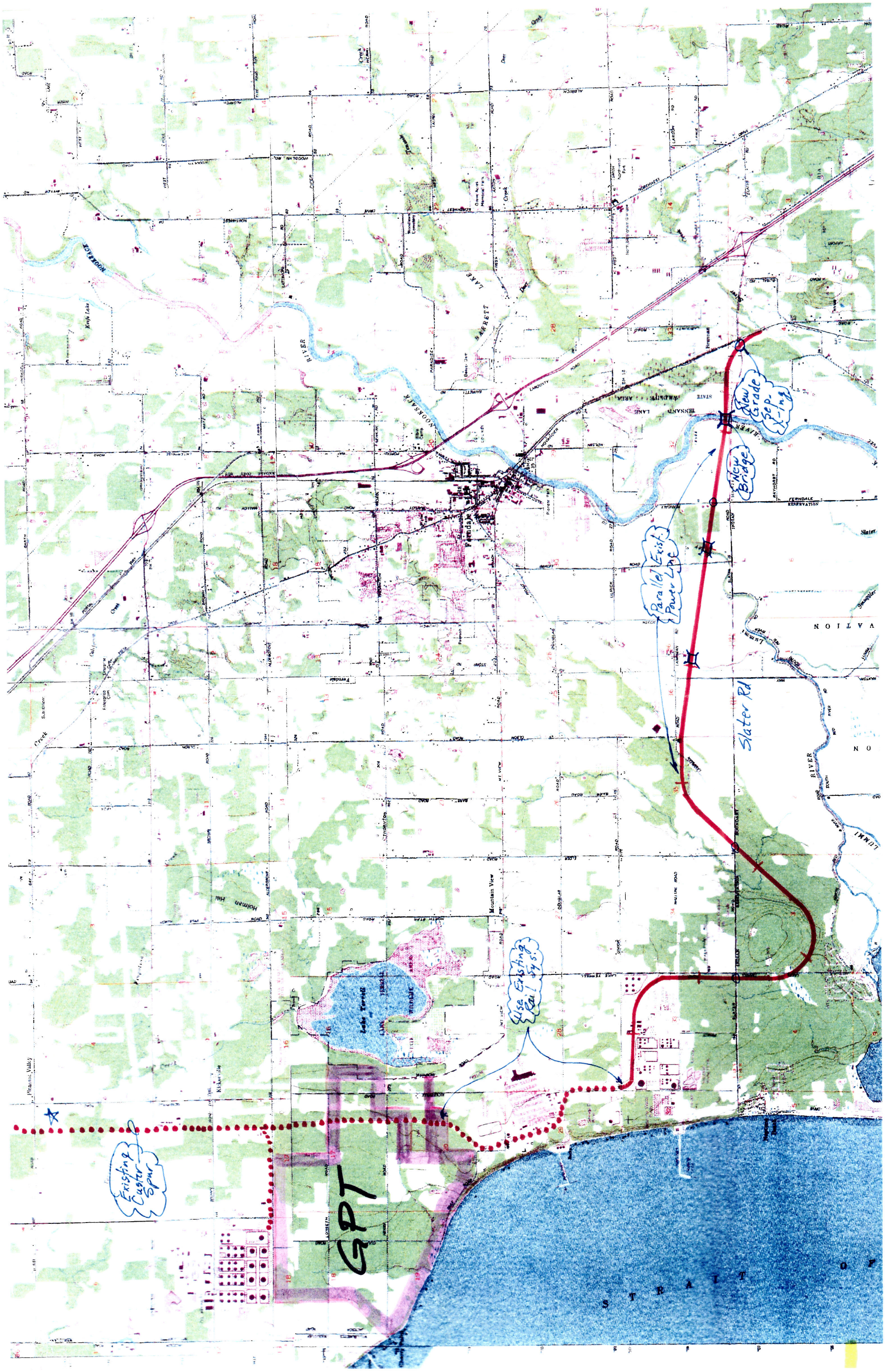
cc:

Gary Jensen, Mayor of Ferndale

Joe and Peggy Lupo, 7219 Kickerville Rd.



New Grade Sep-ing
New Bridge
Parallel Exist. Power Line
Slater Rd
Use Existing Rail Sys.
Existing Custer Spur
GPT
Ferndale
Holman Hill
Mountain View
Pleasant Valley
Kickerville
NOOKSACK
RIVER
BARRETT
LAKE
STRAIT OF