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DATE: January 11, 2013

TO: Ken Blodgett, Surface Transportation Board  
And  
EIS Co-leads, Gateway Pacific Terminal/BNSF Custer Spur

RE: EIS Scoping Comment  
Tongue River Railroad, Docket No. FD 30186 and  
Gateway Pacific Terminal/BNSF Custer Spur

Please reference the Tongue River Railroad comment of January 3, 2012, from Ted Sturdevant, Director of the Washington Department of Ecology, to Ray LaHood, Secretary of the U.S. Department of Transportation, and Ken Blodgett of the Surface Transportation Board. Protect Whatcom endorses that comment and, additionally, would note the following.

The Surface Transportation Board, in conducting yet another piecemeal EIS for the Tongue River Railroad, fails to address all significant adverse impacts of that proposal if that EIS fails to consider impacts beyond the Powder River Basin. As Dir. Sturdevant points out, Arch Coal – mine owner and rail co-owner – and other PRB mine owners have made clear their goal is to expand U.S. exports of coal to Asia. More specifically:

- Arch Coal is co-owner of Millennium Bulk Logistics, with Ambre Energy (38%/72%), the terminal proposed at Longview Washington; and
- Ambre is the proponent of the Port Westward Morrow Pacific Project at Boardman and St. Helens.

It seems obvious Arch Coal would ship through Millennium, and reasonably foreseeable it would be shipped through Port Westward. Additionally, Arch has contracts to ship coal through Kinder Morgan's Atlantic and Gulf Coast terminals and it is reasonable to assume that relationship would apply to the proposed Kinder Morgan Energy Partners Port Westward Project as well.

We recognize that the Kinder Morgan terminal is not in some stage of permitting, nor is Project Mainstay at Coos Bay. However, because of the linkage between the mines to be reached by the TRR expansion, and the commonality between that rail piece and the inevitable need for rail expansion in Oregon and Washington if proposed terminals are permitted, it is time to determine that a Programmatic EIS by the Surface Transportation Board must look at the cumulative effects of the common proposals from the PRB to the coast.

The commonality is beyond question. BNSF is the carrier – directly, indirectly, or through agreement – for all the coal that would travel to the coast. Its parent, Berkshire Hathaway, invested heavily in Goldman Sachs which, in turn, invested heavily in Arch Coal and SSA Marine. SSA Marine has a throughput agreement with Peabody Coal. Peabody and Arch account for the lion's share of mining in the PRB.

A PEIS that links currently proposed mining leases and expansions, rail proposals in the PRB, and terminals proposed in Oregon and Washington may be unprecedented, but the magnitude of proposals is unprecedented. Yet, none of the terminals in some stage of permitting discuss how the coal will arrive at the terminals. The GPT Project Information Document does talk about the number of trains required, but not how they would get there. The "map" of the rail "proposal" submitted by BNSF in conjunction with the GPT permit application (<http://www.eisgatewaypacificwa.gov/about/proposal-map>) is an insult to everyone who lives beyond the Custer Spur.

Table 1 Proposed Coal Terminals on the Columbia River				
Terminal Name	Millenium Bulk Logistics	Port Westward Morrow Pacific Project	Port Westward Project	
Proponent	Millenium Bulk Terminals, LLC (Subsidiary of Ambre Energy & Arch Coal)	Coyote Island Terminals, LLC (Subsidiary of Ambre Energy); Pacific Transloading (Ambre subsid., barge dock)	Kinder Morgan Energy Partners	Subtotals
Location	Longview, WA, On Columbia R.	Boardman, OR, Columbia R., barges to Port of St. Helens	Port of St. Helens, OR, Port Westward Indus.Pk.	
Coal Pile	Not discussed in JARPA	3 storage barns	Unknown	
Coal Vol.	44 mmta	8 mmta	30 mmta	82 mmta
Other Vol.	n.a.	n.a.	n.a.	
Mining Co.	Arch, Ambre (Cloud Peak sold its int. in Decker mine to Ambre)	Unknown	Unknown	
Rail/Day (going/coming)	14.5 Not discussed in JARPA <sup>2</sup>	2.6	9.9	27 min. <sup>1</sup> Going/coming

Table 2 All Proposed Coal Terminals, Oregon and Washington				
Terminal Name	Gateway Pacific	Port of Coos Bay "Project Mainstay"		
Proponent	Pacific Int'l Term. (Subsidiary, SSA Marine; Goldman Sachs 49% owner)	Port in Partnership with Mitsui & Co. (USA) and Metro Ports (Subsidiary, Nautilus Int'l Holding Corp.)	Columbia River Subtotals (See Table 1)	Totals
Location	Cherry Pt., WA	Coos Bay, OR		
Coal Pile	80 ac. X 60' H, Uncovered			
Coal Vol.	48 mmta	11 mmta	82 mmta	141 mmta
Other Vol.	6 mmta other <sup>2</sup>			
Mining Co.	Peabody			
Rail/Day (going/coming)	16 BNSF	3.6 Coos Bay Rail Link + Main Line	27	47 min. <sup>3</sup> Going/coming

The U.S. exported 110 mmt of coal in 2011 to all destinations. Current proposals would more than double that number, with up to 141 mmta potentially following a single east-west loop to the coast, through the Columbia River Gorge, bound for markets in Asia. This would require 47 trains per day going and coming *if* each were 1.6 miles long. All of the impacts of rail addressed in both records for the TRR and GPT/BNSF are related and potentially enormous, requiring condemnations, displacement of certain populations, and grade changes at crossings. Given the volatility of Asian demand and the world supply of coal, however, we do not know how long the currently unprecedented demand for our coal will last.

The federal government – through the Bureau of Land Management, the Surface Transportation Board, and the Corps of Engineers – simply cannot continue to take a piecemeal approach to EIS's related to mining PRB coal and transporting it to proposed terminals on the west coast. The proponents, in touting the combined "benefits" of the proposals through their lobbying organization, Alliance for Northwest Jobs and Exports (<http://createnwjobs.com/learn-more/proposed-projects>), makes a mockery of a process that refuses to consider impacts "cumulative" until projects are permitted. The paradox is that while politicians' heads swoon at the prospect of the combined jobs and tax revenues, there is never a comprehensive analysis of the cumulative costs to the environment, human health, transportation infrastructure, and our economies.

<sup>1</sup> Rate applied: .33 trains/1 mmta *if* all trains are 1.6 miles long.

<sup>2</sup> Stage 2, after 10 years, if market conditions warrant, at second terminal. Initially, calcined coke, a byproduct of BP Cherry Point operations., and Canadian potash. Other commodities later could include wheat, wood chips, and sulfur.

<sup>3</sup> If any trains are less than 1.6 miles long, this number will be higher.

We call on the federal government to conduct a Programmatic EIS that considers, for rail impacts, the cumulative significant adverse impacts directly and indirectly related to mining coal in the Powder River Basin, and transporting that coal by rail to proposed terminals on the west coast. We ask that a preliminary rail PEIS determine, if all “proposed” terminals (as defined by proponents, and not based on the legal term of art) were permitted and operating at peak capacity, exactly how and by which routes the coal would be transported. It is only with that information that the public can comment in any meaningful way on significant adverse impacts, alternatives, and mitigations.

Thank you very much for your attention and your consideration of this comment.

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