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**Environmental Impact of the Gateway Pacific Terminal/Custer Spur**

At least seven issues must be considered if a balanced, accurate and equitable assessment for the environmental impact of the Gateway Pacific Terminal and the Custer Spur is to be made.

The first is a list of exactly what jobs will be created and which of those jobs will be given to residents of Whatcom County.

- As an engineer and manager of programs that had multi-million dollar budgets, I found that it was often necessary to import specialized talent during the start-up phase because jobs required individuals with specific skills that were not locally available. This is particularly true for high volume material handling operations where safety and environmental issues are overriding concerns.
- In addition, the assessment must include loss of productivity in the greater community caused by disruptions in supply chains due to increased demand for materials causing residents and businesses to seek more distant sources for their basic need. Cost of materials will increase if supply is limited. One has only to look at the gas lines at Costco and the number of Canadians who buy gas there to understand why the price of gasoline is higher in Whatcom County than in most other parts of the U.S even though there are two refineries in our back yard.
- The assessment must also evaluate loss of productivity caused by port activities, railroad activities, etc. For example, I have sat at the Grandview Crossing just south of the Custer Spur for up to twenty-five minutes while coal trains pass at speeds ranging from 5 to 25 miles per hour. I have counted the number of vehicles on either side of the track and found that during the past year there is an average of about twenty vehicles on either side of the track after a coal train has passed. There will be two hundred minutes of lost productivity with each train if it is assumed that one half of the vehicles are at the crossing for about ten minutes. If twenty trains pass through each day, there will be a loss of approximately 4000 minutes of productivity resulting just from coal trains. There are 480 minutes in the average work day. Therefore 8.3 jobs would have to be created in order to offset loss of productivity caused by rail traffic at just the Grandview crossing. In addition to the mainline Grandview crossing, the Grandview Road is a major feeder route where there is a second crossing for trains from the Custer Spur just to the east of the BP refinery. There are in addition at least ten other railroad crossings on major thoroughfares in Whatcom County where vehicle traffic will be disrupted by railroad traffic. Therefore 99.6 permanent full time jobs would have to be created just to offset loss of productivity caused by rail transport of coal.

- Loss of productivity caused by disruption in ship and boat traffic through the Georgia Straits enroute to the Gateway Pacific Terminal must also be considered.
- The bottom line is that, with this very conservative estimate, the seventy full-time jobs at the Gateway Pacific Terminal is not a valid justification for locating the terminal in Whatcom County.

The second issue is infrastructure costs and cost for other services that Whatcom County residents will be expected to pay if the terminal is built.

- In order to mitigate the cost of lost productivity caused by rail traffic it will be necessary to build over or under passes where there are railroad crossings along major thoroughfares. The Burlington Northern Railroad has been reported to have stated that they will only cover five percent of the cost for each over or under pass. Citizens of Whatcom County will be expected to pick up the rest of the tab. Millions of dollars in additional taxes will therefore be required.
- There are inevitably increased requirements for law enforcement when a transient labor force is imported for large scale construction projects. One need only look at the issues in Alaska when the Alyeska pipeline and the Valdez oil terminal were being constructed. Again additional taxes will be necessary to pay for law enforcement.
- The list of added requirements for tax revenue could go on ad nauseum. However, the bottom line is that it is unlikely that taxes paid by the Gateway Pacific Terminal operator will cover the total bill. Therefore, what tax benefit will taxpayers in Whatcom County receive if the terminal is built?

The third issue is pollution and contamination of the environment that will be caused by coal loading operations.

- I started my career as a Mine Engineer at a bauxite mine. I ended my career with a Doctorate in a specialize branch of nuclear physics that deals with effects of nuclear fallout from weapons testing, contamination events at nuclear power plants and other causes in the environment of radiation exposure. Coal like bauxite tends to form very small particles when crushed together on a moving conveyor. These particles are easily suspended in air that will not settle out until there is rain. The particles are therefore dispersed by the wind. Bauxite can be transported on a closed conveyor; however, coal cannot be transported on an enclosed system because of the explosion danger when coal dust buildup is ignited. I live on Whitehorn Point about one mile northwest of the site the proposed Gateway Pacific Terminal. I am therefore concerned about damage caused by coal dust accumulation and decreased property values that may result.
- My family has lived on Whitehorn Point since before the BP (then ARCO) refinery was built. We were told that there would be no contamination issues from the crude oil unloading facility at the refinery. However, even though there is no contamination we are told not to take shell fish or crabs from beach extending from the tip of Whitehorn Point, south to the crude oil unloading facility.
- In addition, a treated sewage pipe line was put in by Birch Bay Water and Sewer, which discharges effluent one quarter of a mile off the tip of Whitehorn Point, again with the assurance there would be no adverse health effects. Pathogens

associated with fecal contamination have become a common occurrence in Birch Bay, particularly during the summer months.

- So far those of us who live on Whitehorn Point are battling a negative one hundred percent with Environmental Impact assessments.

Transportation is another concern since the main rail line from Everett to Bellingham is frequently closed because of mud slides along the track.

- What impact will track closures have on AMTRAC passenger service?
- What added freight traffic will there be on I5 when the railroad tracks are blocked?
- Will Gateway Pacific Terminal operations create a need to widen I5 and how will that impact be assessed?

Another concern is global contamination that is reported to be associated with climate change.

- While I believe global warming is a naturally occurring cyclical event, I also know that stack effluents from coal burned in China and India, the final destination for much of the coal to be shipped from the Gateway Pacific Terminal, will have a global impact. There has been a concerted effort here in the United States to limit the use of coal to fuel our industry. One has to ask why we are willing to facilitate the use of coal to fuel Chinese industry. As the Winter Manager of the Amundsen Scott South Pole Station operated by the National Science Foundation on behalf of the United States, where atmospheric ozone depletion is being studied, I gained an appreciation for the impact of globally transported contamination.

Justification for coal mining in general must also be considered during assessment of the need for the Gateway Pacific Terminal.

- Much of the coal that is mined in Idaho, Montana, Wyoming, Utah, Colorado and the Dakotas is on land that was given to the railroads as a reward upon completion of transcontinental railroads. The purpose for this grant of land, that is every other section for ten miles on either side of the tracks, was to encourage development of the Western United States. In addition, some of the coal is mined from leases on land managed by the U.S. Bureau of Land Management. Those leases were generally granted to companies who sold the coal to fuel generation of electricity.
- One has to question the wisdom of sending a resource to fuel development of Chinese industry when we should be rebuilding our own industrial output. If the unions want jobs, why are they supporting increased jobs in China at the expense of U.S. workers?
- Does sending coal to China comply with the spirit and intent of Congress when land grants were made and leases on federal lands were granted?

The Environmental Impact assessment that is being prepared must take into consideration motivation as well as cost and benefit for each of the stake holders.

- The citizens of Whatcom County must have a primary and major role in any decisions that are made with regards to the Gateway Pacific Terminal. We live

here, it is our quality of life that will be impacted, and we will have to live with the results of any environmental impacts that occur well in to the future.

- The labor unions are only interested in the welfare of their members and, like any other business, the revenue that dues provide to build their business. Labor unions are notorious for overlooking environmental issues unless there are specific benefits for their organizations. One has only to look at the mine unions in Butte, Montana and the Coeur de Alene, Idaho mining districts to understand this.
- The Bellingham Chamber of Commerce only represents a fraction of businesses in Whatcom County. It is interesting to note the circus performance at the County Court House facilitated by the Chamber of Commerce, Tuesday morning of this week to understand this. It did not go unnoticed that our County Executive, Jack Louws, avoided the performance with good reason.
- Whatcom County entities salivate at additional tax revenues that the Gateway Pacific Terminal might generate and the potential to increase the size of their various entities. However, they are short sighted because demands for new taxes to support additional infrastructure and services will be necessary if the Gateway Pacific Terminal is built. Tax revenue from operations at the Gateway Pacific Terminal will not come close to covering the additional revenue that will be required.
- The railroads clearly want the revenue that the coal trains will generate. The railroads may pay some taxes, but like the Gateway Pacific Terminal, railroad operations in Whatcom County will not come close to paying for the added infrastructure and services that the railroad operations will require.
- Like the railroads, shipping companies are only interested in revenue generated by transporting coal. These companies give lip service to the environmental impact of invading species of marine organisms that they transport on their hulls and in their bilges, the impact of their interference on other commercial marine activities, the erosional impact of their ships wake on land masses in the Georgia Straits, and impact on recreational activities.
- Coal mining companies can only exist if they make a profit. In order to make a profit, the coal mining companies must have a market. However, that market must exist on a level field of play. China has a history of ignoring international environmental issues. Rather, China has been willing to become an economic super power at any cost without regards for the welfare of their neighbors, of whom we are one. In addition, China is taking jobs away from our workers by stealing our technology and counterfeiting our products while China pollutes our environment. The coal companies should consider investing in research and development to facilitate growth of U.S. businesses by developing processes for burning coal that will not contaminate. However, until we level the playing field by requiring our trading partners to comply with internationally established environmental standards, the coal companies have no vested interest this kind of research and development.

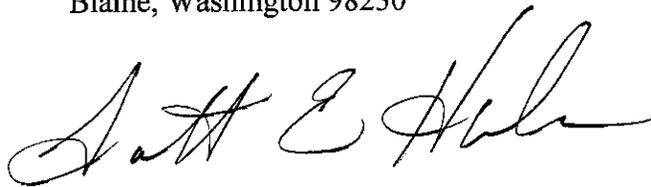
In conclusion, the seven issues that I have listed must be evaluated during the Environmental Impact assessment that is being undertaken prior to construction of the Gateway Pacific Terminal. These include;

- A factual evaluation of loss of productivity related to any job creation.
- Cost for infrastructure and added services as related to tax revenues.
- Effects of environmental pollution and contamination.
- Overall effects on transportation between Everett and Bellingham.
- Issues related to global climate change.
- Original intent of the U.S. Congress when granting land to the railroad companies and providing for mineral leases on public lands.
- Stake holder motivation and the related costs and benefits.

I was particularly interested in the front page story in this week's Bellingham Harold orchestrated by the Bellingham Chamber of Commerce boasting about ten thousand unverified signatures supporting development of the Gateway Pacific Terminal after a coalition of stake holders favoring development went to court to force removal of an advisory initiative requested by citizens from the November Ballot. Had the initiative proceeded I suspect there would have been a two to one majority in favor of not building the Gateway Pacific Terminal.

Thank you for your consideration.

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A handwritten signature in black ink, appearing to read "Scott E. Hulse". The signature is written in a cursive, flowing style with a large initial "S".