

I recently needed a cushion for a day bed in my home on Orcas Island. A friend guided me to a small shop in Seattle that makes cushions. I went in and spent nearly an hour there figuring out size, color and other options. During my visit, I talked with the workers in the shop and learned that most of their work involves making cushions for boats, particularly recreational small craft used throughout the Pacific Northwest.

As I ponder the jobs issues raised by the proposed Gateway Pacific Terminal at Cherry Point near Bellingham, I thought of this small business in Seattle and what might happen to the jobs of the workers there. With 950 transits through the San Juan Islands by huge Cape-sized coal tankers every year, along with all the other tanker/freighter/barge vessels in the narrow shipping lanes, it is reasonable to worry that recreational boaters may begin to find the waters of the Salish Sea are inhospitable.

Washington State has one recreational powerboat or sailboat for every five people. There are numerous marina's throughout the Puget Sound that provide jobs to a wide range of residents, from mechanics and boat repair to boat supplies/fuel. Our state is home to boat manufacturers as well.

While I would not argue that the answer to high unemployment is the recreational boating industry, it's an example of just one sector of many that likely will lose jobs if the coal terminal/tanker project proceeds.

I would urge scoping of the economic impact of the coal terminal in the broadest sense. Not only should the jobs created by the terminal be calculated, as well as those temporary/short term construction jobs, but also there should be quantification of the many economic sectors and geographic areas that stand to LOSE jobs due to the coal terminal/trains/tankers and their possible impacts.

As Alexander Gillespie notes in "Scoping Suggestions for the Risk of Accidents Associated with Vessel Traffic," employment impacts are clearly part of the 'human environment' that section 102 of the NEPA requires to be examined. He states: "In this regard, although there is an expectation that issues of cost will be considered through processes outside of NEPA, good practice within the application of the NEPA means that it should also be included. This ambiguity to include economic considerations within the NEPA assessment is not present within the SEPA. Within the SEPA, the requirement 'that presently unquantified environmental amenities and values will be given appropriate consideration in decision making along with economic ... considerations' is explicit. This requirement is particularly so because it overlaps with the other requirement of the Legislature for an examination of impacts which have a 'relationship between local short-term uses of the environment and the maintenance and enhancement of long-term productivity'."

The Pacific Northwest is home to many thousands of jobs that depend on our marine waters. The commercial fishing sector provides for about 10,000 jobs in the

Greater Seattle area alone and accounts for gross annual sales of more than \$3.5 billion. (see International Center of Maritime Industries overview of Seattle's maritime industry). Salmon, pollock, cod, halibut, and crab fisheries all create jobs in our area that might be jeopardized by the negative impacts of coal tankers going through these same waters.

Annual fish harvests in the waters of the North Pacific top five billion pounds, which represents half of all seafood landed each year in the U.S. Consider these facts from the ICMI:

- The Washington State fishing industry catches more fish annual than any other state;

- Washington State purchases and processes more fish annually than any other state;

- Washington State exports more fisheries products, in value and weight, than all other states combined;

- More American fishing vessels of over 85 feet are registered in Washington than any other state.

- The at-sea processing fleet, based in Washington State, has an annual seafood production of more than \$1 billion, more than half of which is exported; and

- Fish processing is Washington State's second most important food processing industry, behind apples, in terms of economic impact and job creation.

Just in this broad sector of fishing, there are large numbers of jobs in related industries. Workers in Washington State and throughout the entire country provide mechanical equipment that goes into fish harvesting and processing. Someone mines the metal that goes into the container for the canned salmon and someone manufactures that metal as well as the packaging for that smoked salmon. Accountants keep the books for the thousands of individuals and companies involved in Washington's fishing industry. Lawyers, too, are part of this \$3.5 billion industry. Someone makes the fishing nets, someone repairs them. Someone makes the deck machinery and the electronics for our fishing fleets.

No one knows for sure how all these jobs would be affected should the fishing industry be impacted negatively by the coal terminal/coal tanker project now under consideration. Certainly many jobs would be lost if there was a catastrophic collision or marine accident that resulted in a harmful oil/coal spill in our waters. The negative impact on particular marine species through introduction of invasive species from coal tanker ballast discharge likely will cost jobs in Washington State. Coal dust from the 80-100 acres of open coal heaps in proximity to the Cherry Point Aquatic Reserve certainly threatens the herring that are a keystone species that provide food for many other fish and marine species.

More worrisome is the likelihood of a catastrophic accident involving a coal tanker that results in a massive oil spill that permanently destroys the beauty and pristine nature of our islands and seas in Washington State. What would happen to

the restaurants on Orcas and other islands that employ many Washington residents? Or the hotels, campgrounds, bed-and-breakfast lodgings and similar tourist businesses that create jobs throughout our area? What might happen to those whose jobs in the construction industry on Orcas and throughout the San Juan's who would lose their jobs after an oil/coal spill makes it unattractive for people to want to buy land and build homes here? How many jobs would be lost in the real estate sector as a result?

What about the jobs in the timber industry that could be harmed by insects and other organism introduced by coal tankers carrying them from Asia to the Pacific Northwest where our forests are already being harmed by the Asian long-horned beetle and the emerald ash borer. Imagine the impact of the introduction of insects that could destroy Douglas fir trees on which Washington State jobs depend heavily.

In addition, we need to study the impact of large numbers of coal trains disrupting local commerce in the many towns and cities along the route from Wyoming through to Bellingham. Transporting the coal via rail from the Powder River Basin will result in dramatically increased rail traffic. Reportedly, the terminal will see the addition of about 30 miles of coal trains daily to the BNSF rail line that runs along the Puget Sound coast (see Coal Train Facts).

SSA has said there will be about 16-18 coal train trips per day added to already crowded rail routes should the Gateway Pacific terminal be approved. Between Everett and the coal terminal, there would be 30 or more trains each day. Each coal train is estimated to be about a mile and a half in length and would have about 125 to 150 cars. There's no limit to the number of coal trains that are possible under current rules. Each train would require four or five locomotives because each coal car weighs an average of 143 tons loaded. Some locations along the route are single-track, which will mean other freight and passenger trains will be sidetracked due to the increased coal train traffic.

It is clear that many local businesses would be impacted by transportation blockages that this expansion of coal trains would mean for towns along the route. There will be frequent periods through the day and night when traffic will be gridlocked as trucks and cars will be blocked awaiting the mile and a half long coal trains to pass through. The carpet installer on his/her way to a home for a job will be held up, as will the plumber and the bakery delivery truck.

Much of the economic life of the cities/towns along the coal train route will be disrupted every day. Some of this disruption will be serious. The ambulance, for example, might be held up by a coal train and the police or fire first-responders might be stopped at the rail crossing when needed by a local family. In addition, even where the rail traffic doesn't result in actual job losses, there is still an economic cost and disruption as, for example, the elementary school teacher who is late to class due to a blocked rail crossing or the dentist who sits idle because her patient is sitting at a crossing late instead of in the dental chair at appointment time.

Other local businesses along the rail tracks likely will be impacted by the noise, vibration, and diesel fumes from the expansion of coal train traffic. In addition to job losses at local stores and restaurants, there also will be lost opportunity costs involving new businesses that avoid these areas and perhaps the State entirely.

With the likelihood of many thousands of jobs lost as a result of the approval of the coal terminal and all that could mean in potential upheaval and disruption, it is true that some jobs will be created. The Bellingham Herald reported in May 2011 that 89 full-time jobs will be created at the coal terminal by the end of first-phase construction and, if demand for coal exports were to continue, the number of jobs created could grow to 160 by 2017 and to 213 by 2026. Proponents of the coal terminal commissioned a study by Martin Associates that was also reviewed by three economists and it found that there would be about 430 “direct jobs” created if this project is approved. This includes jobs for rail workers, longshore workers, tug and ship pilots, etc. Obviously, if this jobs figure proves to be correct, there will be some additional jobs created as “indirect jobs.”

But overall, it seems clear that the number of jobs that could be lost due to the factors above will far exceed the number that will be created. In addition, there is an issue of equity involved. So many of the risks and the costs involved with the Gateway Pacific Terminal will be born by workers who are residents of areas that get no benefit from the project.

Another consideration must be the reality that the coal exported to China will be firing electric generation needed to power factories that, in turn, ship back products to the U.S. that displace those made here.

The U.S. had a trade deficit with China in 2011 of \$282 billion. It is expected that last year’s deficit with China will be even great and set a new record. No one would argue against fair and balanced trade with China, but it does seem clear that the current trade pattern is costing American millions of jobs. Goods and products once made in the USA are now made in China by workers who have few labor rights, earn extremely low pay, and work horribly long hours often in dangerous conditions. The Economic Policy Institute in 2010 reported that between 2001 and 2008 the U.S. lost 2.4 million jobs to unfair trade with China.

While this is a serious policy issue separate from whether or not the Gateway Pacific Terminal goes forward, I do believe it provides a backdrop that should inform decision-makers involved in the permit process.