



SafeGuard the South Fork

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GPT/Custer Spur EIS
c/o CH2M Hill
via Electronic Transmission: comments@eisgatewaypacificwa.gov

RE: Comment: Alternatives

Dear Agency Co-Leads:

SafeGuard the South Fork [SGSF] would like to thank the Washington State Department of Ecology, Army Corp of Engineers, and Whatcom County for committing themselves to a thorough analysis of the Gateway Pacific Terminal (GPT) and related impacts under the State Environmental Policy Act (SEPA) and National Environmental Policy Act [NEPA]. SGSF is a grassroots group working to shape the public policies that affect the quality of life and agricultural safety in the South Fork Valley and neighboring communities. SGSF is located in Whatcom County and recognized as a Washington state not-for-profit.

The Purpose and Needs requirement in Pacific International Terminals [PIT's] permit application for GPT serves as the cornerstone for conducting an EIS that appropriately and adequately considers a range of reasonable alternatives that could meet the needs of the proposed project with less negative economic, social, and environmental consequences. The statement of *purpose* for the proposed action serves as a decision factor for considering other reasonable alternatives, while the defined *needs* describes what is wanted and is being claimed to be attained by the purpose and the proposed project. The purpose and needs statements are not synonymous.

Pacific International Terminal's Stated Purpose for GPT

In the 2012 Project Information Document [PID], Pacific International Terminals [PIT] defines the purpose of the proposed GPT project:

To develop and successfully operate a multimodal marine terminal, including a deep-draft wharf with access trestle and other associated upland facilities, for export and import of multiple dry bulk commodities (“multimodal deep-water bulk terminal”) within the Cherry Point Industrial UGA to meet international and domestic demand. Development and operation of this Terminal furthers Pacific International Terminals, Inc.'s, business interests as an international, multimodal terminal developer and operator.

PIT goes on to claim without adequate support, that “while achieving this purpose, the Gateway Pacific Terminal would further advance the economic development and environmental protection goals of the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA* and the WDNR-designated Cherry Point Aquatic Reserve.”

While PIT's interests toward limiting the scope of the EIS to the narrowly defined project site/area in the PID are well known, NEPA and SEPA require that impacts further removed in time and distance must also be considered. According to Washington Administrative Code, “a lead agency shall not limit its consideration of a proposal's impacts only to those aspects within its jurisdiction, including local or state boundaries” (sec. 197-11-060(4)(b)). Furthermore, guidance by NOAA related to the purpose and needs section of an EIS recommends that when assessing the *purpose* of a project, the *purpose* should not be so narrowly defined or too broadly

stated that it limits the range of examined alternatives that could reasonably meet the underlying *needs* justifying the economic and ecological costs of the project.¹

A related issue is PIT's narrow consideration of its purpose in the limited context of the economic and environmental protection goals of the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA* and the WDNR-designated Cherry Point Aquatic reserve. In order for the agency to justify the economic and environmental risks associated with the proposed action, the EIS must consider additional local, state, and national economic development and environmental protection goals and strategies – aspects which should also be considered in assessing the *purpose* of the proposed project. Numerous local, state, and national reports further examine strategic goals and objectives addressing potentials and challenges to American regions aiming for growth and success in the worldwide economy much more thoroughly than the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA* considered in narrow isolation by PIT. A few such reports include:

- *Whatcom County's Comprehensive Economic Development Strategy (CEDS)*, Northwest Economic Council (2003);
- *The Washington Innovation Economy*, Washington Economic Development Commission (2009);
- *Washington's Green Economy: A Strategic Framework*, Washington State Department of Community, Trade & Economic Development (2009);
- *The Harvard Project on American Indian Economic Development*;
- *The Economic and Fiscal Impacts of Native American Tribes in Washington*, Taylor Policy Group (2012); and
- *Strategy for American Innovation*, President Obama and the White House (2011).

Local, state, and national reports such as these are relevant to accessing the claimed purpose and needs for GPT, because they more inform the social, economic, and ecological scope of what related impacts should be analyzed and studied in the EIS.

In the specific case of *Whatcom County's Comprehensive Economic Development Strategy [CEDS]*, opportunities for economic development in Whatcom County have been identified to be: locally produced or manufactured products, sector growth for existing smaller companies, opportunities in tourism/recreation, value-added natural resources, and emphasizing business retention/expansion (VI-2). The overall CEDS organizational vision for Whatcom County is defined as meeting “the needs of the current generation in Whatcom County, while not compromising the ability of future generations to meet their own needs.” In regards to Sustainable Development and Uses of Natural Resources, the report states:

Greater Whatcom has some of the most unique and diverse natural assets in the state of Washington: Mt. Baker and the North Cascade Mountains, over 100,000 acres of agricultural lands, sixteen lakes, almost 900,000 acres of national forest, over 100 miles of marine shoreline, and 3,000 miles of waterways. Community connection to these natural assets can help to enhance economic vitality. Whatcom County's challenges include providing water availability for multiple uses, retaining productive farmland, and protecting critical areas without undue regulatory burdens. One of our key opportunities is to forge a balance between environmental quality and economic development. Sustainable development and growth must be done in a way that protects our natural resources and environment. (VI-3)

Identified threats by CEDS to these economic opportunities include a lack of [local] leadership, the energy crisis, water rights issues, and identity issues – the need to create a vision of “what are we?” – all of which must be considered in evaluating if the purpose for GPT is justified by the needs stated in the EIS or if reasonable alternatives are to be considered.

The goal for ongoing regional sustainability in Whatcom County is likewise compatible with similar economic development strategy reports at the state and national level, like those listed above. While each of these reports approaches preferred economic futures in their own way, they nearly all agree that emerging growth sectors include clean energy technologies, green and global health, and value-added agricultural products and natural

¹ Guidance Related to the Purpose and Needs Section of an EIS, NOAA. 2008.

resources; in other words, the greening of the existing economy through the development of new products, techniques, and services that promote environmental protection and/or energy security. Compatible to these findings, the US Economic Development Administration [EDA] promotes prioritizing existing regional competitive strengths in ways that facilitate collaboration among urban, rural, and tribal communities. The EDA encourages projects that enhance environmental quality and green products, processes, and places, declaring that “investments in environmentally-sustainable economic development are essential to improving our Nation’s competitiveness.”²

Also relevant, the context of PIT’s stated *purpose* for GPT is the broad definition of exporting and importing “multiple dry bulk commodities.” However, these “multiple dry bulk commodities” should be more precisely defined as Powder River Basin coal from Montana. The PID states that the coal terminal would be built in Stage 1 and a second, “other commodities” terminal (initially shipping Canadian potash and calcined coke) would be built in Stage 2, after at least ten years, if market conditions warrant. Therefore, the only multiple dry bulk commodities that define the purpose for GPT – as proposed by PIT in the 2012 permit application – is coal. An additional point of deviation from the stated purpose of the project, in comparison to the actually proposed project, is that there is no discussion by PIT in the 2012 PID towards any import plans whatsoever, aside from PIT stating that changes in infrastructure would be necessary to change from an export to an import operation.

Furthermore, PIT’s claim that GPT “would further advance the ... environmental protection goals of the WDNR-designated Cherry Point Aquatic Reserve” is inaccurate. The construction and operation of a coal export terminal within the bounds of the Cherry Point Aquatic Reserve would not advance environmental protection goals, as compared to the current situation of no development. Therefore, this statement should be removed from the PIT’s stated purpose for GPT.

When considering the Purpose and Needs requirement in the EIS for GPT, SGSF asks that you consider:

- local, state, and national economic and environmental strategy beyond designations in the *Whatcom Comprehensive Plan’s Cherry Point Industrial UGA* to assess the proposed purpose for GPT and reasonable alternatives;
- a more representative *purpose* for GPT in the context of commodities proposed in the permit application and possible impacts to the Cherry Point Aquatic Reserve to appropriately assess the *needs* and reasonable alternatives for meeting these needs.

PIT’s Stated Needs Purported for GPT

PIT defines three principal needs as the basis for evaluating the purpose of the project:

1. The need to ship bulk cargo to and from Asia and other markets to meet current and future market demand;
2. The need for deep-water, bulk marine terminals in the Puget Sound region; and
3. The need for community and economic development in Whatcom County consistent with the *Whatcom Comprehensive Plan’s Cherry Point Industrial UGA*.

1. The need to ship bulk cargo to and from Asia and other markets to meet current and future market demand

PIT cites that “economic growth and improvement in the quality of life and life expectancy in Asia and across the region have created large demands for a wide range of commodities, and the demand is predicted to remain high for the long term (Leow and Salamat 2010).” However, GPT, as proposed, would only address current and projected future market demands for “a wide range of commodities.” Rather, GPT will only meet volatile demands for coal in Asia, and eventually possibly potash and

² Investment Opportunities: Economic Development Administration. 2012.
<<http://www.eda.gov/investmentPriorities.htm>>

calcined coke. While GPT mentions wheat and grain in their permit application, wheat and grain growers project that increased demands in these exports is not likely to occur due to supply limits. If access to supply were to improve, northwest growers appear to have adequate port capacity.³ According to the *Pacific Northwest Marine Cargo Forecast Update and Rail Capacity Assessment*, “the new EGT elevator in Longview and expansion projects planned or under way in Portland, Vancouver, and Kalama will provide most of the capacity needed to absorb the forecast growth in these areas.”⁴ Furthermore, GPT, as proposed, is a coal export terminal.

In the EIS evaluation of Purpose and Needs, please consider: a) what range of commodities will be most in demand for US export?, and, b) what the most strategic way is for Whatcom County and Washington State to benefit from this demand?

International reports documenting the global shift to soft commodities opportunities communicate that economic growth in the developing world is driving an enormous opportunity for the agri-food sector. It’s projected that agricultural exports could more than triple in the next 30 years.⁵ Matt Tripodi, trade relations manager with Euromonitor International, said the U.S. as a whole has a reputation for its care in growing and handling of food. Headlines about contaminated food in China have coincided with spikes in U.S. exports of those products. Tripodi maintains, “[w]e have a lot of high-quality, even superior products. They’re looking outside their borders for safer food.” Where people are starting to have money, Tripodi said, barriers are going to break down and countries will establish more preferred trade agreements and free trade agreements for meat, produce, fish, and wine.

The agri-food sector comprises of production and harvesting, food and beverage processing, packaging and transporting to markets, marketing to customers, agri and food tourism, and ancillary businesses such as technology, equipment, fencing, etc.) The sector involves private businesses and government entities; it includes education providers, research organizations, trade unions, industry associations, border protection, sustainable environmental advocates, urban, tribal, and rural communities.

Washington state, and more specifically Whatcom County, is particularly positioned to develop a strategy to lead the agri-food sector. Globally, little or no new land and water is coming into agricultural production and some is being withdrawn or negatively impacted due to drought and water shortage. The Pacific Northwest is favorable to agriculture because of its geography and climate. There is adequate water, and we have a reputation for a diverse range of products and quality, safe food. Locally, there is a lot of movement towards improvement food production, processing, and distribution networks, which includes local organizations in Whatcom County such as the Northwest Agriculture Business Center, Cloud Mountain Farm Center, Sustainable Connections, Growing Washington, numerous farming cooperatives, farmer’s markets, co-ops, and community-supported-agriculture programs. In addition, fishing, crabbing, and aquaculture contribute greatly to our local and state economies and are an essential part of our place-based heritage. These agri-sector networks extend throughout our state and the bioregion of the Pacific Northwest.

SGSF asks that the EIS consider how the proposed GPT and associated social, economic, and ecological impacts present a conflicting use for existing and emerging opportunities for Washington state to meet current and future market demands in the agri-food sector.

Conflicting Use: Rail Capacity

Based on Washington State Department of Transportation (WSDOT) studies, it is well documented that the rail line running along the I-5 corridor from Everett to the Canadian border is near or at practical capacity. The expected 16 (8 coal carrying, 8 empty) coal trains per day to and from Cherry Point

³ Will agriculture ease concerns about coal port near Bellingham?, Floyd McKay. May 2011.

⁴ *Pacific Northwest Marine Cargo Forecast Update and Rail Capacity Assessment*, Dec 2011.

⁵ “Greener Pastures: The Global Soft Commodity Opportunity for Australia and New Zealand,” *ANZ*. 2012.

would, in effect, more than double the amount of train traffic through Whatcom County to Cherry Point, for which there is no additional capacity. Other rail lines throughout the state will likewise absorb the added train traffic that GPT would bring to the state if permitted. In addition, regional cumulative impacts on rail capacity should also consider the additional coal train traffic proposed by the additional four coal export terminals proposed in the PNW.

The proposed GPT directly conflicts with the economic opportunities presented to our state through the agri-food sector. For instance, when there is a large wheat harvest or apple harvest in Eastern Washington, rail cars carrying agricultural products must compete for the same track space as coal trains. A Washington State University study on the value of rail car accessibility for grain shipments calls it a “chronic shortage” of track capacity for an existing and flourishing agricultural export sectors.⁶ In fact, Association of American Railroads’ traffic data shows that rail-car supply isn’t keeping up with the demand. Furthermore, Washington state agricultural products often require refrigerated cars, therefore, any wait time for these products to reach their markets or ports significantly costs growers and suppliers.

Overall, demands placed on existing rail capacity in the region would be amplified if GPT were to be permitted. Any physical or operational improvements made to the rail system would be consumed by coal trains and would therefore not adequately address rail capacity demands for projected freight volumes to move other commodities, such as agricultural products. In the 2011 *Pacific Northwest Marine Cargo Forecast Update and Rail Capacity Assessment* it is noted that many of the existing trains in the region do not run at their maximum potential length. Therefore, the report recommends that projected traffic growth “be absorbed by existing trains before new trains are deployed.”

Conflicting Use: Pollution, Water Use, and Climate Change

International assessments of the growing agri-food sector recognize it as an opportunity for “greening” growth.⁷ In recent years, there has been a significant increase and awareness towards how environmental pollution affects the global food supply. For example, fear of contaminated food in China has significantly led to spikes in US exports.⁸ In addition to farmland and water access, meeting the increasing demand for safe food requires healthy natural resource systems: air, water, soils, and climate. The scoping comment record for GPT is full of comments asking that the cumulative negative impacts of GPT on our air, water, soils, and climate be studied [See Appendix A and B]. Specific ways that the proposed GPT will negatively impact the shared natural resources on which the agri-food sector relies upon include:

- coal loss and runoff and probable soil and crop pollution during transport through some of the most productive farmlands in WA state⁹;
- noise and vibration of trains and impacts upon dairy farms: calving, milk production, somatic cell count in dairy products¹⁰;
- crop pollution, damage, and reduced yield, particularly for leading export crops such as mint oil or berries, caused by diesel emission along the transportation route¹¹;
- current and future water use demands by GPT from the Nooksack River, which may compete with supply to farmers;

⁶ *A Washington State University Study: Estimating the Value of Rail Car Accessibility for Grain Shipments: A GIS Approach.*

⁷ “A Call to Arms: A Contribution to a New Zealand Agri-Food Strategy,” Riddet Institute. June 2012.

⁸ “World looks to US for good, safe food,” *Capital Press*. March 2012.

⁹ “Coal dust runoff inundates Crawford family’s organic garden,” *Rapid City Journal*. May 7, 2010.

¹⁰ “Short communication: contribution of vibration and noise during milking to the somatic cell count of milk,” *Journal of Dairy Science*. July 2006.

¹¹ *Crop Residues and Management Practices: Effects on Soil Quality, Soil Nitrogen Dynamics, Crop Yield, and Nitrogen Recovery, Advances in Agronomy*. 1999.

- coal loss and runoff at the terminal presenting risks to water quality, interdependent aquatic life, and the fishing, crabbing, and shellfish industries, as well as in streams and rivers along the transportation route [See Appendix A];
- the proposed coal, once exported by PIT, will be burned in Asia and will contribute to GHG, of which the effects on global climate change and the ability to grow food are well documented [See Appendix B].

The Whatcom County CEDS notes that Whatcom County is one of the top food producing counties in WA state and that the overall economic impact of agriculture sales multiplies three to seven times in the local economy. Growing, harvesting, and producing food – including fruits, vegetables, dairy, fish, etc. – requires access to clean air, water, and soil. Priority should be given to protecting these natural resources for existing food producing industries in Whatcom County and WA state that are well positioned to respond to local, national, and global demand.

Conflicting Use: Reputation

Commenting on the competitive advantage presented to WA for food and agricultural exports, Dan Newhouse, director of the Washington State Department of Agriculture, notes that "[w]e have a reputation for producing high quality." Newhouse goes on to describe how the "quality of Washington apples have paved the way for its other exports. Once consumers have seen the state's name on apples, they know to expect other products to be excellent as well."¹² As evidence for Newhouse's comments, the *Capital Press* has run multiple stories in 2013 about the increased production and demand for WA grown potatoes, apples, dairy products, and wines by Asian markets. This current economic competitiveness holds valuable capital and public goodwill. Reputation matters.

New Zealand benefited from a similar "pure" reputation that empowered their tourism and food export industries. However, following the 2011 oil spill in New Zealand, the country experienced a considerable drop in demand for their products. The Riddet Institute was met with the challenge of defining the best economic strategy for New Zealand to gain stature in global trade. The agri-food sectors and protecting the country's "clean and green" reputation was identified development as an opportunity for New Zealand's social environmental and economic competitiveness in a changing world.¹³ The strategy emphasized advancing New Zealand's reputation as a secure source of safe and nutritious foods to meet increasing Asian demand.

A similar reputation in the WA agri-food sector provides a competitive reputation that GPT would adversely impact, particularly in the case of pollution or accidents reported locally and globally. Furthermore, Whatcom County is currently recognized as a leader in organic agricultural production and the high standards of animal welfare. For Whatcom County to permit the largest coal export terminal in the US would conflict with this reputation. Agri-tourism relies upon an authentic sense of place that coal export competes with. Furthermore, Whatcom County is very successful at attracting new and young farmers because of the local food movement and farm mentoring programs, such as those supported by Sustainable Connections and Growing Washington. Young farmers recognize Whatcom County as a good place to invest in developing a farm and a life in the agri-food sector. Please consider how GPT conflicts with the values and needs that farmers and consumers consider when making decisions on where to farm and where to buy products from.

2. The need for deep-water, bulk marine terminals in the Puget Sound region

According to the *Pacific Northwest Marine Cargo Forecast Update and Rail Capacity Assessment*, rail is the issue when it comes to meeting global export demands of WA state products. Regardless of these details, PIT goes on to claim that GPT will "help meet the current and expected future

¹² "World looks to US for good, safe food," *Capital Press*. March 2012

¹³ "A Call to Arms: A Contribution to a New Zealand Agri-Food Strategy," Riddet Institute. June 2012.

demand for specific commodities and for handling increased shipping trade that requires a multimodal, deep-water marine terminal,” yet they do not support this claim by identifying what these specific commodities are or why a deep-water marine terminal located at Cherry Point, if built for this purpose, is even useful for handling any commodities apart from coal, potash, and calcined coke. While a deep-water port may be desirable for the purposes of coal export, the added distance to Cherry Point makes it unlikely that other products would travel the extra rail distance for export when they are able to export from more accessible and existing ports.

Furthermore, the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA* recognizes the Cherry Point herring and the support that this species provides fishing economies. The wharf actually presents a conflicting use to Need 1, particularly when you consider the direct negative impacts that the construction and operation of GPT would have on the eelgrass beds that support the Cherry Point herring, which supports fishing. In addition, the construction and operation of a deep-water bulk marine terminal directly correlates with the introduction of a significant increase in bulkers and the introduction of cape class vessels in the Puget Sound, with associated risks of accidents and spills, that would also negatively impact crabbing and aquaculture.

3. The need for community and economic development in Whatcom County consistent with the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA*.

While the *Whatcom Comprehensive Plan's Cherry Point Industrial UGA* designates the land at Cherry Point as industrial and provides a list of industries that could be permitted there, it does not establish criteria for community and economic development in Whatcom County. As Protect Whatcom articulates in their January 15, 2013 scoping comment, the proposed terminal actually “forestalls economic development by precluding building manufacturing or processing plants due to the presence of the coal pile.” If the reason to build GPT is to provide jobs, then the alternatives analysis must take into account the minimal jobs per acre provided by GPT, as well as the probable negative impacts on other job sectors, such as the agri-food sector, and Washington state’s ability to ship Washington products due to the demands GPT will place on shared infrastructure and natural resources.

While GPT may provide a small number of jobs for Whatcom County, there are major employers that take up much smaller footprints, geographically and ecologically, while offering just as many or more jobs.¹⁴ Similarly, the agri-food sector is a leading employer at the county and state-level with sustainable practices being embedded across the agri-food sector. While community and economic development is desirable for Whatcom County, investing in and protecting our agricultural and natural resources presents us with significantly more community and economic development opportunities attractive to a more diverse labor force than that provided by GPT, such as R&D, processing and manufacturing, engineering, advocacy, and marketing. Furthermore, the alternative of prioritizing the health of our environment and existing businesses and industries that rely upon our shared natural resources supports local, domestic, and international economic development. It also furthers WA state’s reputation as a leader in sustainability and resource-based environmental quality, which brings with it community and economic opportunities valued in the Whatcom County Comprehensive Plan, such as tourism, fishing, shellfish, and agriculture.

SEPA and NEPA: Considerations of Alternatives

Both SEPA and NEPA incorporate the Public Trust Doctrine. SEPA states:

The agency perspective should be that each generation is, in effect, a trustee of the environment for succeeding generations. Particular attention should be given to the possibility of foreclosing

¹⁴ Top 25 Employers in Whatcom County (2008-2009), Northwest Economic Council.

future options by implementing the proposal. [Wash. Admin. Code (WAC) sec. 197-11-440(5)(c)(vii)]

This principle overarches, therefore, the notion that an alternative is “reasonable” only if it “could feasibly attain or approximate a proposal’s objectives, but at a lower environmental cost or decreased level of environmental degradation” [*Id.* sec. 197-11-786].

The CEDS lays out a strategy for the Greater Whatcom region about how the economy can be enhanced, stay strong or be stronger, and evolve into the future. This strategy seeks to create economic opportunities that enhance cooperation between urban, rural and tribal communities and interests. Coal export, as proposed by PIT for the construction and operation of GPT, negatively impacts existing and growing industries that are already, and have continued potential for, achieving these goals – particularly development in the agri-food sector.

While the reality is that US rail and port infrastructure needs improvement in order to compete in the global trade economy, PIT does not address improving the infrastructure network for anything other than coal and possibly potash and calcined coke. Additionally, the concept of using Gateway Pacific to export agri-food sector products, as long as existing regional ports have adequate capacity, could prove to be a hard sell given the extra miles required to reach Cherry Point.

SGSF contends that the purpose statement made by PIT in their permit application for the proposed GPT presents a conflicting use, meaning that the proposed land use and activity is likely to adversely affect the community’s ability to meet the needs stated in the proposal. SGSF asks that the EIS evaluate how the coal transportation (rail and vessel) and storage proposed for GPT conflicts with existing and projected future opportunities for Whatcom County and WA state to enhance overall community health, local community resiliency, and collaboration among sectors and communities.

Based on the inadequate support behind the Purpose and Needs section of PIT’s permit application for GPT, SGSF recommends the no action alternative.