



Gateway Pacific
Terminal

A Carrix Enterprise

Keeping the Community Informed

Reference Material



“Creating family wage jobs under Washington’s high environmental standards”

July 2013



Gateway Pacific Terminal

A Carrix Enterprise

Table of Contents

1. Project Myths and Facts

2. Project Overview and Issue Briefs

- a. Report to the Community Volume 1 – Economics and Taxes
- b. Report to the Community Volume 2 – Environmental Standards
- c. Gateway Pacific Terminal Project Overview
- d. Tax Benefits
- e. Environmental Responsibility
- f. Air Quality
- g. Vessel and Marine Safety
- h. Cherry Point Herring
- i. Custer Spur Improvements and Rail Traffic

3. Public Support and Commentary

- a. Majority of Local Residents Support GPT
- b. Jensen, Gary "Gateway Pacific Terminal will make a great neighbor" *The Bellingham Herald* December 21, 2012
- c. Brunell, Don C. "Blocking terminal will send wrong message to business" *The Bellingham Herald* December 21, 2012
- d. Wright, Bruce "Guest opinion: New Northwest port important for ag exports" *Bellingham Gazette* May 4, 2013
- e. LaPlant, Mike "Politicizing coal export opportunities misses the mark" *Tri-City Herald* March 29, 2013
- f. Goodrich, Brent, Onyon, Bonnie "Terminal's family-wage jobs, taxes would aid Whatcom County" *The Bellingham Herald* April 13, 2013
- g. Oplinger, Ken "State's rural economy needs leaders' support, too" *The Everett Herald* 2013
- h. McClellan, Roger O. "Guest: Weigh science, instead of conjecture, on dangers of coal train dust" *The Seattle Times* May 9, 2013
- i. Elliot, Mike "Let's be honest: The concern really isn't about coal dust" *The Bellingham Herald* May 3, 2013
- j. Cole, Craig "Gateway Pacific Terminal details evolve as economic forecasts change" *The Bellingham Herald* June 28, 2013

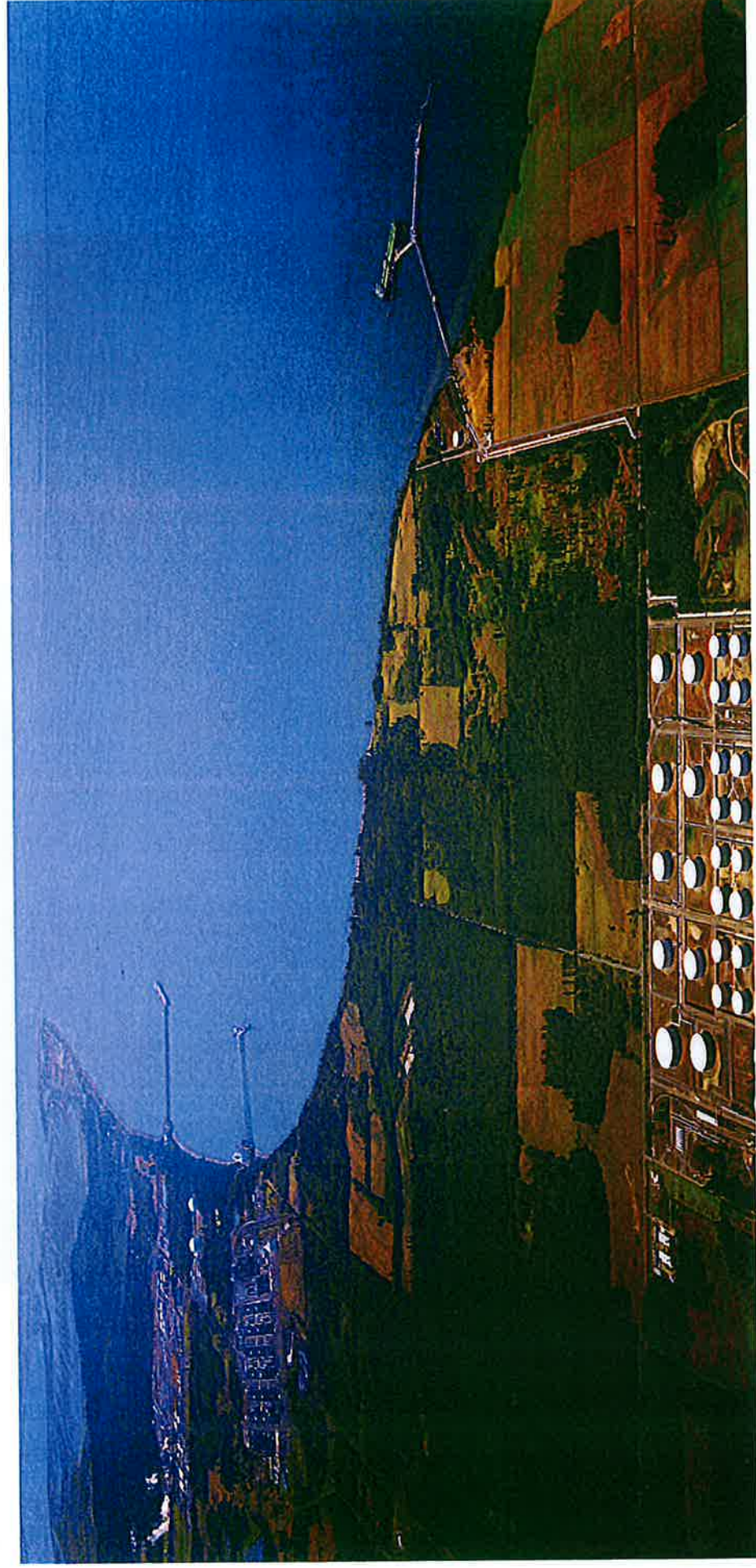
4. Keeping All of Washington Open For Business and Job Growth

- a. Citizens for Economic Opportunity for All of Washington
- b. Northern Whatcom County Small City Caucus letter re: GPT
- c. Washington State Farm Bureau Releases Coal Export Report FB CEO Briefs Legislators, Touts Benefits of Expanded Exports
- d. Gaibler, Floyd "American farmers need more grain export capacity" *The Bellingham Herald* December 21, 2012
- e. Alliance for Northwest Jobs & Exports press release on Army Corps of Engineers decision on scope of EIS process

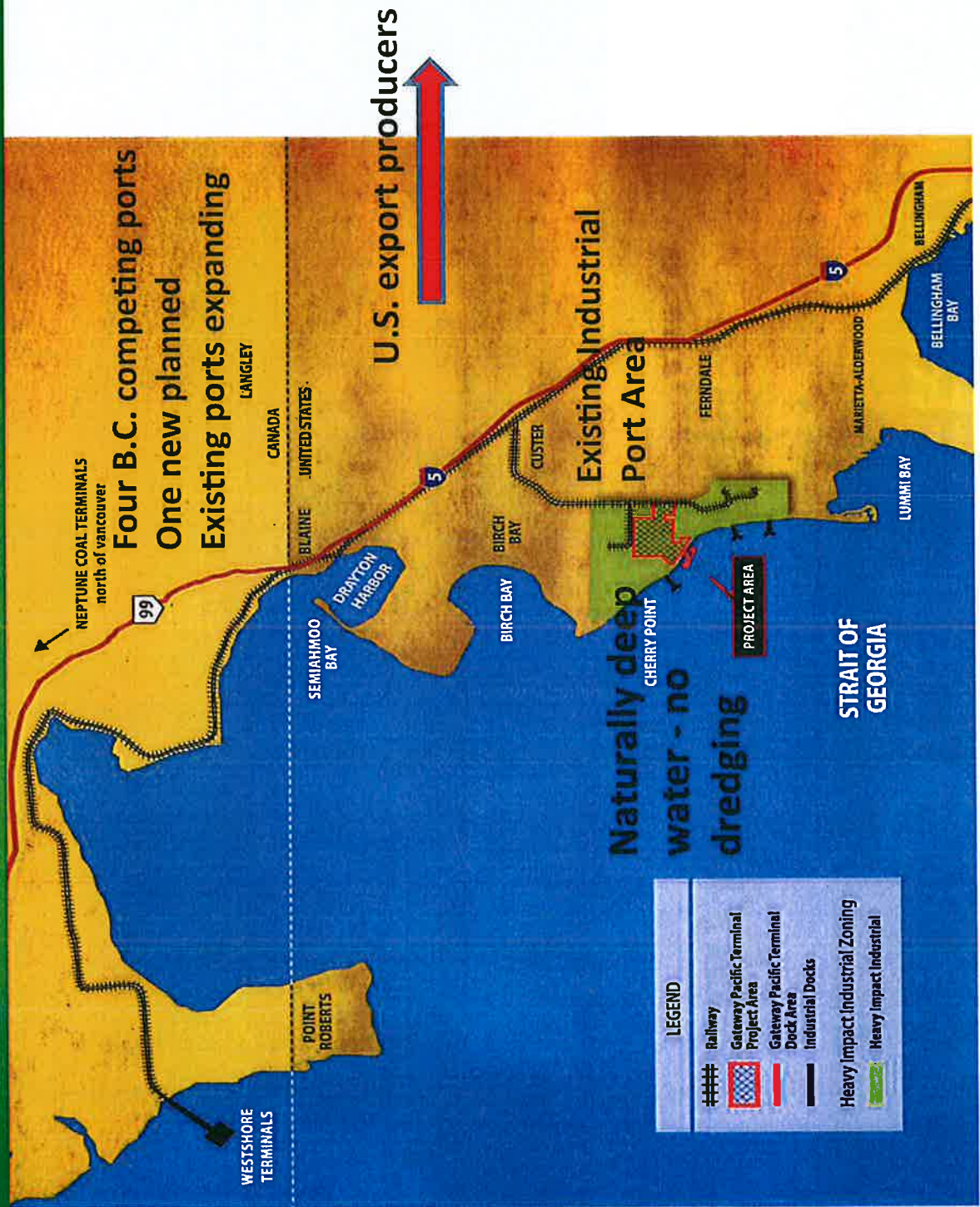
GATEWAY PACIFIC TERMINAL

Myths and Facts

July 2013

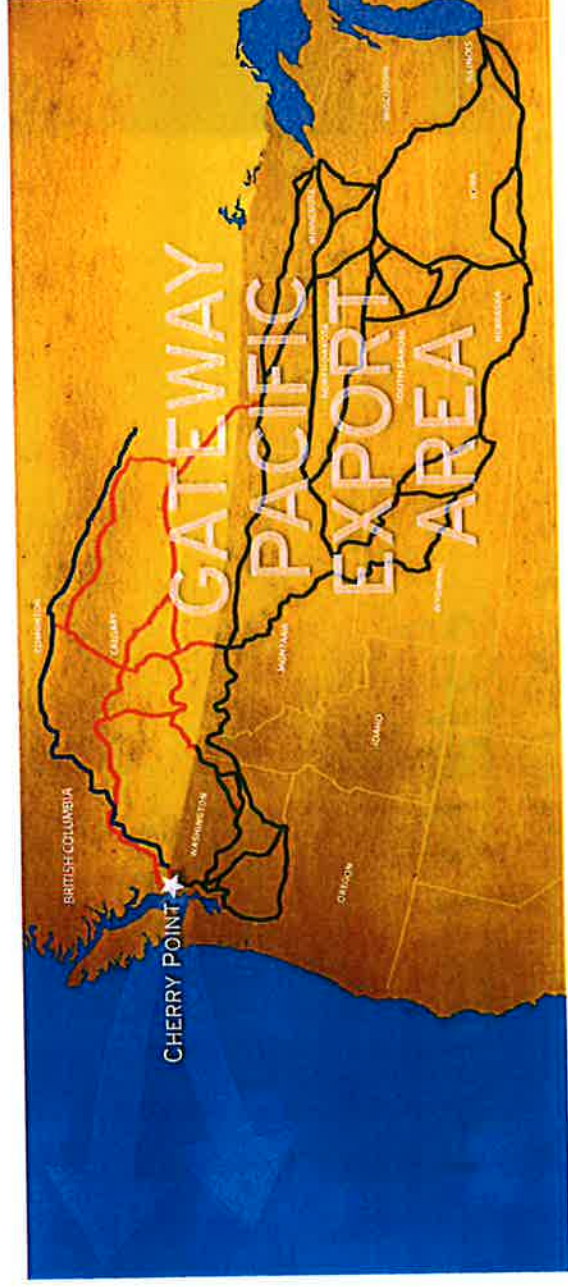


Fourth Anchor Industry at Cherry Point



Linking U.S. Exports with Asian Markets

- Transportation is 75% of product cost
- Larger cargo vessels are more cost and carbon-efficient—can save **U.S. exporters 15-20%** of overall transportation costs



- **No U.S. port capacity**—products travel through Northern Tier States (and Whatcom County) to foreign ports--increasing time, distance, and costs
- Naturally deep water at Cherry Point/no dredging
- GPT will establish a **critical transportation link** between rail and ships to expand U.S. exports

“Facts are stubborn things.”

*-John Adams, 2nd President of the
United States*



Claim: GPT will only ship coal and is doing it on taxpayer's dollars

FACTS:

- Market demand will change over coming decades.
- Multi-commodity cargo handling facility for dry bulk commodities like coal, grain, wood bio-fuels, and potash.
- **\$665 million privately funded project; no tax breaks.**
- Communities will receive an estimated **\$92 million** in new state and local tax collections during construction and **\$11 million** in state and local tax collections annually. Will be 2nd largest property taxpayer in County.

Claim: GPT will only create a few jobs, and workers won't be hired locally

FACTS:

- *At full-capacity, GPT will generate:*
- **4,430** direct, indirect, and induced jobs over 2 years of construction
- **1,250** direct, indirect, and induced jobs permanently
- Validated by leading international port economist and leading regional economists
- Construction plus first 10 years of operation would bring nearly **\$2 billion** to the region's economy
- Union employer--hiring will take place through *local* union hiring halls – maximizing local benefit

Claim: Whatcom County is already doing well

FACTS:

- **Whatcom County unemployment was at 7.2% in May 2013,** compared to 6.8% for the state and 7.6% for the nation
 - In October 2007, the unemployment rate was at 3.7%
- **Whatcom construction jobs were down by 42% in February 2013,** 3,600 jobs less than 2006
 - **Construction jobs hit a 7-year low in January 2013**

Source: Washington State
Employment Security Department

Claim: Whatcom County is already doing well

FACTS:

- 15.2% of Whatcom County residents below federal poverty line

	Bellingham	Ferndale	WA	USA
% of persons below poverty level	22.6%	16.8%	12.5%	14.3%

- Average annual wage 23% lower than state
- Cost of living close to Seattle's
- Whatcom County employment growth classified as "slipping"

Claim: GPT will not be environmentally safe

FACTS:

- GPT will be built and operated to modern state high environmental standards
- Two-plus year environmental review ensures project complies with dozens of federal, state, and local laws and regulations
- State-of-the-art environmental safeguards included in terminal's design

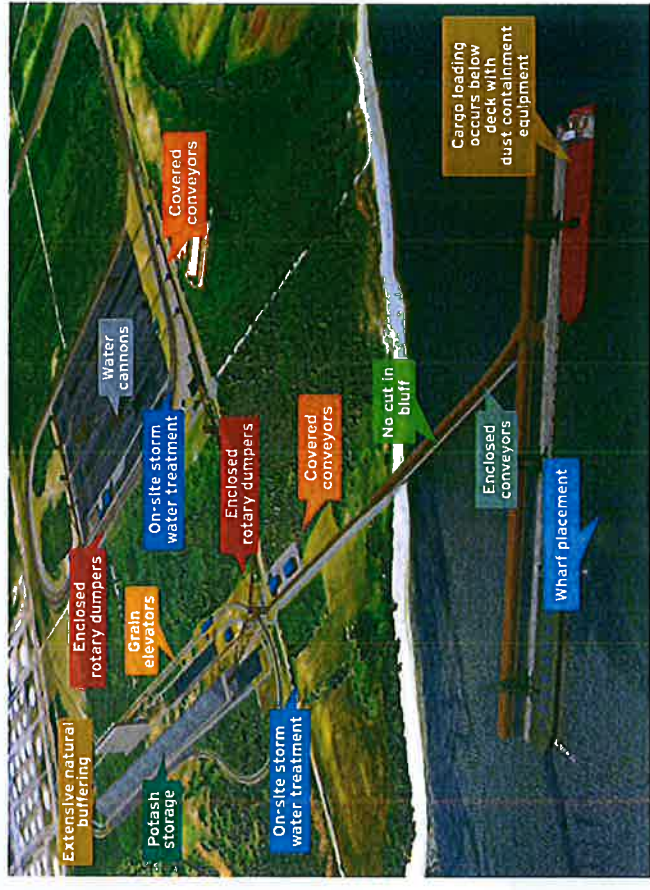


Claim: GPT will be like the Westshore Terminal, B.C.



Westshore Terminal, Roberts Bank, British Columbia:

- Built on landfill in open water
- No buffering for stockpiles
- Outdated design—built in 1970s
- Susceptible to wind events



Facts About GPT, Cherry Point:

- Storage areas half-mile away from shoreline
- 75% of 1,500-acre site to remain as natural buffer
- Cargo moved over land by covered conveyors; cargo moved over water in enclosed conveyors

Claim: Coal dust will blow off incoming trains

FACTS:

- Coal trains have passed through Western Washington for decades, yet the **NW Clean Air Agency, Puget Sound Clean Air Agency, and Spokane Clean Air Agency never had a complaint of coal dust** prior to the announcement of this project.
- BNSF requires coal shippers to implement measures to prevent coal dust.
- Measures include aerodynamic shaping and a glue-like spray sealant that creates a crust over the cargo, encapsulating the load.
- According to the Missoula Health Department, **coal dust does not pose a public health risk**. Their study of coal dust from trains at a Missoula railyard found a “negligible” amount of coal.*

*The Missoulian Study: Missoula coal dust not ‘significant,’ June 16, 2012

Claim: Coal dust from trains poses a public health risk

FACTS:

➤ “I can tell you for certain I have never experienced or heard complaints of coal dust from trains in Washington State. **None of my members, who operate and work around coal trains 24/7, have reported health issues related to coal dust. This is a non-issue as far as our organization is concerned.**”

--*Mike Elliott, Chairman of the Brotherhood of Locomotive Engineers and Trainmen, WA Legislative Board*

➤ “They want to talk about coal dust...And the reason is, **there are not a lot of consequences of coal dust.**”

- *Dr. Frank James, Whatcom Docs*

➤ Campbell County, WY – home to 14 mines, and dozens of coal trains daily*:

- Childhood Asthma
 - Chronic Bronchitis
 - Emphysema
- Incidence all below national average****

* Campbell County Chamber of Commerce, 2011

**American Lung Association “Estimated Prevalence and Incidence of Lung Disease, 2011,” by Lung Association Territory p.21



Claim: Transporting coal
poses a public health risk

EXPERT OPINION

“...it is plainly irresponsible to release exaggerated claims and mislead the public and regulators about the impact of transporting coal through the Northwest.”

“...pseudoscience and alarmist claims serve no one in this debate.” *Seattle Times, May 9th, 2013*

— *Dr. Roger McClellan, a toxicologist and former chairman of the National Academy of Sciences/National Resource Council Committee on Toxicology; Past Chairman of EPA’s Clean Air Scientific Advisory Committee; and Member of Institute of Medicine, National Academy of Sciences*

Claim: Trains are major producers of air emissions

FACTS:

- Trains are most environmentally sound way to move freight over land
- Four times more fuel-efficient than trucks; one train is equal to 280 trucks*
- Trains only contribute **0.3%** of the county's and state's air particulate emissions.** [Wood stoves are 23 times greater]
- Out of 13 monitored sources, locomotives in state's **bottom three contributors of air particulate emissions.**
- Locomotive emissions are **8.5%** of the state's diesel combustion emissions; vehicles are **69%**.
- New EPA standards will reduce locomotive diesel emissions by **90%**

*Omnitrax "Go Green" 2007

** Washington State Department of Ecology "Comprehensive Air Emissions Inventory 2005/2008"

Claim: Train traffic associated with GPT will impact Bellingham waterfront

“There will be **40 trains a day at the Gateway Terminal.**”

– K.C. Golden, Policy Director for Climate Solutions on KUOW 2/26/2012

FACTS:

- Full build out: service 9 trains a day - all commodities (arrive full, leave empty, 18 train passes in total) - not all new traffic
- The typical delay for a mile-long train is around **4 minutes***
- Even at maximum capacity, this makes for **a total crossing time of plus or minus an hour** throughout an entire 24-hour period – in exchange for 1,250 permanent jobs
- **“The Terminal will not affect the waterfront development project – we spent six years planning this thing to be consistent with an active, mainline rail line.” – Executive Director of the Port of Bellingham, 2011**

* Port of Bellingham Report, 2011

Claim: GPT will significantly increase vessel traffic in the Puget Sound

FACTS:

- At maximum capacity, GPT can service **1-2 vessels per day**
- *WA Ferries have 23 vessels and 500 sailings per day*
- 10,360 large ships passed through Puget Sound in 2011 — nearly half headed for docks at Port Metro Vancouver
- ***Cherry Point is adjacent to regulated shipping corridor***
- Traffic directed by Vessel Traffic System (VTS) control, operated 24/7 for more than 40 years (U.S. and Canadian Coast Guards)
- Vessels controlled by state licensed Puget Sound Pilots - over 200,000 sailings in 25 years without major incident

Claim: GPT will significantly increase vessel traffic in the
Puget Sound

“ ...the risks of creating congestion
issues by adding 1 to 2 vessel
arrivals per day in such a large
system will be small to the point of
being difficult to measure.”

- Capt. Michael Moore, former U.S. Coast Guard Captain
and Operations Chair for the Puget Sound Harbor Safety
Committee, November 2, 2012

Claim: Vessels at GPT pose threat to the environment

FACTS:

- Most oil spills occur during transfer of fuel between ship and dock – WA Dept. of Ecology, 2011
- **No ship fueling will take place at GPT— this greatly minimizes the risk of an oil spill**
- Discharge ballast water 200 miles offshore to prevent non-native species from entering our waters

Claim: No GPT = No U.S. coal exports to Asia

FACTS:

- Lack of U.S. port capacity is encouraging development elsewhere
- Pro port development B.C. Premier Christy Clark beats anti-coal export candidate Adrian Dix in May 2013 election*

*Joel Connelly, SeattlePI.com May 14, 2013

Claim: No GPT = No U.S. coal exports to Asia

FACTS:

British Columbia coal export terminals are expanding:

Terminal	Confirmed Capacity Expansion	Potential Capacity Expansion	Total Capacity After Expansion
Westshore Terminal, Tsawwassen	4 million tons	N/A	33 million tons ¹
Ridley Terminal, Prince Rupert	12 million tons	36 million tons ^{2**}	24-60 million tons ¹
Neptune Terminal, Vancouver	8.5 million tons	N/A	18.5 million tons ³
Fraser/Surrey Docks, Vancouver	4 million tons	4 million tons	4-8 million tons ⁴
Pacific Coal Terminal, Port Moody	1 million tons	2.5 million tons	1-3.5 million tons ⁵
Total Capacity Post-Expansion			80.5-123 million tons

** If Ridley elects to utilize an additional 100 acres at the facility, it could export 60 million mt/year." - *Platts magazine, March 16, 2012*

Claim: Not building GPT will prevent coal trains from passing through Washington

“Currently, there is a proposal to build a coal terminal in Surrey, British Columbia... If this terminal was to be built, we would see up to 10 coal trains a day moving through Washington to ports in Canada.”

-RE Sources for Sustainable Communities, March 2013

Who gets port jobs and tax revenue?

Claim: Selling U.S. coal to Asia will accelerate global greenhouse gases

EXPERT RESEARCH:

“By importing U.S. coal, China is not changing the amount of coal it burns. I understand why on an emotional level people don’t like it. But if you actually understand the economics and you understand how climate change works, it’s a non-issue.”

--Richard Morse, Dir. of Research at Stanford’s Program on Energy and Sustainable Development, 12/27/10

➤ **Northwest coal exports would be a fraction of 1% of total demand in the coming years**

Claim: Selling U.S. coal to Asia will increase pollution

EXPERT RESEARCH:

➤ **“Replacing China’s dirty coal with relatively low sulfur coal from PRB, would help to clean up the air in China’s coastal cities...”**

– *Richard K. Morse, Dir. of Research at Stanford’s Program on Energy and Sustainable Development, 2011*

➤ **“Not all coal is created equal. The proposed export terminals in the Northwest would ship coal that is better for the environment in almost every way than the coal mined in East Asian countries like China...”**

– *Fred Thompson, professor of public management and policy at Willamette University*

Claim: The majority of people oppose this project

FACTS:

- **59% of Whatcom County voters support GPT** (*Kiley Poll May 2012*)
- 55% of PNW voters support new coal export facilities (*EarthFix poll, July 2012*). 47% support v. 37% opposed (*EarthFix poll, June 2013*)
- 77% of Washington voters support site-specific review (*Moore Information, Jan. 2013*)
- **Over 30 resolutions** and endorsement letters from labor, civic, and business organizations
- Over 10,000 local residents have signed GPT support petitions
- Organized labor highly supportive—National AFL-CIO president Richard Trumka has endorsed GPT along with the WA State Labor Council, which represents over **430,000 workers** in the state

Challenge: Big money from state and national anti-industry groups will be spent to influence outcome of our local elections

Will local elections remain local?

Get the Facts

Contact Us:

Email: info@gatewaypacificterminal.com

Call: 360-738-7229

Visit our website: www.gatewaypacificterminal.com

Join our online communities:



Facebook.com/GatewayPacificTerminal



@Cherrypointjobs



**Gateway Pacific
Terminal**

A Carrix Enterprise

Project Overview & Issue Briefs

July 2013



GPT

Gateway Pacific Terminal

Report to the Community

Volume 1

To keep our community informed, we are presenting a series of newsletters designed to keep you up-to-date on the project.

We appreciate your feedback and encourage your questions.

Major Economic Boost

The Gateway Pacific Terminal (GPT) is one of the most significant economic opportunities ever proposed in our community. With local wage-levels well below the state and national averages, this project couldn't come at a better time. Proposed by Seattle-based SSA Marine, GPT will be a new, highly efficient cargo handling facility to expand America's

exports of dry-bulk commodities. This terminal will provide a major boost to the region's economy, creating thousands of local, family-wage jobs and millions of dollars in new tax revenues, while upholding the state's stringent environmental standards. The project's construction will be 100% privately-funded, using zero local or state tax subsidies.

GPT by the Numbers

- Amount being privately-invested by SSA Marine to build GPT: **over \$665 million**
- Number of local jobs generated in region's economy during construction: **4,430**
- Number of local jobs generated in region's economy once GPT is fully operational: **1,250**
- Average annual salary of direct terminal employee: **over \$75,000**
- Whatcom County average annual wage is **20% lower** than Washington state average
- State & local taxes generated from construction: **\$92 million**
- State & local taxes generated on an ongoing basis: **\$11 million annually**
- Tax subsidies being sought: **Zero**
- Construction plus ten years operation will bring **\$1.8 billion in economic benefits to the community**
- Whatcom County poverty rate is **15.2%**, higher than the Washington average of 12.6%



Frequently Asked Questions

Q What types of commodities will be exported from GPT?

A GPT is being permitted as a multi-commodity cargo-handling facility that will create a critical link between rail and vessels, helping American producers reach the global marketplace. The terminal is designed to handle multiple dry-bulk commodities such as low-sulfur coal, grain, potash, and wood bio-fuels. Increasing U.S. exports is consistent with President Obama's initiative to double U.S. exports by 2015 and is imperative to improve the country's balance of trade.



Q Where will GPT be located?

A GPT will be developed on a 1,500-acre site at Cherry Point near Ferndale, located between an oil refinery and an aluminum smelter in an area long-zoned for water-dependent heavy industry. Cherry Point is an existing industrial port area adjacent to a highly regulated international shipping corridor and is among the best locations on the U.S. west coast for a deep water bulk terminal. The site's naturally deep water will accommodate large freighters without dredging—a significant environmental advantage. These ships can reduce vessel costs by as much as 50% for U.S. exporters, and the location of the terminal also reduces shipping time to Asia by one to two days over

more southerly sites, further enhancing U.S. export competitiveness.

Q When will GPT be built?

A Before construction can begin, the project will undergo a comprehensive Environmental Impact Assessment led by Whatcom County, the Washington Department of Ecology and the U.S. Army Corps of Engineers to ensure the facility complies with dozens of federal, state, and local environmental laws and regulations. The environmental review process is expected to take about two years. Following a two-year construction period, the project is anticipated to be up and running by 2017.



Gateway Pacific Terminal **Keep Me Connected**

We appreciate your feedback and encourage your questions. For more information, please fill out this important information and mail to:

- Please keep me informed about the Gateway Pacific Terminal.
- You may use my name as a supporter of the project.
- I would like a GPT yard sign
- I would like more information about _____

Name _____

Organization _____

Address _____

City _____ State _____ Zip _____

Phone _____

Email _____



GPT

Gateway Pacific Terminal

PO Box 3170
Bellingham, WA
98227

360.738.7229 • www.GatewayPacificTerminal.com



GPT

Gateway Pacific Terminal

Report to the Community

Volume 2

Meeting and Exceeding Washington's High Environmental Standards

POLLS SHOW PUBLIC SUPPORTS MODERN PORT FACILITIES

Forty percent of Washington State jobs are tied to trade, so it's no surprise the majority of the Pacific Northwest community supports the permitting and construction of modern port facilities like the Gateway Pacific Terminal (GPT) to boost American exports.

- A majority of voters surveyed statewide supported the development of port facilities to export coal. [Elway Poll 2013]
- Earthfix/Oregon Public Broadcasting poll earlier last year showed that 55% of respondents said they supported the proposed port export projects.
- In Whatcom County, we found that 56% of voters surveyed favored the GPT project, which will handle cargos such as wheat, grains, coal and wood chips to service global demand for American products. [Kiley and Co. Poll 2013]

CREATING FAMILY-WAGE JOBS WHILE PROTECTING THE ENVIRONMENT IS THE WASHINGTON WAY

GPT supports a rigorous, fair evaluation of the project's environmental and economic impacts.

Environmental protection measures have already been designed into GPT and final mitigation measures will be directed by regulatory agencies during the permitting process to make sure that GPT meets Washington's high environmental standards. To receive regulatory approval, the project must comply with dozens of federal, state, and local environmental requirements.

GPT is being built to transfer dry bulk commodities from rail onto ships for export. The project is consistent with the zoning and shoreline plans for the Cherry Point industrial area, which favors job creation by water-dependent industry. Naturally deep water avoids the need for dredging and the area is adjacent to a highly regulated and safe international shipping channel under the supervision of the U.S. and Canadian Coast Guards.



NOT YOUR GRANDPARENTS' PORT FACILITY: ADVANCED ENVIRONMENTAL FEATURES AND BENEFITS

As a brand new cargo-handling facility built to modern standards, GPT will be one of the most advanced projects of its kind – much more environmentally protective than older ports just a few miles away in British Columbia. GPT will be subject to a regulatory requirement that controls emissions or particulates. For example, GPT will be prohibited from allowing particulates or air emissions to exceed already established air-quality standards or create a nuisance to anyone beyond the project site.



Enclosed Rail Car Unloading

Rail cars will be unloaded inside buildings equipped with dust capture and air filtration systems to prevent particulates (dust) from escaping during unloading.



Covered Conveyors Over Land

On land, commodities will be moved in conveyors that are thoroughly covered on the top and sides to prevent exposure to wind and rain.



Enclosed Conveyors and Ship Loaders Near and Over Water

Over the shoreline and water, conveyors will be fully enclosed to protect the marine environment from particulate emissions or fallout.



On-Site Storm Water Treatment

The terminal facilities are being designed to capture their runoff, treat it in storm water treatment ponds, and release the clean water back into natural drainages and wetlands at controlled flows to protect against erosion and sedimentation. A portion of the captured storm water will be recycled for reuse, reducing the terminal's water supply requirements.

A portion of the captured storm water will be recycled for reuse, reducing the terminal's water supply requirements.

Emission Controls

Commodity storage areas will be placed approximately a half-mile away from the shoreline and surrounded by hundreds of acres of natural vegetative buffer. Dust control measures to be implemented for open storage areas include fogging systems, sprayers, perimeter soil berms and good site maintenance. Fogging systems generate water vapor droplets that adhere to commodity particles and minimize any potential dust emissions. Commodities stored in silos or buildings will be subject to emission capture-and-control technologies.

Ballast Water Control

Ships calling at GPT will be required to have exchanged any ballast water they carry at least 200 miles offshore to prevent the introduction of non-native species to Washington state waters. It is expected that new requirements, set by federal and state regulation, will become even more stringent by the time GPT is operational.



Cargo Loading Below Ship Deck

Vessels are loaded by chutes that go below deck, deep into the hold of a ship. The chutes control emissions and valuable product loss by containing the product flow into a tight stream.

Wharf Placement and Design

The wharf has been located in deep water, minimizing shading in the intertidal zone and disruption to waves, and avoiding disruption of herring spawning. Materials for the pilings and deck will be steel or concrete – no treated wood will be used in the marine ecosystem. No dredging is required to accommodate vessels, because of naturally deep water, a unique and environmentally advantageous attribute of the site.

Commodity Storage Half-Mile from Shoreline

Grains and other products needing dry storage will be placed in silos, protecting them from the elements and controlling dust. Potash will be stored in a long A-frame building. All commodities will be stored a half-mile from the shoreline.

No Vessel Fuel Handling at GPT

According to the Washington State Department of Ecology, by far the biggest source of marine spills is the transfer of fuel across docks, such as when loading or unloading a vessel. Vessel fueling will not occur at GPT.

Frequently Asked Questions

Q: How much of the site will be developed?

A: Of the 1,500-acre site, more than 75% will be left in its natural state or enhanced through wetland improvements and serve as a buffer to the surrounding environment; and public access to the shoreline will be ensured.

Q: What is the purpose of the environmental review process?

A: Under federal and state laws, the environmental review process provides a fact- and science-based, impartial examination of the project and is a tool for identifying potential environmental impacts, reasonable alternatives, and possible mitigation. This information will be set forth in an Environmental Impact Statement (EIS). The EIS is an information document that informs governmental decision-makers about the environmental effects of the project, including mitigation, when they are making permit decisions. The EIS is not a permit in and of itself.

Q: Which agencies are conducting the environmental review?

A: Whatcom County planning staff, along with the Washington State Department of Ecology

(DOE) and the U.S. Army Corps of Engineers (USACE), collectively known as co-lead agencies, are directing the environmental review. GPT pays for the multi-million dollar costs of the EIS process, though the agencies direct and control the study and the work of independent consultants with specialized expertise.

Q: How long will the environmental review last?

A: The review is expected to take about two years, during which time the co-lead agencies will study a multitude of issues based on feedback from several public hearings that were held and input from other government agencies.

Q: What issues will be included in the Environmental Impact Statement (EIS)?

A: The co-lead agencies will decide what issues will be studied. These could include air quality, marine life, wetlands, transportation, health and safety, vessel traffic regulation, tribal treaty rights and fisheries, cultural and historical resources, plus other issues identified through the public hearings process. The economic benefits of the project will also be examined.



Gateway Pacific Terminal

Keep Me Connected

We appreciate your feedback and encourage your questions. For more information, please fill out this important information and mail to:

- Please keep me informed about the Gateway Pacific Terminal.
- You may use my name as a supporter of the project.
- I would like a GPT yard sign.
- I would like more information about _____

Name _____

Organization _____

Address _____

City _____ State _____ Zip _____

Phone _____

Email _____



GPT

Gateway Pacific Terminal

PO Box 3170
Bellingham, WA
98227

360.738.7229 • www.GatewayPacificTerminal.com



GPT
Gateway Pacific Terminal

GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Project Overview

Proposed by Seattle-based SSA Marine, the Gateway Pacific Terminal (GPT) will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. It will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating thousands of construction jobs, hundreds of permanent family-wage jobs and millions in tax revenues.

This \$665 million multi-commodity cargo-handling facility will create a critical link between rail and vessels, helping American producers of dry bulk commodities such as low-sulfur coal, potash and grain to be more competitive in the global marketplace. The terminal will remain viable for decades because it is designed to handle a variety of dry bulk commodities to meet changing market demands.

Strategic Location

Cherry Point is among the best locations on the U.S. west coast for a deep water bulk terminal. The site's naturally deep water will accommodate Capesize bulk ships without dredging—a significant environmental advantage. The scale of these ships can reduce vessel costs by as much as 25 percent to 30 percent for U.S. exporters, and the location of the terminal also reduces shipping time to Asia by one to two days over more southerly sites, further enhancing U.S. competitiveness.

The 1,500-acre site is located between the BP Cherry Point Refinery and Alcoa-Intalco Works in an area long designated by Whatcom County for water-dependent heavy industry. The property has access to industrial utilities and is served by BNSF Railway tracks, which provide freight rail service to producers across the U.S. Northern Tier and Midwest.



Major Economic Boost

Gateway Pacific Terminal will provide a big lift to the local economy during construction and a permanent boost in Whatcom County's industrial sector, with hundreds of new, permanent family-wage jobs.

- Constructing the full project will generate approximately 4,400 direct and indirect jobs and nearly \$92 million in state and local taxes over two years, providing a much-needed boost for the regional economy.
- Once operating at full capacity, the terminal will sustain approximately 1,250 permanent direct and indirect jobs and generate about \$11 million annually in local and state tax revenues.
- The project will also generate about \$140 million a year in wages and tax revenues at full operation, plus a one-time boost of about \$441 million in wages and tax revenues from construction. Construction plus 10 years of full operation would bring more than \$1.8 billion to the community.
- GPT will use the hiring halls of local unions, putting thousands of union workers back on the job.

Continued on back.

Designed to Meet Washington's High Environmental Standards

Environmental protection measures are designed into GPT and additional measures will be developed with the regulatory agencies to meet Washington's high environmental standards. In fact, the project must comply with dozens of federal, state, and local environmental requirements.

GPT supports a rigorous evaluation of the environmental, social, and economic benefits and impacts of its project in a full Environmental Impact Statement (EIS). Development of the EIS, led by Whatcom County, the Washington Department of Ecology, and the U.S. Army Corps of Engineers, is now underway and will take more than a year to complete. The EIS will provide important information for making informed decisions on the GPT project.



Environmental Impact Statement (EIS)–Key Issues to be Examined:

- Air and water quality
- Vessel safety and traffic
- Marine habitats and species
- Tribal treaty rights and fisheries
- Wetlands and species
- Rail and vehicle traffic
- Noise
- Recreation
- Land use
- Aesthetics
- Cultural and historical resources
- Other issues identified in the scoping process

Key Environmental Features

- Products will be stored remotely from the shoreline.
- Three-quarters of the 1,500 acre site will remain as open space and natural buffer.
- Water runoff from rain or cleaning processes will be captured and treated onsite.
- Dust controls are a key feature of the terminal design.



- Coal storage dust control systems include berms, sprayers, flow controlled chutes, and fogging systems. Water-soluble bulk cargo stored on site will be covered. Material movement over land outside of storage areas will be in covered conveyors; over water the conveyors will be enclosed. On the wharf, enclosed chutes will transfer material directly inside the ships' holds.
- Railcars will be unloaded in an enclosed structure with a negative pressure dust collection system to control emissions and filter the air.
- The terminal is designed to adhere to a shoreline permit that requires that "No odors, dust, dirt, or smoke shall be emitted that are detectable at or beyond the property line, in such a concentration or of such duration to cause a public nuisance..."

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com

October 2012



GPT
Gateway Pacific Terminal



GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Tax Benefits

GPT: Among Top Two Property Taxpayers in Whatcom County

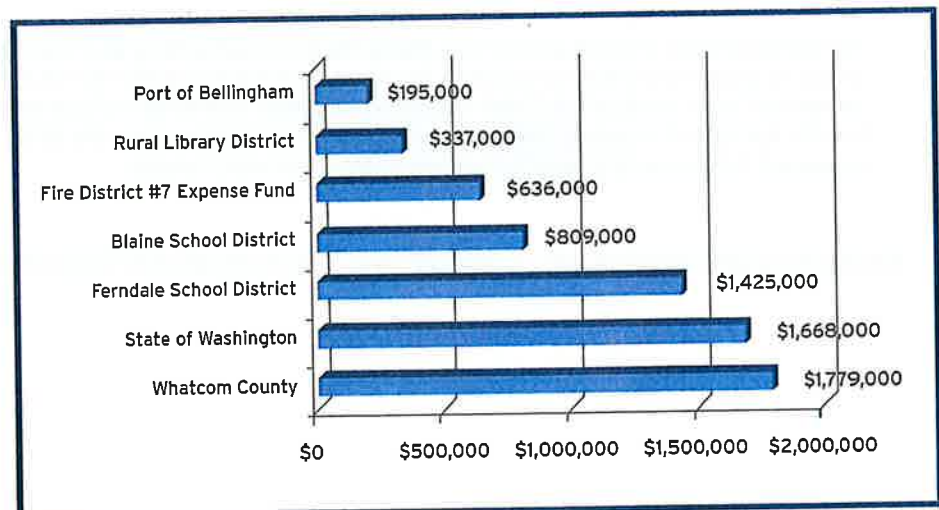
The planned \$665 million Gateway Pacific Terminal (GPT) will be the second largest property taxpayer in Whatcom County, delivering about \$11 million in tax revenues annually for the state and local governments.

According to an analysis¹ by the FCS Group,² at full operation GPT would generate about \$7 million a year in state and local property tax revenues or savings and about \$3.2 million a year in sales and use tax revenues, in addition to a number of other taxes.³

Major New Source of Local Property Tax Revenues

Whatcom County property values decreased six percent from 2009 to 2010, making it difficult for local governments to fund basic services without tax increases or service cuts. Assuming Whatcom County's existing property tax rate regime remains at current levels, at full operation GPT will produce approximately \$7 million per year in new property tax revenues or tax savings.⁴

Largest Recipients of New Annual Property Tax Revenues or Savings



Increases in property tax revenues are also projected for the local Cemetery #7 and Flood Control Zone districts.

Continued on back.

Increased Sales and Use Tax Revenues

In addition to increased property tax revenues, the project will also generate new sales and use tax revenues. Construction of the full project is projected to generate sales and use tax revenues of \$12.3 million to local governments and \$44.3 million to Washington State.

At full operation, spending by the terminal and the estimated 1,250 people employed as a result are projected to generate \$3.2 million a year in sales and use tax revenue. Of this, \$700,000 a year is projected to benefit local jurisdictions in Whatcom County. The biggest increases are likely to be in Bellingham, Lynden, and Ferndale, where the majority of workers and retail establishments are located. Washington State would receive an estimated \$2.5 million a year in new sales and use tax revenue.

Sources

- 1 FCS GROUP: "Analysis of Potential Increased Local Government Tax Benefits That Result from Construction and Operation of the Gateway Pacific Terminal," October 5, 2012.
- 2 FCS has provided financial, economic, and management consulting services to over 475 public sector clients throughout the western United States and Canada since its inception in 1988.
- 3 In addition to the property tax and sales and use tax revenue impacts discussed above, the private investment in GPT and the direct, induced, and indirect payroll attributed to construction and operations would generate increases in other local and state taxes and fees, including but not limited to: WA State Worker Compensation taxes, Unemployment Insurance taxes, WA State Business & Occupation taxes, Real Estate Excise taxes, Motor vehicle fuel taxes, and Public Utility taxes (affects water, sewer, power, telephone, natural gas, transportation, railroads, etc.).
- 4 The GPT site is part of two school districts. Tax levies for the Blaine and Ferndale school bonds (and other voter-approved bonds) are for serial bonds that have fixed annual payments. Hence, the additional assessed valuation levels by GPT may not increase the total property tax revenue for that particular tax district/item, but instead could result in lower annual costs to all taxpayers within the particular tax district, as the levy amount due each year would be spread over a larger tax base if GPT is constructed.

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com





GPT

Gateway Pacific Terminal

GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Environmental Responsibility

The Gateway Pacific Terminal (GPT) will be built and operated to meet Washington's stringent environmental standards.

GPT is working with the Washington Department of Fish & Wildlife, the Washington State Department of Ecology, the Washington State Department of Natural Resources, federal agencies, environmental advocacy groups and local Tribes to protect the environment.

Before construction can begin, the project will undergo a full Environmental Impact Statement (EIS) led by Whatcom County, the Washington Department of Ecology and the U.S. Army Corps of Engineers to ensure the facility complies with dozens of federal, state, and local environmental laws and regulations.

The Site

The site of the Gateway Pacific Terminal, located between an aluminum smelter and an oil refinery, has long been zoned for water-dependent heavy industry. Because of its naturally deep moorage, there is no need to dredge to accommodate large ships. Commodities to be shipped from the terminal will be stored remotely from the shoreline.

Protecting Natural Habitat

One of the highest priorities at GPT is to protect or restore the site's natural habitat. While 75 percent of the 1,500 acre site will remain in open space and natural buffers, GPT is taking special precautions to protect wildlife habitat during the terminal's construction and operation.



On-site Stormwater Treatment

Stormwater runoff will be captured and treated in the facility's on-site water treatment facility. A portion of the treated water will be recycled for use at the terminal and the remainder will be slowly released back into the environment through natural drainages to benefit wetlands on the site and help protect against erosion and sedimentation.



Continued on back.

Wetlands Preservation

With the approval of the U.S. Army Corps of Engineers, project specialists have catalogued the wetlands on the property so that any wetlands disturbed during the construction or operation of the terminal can be restored or replaced. The goal is to improve the ecology of the watershed and help restore natural systems such as the existing saltwater marsh and its tributary creek.

Terminal Designed to Protect Shoreline Habitat

The Gateway Pacific Terminal is designed to avoid, minimize and mitigate impacts to the shoreline habitat at Cherry Point.

Wharf Placement and Design



The wharf has been located to minimize its impact on marine life and habitat. For example, the access trestle will cross over the water from above the bluff, leaving the bluff in its natural state and ecological function. To ensure that the maximum amount of light reaches the water beneath the wharf, GPT tracked sunlight and artificial light penetration, mapped the shadow pattern beneath the wharf, and aligned it to maximize the amount of natural light reaching the water.

In addition, the wharf and trestle will be constructed of concrete and steel to reduce marine environmental impact.

Covered and Enclosed Conveyors

All materials will be unloaded in an enclosed structure with a negative pressure dust collection system. Material movement over land outside of storage areas will be in covered conveyors; over water the conveyors will be enclosed.

Marine Life

Impacts on marine life at Cherry Point have been extensively studied and will be examined further during the environmental review process. The state and federal EIS will thoroughly evaluate potential impacts on wildlife and wetlands, and mitigation for unavoidable impacts will be developed as part of the permitting process.

The GPT will develop an operations plan to minimize effects on the marine ecosystem and species such as herring and salmon. Project construction will also be timed to reduce impacts on herring populations during spawning seasons and to safeguard commercial, Tribal and recreational fishing seasons. In addition, ships calling from overseas will be required to discharge their ballast water at least 200 miles offshore to prevent the introduction of non-native species into local waters.

Herring

A major environmental focus of the GPT project is the herring that spawn near the wharf site. These herring are part of a larger population that stretches along 4,500 miles of coastline. The Pacific Herring population was studied by local academics, National Oceanic and Atmospheric Administration Fisheries, and the Washington Department of Fish & Wildlife. A key conclusion was that declines in the local herring population appear to be due to natural factors rather than industrial activity in the area of Cherry Point. The terminal will be designed with safeguards to avoid, minimize, and mitigate the impacts of the project on the herring and its marine environment.

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com

October 2012



GPT
Gateway Pacific Terminal



GPT
Gateway Pacific Terminal

GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Air Quality

Onsite Safeguards

The Gateway Pacific Terminal (GPT) will be built and operated to meet stringent federal, state and local environmental standards.

The facility's air quality protections exemplify this responsibility. In addition to meeting strict air quality standards, the project is designed to meet a special permit condition that reads: "No odors, dust, dirt, or smoke shall be emitted that are detectable at or beyond the property line, in such a concentration or of such duration to cause a public nuisance..."

This high standard will be achieved through a combination of the best emission abatement technology reasonably available plus careful handling of commodities. For example, all materials will be unloaded in an enclosed structure equipped with a negative pressure dust collection system. Product will be stored remotely from the shoreline and dust will be minimized through a combination of sprayers, fogging systems, flow controlled chutes, and berms. Material movement over land outside of storage areas will be in covered conveyors; over water the conveyors will be enclosed.



The Environmental Benefits of Moving Freight by Rail Over Land

Railroads are the most environmentally sound way to move freight in America.¹ Trains can move a ton of cargo almost 500 miles on one gallon of diesel, and a single train can carry the load of 280 or more trucks.

In fact, moving freight by rail instead of truck reduces greenhouse gas emissions by 75 percent. According to the Environmental Protection Agency, freight railroads account for just six-tenths of one percent of greenhouse gas emissions in the United States, and just 2.2 percent of emissions from transportation-related sources.²

In Washington, trains contribute less than 1 percent of the state's total fine particulate matter (PM_{2.5}), and of the 13 activities monitored by the Washington Department of Ecology, locomotives rank among the three smallest contributors of air particulate emissions.³

Even with negligible emission impacts, BNSF Railway continues to make strides toward a cleaner environment, like spending close to \$1.1 billion in 2012 on new rolling stock, including new "Tier3" locomotives that achieve the highest EPA emissions standards available, a reduction in diesel emissions of 69 percent compared to older locomotives.⁴

Continued on back.

Coal Dust "A Non-Issue" in Washington – Rail Union Official



Trains carrying coal have been traveling through Washington on their way to British Columbia ports for decades. Before this project was announced, we are not aware of any resident raising concerns about coal dust to the Northwest Clean Air Agency, the Puget Sound Clean Air Agency or the Spokane Clean Air Agency.⁵

BNSF Railway also issued a new rule that requires coal shippers to implement additional measures at the

mines that will reduce coal dust loss by 85% or more. These include aerodynamic shaping of the coal and applying a spray that creates a crust over the cargo.⁶ GPT's first customer, Peabody Energy, will use these practices for the transport of coal to the terminal.

Those who work with coal trains on a daily basis agree that coal dust is a non-issue.

Mike Elliott, Chairman of the Brotherhood of Locomotive Engineers and Trainmen, Washington State Legislative Board, has worked in Washington for more than 17 years.

"Recently, there has been a lot of misleading information circulated regarding coal trains and the transportation of coal by rail—namely coal dust. I can tell you for certain I have never experienced or heard complaints of coal dust from trains in Washington State. None of my members, who operate and work around coal trains 24/7, have reported health issues related to coal dust. This is a non-issue as far as our organization is concerned."

"Ensuring our members have a safe and healthy work environment is our highest priority. If the trains we work on carried anything that posed a health risk to my membership or the community, you could be certain that I would be taking action to correct the problem."⁷

Sources:

1. Association of American Railroads "The Environmental Benefits of Moving Freight by Rail" June 2012
2. Association of American Railroads "Freight Railroads Help Reduce Greenhouse Gas Emissions" July 2012
3. Washington State Department of Ecology "Comprehensive Air Emissions Inventory 2005/2008"
4. U.S. Environmental Protection Agency "Locomotives" 2011
5. NW Clean Air Agency September 24, 2012; Puget Sound Clean Air Agency September 12, 2011; Spokane Clean Air Agency April 25, 2012
6. BNSF Freight Tariff, Coal dust mitigation requirements issued July 14, 2011
7. BLET Press Release Engineers and Trainmen: No Health Issues Related to Coal Dust April 18, 2012

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

Info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com





GPT

Gateway Pacific Terminal

GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Vessel and Marine Safety

Vessel Traffic is Closely Monitored and Controlled

Ship traffic in Puget Sound has an excellent safety record. Vessels calling at the Gateway Pacific Terminal (GPT) will be governed by the Puget Sound Harbor Safety Plan and controlled by the U.S. and Canadian Coast Guards. These vessels – up to 1-2 per day to GPT – must travel in designated traffic lanes and are monitored by the Puget Sound Vessel Traffic Service (VTS), a highly-efficient communications center that has been operating 24 hours a day, seven days a week, for more than 40 years.¹ The VTS system provides vessels with information about the location and speed of all marine traffic in Puget Sound and redirects traffic when necessary for safe passage.

In addition, while in Puget Sound waters, each vessel is under the control of a Puget Sound Pilot, specially trained ship captains commissioned by the Washington State Pilotage Commission to protect public safety and the environment. The Puget Sound Pilots have an unparalleled safety record of more than 200,000 sailings over the last 25 years without a major incident.



Gateway Pacific Terminal's Approach to Vessel Safety

A vessel traffic risk analysis will be included in GPT's Environmental Impact Statement to ensure that safe operating conditions exist for vessels calling at the terminal.

In addition, a marine safety committee will be created to recommend state-of-the-art vessel operating protocols and mitigation measures to be coordinated with other Cherry Point industries.

Vessel Traffic

At half-capacity, the terminal will serve, on average, about one vessel every other day. At full operational capacity, the terminal will serve between one and two vessels a day.

The bulk carriers calling at GPT would be either Panamax or Capesize class. The larger vessels, about 800-900 feet long, are about the length of the larger cruise ships now calling at Seattle, but shorter than the newest container ships traversing Puget Sound.

Continued on back.

Marine Environmental Safeguards

SSA Marine has worked for more than a decade with government agencies and environmental groups to integrate environmental safeguards into the design and operation of GPT.

To prevent non-native species from entering our waters, every vessel will be required to exchange its ballast water for clean ballast water at least 200 miles offshore. Ships may be provisioned at the wharf but no fueling will be allowed at GPT.



The wharf and trestle will be located to eliminate the need for dredging, minimize shading, reduce disruption to nearshore habitat, and safeguard native eelgrass. To avoid or minimize significant disturbances to herring during the spawning season, ship approaches have been modified and docked ships will be requested to shut down non-essential systems to reduce noise and air emissions. The trestle will span the shoreline's "feeder bluff," leaving it undisturbed and preserving the natural processes in the intertidal area.

Cargo will be moved over the water in conveyor systems that are fully enclosed. Special enclosed loading chutes will place the cargo below deck directly into ship holds.



The Cherry Point Advantage

GPT at Cherry Point will cut shipping time to Asia by one to two days over more southerly sites, reducing costs for shippers and enhancing U.S. competitiveness. The only new deep water bulk terminal site on the U.S. west coast, the site's naturally deep moorage requires no dredging to accommodate large vessels.

Sources

1. U.S. Coast Guard Vessel Traffic Service Puget Sound Fact Sheet April 19, 2004

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com





GATEWAY PACIFIC TERMINAL ISSUE BRIEF

Cherry Point Herring

Background

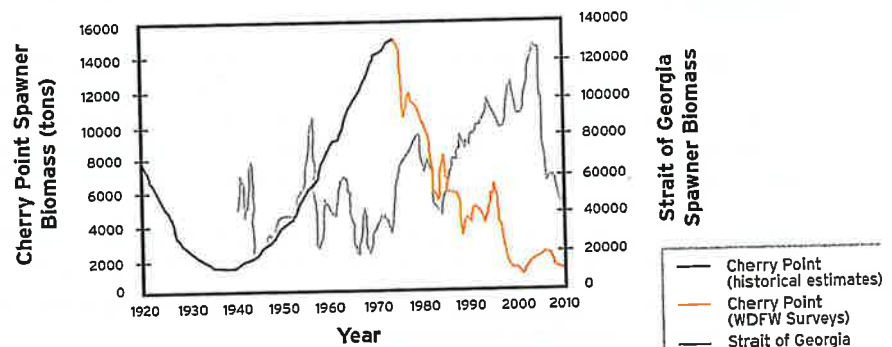
Cherry Point in Whatcom County, Washington, is a major industrial job base for Northwest Washington, with two oil refineries, an aluminum smelter, and a proposed export/import shipping terminal. It is one of the best and last deepwater port opportunities available on the U. S. west coast that has the potential to capitalize on the crucial economic importance of Pacific Rim trade.

The Cherry Point environs are also part of a large marine ecosystem that is subject to layers of federal, state, and local regulation designed to harmonize industrial activity with the natural environment. Regulatory agencies typically look to the best available science to guide the formulation of balanced public policies and approval of proposed projects.

This paper briefly summarizes the best available independent science on the subject.

The chart below of a 90-year perspective shows that Pacific herring populations naturally fluctuate widely over time and that the use of any one period of time as a baseline, such as the high numbers of the 1970s, will be misleading.¹

Strait of Georgia and Cherry Point Herring Trends²



According to government and academic studies, the local Pacific herring stocks are most profoundly affected by natural fluctuations in ocean temperatures, food supplies and predator populations - not industrial activity at Cherry Point. One study, for example, identified the "warmer sea surface temperatures associated with a warm Pacific Decadal Oscillation (PDO), as the primary factor altering the dynamics of the Pacific herring."¹

Two independent studies concluded that the decline in Cherry Point herring populations was due to factors not related to the local environment at Cherry Point. This is understandable when it is considered that each Cherry Point herring, which lives an average of 3 years, spends only about 3 percent of its life within the boundaries of the Cherry Point Aquatic Reserve.³

Continued on back.

Pacific herring are preyed upon by salmon, orcas, and harbor seals, among others. North Puget Sound harbor seals feed on Pacific herring virtually year round, but highest in spring. The same is true for another significant herring predator, the California sea lion. Predation from harbor seals and sea lions has dramatically increased since they were protected under the Federal Marine Mammal Protection Act of 1972.

"Along the west coast, [harbor seal] stocks have increased since the passage of the MMPA in 1972. Harbor seal populations in Oregon and Washington are at or approaching their 'carrying capacity' with a population of roughly 22,380 seals." (Carrying Capacity: The maximum number of animals an environment can support based on the available resources.)⁴

The loss of high-producing, older adult herring is a major factor in dwindling herring stocks. In addition to other reasons outlined above, the loss of these older age classes could also be the result of changes in food supply. Adult herring that have spawned feed voraciously to rebuild energy supplies depleted by spawning. A lack of prey available to these fish could help account for the decline of older adults and the fairly level population of first time 2-year-old spawners.⁵

The Cherry Point herring population is a tiny portion of a huge herring meta-population that stretches along 4,500 miles of coastline. Because of this, the NOAA Fisheries has declined to list the Cherry Point population as protected under the Endangered Species Act.

"The panel said that although the stock was separate from nearby stocks of Pacific herring in Puget Sound, the Strait of Georgia and the eastern Strait of Juan de Fuca, it was not biologically "significant" and thus did not meet the agency's standard for listing. If the stock were lost, the panel said, it would likely be re-colonized, would not result in a significant gap in the extensive range of Pacific herring, and would not represent a marked reduction in the fish's genetic diversity."⁶

Summary

The science is clear that industrial influences have had little, if any effect, on the Cherry Point herring population. It also shows that the Cherry Point herring population, as part of the larger Georgia Basin population and the vast North Pacific range of the herring, is subject to natural cycles of abundance and decline. While major factors such as increased predation by marine mammals and changes in water temperature are largely natural and also cyclical, they are also influenced by the larger human impact on the planet.

The answer on herring: by all means do what we can to understand their needs and help to sustain them - but there is no need to block valuable industry when it is not hurting the herring.

1. WWU Prof. W.G. Landis, et al, 2004, A Regional Retrospective Assessment of the Potential Stressors Causing the Decline of the Cherry Point Pacific Herring Run
2. Historical estimates based on Chapman et al. (1941), Williams (1959) 1973-2009 data based on WDFW surveys (WDFW 2008 personal communication with Kurt Stick, 2010) Strait of Georgia Spawner Biomass data interpreted from a slide presented by Kurt Stick at a WA DNR public meeting June 7, 2010
3. Abnormalities in Larvae from the Once-Largest Pacific Herring Population in Washington State Result Primarily from Factors Independent of Spawning Location. Transactions of the American Fisheries Society 2005; 134: 326-337 doi: 10.1577/T03-227.1 and W.G. Landis, et al, 2004
4. NOAA Fisheries Office of Protected Resources http://www.nmfs.noaa.gov/pr/species/mammals/pinnipeds/harbor_seal.htm and Monique M. Lance and Steven J. Jeffries, 27 August 2007, Temporal and spatial variability of harbor seal diet in the San Juan Island archipelago. Final Report for U.C. Davis Wildlife Health Center SeaDoc Society
5. Marshall, R.R. and G.G. Bargmann. 2002. Population changes in Washington State's largest herring stock seem to be influenced by copepod populations in the Strait of Georgia. Washington Dept of Ecology, Olympia, WA.
6. NOAA Fisheries Northwest Regional Office, June 6, 2005
<http://www.nwr.noaa.gov/Newsroom/Archives/2005/loader.cfm?csModule=security/getfile&pageid=21436>

The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.

info@gatewaypacificterminal.com • 360-738-7229 • www.gatewaypacificterminal.com

October 2012



GPT
Gateway Pacific Terminal

CUSTER SPUR IMPROVEMENTS AND RAIL TRAFFIC ISSUE BRIEF



Freight Rail is Critical to Washington's Economy

For more than a century, BNSF has been serving Washington state. The railroad is a key component of many of the state's leading economic engines—from natural resources to consumer products and aerospace. International trade has always been a driver of Washington's diverse economy, and bulk commodities, such as coal and agricultural products from Montana and Wyoming, have been part of Washington's export trade flow for decades.

Serving a New Terminal

BNSF would serve the proposed Gateway Pacific Terminal (GPT) at Cherry Point, Wash., a new highly efficient shipping terminal that will expand America's exports of dry bulk commodities. It would provide a major boost to the region's economy, creating thousands of construction jobs, hundreds of permanent family-wage jobs and millions in tax revenues while meeting Washington's stringent environmental standards.



IMPROVEMENTS

- Construction of a second track on the Custer Spur.
- Construction of up to three receiving and departure tracks on the south side of BNSF's Cherry Point subdivision.
- Upgrades to existing jointed line rail sections to 141-pound, continuous-welded rail.
- Realignment of the existing Custer Spur to accommodate yard construction of the second track.
- Increase capacity at BNSF Elliott/Valley yard.
- Installation of cross-overs and new industry track connections. These will provide operational flexibility to switch cars between tracks as well as accommodate the heavier weight of rail.

To serve GPT, BNSF would need to make improvements to an existing six-mile rail spur in Custer, Wash. This rail spur today serves existing industrial customers at Cherry Point, and the proposed improvements would enable BNSF to serve new customer demands in the area.

BNSF IN WASHINGTON

- 3,400 employees
- \$236 million payroll
- 1.4 million carloads annually
- \$100 million capital annually

Freight Rail Capacity and Investments

All upgrades to Washington state railroads are paid for by private capital by the railroads, not funded by taxpayer dollars.

BNSF has invested more than \$36.5 billion since 2000 to maintain and expand its network to accommodate current and future freight volumes. In fact BNSF has added more than 1,000 miles of 2nd, 3rd and 4th main track (not including sidings) to our system since 1996.

Train Volumes and Routes

GPT would be designed to handle one to nine loaded trains per day. These trains could range from 110-150 cars in length.

BNSF has three major east-west routes through Washington, and exact routing would depend on several factors, such as customer needs, weather, and freight volume.

Coal Dust

Before this project was announced, BNSF was not aware of any resident raising concerns about coal dust to the Northwest Clear Air Agency, the Puget Sound Clean Air Agency or the Spokane Clean Air Agency.

BNSF now requires its customers to treat coal carloads with a surface crusting agent to prevent dust. Peabody, the first customer at GPT, has committed to treat all coal exported through Cherry Point with a sealant to eliminate any potential concerns about coal dust in the state of Washington.

Grade Crossings

BNSF is committed to managing train traffic to minimize crossing delays. The chance of an emergency vehicle having to cross the intersection at the exact time a train is passing is very low. In fact, it is substantially less than any delay caused by traffic on the highway. In the event a train is stopped at a crossing, which is very rare, BNSF has posted emergency contact numbers at all public grade crossings for the public's use in contacting a 24-hour operations center with concerns regarding crossings or related questions. As an additional safety precaution, trains can be broken.

“Recently, there has been a lot of misleading information circulated regarding coal trains and the transportation of coal by rail—namely coal dust. I can tell you for certain I have never experienced or heard complaints of coal dust from trains in Washington state. None of my members, who operate and work around coal trains 24/7, have reported health issues related to coal dust. This is a non-issue as far as our organization is concerned.”

MIKE ELLIOTT, Chairman of the Brotherhood of Locomotive Engineers and Trainmen, Washington State Legislative Board, and has worked in Washington for more than 17 years.





Gateway Pacific
Terminal

A Carrix Enterprise

Public Support & Commentary

July 2013

The Bellingham Herald

[Next Story >](#)

Peace Health, UW collaboration eases continuing care, training

Gateway Pacific Terminal will make a great neighbor

Published: December 21, 2012

By GARY JENSEN — COURTESY TO THE BELLINGHAM HERALD

Ferndale residents know better than anyone that the industries at Cherry Point are great neighbors. They have provided excellent jobs and tax revenues while meeting our high expectations for environmental performance. Whenever our state has asked them to step up to a higher standard, they have met it. They participate in and give back to our communities.

We view these industries not only as environmentally conscious neighbors, but as steady providers of jobs and tax revenues for our communities. These employers demonstrate the significant benefits that a strong industrial base, from employing thousands at family-wage jobs to sponsoring Little League teams and donating to local charities and civic projects. We know that industry forms the backbone of prosperous communities.

So when another private company offers to become the fourth and final industry at Cherry Point - Ferndale's last industrial neighbor - I pay close attention. In fact, this idea is not new. Whatcom County has for decades planned for one more marine use of the Cherry Point industrial zone.

Unlike our three existing neighbors, which make products, the Gateway project will be a shipping terminal, designed to move dry bulk commodities between trains and ships. This project not only represents a \$665 million private investment in our community, the terminal will also have to be built and operated under the highest environmental standards.

But first, the Gateway Terminal will undergo a rigorous environmental review to ensure the project can protect our environment and the health of our communities. We won't need to speculate. We will be able to mitigate impacts that need it. The fact is, we hold companies to higher standards than ever before, so we have every right to expect that by the time this project is completed, it will be the best bulk commodities marine terminal ever built.

So, if we know our new neighbor will be safe and clean, what else can we expect? Prosperity. Many families throughout the county are unemployed or underemployed, and Gateway will generate more than 4,000 construction jobs and more than 1,200 permanent jobs. Local schools and other services lack sufficient funding, and Gateway will become the county's second largest taxpayer. The Gateway Terminal will help put families back to work and strengthen the tax base upon which our local schools and public services depend.

We have long benefited from the current industries at Cherry Point and I welcome the process to add the Gateway Terminal as one more neighbor.

Gary Jensen is mayor of Ferndale.

[Back to Top](#)
[< Previous Story](#)

Community arts provide engine for development, enrichment

The Bellingham Herald

[Next Story >](#)

Peace Health, UW collaboration eases continuing care, training

Blocking terminal will send wrong message to business

Published: December 21, 2012

By DON C. BRUNELL — COURTESY TO THE BELLINGHAM HERALD

There are 300,000 people out of work in Washington - they are our family, friends and neighbors. For many, their extended unemployment benefits have run out and they are desperate to find a job. In Whatcom County, 40 percent of workers in the construction trades are unemployed.

If there were a responsible way to create thousands of good-paying jobs and help some of these people provide for their families, would we?

That is the question we should be asking regarding the proposed Gateway Pacific Terminal.

Washington is the most trade-dependent state in the nation - 40 percent of our jobs in our state are related to trade. President Obama has called on states to expand trade as a way to stimulate the economy.

SSA Marine is trying to answer that call. With Washington roots dating back 60 years, the company is proposing to spend \$660 million to build a shipping terminal at Cherry Point in Whatcom County. The terminal would provide thousands of good jobs and millions each year in tax revenues. As with all such projects, the terminal would be subject to Washington's tough environmental laws.

One of the products Gateway would handle is grain. The U.S. Grains Council recently warned that the lack of export facilities for grain is jeopardizing America's competitiveness in the global marketplace. The new Gateway terminal would certainly fill that need.

Yet, activists oppose the terminal because it would also export low-sulfur coal from the Power River Basin. Blocking the Gateway Pacific Terminal will cost 4,000 high-paying union construction jobs and 1,200 family-wage permanent jobs at a time when they are desperately needed. What's more concerning is in the long term, the unrelenting campaign to stop the terminal will serve as a warning to any business considering moving to Washington. The message is clear: "Stay out."

Anyone wanting to build in Washington already faces vastly complicated state, local and federal rules and regulations. This kind of high-profile, negative campaign could convince them take their business (and the jobs they'll create) elsewhere.

We need to ask ourselves. Do we care that this is happening? Do we care that 300,000 people in Washington are out of work? Ironically, stopping Gateway won't stop coal exports or coal trains; they will simply travel further north to shipping terminals in Vancouver, B.C. Ultimately, opponents will have succeeded only in sending our tax revenue - and our jobs - to Canada.

Don C. Brunell of Vancouver, Wash., is president of the Association of Washington Business, Washington State's Chamber of Commerce, which has 270 members in Whatcom County.

[Back to Top](#)
[< Previous Story](#)



Guest opinion: New Northwest ports important for ag exports

MAY 04, 2013 12:00 AM • BY BRUCE WRIGHT

Montana exports had a record year in 2012, led by grain. Montana exported over \$2.48 billion in high-value grain last year. We're producing products and commodities that the world wants, and all our communities benefit from the resulting jobs, economic growth, and tax revenue.

But to continue to thrive in the highly competitive global marketplace, Montana's agriculture producers need to be able to access the emerging markets where new demand is expanding. We produce some of the most outstanding agricultural products in the world, but if we can't get those products to the markets that want them, someone else will fill that demand.

Ports at capacity

Right now one of the problems faced by Montana producers is that America's capacity to export our goods is becoming constrained. The port facilities on the West Coast are at capacity, and expanding existing ports and building new ones is the only way that we can ensure that Montana's ag products have an opportunity to reach new areas of demand.

There are a handful of proposals on the drawing board to expand port capacity, but all are far from certain due to efforts to stop port expansion. Much of the opposition comes from radical environmental activists because they want to stop coal mining in Montana.

If they're successful in stopping expansion, they're not just hurting our coal industry—they'll hurt other industries in Montana that serve overseas markets. With Montana's agriculture products representing, by far, the bulk of Montana's exports, the members of the Montana Farm Bureau Federation are very interested in seeing port capacity expanded.

It is silly to try to claim a division between natural resource industries in Montana by suggesting additional rail traffic to ship coal would somehow replace rail capacity for other commodities, like grain. This is simply not the case for one simple reason: Railroads make more money shipping agriculture commodities than they do shipping coal.

Coal ships cheaper

According to a recent study by the railroad industry, the average revenue per ton/mile for coal was 2.5 cents, compared to the average revenue per ton mile for all other commodities at 5.3 cents. That means railroads derive nearly twice as much revenue from other commodities, like grain, than they do from coal. It's simple math—railroads would leave money on the table if they started supplanting coal for other products.

The Montana Farm Bureau strongly supports proposals to build new ports in Washington and Oregon to give Montana producers more access to growing foreign markets. We pride ourselves on growing and raising the best beef and grain in the world; let's make sure that the world has access to it.

Next Story >

Politicizing coal export opportunities misses the mark

Published: March 29, 2013

We've heard a lot of discussion about the costs and benefits of new coal export facilities in the Northwest, and there'll be a lot more talk to come. That's as it should be in Washington, where we are as passionate about the environment and quality of life as we are about a vibrant economy. But two factors have been largely absent from the discussions: First, the potential consequences of changing the existing rules for economic investment in the Northwest need careful review. Opponents of export facilities are advocating unprecedented changes in the environmental review process.

For starters, they want several unrelated projects to be reviewed as one.

What's more, they want this process to cover not only the export facility itself, but all associated transportation and freight movement that supports the project.

Think about it. Imagine the consequences of having to review all passenger car, truck and rail traffic across the globe that results from a new Boeing plant. Or an environmental impact study for a new grain export facility, that requires every farm that could export their products through that facility to be included in the study.

That's what coal export opponents are seeking.

Simply put, this is an unprecedented overreach of the environmental review process that would, without question, jeopardize future investment for projects in the Northwest.

It will signal to any business wanting to expand or relocate in the region that it will likely be tied up in regulatory knots far beyond any reasonable planning requirements.

The second factor is the cost of politicizing access to transportation. What should be a question about expanding America's export markets for a key commodity has been turned into an ideologically driven political mud fight.

Opponents are making up scary stories about farmers being unable to ship by rail, trains blocking rail crossings and other alarming scenarios.

What we should be concerned about is the future of rail. The state's transportation plan recognizes \$2 billion in rail needs, 90 percent of which is unfunded. Consistent investment and growth for rail operators is necessary for maintaining and improving freight rail service.

The ability of special interests to pick and choose what goods and services can access our state's infrastructure is not a path to growth.

Farmers depend on rail service to move more than \$15 billion worth of products through our ports each year to help feed the world.

If we are to be able to continue to grow our exports and domestic production, we must have access to a viable rail system. Gov. Jay Inslee called for a "complete, consistent, reliable evaluation" of all impacts associated with expanding coal exports. We agree, as long as we also carefully evaluate the costs of this unprecedented expansion of our environmental review process. The free movement of goods is the cornerstone of our prosperity and way of life. This is so basic. We must move forward without delay on expanding our export capabilities. *Mike LaPlant is president of the Washington Farm Bureau.*

The Bellingham Herald

Next Story >

Food Bank Fresh aids Whatcom County farmers, ensures produce for clients

Terminal's family-wage jobs, taxes would aid Whatcom County

Published: April 13, 2013

By BRENT GOODRICH AND BONNIE ONYON — COURTESY TO THE BELLINGHAM HERALD

We take great pride in our communities. As local elected officials in Whatcom County, we have found that whether Republican or Democrat, progressive or conservative, debate in our area has traditionally been respectful. In that spirit, we want to share our personal thoughts with you on an issue.

Civic harmony was occasionally lacking last year in the debate over the proposed new export terminal in the heavy industrial port area at Cherry Point. Public meetings over the project sometimes featured sharp exchanges between supporters and opponents. Those meetings are behind us now, however, and we would like to take this opportunity to clear the air, and call for a less inflammatory debate around the project.

Despite any differences in opinion, we are all still neighbors. We all want to see our area succeed economically and continue to be a great place to live and to raise a family.

Over past decades, we've seen Mobil (now Conoco Phillips), Intalco Aluminum (now Alcoa) and ARCO (now BP) all open facilities in our county. Each of these projects came with some level of environmental concern, but all are now good neighbors. Their wealth supports the many government services that we demand. We believe the proposed Gateway Pacific Terminal will play a similar role, providing vital high wage jobs and substantial tax revenue while respecting our love of the environment.

But our good-paying industrial job base has been shrinking over many years, to the extent that Whatcom County's average wage is now about 20 percent lower than the state average. We need to do everything we can to attract businesses that pay family wages and offer good benefits. Every lost opportunity extends the pain of financial stress for too many families. And less citizen spending power means fewer customers at local businesses and less tax revenue to support local schools and other vital services.

Once Gateway Pacific Terminal is operational, it will be the second-largest property tax payer in the county. The terminal would benefit the Ferndale and Blaine school districts, paying property taxes in both. These districts have voter-approved levies funded from the taxes paid by property owners in the district. The taxes paid by GPT would take the load off of other property owners in these districts by over \$2.2 million every year.

The terminal also would create new property tax revenues of roughly \$4.8 million. That means adding more than \$600,000 in annual tax revenues to the local fire district, more than \$300,000 for our library district, and nearly \$200,000 for the Port of Bellingham. On top of all this, nearly \$1.8 million would go toward Whatcom County itself, and \$1.7 million to Washington state.

The sales and use taxes generated by the terminal are another big cash infusion for our community and would add an additional \$700,000 annually to local jurisdictions in Whatcom County and an estimated \$2.5 million annually to Washington state. Once Gateway is up and running, economic studies show that more than 1,250 jobs will be created, with an estimated annual payroll of about \$128 million; in turn, these workers will spend about \$17.1 million at local stores, restaurants and businesses each year.

During the two-year construction phase alone this would mean \$12.3 million in local sales and use tax

revenue, mainly in Bellingham, Ferndale, Blaine and Lynden, while Washington state would receive \$44.3 million in sales and use tax revenue. This is the difference between a Main Street with bustling businesses and a Main Street with shuttered vacancies.

Not only will the Gateway Pacific Terminal create jobs, but it will save the jobs of others that would otherwise fall victim to budget shortfalls. And as our economy grows more prosperous, it's more likely that support will grow for important new bond measures to upgrade schools and levies for school operations.

The Cherry Point industrial zone is designated in land use and shoreline plans for port-related industry. The environmental review process for the proposed Gateway Pacific Terminal project is comprehensive and the widespread participation in hearings about its scope speaks to the demand of our local community for the project to be environmentally responsible. We would want nothing less. However, we do believe that industry and environmental responsibility are not mutually exclusive endeavors.

We have done our homework and we have listened to the facts. We want the project to move ahead because it will be held to a high standard environmentally, and we clearly need to expand our tax base and create jobs. It's clear that the Gateway Pacific Terminal represents a great opportunity and like the other Cherry Point industries, we believe that the Gateway Pacific Terminal can be another good neighbor for Whatcom County.

ABOUT THE AUTHORS

Brent Goodrich serves on the Ferndale City Council and Bonnie Onyon serves on the Blaine City Council.

[Back to Top](#)
[< Previous Story](#)

Anger and rage in children: Bad behavior or something more?

[Next Story >](#)

Food Bank Fresh aids Whatcom County farmers, ensures produce for clients

[Email Newsletters >](#)
[Manage newsletter subscriptions](#)
[Tablets >](#)
[Apps and services for tablet devices](#)
[Mobile >](#)
[Apps and services for your mobile phone](#)
[Social Media >](#)
[Get updates via Facebook and Twitter](#)
[e-Edition >](#)
[Your daily paper delivered to your computer](#)
[Home Delivery >](#)
[Manage your home delivery account](#)
[Digital Subscriptions >](#)
[Manage your online subscriptions](#)

State's rural economy needs leaders' support, too

By **Ken Oplinger**

Equal treatment under the law. It's a cornerstone of this country, whether it involves people, businesses, or localities. Our political leaders are elected to support prosperity for everyone, not just some.

For example, recently Governor Jay Inslee made a special effort to ensure the Boeing 777X is built in Everett, unveiling plans to focus resources in workforce development, transportation and other areas, to ensure there are ample incentives for Boeing to build the airplane locally. This was a great move, and will hopefully ensure additional industrial jobs in King County.

Right now there are positive economic headwinds for King County, with unemployment below the national average, a booming tech industry, and many high-wage industrial jobs. These are all good signs, and Governor Inslee's efforts regarding Boeing are particularly commendable.

However, many communities in Washington do not share this sunny forecast. Outside of the central Puget Sound, unemployment remains far too high in many counties, with some rates that have barely budged in recent years. These areas don't house Microsoft, Boeing, and Amazon. They have more traditional economies, and deserve the same support from our elected leaders as more populous areas.

In Whatcom County, for example, the unemployment rate rose over two percentage points between October 2012 and February 2013, the last month data is available currently. Like many parts of our state, there are not enough opportunities for skilled workers to find high-wage industrial jobs. It's no wonder a recent regional economic study stated that Whatcom's economic growth was "slipping."

Whatcom County and other rural and suburban areas of the state are working to emerge from the recession, and to foster an economic climate that creates good jobs for those who need them. But we could use the same help from our elected leaders that King County regularly receives.

You can't help but contrast the treatment being afforded to the Boeing 777X (which is most appropriate) with that being given to the Gateway Pacific Terminal and other port projects. These new export projects would expand maritime export capacity for U.S. producers, and create thousands of jobs locally in Whatcom County, as well as millions in tax revenue. Export projects are met with a spirit of accommodation and support when proposed in the Central Puget Sound. In the case of the Gateway Pacific Terminal and other such projects outside King County, however, roadblocks are being thrown up.

For example, trains bring the majority of exported products to ports throughout the state. Boeing depends on them to transport key components for airplanes, and our elected officials are bending over backward to ensure rail infrastructure is well-funded for this purpose. When a new terminal is proposed in Whatcom County, however, the trains that would service the terminal are presented as a problem worthy of new regulations. The fact is rural and suburban areas of the state have as much right to our transportation

infrastructure as Seattle or Tacoma.

It's clear the motivations behind this -- bad feelings toward coal, which is the primary product this terminal would ship. Multiple hearings across the state have been held to receive input on the scope of the EIS process, which have attracted some loud voices who want to use these terminals to score points on their wider, environmental agendas.

Some of these voices have called for an unprecedented and expanded regulatory review process, based on their feelings toward this single product they'd ship. But in their focus on this campaign, they don't think what this may do to our regional economy, which is founded on trade.

Coal is shipped from terminals in Philadelphia, New Orleans, Baltimore, and many other areas without a problem. Here, however, some are calling for an examination of these train terminals that would be unprecedented for any such terminal in the nation. These reviews would look at everything from train traffic statewide, to greenhouse gas emissions involved with the use of products overseas.

This is uncharted territory which, if set as a precedent for state policy, could grind future port and industrial job growth to a halt. A similar standard applied to many other products we ship -- from airplanes to agriculture -- would create a business climate many industries would consider problematic. Many would likely take their business somewhere else, where there are more predictable regulations.

This gets back to the issue of equality. Why do some areas have their economies supported at every turn, while others face proposals for overregulation? Is all of Washington state open for business, or just certain parts?

These are questions for our elected leaders. It is our hope that they will adhere to the reasonable regulatory process so many other export projects in our state face, based on science and facts, and not on prejudices toward particular products.

Ken Oplinger is the former president and CEO of the Bellingham/Whatcom Chamber of Commerce & Industry, and former city council member for Blaine, Wash.

© 2013 The Daily Herald Co., Everett, WA

Editorials / Opinion

Originally published Thursday, May 9, 2013 at 4:44 PM

Guest: Weigh science, instead of conjecture, on dangers of coal-train dust

Anecdotal evidence and opinions of a handful of people, rather than scientific evidence, are being used in an attempt to sway the public on coal trains, writes guest columnist Roger O. McClellan.

By Roger O. McClellan

Special to The Times



WASHINGTON and Oregon are in the middle of an intense debate about whether to expand facilities to ship coal to Asia.

As a former resident of Washington state and one who has family that lives in the area, I have followed this issue with interest. As a scientist who spent my career in toxicology evaluating human health risks, what I am seeing in this debate concerns me.

What I find most troublesome is how anecdotal evidence and opinions of a handful of people, rather than scientific evidence, are being used in an attempt to sway the public on the export terminals.

A coalition of environmental groups recently put coal companies and BNSF Railway on notice that they intend to bring a lawsuit over coal dust from uncovered railway cars. They claim the dust is causing damage to land and rivers along rail lines, and are mounting this campaign under a provision of the Clean Water Act, which gives companies 60 days to respond before the suit is filed in federal court.

Coal from the Powder River Basin in Wyoming and Montana is currently being shipped by rail to ports in Washington state and Oregon. Some groups opposed to expanding ports in the Northwest claim the trains leave coal dust along the rail lines that skirt the Columbia River and Puget Sound.

We are told, for example, someone saw something fall off a train. Or someone else found a chunk of coal in a river. This is not the kind of science-based approach needed to inform public-policy decisions on this important issue. In the campaign to block expansion of export terminals, some important facts are being left out of the debate.

For starters, claiming that finding a piece of coal on the ground or in the water leads in a direct line to a health or environmental risk violates one of the basic tenets of toxicology and risk assessment — the mere presence of a substance does not indicate harm. There are other factors that need to be

taken into account, the main one being exposure.

Just because a piece of coal is found in the water or coal dust is found near a rail track does not mean humans are exposed to it. Coal is not a substance that breaks down easily. Coal is relatively innocuous. Simply moving it by trains or trucks or barges does not equate to a risk to the environment or human health.

Coal continues to play an important role in meeting energy needs around the world, with steady improvements made in its transport and use. Coal has been transported through the Northwest by rail for decades and there has never been any evidence of harm associated with this rail transport.

There needs to be robust and open debate on the merits of expanding the export terminals. These terminals, which serve as a gateway to Asia, have been an important part of the regional economy for more than a century. Debate over the terminals should be grounded in scientific facts and analysis. Well-established scientific approaches should be used to evaluate any potential environmental and human-health impacts.

Scientific assessments such as the one being conducted by the Army Corps of Engineers should provide clarity and context for decisions by public officials. Science-based assessments should also identify any constraints needed to assure protection of the environment and public health. The public at large should encourage and, indeed, demand such assessments.

Until such assessments are completed, it is plainly irresponsible to release exaggerated claims and mislead the public and regulators about the impact of transporting coal through the Northwest. Over the long run, pseudoscience and alarmist claims serve no one in this debate. Regulators and the public need an honest assessment on any potential risks based on sound science and clearheaded reasoning.

Roger O. McClellan, an expert on toxicology and human health-risk analysis, is former chairman of the National Research Council Committee on Toxicology, past Chairman of EPA's Clean Air Scientific Advisory Committee, and a member of the Institute of Medicine.

The Bellingham Herald

Next Story >

Time to play hardball about Hanford cleanup fiasco

Let's be honest: The concern really isn't about coal dust

Published: May 3, 2013

By MIKE ELLIOTT

Recently environmentalists have been claiming that coal dust poses an environmental risk to the region because coal transits the Northwest by rail. But there is no credible study to support this assertion, and I wonder what the true motivation for making such a claim might be.

I have worked in the Northwest rail industry for the better part of two decades, as both locomotive engineer and conductor, and I regularly speak with other rail workers operating all types of trains across Washington state. Coal trains have transited through the Northwest for decades and have done so without significant complaint or concerns. Despite allegations of coal dust blowing from trains, I have not witnessed it nor have I received any reports of it from our rail union members.

Nevertheless, some environmental groups have portrayed coal trains as creating some kind of "risk" to the Northwest environment, announcing they will sue railroad and coal companies for the dust they claim is escaping from passing trains.

To be clear, before it was announced that several multi-commodity export facilities were proposed for the region (coal being the first commodity to ship), the Northwest Clean Air Agency, the Puget Sound Clean Air Agency and the Spokane Clean Air Agency had not received a single complaint related to coal dust blowing from trains.

So why are coal trains and coal dust suddenly the focus of attention with environmentalists? The answer is that energy companies have shown an interest in exporting U.S. coal to overseas markets and that coal consumption contributes to greenhouse gas emissions.

This is not really about coal trains or coal dust at all. It's about climate change and attempts to slow this global trend.

I'm all for affordable energy for everyone. Unfortunately, the day hasn't arrived when renewable sources can supply that. Considering there are approximately 7 billion people on the planet, it's easy to understand why there is a high demand for an affordable energy source such as coal.

While coal certainly is not the end-all answer to a global energy source for the future, other energy sources are either not affordable, not better for the environment or not plentiful enough to meet the world's energy needs. When you factor in exploding population numbers and growing industrial needs in Asian markets, one gains a better understanding of the rapidly growing market overseas for U.S. coal.

Let's be honest about what's really at issue here for opponents – climate change, not any fabricated train-related threat. The issue of climate change can and should be argued in an international forum where there is a chance to make meaningful progress. Trying to influence what energy sources other countries use by attacking an American industry is futile and grossly unfair to American job opportunities.

We should be supportive of responsible construction projects in the Northwest and follow established procedures for evaluating and permitting those projects. Trying to influence a legitimate process by filing nuisance lawsuits is counterproductive to U.S. industry, job creation and our economy in general.

The middle class of the 1950s and '60s was, in large part, a blue-collar workforce that built and manufactured right here in the United States. We must remember the importance of these blue-collar jobs, sustain the ones we have and help create more of them.

Responsible projects that meet or exceed today's environmental standards should not be delayed simply because someone can go down to the courthouse and file a lawsuit. Nor should the environmental bar be set so high it can never be reached. Opponents are free to argue against fossil fuels, climate change and whatever else they want. It is their right. But let's be upfront in our debate and make the motives behind our arguments clear.

Mike Elliott is the spokesperson for the Washington State Legislative Board for the Brotherhood of Locomotive Engineers and Trainmen. He lives in Tacoma.

[Back to Top](#)
[< Previous Story](#)

In Focus: A daughter's tribute to her ink-stained father

[Next Story >](#)



Time to play hardball about Hanford cleanup fiasco

- [Email Newsletters >](#)
- [Manage newsletter subscriptions](#)
- [Tablets >](#)
- [Apps and services for tablet devices](#)
- [Mobile >](#)
- [Apps and services for your mobile phone](#)
- [Social Media >](#)
- [Get updates via Facebook and Twitter](#)
- [e-Edition >](#)
- [Your daily paper delivered to your computer](#)
- [Home Delivery >](#)
- [Manage your home delivery account](#)
- [Digital Subscriptions >](#)
- [Manage your online subscriptions](#)

The Bellingham Herald

Next Story >

Bellingham working for safe, legal fireworks for July 4, 2013

Gateway Pacific Terminal details evolve as economic forecasts change

Published: June 28, 2013

By CRAIG COLE — COURTESY TO THE BELLINGHAM HERALD

A recent opinion piece from the Save Birch Bay group tried to pick apart economic estimates for the Gateway Pacific Terminal project, but the author misunderstands the data, in some cases reading the wrong sections of very long and complicated reports.

First, it should be noted that these estimates are continually refined as design work progresses; so a construction cost estimate that was given two years ago is going to be periodically updated with new knowledge. Just like building a house, costs always seem to go up, rather than down. These aren't discrepancies, just changes in the forecast. (When a weather forecast changes, we don't consider the prior one to have been "deceptive" just because we now have better information.)

Also, she criticizes Gateway Pacific Terminal for stating that the project may be built over two years instead of a previously estimated four years. There's no mystery here, because whether to build in one or two phases is being considered.

The author points out that the early estimates of overall beneficial economic impact to the community (construction plus initial 10 years of operation) would be \$1.4 billion, not the \$1.8 billion current figure. Actually, the way costs seem to escalate in these big projects, I wouldn't be surprised to see that number approach \$2 billion before it's all over. But pick any number you want; they are all huge.

The Birch Bay writer also gets confused about the wage data, stating that the estimates of wages at the terminal vary. That's correct, because you are talking about different kinds of jobs. She claims that our earlier regulatory filings said that rail workers, tugboat crews, longshoremen, would make \$36,000 per year, not over \$75,000 per year as stated in our recent report to the community. She's reading from the wrong section of the filings, a section that accounts for anticipated clerical and office workers. I can assure you that the highly skilled rail and maritime tradespeople earn more than \$36,000 per year, and Gateway Pacific Terminal will create many more of those precious family-wage jobs.

Let's set the jobs numbers straight. Two prominent sets of economists have estimated the job creation that would result from Gateway Pacific Terminal, using two different but nationally accepted economic forecasting models.

The first estimates were done by Martin Associates of Philadelphia, one of the world's leading experts on port economics. Their work was vetted by three highly regarded regional economists affiliated with Western Washington University (but working on their own time). Their results were similar, but not identical, and the two sets of employment forecasts have been merged into a single, most current estimate, as follows:

Construction phase (full build-out over two years): Direct construction jobs (full-time equivalents), 2,120; indirect and induced jobs, 2,310; total jobs generated during construction, 4,430.

Ongoing operations: Direct jobs, 430; indirect and induced jobs, 820; total permanent jobs, 1,250.

Economists measure both the direct economic impacts and those that result from the "multiplier effect" of economic activity. "Direct" employment involves workers who are engaged in terminal operations. "Indirect" employment includes jobs created through the purchase of goods and services from other businesses that would support Gateway Pacific Terminal's operations. As with the other industries at Cherry Point, this is a major generator of jobs in the economy. "Induced" employment results from workers spending their wages for clothes, cars, appliances, health care, etc.

As estimates are refined, we will report them to the public. Meanwhile, we are happy to provide the most current factual information to community residents upon request.

Finally, I need to remind myself that not all county residents share the same history.

Longtime residents will remember the decades-long efforts to set aside a place for water-dependent heavy industry to operate outside of population centers, so that we could have both the benefits of high-wage employment and some isolation of impacts. More recent arrivals to the community may not appreciate that the Cherry Point industrial area is the result of longterm economic, land use and shoreline planning.

With poverty rates higher than the rest of the state and nation, we badly need industrial job growth. That's one reason why Gateway Pacific Terminal is so important to the future of working families.

ABOUT THE AUTHOR

Craig Cole of Bellingham is a former member and chair of the Whatcom County Council and is the president and CEO of Brown & Cole, Inc., a real estate investment firm, and the owner of Straight Talk Consulting, LLC, focusing on corporate governance and public affairs. He is a consultant to the Gateway Pacific Terminal project for developer SSA Marine of Seattle. He retired as CEO from the grocery company, Brown & Cole Stores of Bellingham.

[Back to Top](#)
[< Previous Story](#)



Summer events help keep Ferndale Food Bank fighting hunger in Whatcom County

[Next Story >](#)

Bellingham working for safe, legal fireworks for July 4, 2013

[Email Newsletters >](#)
[Manage newsletter subscriptions](#)
[Tablets >](#)
[Apps and services for tablet devices](#)
[Mobile >](#)
[Apps and services for your mobile phone](#)
[Social Media >](#)
[Get updates via Facebook and Twitter](#)
[e-Edition >](#)
[Your daily paper delivered to your computer](#)
[Home Delivery >](#)
[Manage your home delivery account](#)
[Digital Subscriptions >](#)
[Manage your online subscriptions](#)



**Gateway Pacific
Terminal**

A Carrix Enterprise

Keeping All of Washington Open For Business & Job Growth

July 2013

Citizens for Economic Opportunity for All of Washington

The Honorable Jay Inslee, Governor
State of Washington Box 40002
Olympia, WA 98504
RE: Job Creation Outside of Central Puget Sound

May 29, 2013

Dear Governor Inslee:

We applaud your efforts to streamline and expedite the process for building the Boeing 777x here in Washington, which would be a wonderful outcome for your administration.

But many communities in Washington exist in the economic shadows of economic prosperity, especially the farther one gets from King County. In Whatcom County, for example, the standard of living has been declining for years with the loss of high wage industrial jobs. The county's poverty rates are higher than the state and nation, and the average wage is more than 20% below the state average. Construction employment hit its lowest point in February, with thousands of skilled workers struggling to make ends meet.

Yet Whatcom County's costs of living are close to those of Seattle. This creates an unsustainable future for too many working families, who themselves live in the economic shadows of their more prosperous neighbors. A recent regional economic study classified Whatcom County as one of 11 counties in Washington where employment growth was "slipping". Washington Regional Economic Analysis Project <http://washington.reaproject.org/>

Communities outside of the greater Seattle metropolitan area also need your help in fostering the kind of business climate that will encourage the growth of family wage jobs. But there sometimes seem to be two standards applied to such matters. When it comes to economic development in Central Puget Sound, government throws out the welcome mat, but elsewhere not so much. A second export facility in Washington state, in Longview, enters its own scoping process this summer so the state decision is being watched closely. The Millennium Bulk Terminals permits were submitted 450 days ago, yet the scoping process has not begun. Both Cowlitz and Whatcom counties would benefit greatly from the jobs and tax revenues these projects would bring.

Not all areas of the state have access to the ability to make airplanes and software. In many cases, the economies of the more rural and suburban parts of Washington are fueled by more traditional industries. And they have the right to rely upon an ability to utilize the state's port, road and rail transportation infrastructure every bit as much as the residents of the more populous counties. Services like rail transportation are not just reserved for the larger cities, only to become a potential environmental "impact" when needed to spur the economies of other regions. You have recently spoken of the need to build a transportation system for the future and a culture of innovation and exports. Ports and rail systems are essential to the accomplishment of your vision; a vision that we hope will be equitably distributed among your state's communities.

Governor Inslee (continued)

May 29, 2013

Page 2

We can't help but contrast the treatment being afforded to the 777x (which we consider to be most appropriate) with that being given to the Gateway Pacific Terminal and other port projects. These projects, which would expand maritime export capacity for U.S. producers, are the subject of an unprecedented and expanded regulatory review process. Multiple hearings across the state have been held to receive input on the scope of the EIS process, including (potentially) an examination of everything from train traffic to greenhouse gas emissions here and such emissions involved with the use of products overseas. This is uncharted territory which, if set as a precedent for state policy, could grind future port and industrial job growth to a halt. Applying such standards to Boeing's projects, for example, could result in unwanted results, including the view that Washington is not the place to do business.

If fundamental fairness matters at all in the application of government actions, then this leaves you and your administration with a practical choice: either apply the same laws and standards to all projects or apply the same laws with differential standards to different projects. Since the latter would be offensive to American standards of equity, the first choice is the obvious one.

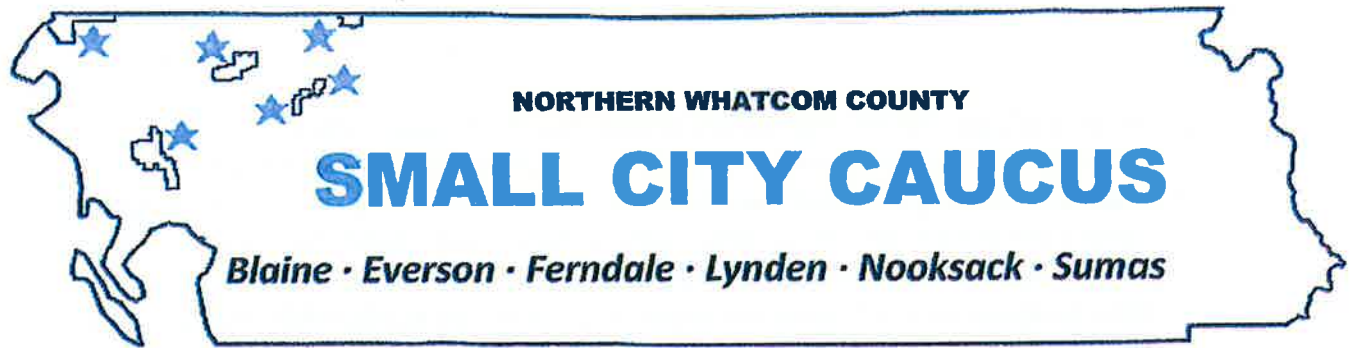
Logically, this argues for the uniform and consistent application of reasonable and prudent standards of regulatory review. This should include a scope of review that is practical (not global) and expeditious, as well as thorough and grounded in facts and science. We ask that this approach guide your actions and those of your agencies in all parts of the state. Investment abhors regulatory uncertainty and arbitrariness. Under a system of laws, new policy surprises should not spring up with each new project or product. Environmental laws, unless specifically written otherwise, are neutral as to such matters.

We share your goal of job creation under appropriate environmental standards.

Respectfully,

Association of Washington Business
Barbara Gradl, Custom Bookkeeping
Blaine City Councilmember Bonnie Onyon
Brad Owens, NW Washington Building Trades
Chris Johnson, Laborer's Local #276 and Co-
Chair of NW Jobs Alliance
Ferndale City Councilmember Mel Hansen
Ferndale Mayor Gary Jensen
Gordon Jonasson, Lopez Island retired executive
Greater Spokane Incorporated Agribusiness
Council's Jack Silzel
Herb Krohn, UTU Local 1348 President
International Trade Alliance of Spokane
Jex Biorn, Rattlesnake Mountain Business Unit
Manager of MacGregor Company
John Fluke, Fluke Capital Management
Longview City Councilmember Michael Wallin
Lynden Mayor Scott Korthuis

MacGregor Company, Alex MacGregor,
President
NFIB Washington, Patrick O'Connor
Nooksack Mayor Jim Ackerman
Randy Mullen, Owner of Mullen Farms,
Pasco, WA
Spokane City Council Member Mike Allen
Spokane City Councilmember Mike Fagan
Spokane City Councilmember Nancy McLaughlin
Spokane City Councilmember Steve Salvatori
Sumas Mayor Bob Bromley
Susan Fagan, State Rep., 9th District
Tessa Rhone, VSH CPAs
United Transportation Union (UTU) Local 1348
Washington State Farm Bureau
William Lampson, President Lampson
International, LLC



November 29, 2012

To: The Army Corps of Engineers
Washington State Department of Ecology
Whatcom County

RE: Gateway Pacific Terminal (GPT)/Custer Spur Project EIS Review

Greetings:

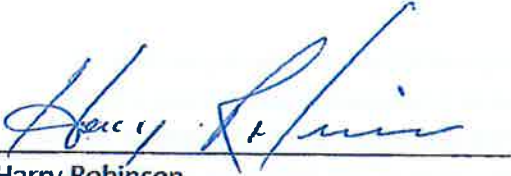
The undersigned are the Mayors of the six incorporated areas of Whatcom County outside of Bellingham. Our cities, and their surrounding areas, represent a substantial proportion of the region's population, as well as significant social and economic diversity. We join together in our individual capacities as elected officials to urge your consideration of the following matters in examining this project:

- 1) The project should be subjected to the customary, project-specific environmental review, under law, facts and science, to allow it to come to fruition in a manner that is timely and compatible with good environmental practice.
- 2) Whatcom County has a rate of poverty (15%) that exceeds state and national averages and wage rates and per capita income that also lag the state and nation. Over the years, higher wage industrial employment has been replaced with lower paying service sector jobs. Yet our cost of living is well above the national average and just slightly lower than in Seattle. (Please see the attached information presented to the Washington State Senate Environment Committee on October 1, 2012 by Dr. Hart Hodges of the Center for Economic and Business Research at Western WA University.)
- 3) The existing Cherry Point industries have been increasingly good neighbors and corporate citizens over time, but their future viability cannot be assumed or taken for granted. The permitting agencies should recognize the importance of new and diversified job growth within the Cherry Point heavy industrial area as essential to a healthy and sustainable regional economy.
- 4) The Cherry Point heavy industrial area has long been recognized in public policy as the appropriate site for additional shoreline-dependent industrial activity, including a fourth shipping pier. These policies are the result of decades of study and deliberate environmental, land use, shoreline, and economic planning.
- 5) The project would generate badly needed high wage jobs, as well as tax revenues to support essential governmental services.

- 6) The project's potential to expand U.S. export capacity through a domestic port, capturing the consequent economic and trade benefits, should be examined.
- 7) All parts of Washington must have beneficial access to the transportation infrastructure of ports and waterways, rail systems, roads, highways and airports in order to facilitate job production and commerce. It would be inequitable for major population centers to utilize transportation infrastructure capacity for their own needs, while seeking to deny it to other communities.
- 8) We are a nation of laws. Permitting agencies are objective administrators and should not interfere with the lawful conduct of commerce based upon extra-legal political considerations or biases, such as the popularity of specific commodities in the opinion of certain citizens or interest groups.

We respectfully encourage your consideration of the above.

Sincerely,



Harry Robinson
Mayor of Blaine



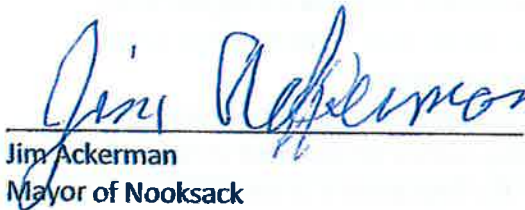
John Perry
Mayor of Everson




Gary Jensen
Mayor of Ferndale



Scott Korthuis
Mayor of Lynden



Jim Ackerman
Mayor of Nooksack



Bob Bromley
Mayor of Sumas

FOR IMMEDIATE RELEASE

June 17, 2013

**Washington State Farm Bureau Releases Coal Export Report
FB CEO Briefs Legislators, Touts Benefits of Expanded Exports**

LACEY, WA - The Washington State Farm Bureau today released a new report to state legislators, outlining the benefits of coal exports in supporting trade growth for Washington agriculture.

The report, "[Coal Exports from the Pacific Northwest and the Economic Growth of the Northwest Economy](http://www.wsfb.com/system/files/Globerman%2C+WAFB+Export+Paper.pdf)" [<http://www.wsfb.com/system/files/Globerman%2C+WAFB+Export+Paper.pdf>], authored by Western Washington Kaiser Professor of International Business, Dr. Steve Globerman, reveals three key findings:

- Coal shipments are likely to lower costs to other shippers by improving the economics of infrastructure investment and operation in Washington;
- More efficient import and export capabilities generate economic benefits for terminal customers, including agriculture. Those "upstream" benefits have not been quantified to date; and
- Existing economic studies likely underestimate the economic benefits from the terminals, and understate how broadly those economic benefits may be dispersed.

Following the briefing with legislators, Farm Bureau CEO John Stuhlmiller said: "Washington State is a trade leader. As the second largest export industry in Washington, we in the agricultural community have a significant stake in any debate that impacts the future of trade in the Northwest.

"The proposed commodity terminals will directly benefit some of our members, with the largest facilities handling wheat, grain, and timber products in addition to coal. But all Washington exporters stand to benefit from new investments that make Washington a more reliable, efficient, and competitive gateway for global trade."

Dr. Steven Globerman continued: "Expanding international trade benefits the economy nationally and locally. The cost advantage the terminal investments provide to domestic industries, like agriculture, and the upstream economic gains that result, have been largely overlooked to date."

Senator Mark Schoesler (9th LD, Republican Floor Leader), added: "I'm very concerned with the impact the export debate may have on Washington's business climate. Broad and seemingly limitless reviews for new investments, as some have proposed, would be devastating to economic growth."

Rep. Brian Blake (19th LD, Agriculture & Natural Resources Committee Chair) continued: "Increasing exports is the best way to grow our economy and create jobs. To do that, we need efficient and reliable access to global markets. That means encouraging more - not less - investment in our state."

###

Washington Farm Bureau is a 41,000-member advocacy organization representing family farmers and ranchers across the state. For more information about the Washington Farm Bureau go to www.wsfb.com. To speak with the Farm Bureau or Dr. Globerman, please contact Mariana Parks at 206-707-9095.

The Bellingham Herald

[Next Story >](#)

Peace Health, UW collaboration eases continuing care, training

American farmers need more grain export capacity

Published: December 21, 2012

By FLOYD GAIBLER — COURTESY TO THE BELLINGHAM HERALD

In the U.S., we are blessed with an abundant supply of healthy food, thanks to America's farmers who grow the grain for our bread, flour, vegetable oil - and those muffins at Starbucks.

People in other countries aren't as fortunate. The world needs more grain and American farmers can provide it - but only if the U.S. builds new export facilities, especially on the West Coast, with its closer access to Asian markets.

That's where the Gateway Pacific Terminal comes in.

Montana grain growers already ship 80 percent of their production to the West Coast. Notes Lochiel Edwards, past president of the Montana Grain Growers Association: "Bottlenecks at ports are at the top of the list of issues for us. We welcome increased investment in export capacity."

Markets are changing, as populations around the globe are moving into the middle class. China and India alone are projected to move nearly 300 million people out of poverty to the middle class by 2020. When people improve their standard of living they improve their diet, and more grain is essential to better nutrition. U. S. grain farmers already export 25 percent of what they grow and they can increase that significantly, but only if the U.S. builds more export facilities to handle the increase.

The U. S. Dept. of Agriculture projects that U.S. grain exports will increase 20 percent from 2010 to 2020. The Pacific Northwest is the perfect location to benefit from that growing demand.

Ports in the Pacific Northwest are closer to Asia, so they have an important advantage for our famers serving growing demand there. Washington State leaders and exporters already have many relationships in Asian markets, which more trade would only enhance.

In addition to providing more export capacity, the Gateway Pacific Terminal would add another key advantage: the economy of Capesize ships. The naturally deep water at Cherry Point allows for those larger ships without dredging, so a new shipping terminal there will make U.S. grain farmers more competitive.

Pacific Northwest export infrastructure like Gateway is essential for increased corn, soybean and other grain trade with Asia. The U.S. Grains Council, which develops export markets for U.S. barley, corn, grain, sorghum and related products, believes it is essential to move forward with this critically important project to meet growing export demand for agricultural commodities and create economic growth and jobs both locally and across the United States.

Floyd Gaibler of Washington, D.C., is director of trade policy at the U.S. Grains Council. He spoke in Whatcom County last year.

[Back to Top](#)
[< Previous Story](#)

ALLIANCE FOR
NORTHWEST JOBS & EXPORTS

June 18, 2013

Dear Member of the Media,

In testimony today before the House Subcommittee on Energy and Power, Acting Chief of the Regulatory Program of the U.S. Army Corps of Engineers Jennifer Moyer said the Corps will not conduct a "programmatic" or an "area-wide" Environmental Impact Study (EIS) for three Northwest bulk shipping terminals, despite requests from project opponents.

What does this mean for these proposed port expansion projects, and the thousands of jobs and millions of dollars in tax revenue that they will bring to the Northwest?

It means the Corps agrees with what the Alliance has long asserted: there is no regulatory basis to review all projects concurrently as each is in a distinct area – different waterway, different air shed, and different route of transportation. Calls for such an unprecedented regulatory approach reflect the efforts of project opponents to do everything possible to delay or block these projects.

The Washington Department of Ecology is expected within weeks to announce its scoping report for the Gateway Pacific Terminal setting the extent of the EIS process that will be mandated by the state. Multiple hearings across the state have been held to receive input on the scope, including (potentially) an examination of everything from train traffic to greenhouse gas emissions here and such emissions involved with the use of products overseas. This is uncharted territory which, if set as a precedent for state policy, could grind future port and industrial job growth to a halt.

Statement from Lauri Hennessey, Spokeswoman, Alliance for Northwest Jobs & Exports

"We welcome this clear statement from the Corps and hope other regulatory authorities reviewing these projects will follow suit. These terminals can be done right, creating thousands of good jobs and millions in needed revenue while achieving the high environmental standards that are so important to the Northwest. Any decision to expand the regulatory review process would set an unintended and dangerous precedent that could damage our state's competitiveness and economy for decades to come."

Statement from Jay Timmons, President and CEO, National Association of Manufacturers

"Manufacturers welcome this decision which is not only in accordance with the law and regulations, but also positions the region to create thousands of new manufacturing jobs. The pending projects, if allowed to move forward, could create as many as 11,730 jobs and \$831.4 million in wages for the Pacific Northwest. Beyond the economic effects in the region, the entire manufacturing economy will reap the benefits of these projects throughout the supply chain."

Statement by Don Brunell, President, Association of Washington Business

"We are gratified by the Corps' decision. Deviating from existing regulations would have set a dangerous precedent for all employers and created a chilling effect for our state's economy. It is important to note that these shipping terminal projects are already subject to exhaustive environmental review before they can be permitted and, once in operation, they must comply with more than a dozen state and federal environmental laws. Today's decision ensures that we will continue to have both a healthy environment and good jobs in the Pacific Northwest."

Statement from U.S. Army Corps of Engineers

"When considered in accordance with the laws and regulations discussed above, many of the activities of concern to the public, such as rail traffic, coal mining, shipping coal outside of U.S. territory, and the ultimate burning of coal overseas, are outside the Corps' control and responsibility for the permit applications related to the proposed projects. We note that coal mining in the Powder River Basin has been occurring for many years, with that coal being shipped by rail to many different destinations. The potential change in rail traffic patterns is beyond the control and expertise of the Corps, and requires no involvement from the Corps. Coal produced from the Powder River Basin currently transits the rail system to various destinations. Similarly, the possible future shipment of coal by oceangoing vessels across the Pacific Ocean beyond the limits of U.S. navigable waters, and the possible future off-loading, distribution, and burning of coal in Asia are attenuated and far removed from the activities regulated by the Corps at any of the three shipping facilities... The Corps has determined that neither a Programmatic nor an area-wide/regional EIS are appropriate when considering the proposed permits in light of based on these NEPA regulations."

Lauri Hennessey/Alliance for Northwest Jobs & Exports
206.268.2253 | info@CreateNWJobs.com | www.CreateNorthwestJobs.com



Business and Civic Organizations That Support A Fair Review

“ This project is the most important economic development opportunity for Whatcom County in decades.”

--Washington Realtors, an association with over 18,000 members

These civic leaders, groups, and businesses represent **HUNDREDS OF THOUSANDS** of members and employees, who recognize the importance of a strong trade economy and living-wage jobs, and support a fair review of the GPT:

- 58 Members of U.S. Congress
- U.S. Representative Rick Larsen
- Senator Doug Ericksen
- State Representative Jason Overstreet
- State Representative Vincent Buys
- Ferndale Mayor Gary Jensen
- Lynden Mayor Scott Korthuis
- Everson Mayor John Perry
- Nooksack Mayor Jim Ackerman
- Sumas Mayor Bob Bromley
- City of Ferndale
- Whatcom County Republicans
- Energy and Telecommunications Interim Committee, 62nd Montana Legislature
- National Association of Manufacturers--represents over 12,000 manufacturers in all 50 states
- Alliance for Northwest Jobs & Exports--includes over 40 companies, labor, civic, and other organizations
- U.S. Grains Council
- Washington Public Ports Association
- Western Business Roundtable
- Association of Washington Business--largest statewide business organization, with over 7,900 members representing 700,000 employees
- Washington State Realtors--the largest trade organization in Washington State
- Pacific Northwest Waterways Association
- Northwest Jobs Alliance--a cross-section of business and labor representatives throughout Whatcom County
- Bellingham/Whatcom Chamber of Commerce & Industry--includes over 800 members
- Greater Spokane Incorporated
- President of the NW WA Hispanic Chamber of Commerce, Manuel Reta
- President of Bellingham Technical College, Patricia McKeown



The Gateway Pacific Terminal will be a new, highly efficient shipping terminal to expand America's exports of dry bulk commodities. Proposed by Seattle-based SSA Marine, the terminal will meet our state's stringent environmental standards while providing a major boost to the region's economy, creating at full capacity 4,400 construction jobs, 1,250 permanent family-wage jobs, and \$140 million a year in economic benefits.



GPT
Gateway Pacific Terminal

www.gatewaypacificterminal.com

For more information call 360-738-7229 or email info@gatewaypacificterminal.com

Twitter @cherrypointjobs

Facebook.com/GatewayPacificTerminal

January 2013

Over 430,000 Workers in Washington Stand Behind GPT

The Gateway Pacific Terminal has been endorsed by the following labor leaders and unions, which represent over **430,000 workers** throughout Washington State:

- Richard Trumka, President of the National AFL-CIO
- Washington State Labor Council, AFL-CIO
- Washington State Building and Construction Trades Council, AFL-CIO
- Northwest Washington Central Labor Council, AFL-CIO
- Northwest Washington Building and Construction Trades Council, AFL-CIO
- Pierce County Central Labor Council, AFL-CIO
- International Longshore Warehouse Union, Puget Sound District Council
- Maritime Trades Department, AFL-CIO
- Puget Sound Pilots
- The Brotherhood of Locomotive Engineers and Trainmen, Washington State Legislative Board



“The national AFL-CIO strongly supports the proposed Gateway Pacific Terminal to be built in Cherry Point, Washington...The privately-backed project provides tremendous opportunity to increase the nation’s port infrastructure with minimal adverse environmental impact, and to create good-paying jobs that cannot be missed”

—Richard Trumka,
President of the National AFL-CIO



“This will put 2,000 men and women back to work on a union scale. **It’s hard to overemphasize what the impact of that will be.**”

--Mark Lowry, President of the NW WA Central Labor Council, AFL-CIO

“Right now, we have a choice: Expand our Northwest export economy and grow employment and our tax revenue base, or watch new jobs and revenues go elsewhere... Now, with so many people out of work and governments forced to cut funding for schools and vital services, **we should embrace this coal export opportunity**—for our economy of today and tomorrow.”

--Editorial by John Mohlis, OR State Building and Construction Trades Council, Robert Westerman, IBEW Local 932, Herb Krohn, WA State Legislative Director of the UTU, and Mike Elliott, BLET



Widespread Community Support for GPT



59% of Whatcom County residents SUPPORT the project,* while 55% of all Pacific Northwest residents support new coal exporting facilities, like GPT.**



Over **30** resolutions and endorsements from labor, civic, and business organizations supporting a fair process and the GPT.



Over **10,000** signatures of support submitted to the Whatcom County Council



Over **200** video testimonials urging the permitting agencies to approve the GPT



HUNDREDS of letters to the editor published in support of the GPT

*Kiley & Company Poll "A Survey of Voters in Whatcom and Skagit Counties" May 24, 2012

**EarthFix Poll Survey finds support for coal transport throughout Northwest July 26, 2012

MAJORITY OF LOCAL RESIDENTS SUPPORT THE GATEWAY PACIFIC TERMINAL

OVER **10,000** LOCAL SIGNATURES COLLECTED in SUPPORT of the GATEWAY PACIFIC TERMINAL



These signatures represent the thousands of workers, families, business owners, and everyday citizens around Western Washington that are in favor of the thousands of family-wage jobs and millions of dollars in tax revenues this project will bring to the community, while meeting Washington's high environmental standards.



“ I have been on unemployment since 2009 and for the foreseeable future the economy here in Whatcom County doesn't look to be getting any better. The proposed terminal at Cherry Point could drastically improve the economic situation here in Whatcom County.”

-Roger, Bellingham Resident

“ Having raised my family in Ferndale, I know how important industry at Cherry Point is to our community. I am confident that the Gateway facility will be a great addition to Whatcom County. Our families and businesses need the Gateway project.”

--Neva, Ferndale Resident and Local Business Owner

“ We are concerned about the lack of living-wage jobs for our children and grandchildren. This is why I support the Gateway Pacific Terminal project.

--Mike, Ferndale Resident





GPT

Gateway Pacific Terminal

Report to the Community

Volume 3

September 2013

Choose One:

Environment

Jobs & industry

All of the above

Moving Forward to Harmonize Job Creation and the Environment: Answers to Your Questions

IN A NUTSHELL: Gateway Pacific Terminal (GPT) will be a modern cargo-handling facility to expand America's export transportation capacity. It will target dry bulk products like coal, wood biofuels, grains, and corn that U.S. workers produce across the northern tier states, in competition with other countries. Counting direct employment and the "multiplier effect" economists estimate that GPT will generate 4,429 jobs during two years of construction and 1,251 jobs on an on-going, permanent basis.

GPT will be sited within the existing Cherry Point heavy industry zone and port area, between the BP Refinery and the Alcoa/Intalco plant. Three-fourths of the 1,500 acre site will remain in natural buffer and cargos will be stored a half-mile away from the shoreline. *Washington's high environmental standards will be met or exceeded.*

Getting Back to You

In our recent reports to the Whatcom County community, we have solicited your questions on topics of interest and concern. In this report, we tackle a wide range of issues with the best factual information we have. **We source facts and data from independent research and opinions by neutral academic experts and government agencies** whenever possible. You are welcome to ask us for our sources of information.

Frequently Asked Questions from our Whatcom Neighbors

What will be the scope of the environmental review for the Gateway Pacific Terminal (GPT) project? What kinds of things will be studied in the environmental review process?

The review will be done under the requirements of the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA). The U.S. Army Corps of Engineers leads the process for the federal govern-
(CONTINUED ON PAGE 2)



(CONTINUED FROM PAGE 1)

ment; Whatcom County and the state Department of Ecology (DOE) are “co-leads” for the state.

The agencies recently announced their respective decisions to **study a very broad range of issues, including *environmental elements of “earth, air, water, plants and animals, energy and natural resources, environmental health, land and shoreline use, transportation, and public services and utilities.”***

Whereas the U.S. Army Corps of Engineers is applying federal law in the normal manner pursuant to NEPA guidelines, the **Washington Department of Ecology** is sailing into uncharted waters by stating its intention to study matters **far outside of the state’s geographical and jurisdictional boundaries**, such as rail and vessel traffic outside of the state and how a potential U.S. export product (coal) is used in Asia.

The agencies are preparing an environmental impact statement (EIS) which will be used by authorities to make decisions about permitting and required mitigation. [The detailed specifics of the EIS requirements and process can be found at the official project EIS website: www.eisgatewaypacificwa.gov.]

An independent EIS consultant under contract to the agencies is preparing the EIS.

FACT: While the project proponent, Gateway Pacific Terminal, does not have any say in what gets studied or who does the work, GPT pays for the costs, which will be many millions of dollars.

Is this the customary scope of review?

Legal experts and journalists describe the state’s scope of review as **unprecedented**. *Washington State Wire* had this to say:

“An essentially political decision by the state Department of Ecology to inject train traffic and worldwide climate-change concerns into a review of a local coal-port proposal is bringing gasps from business and labor. The precedent-shattering decision appears certain to have enormous implications for the Washington economy – and some are wondering if it might be read as a chilling message for future industrial development in the state.” Aug. 2, 2013

A major Washington law firm not connected with the

project (**Foster Pepper**) released an analysis from its land use department, questioning whether the precedent set by the state Dept. of Ecology would require future manufacturing and transportation facilities, distribution centers, and even retail stores to study the statewide, national and global impacts of transporting goods and materials. They also raised a question as to whether the State Environmental Policy Act, as now being applied, would be **“...a state law with consistent, reasonably predictable requirements or instead a charter for agencies to impose whatever requirements they wish.”**

What does this mean for the future of jobs and industry at Cherry Point?

Good question. For decades, Cherry Point has been specifically designated in land use and shoreline plans for marine-dependent heavy industry. It is the “high-wage headquarters” of our region. **Both existing and future industries make investment decisions based upon clear and predictable regulatory requirements.** Where there is doubt, companies may look elsewhere to invest in job creation.



Given the people who want to de-industrialize our economy and the complexity of getting large industry of any kind permitted these days, does that make SSA Marine want to stop the project and invest elsewhere?

*“We have nearly two decades of work invested in this port project,” said SSA Marine senior vice president **Bob Watters**. “Washington is not the easiest place to do business, but it is our home, so we intend to see it through to create thousands of new jobs and millions in new tax revenues for Whatcom County and the state.”*

“We have pledged to work within the parameters set by the agencies, broad as they are. All we ask is the opportunity to move forward in a process that is reasonable and timely, and that the agencies stick to their commitment of getting things done in two years,” Watters said. “That time period will allow us to be in discussions with various stakeholders and constituents to address both concerns and opportunities.”



Doesn't everyone support job creation on private property within the designated Cherry Point heavy industrial area?

Survey research indicates that most people do. But not everyone.

In July, a **political organization endorsing a slate of candidates for the Whatcom County Council** passed a resolution stating:

“We propose and support the rejection of all industrial, commercial and residential uses of the remaining natural lands and waters on or adjacent to Cherry Point.”

The resolution also seeks to **ban the use of water** “except for the use of potable water for consumption by the people”, apparently ruling out even agricultural uses.

What's the deal with coal dust from trains?

(Ed. Note: Coal, along with grains, corn, wood biofuels and other dry bulk USA products are targeted for export through GPT.)

FACT: Coal dust has been a non-issue in Washington State.

Trains carrying coal have been traveling through Washington on their way to British Columbia ports for decades. Before this project was announced, there were **no coal dust complaints on record** with the Northwest Clean Air Agency, the Puget Sound Clean Air Agency, or the Spokane Clean Air Agency.

An organization that exists to protect rail worker health and safety agrees. Mike Elliott, Chairman of the Washington State Legislative Board of the Brotherhood of Locomotive Engineers and Trainmen, states: ***“I can tell you for certain I have never experienced or heard complaints of coal dust from trains in Washington State. None of my members, who operate and work around coal trains 24/7, have reported health issues related to coal dust.”***

In 2011, BNSF established a **new coal-loading rule** to address coal dust escaping from loaded coal cars. The loading rule requires measures be taken to prevent coal dust from being blown out of the loaded car. These measures include aerodynamic shaping and applying a benign glue-like topper agent that creates a sealant over the load. This rule effectively addresses coal dust.

According to a statement by one of the state's major air quality regulators, ***“After reviewing how coal dust is treated once it is loaded, Spokane Clean Air [Agency] is fairly confident that this will not be an issue for local quality impacts. The potential for coal dust emissions is greatest at the point of loading and unloading, which is not occurring in Spokane County.”***

One of the **nation's leading toxicologists** and a past Chair of the EPA's Clean Air Scientific Advisory Committee, Roger O. McClellan, told the Seattle Times that, ***“Coal has been transported through the Northwest by rail for decades and there has never been any evidence of harm associated with this rail transport.”*** May 9, 2013

What about where the coal is mined?

Campbell County, Wyoming contains about 44,000 residents and is home to 14 coal mines that produce much of American coal from the Powder River Basin. Campbell County also experiences about five times as much rail traffic as Whatcom County. Open surface mining, such as in the Powder River Basin, is safer, more cost-effective, and much cleaner than the underground methods seen in other parts of the country.

FACT: According to the American Lung Association, in Campbell County the health effects most commonly linked to coal dust exposure in underground “tunnel” mines, such as chronic bronchitis, emphysema, and asthma are either at or below the national average. Campbell County also scored an “A” in the American Lung Association's State of the Air 2012 report.

Will exporting U.S. coal to Asia increase pollution or accelerate global greenhouse gases?

EXPERT OPINION:

- *“By importing U.S. coal, China is not changing the amount of coal it burns. I understand why on an emotional level people don’t like it. But if you actually understand the economics and you understand how climate change works, it’s a non-issue.”* Richard Morse, Director Of Research at Stanford University’s Program on Energy and Sustainable Development, Dec. 10, 2010
- *“Not all coal is created equal. The proposed export terminals in the Northwest would ship coal that is better for the environment in almost every way than the coal mined in East Asian countries like China...”* Fred Thompson, Professor of Public Management and Policy at Willamette University, March 12, 2013

I am concerned about diesel emissions from trains. What are the facts about this?

Railroads are the most environmentally sound way to move freight over land (“Environmental Benefits of Moving Freight by Rail,” AARR April 2009). **Trains can move one ton of cargo almost 500 miles on one gallon of diesel**, and a single train can carry the equivalent load of 280 or more trucks. In fact, moving freight by rail instead of truck reduces greenhouse gas emissions by 75% (“Freight Railroads Help Reduce Greenhouse Gas Emissions,” AARR April 2011).



Trains contribute a miniscule amount to statewide air emissions. Data from NW Clean Air Agency monitors show exposure to diesel exhaust emissions to be much greater around Interstate 5 and other places than near the rail line. According to the Washington State Department of Ecology (DOE), **trains contribute 3/10 of 1 percent of the state’s total air particulate emissions.** Of the 13 activities monitored by the DOE, locomotives rank among the three smallest contributors of air particulate emissions (WA Dept. of Ecology Air Emissions Inventory 2005/2008).

Even with negligible emission impacts, BNSF Railway continues to make strides toward a cleaner environment, like spending nearly \$1.1 billion in 2012 on new rolling stock. Improvements include new “Tier 3” locomotives that achieve the highest EPA emission standards available, a reduction in diesel emissions of 69% compared to older locomotives. (U.S. Environmental Protection Agency, “Locomotives,” 2011)

FACT: 75% of the 1,500-acre Gateway Pacific Terminal site will remain in open space as natural buffer.

Contact Information

Gateway Pacific Terminal | P.O. Box 3170 | Bellingham | WA | 98227-3170 | 360-738-7229
info@gatewaypacificterminal.com

Find us on Facebook www.Facebook.com/GatewayPacificTerminal

Follow us on Twitter @cherrypointjobs

Subscribe to our YouTube channel www.youtube.com/user/GatewayPacTerminal

Gateway Pacific Terminal (GPT) is proposed by SSA Marine. Now based in Seattle, SSA was founded in 1949 as Bellingham Stevedoring Company and has been a part of the community for decades.