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Via E-mail and U.S. Mail

RE: Public comments on Removal-Fill Permit Application No. APP0049123, Coyote Island Terminals, LLC Coal Export Terminal, Columbia River, Morrow County.

Department of State Lands:

The following comments are submitted by Cascadia Wildlands. Cascadia Wildlands is an environmental non-profit organization based in Eugene, Oregon. We work to protect wildlife and wild places throughout the Cascadia bioregion, which stretches from northern California to Alaska. We have more than 6,000 members, who are concerned about threats to the environment in Cascadia from logging, mining, the export of natural resources, and other environmentally-harmful projects.

We urge the Oregon Department of State Lands (“DSL”) to deny the removal-fill permit. The permit should not be granted because the proposed project would adversely impact Federal listed endangered species; would adversely impact water resources; and would unreasonably interfere with navigation, fishing, and public recreation. Furthermore, a comprehensive Environmental Impact Statement addressing the impacts from mining, transporting, and exporting coal must be completed before the project goes forward. The proposed project would see the export of 8.8 million tons of coal per year, which would have disastrous impacts on endangered fish species, water resources, and navigation, fishing, and public recreation.

Granting the dredge-fill permit would adversely impact Federal listed endangered species. The Columbia River is designated critical habitat for eight Federally-listed fish species, including threatened and endangered Chinook salmon, sockeye salmon, steelhead, and bull trout.¹ The proposed removal-fill project would impact these endangered species. Ambre Energy's permit application calls for “fish salvage” processes which would include removal and relocation of endangered fish species.² This process necessarily impacts endangered species and can result in death from the stress of relocation. Although Ambre Energy states that work will only be done during the Oregon Department of Fish and Wildlife (“ODFW”) approved work-window, there are Federally-listed fish species present at the proposed project area year round.³ An Endangered Species Act consultation process must be initiated in order to ensure that endangered species are not

1 Designated Critical Habitat: Critical Habitat for 19 Evolutionary Significant Units of Salmon and Steelhead in Washington, Oregon, Idaho, and California, 65 Fed. Reg. 7764 (Feb. 16, 2000).

2 Ambre Energy North America, Coyote Island Terminal LLC, Joint Permit Application APP0049123, Filed with Oregon Dept. of State Lands, U.S. Army Corps of Engineers, Feb. 1, 2012, p. 4.

3 Id. at 13.

unlawfully taken.

The Coyote Island Terminal would be a staging point for barges continuing on to Port Westward, which is located in the Columbia River Estuary and is designated critical habitat for all endangered fish species found in the Columbia River. DSL must also consider the impacts on endangered species of sending more than a dozen barges weekly to Port Westward.

Additionally, the extent of the in-water construction for the coal export terminal—seven breasting dolphins, two mooring dolphins, and piles to support a walkway, conveyor, and dock structure—in designated critical habitat would result in the loss of critical habitat. Over-water work would increase shading in designated critical habitat, which attracts species which prey on endangered salmon and steelhead.

The proposed project would adversely impact water resources. Trains carrying coal from the Powder River Basin would arrive uncovered and be staged at the Port of Morrow, where dust from the trains would likely enter the Columbia River via process wastewater and stormwater. Most coal terminals are not enclosed, which further amplifies the risk that coal dust and other contaminants could enter the Columbia River. Ambre Energy has stated that the proposed terminal will be “nearly fully enclosed,”⁴ but has not included design specifics demonstrating the extent to which the terminal will be covered and the feasibility of constructing a covered coal terminal. Powder River Basin coal is particularly friable because of its low BTU content, which further increases the likelihood of coal dust entering the waterway if the terminal is not fully enclosed.

The proposed coal export project would vastly increase greenhouse gas emissions, because it would export 8.8 million tons of coal per year to be burned. This will result in an immense increase in greenhouse gas emissions, which have been demonstrated to contribute to climate change. Additionally, the transport of coal in the U.S. via rail and barge will also result in greenhouse gas emissions. This increase in temperature is predicted to have disastrous impacts on Oregon's waters and ecosystems.

⁴ Id. at 3.

The Environmental Report for the proposed coal terminal, prepared by Anderson & Perry, dismisses environmental impacts from the proposed construction and operation of the coal export terminal at Port of Morrow as “negligible” or non-existent. This environmental report is inadequate and should not serve as the basis for the DSL's decision on whether to grant Ambre Energy the dredge-fill permit. Ambre Energy must prepare a Biological Assessment detailing the impacts of the project on endangered species, which it has not done. Additionally, National Marine Fisheries Service and U.S. Fish and Wildlife must prepare a Biological Opinion evaluating the project's impact on endangered species and designated critical habitat.

Granting the permit would harm navigation, fishing, and recreation activities on the Columbia River. The Columbia River is used for recreational boating and fishing, as well as tribal fishing. A loading and unloading dock is located about 2.5 miles from the proposed terminal, and is used for fishing, boating, windsurfing, wildlife viewing, and other recreational activities. The increased number of tugboats and barges on the Columbia River as a result of the project will hamper the ability of individuals to use the River for recreational purposes. Tribes in the northwest have expressed concern about impacts on their fishing rights as well as other tribal resources—the proposed project would result in air and water pollution, threaten tribal health and safety, and negatively impact tribal economic development.⁵ At full build-out, the 11 trains, 12 loaded barge tows, and 3 ships to Asia would travel through the Port of Morrow each week.⁶

The proposed project would also harm public health and safety. Coal dust from trains traveling from the Powder River Basin to the Port of Morrow exposes local citizens to toxic heavy metals, including mercury, and can cause health issues such as chronic bronchitis, emphysema, and asthma, particularly among the young, elderly, and those with pre-existing lung conditions. One and one-half mile long coal trains traveling to the Port of Morrow would block at-grade crossings for up to five minutes, possibly delaying emergency vehicles from responding to emergencies or transporting the ill and injured to hospitals. Coal train derailments also threaten public safety,

⁵ *Northwest tribes say no short cuts for coal export proposals*, Columbia River Inter-Tribal Fish Commission, Sept. 27, 2012.

⁶ U.S. Army Corps of Engineers, Corps No. NWP-2012-56 Public Notice (Mar. 6, 2012).

releasing enormous amounts of coal dust, blocking access to roads for long periods of time, and sometimes causing fatalities. The Surface Transportation Board and the Burlington Northern-Santa Fe Railway have acknowledged that coal dust from Powder River Basin coal decreases track stability and increases the likelihood of derailments. These important health and safety impacts of the proposed coal export project must be considered.

The decision whether to issue the dredge-fill permit to Ambre Energy has broader impacts that must be considered in an Environmental Impact Statement. The permit, which would allow the Port of Morrow to construct the Coyote Island Terminal and export coal to Asia, is part of a broader scheme to transport coal from the Powder River Basin to ports in Oregon and Washington and then export this coal for use in Asia. This comprehensive project threatens disastrous impacts, including the acceleration of climate change, pollution of air and waterways, and public health and safety impacts. In the Public Comment Guidance Document, DSL states that it cannot consider traffic, noise, dust, and air pollution concerns. However, these concerns must be considered because if DSL does grant the dredge-fill permit, there will be increased traffic, noise, dust, and air pollution as a result. These considerations cannot be pushed off to a later date.

Under ORS 196.825(3)(a) and OAR 141-085-0565(4)(a), DSL must assess whether there is a “public need” for a proposed removal-fill project. Here, there is no public need. The coal exported via the terminal will not be used to generate energy in Oregon or even in neighboring states. Instead, the coal will be exported for use in Asia. Foreign “need” for a U.S. natural resource is not a “public need” under ORS 196.825(3)(a) and OAR 141-085-0565(4)(a). Furthermore, because Powder River Basin is from a decertified coal-producing region, the coal is sold at a far lower price than fair market value, so the project is not an economically wise one and will not benefit the people of Oregon financially. In 2010, Portland General Electric announced that it would close the Boardman coal plant, the last remaining coal plant in Oregon, early, by 2020, in order to avoid the expense of installing costly pollution-reducing measures.⁷ Oregonians have obviously determined that coal is too dirty for use here in the Northwest, so the proposed export project certainly does not meet a “public need.”

⁷ Scott Learn, *PGE files to close Boardman plant early, rekindles concern*, *Oregonian*, Apr. 2, 2010.

Under OAR 141-085-0565(4)(a), DSL must also consider the “social, economic or other public benefits likely to result from the proposed fill or removal.” Ambre Energy states that the proposed coal export terminal will create “local, family-wage jobs”.⁸ However, they provide no information about the number of jobs that will be created or the exact economic benefit the project would bring to Oregon. Because of the volatile nature of the coal market, jobs are not guaranteed, and Oregonians are rightfully skeptical after the collapse of the Port of Portland coal export project in the 1980s. A developer began constructing a terminal, but never completed it when Asian demand for U.S. coal plummeted, and the Port of Portland and private investors lost millions of dollars as a result of the failed deal.⁹ There is no guarantee that the same will not happen again. In 2008, Kinder Morgan, a pipeline and terminal company considering constructing a coal export terminal at the Port of Vancouver, stated in an internal e-mail that coal is “the most-risky bulk mineral market” and that the volatile prices for coal create “a real danger in losing investment.”¹⁰ The jobs and economic benefit that Ambre Energy insist the Coyote Terminal project would create are too risky to rely on.

The proposed removal-fill project threatens disastrous consequences for the Columbia River's endangered fish species, the environment, and recreational and tribal uses of the River. There is no demonstrated public need or benefit from the proposed project. Cascadia Wildlands urges DSL to deny the permit application for the reasons set out above, and to require a comprehensive Environmental Impact Statement evaluating the environmental impacts of the coal export project as a whole before going forward with any proposed coal export terminal.

Sincerely,

Bob Ferris

Executive Director

⁸ Ambre Energy North America, Coyote Island Terminal LLC, Joint Permit Application APP0049123, Filed with Oregon Dept. of State Lands, U.S. Army Corps of Engineers, Feb. 1, 2012, p. 3.

⁹ Scott Learn, *Coal clash: Proposed Northwest export terminals face the risky business of global energy markets*, Oregonian, June 30, 2012.

¹⁰ Id.

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