UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
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OFFICE OF THE
REGIONAL
ADMINISTRATOR

January 22, 2013

Mr. Randel Perry
U.S. Army Corps of Engineers, Seattle District
Care of: GPT/ BNSF Custer Spur EIS Co-lead Agencies
1100 112th Avenue Northeast, Suite 400
Bellevue, Washington 98004

Dear Mr. Perry:

The U.S. Environmental Protection Agency has reviewed the U.S. Army Corps of Engineers' September 21, 2012 Notice of Intent to prepare an Environmental Impact Statement for the proposed Gateway Pacific Terminal Bulk Dry Goods Shipping Facility and the Custer Rail Expansion Projects (the Gateway Pacific project). This EIS will be prepared with the Washington Department of Ecology and Whatcom County as Co-Lead Agencies, leading to a single, comprehensive analysis of the potential environmental impacts of the proposal. EPA's comments are provided pursuant to our authorities under the National Environmental Policy Act, Section 309 of the Clean Air Act, the Clean Water Act and our responsibilities as a Cooperating Agency.

The purpose of an EIS is both to provide decision makers with necessary information regarding potential environmental impacts before a decision is made and to inform the public debate. The Gateway Pacific project is one of several terminal projects proposed in the Pacific Northwest to provide for the export of coal being extracted from the Powder River Basin. These proposed projects are of great interest to the local communities, and we appreciate your efforts to hold several public meetings during this scoping period.

EISs for projects of this magnitude regularly evaluate a broad range of potential environmental impacts. The EIS for this project should examine the direct environmental impacts from constructing and operating the new terminal and expanding the existing rail spur line, including the impacts to on-site wetlands (over 150 acres), streams and nearshore habitat, as well as habitat important to herring and salmon.

In addition to looking at direct impacts in the immediate vicinity of the proposed terminal, CEQ regulations (Section 1502.16) instruct agencies to consider other effects that are reasonably foreseeable. Thus, in addition to considering the impacts occurring at and near the site of the terminal, we recommend that the EIS evaluate the potential impacts along the full route associated with transportation of dry bulk goods, including coal, to the new terminal. That evaluation would appropriately include the potential increases in fugitive coal dust and diesel emissions that would accompany the additional rail traffic to the proposed new terminal, and the potential related human health impacts to communities along the proposed routes. These types of impacts are exactly the kind of reasonably foreseeable potential impacts that NEPA was designed to address.

Other reasonably foreseeable impacts that we recommend be evaluated in the EIS include the potential for effects in the United States from combustion of the exported coal. The anticipated use of the terminal is shipping bulk commodities, mostly low-sulfur, low-ash coal, primarily to Asia. Because pollutants,

including mercury, particulate matter and ozone precursors, can travel long distances in the air, we would recommend using existing models to review the reasonably foreseeable potential for air and water quality impacts in the United States. The life cycle greenhouse gas emissions associated with the project are also appropriate to consider in this analysis. The methodologies for conducting that analysis are available and well developed; the Corps could draw on good examples of life cycle greenhouse gas emissions done in NEPA analyses by other federal agencies.

EPA also recommends that environmental impacts from increases in regional rail traffic and combustion of coal in receiving markets be examined in the context of other proposed export facilities in the Pacific Northwest region, so that reasonably foreseeable cumulative environmental impacts from additional facilities can be understood before a decision is made, as NEPA contemplates. The cumulative effects analysis would appropriately include increases in regional train traffic and related air quality effects on human health, and the potential for effects to human health and the environment from increases in the long-range transportation of air pollution, including greenhouse gas emissions.

We also note that there are several Tribes that have expressed interest in the proposed project, and we believe it will be important that the Corps engage in meaningful government-to-government consultations with Tribes. In particular, we are aware that Tribes have raised questions over potential impacts to fish habitat and cultural resources from the terminal and increased marine traffic, in addition to the decreased water quality from fugitive coal dust.

We appreciate the coordination you have carried out to date, and we look forward to working with you as a Cooperating Agency in developing the EIS. EPA has expertise and data that may be useful to you in preparing your analysis of potential impacts, and we are prepared to provide technical assistance, including more detailed information on recommended approaches for modeling and predicting impacts and suggestions for potential mitigation measures. If you have any questions, please contact me or Christine Reichgott at (206) 553-1601 or by electronic mail at reichgott.christine@epa.gov.

Sincerely,

Dennis J. McLerran
Regional Administrator