



City of Seattle
Office of the Mayor

**TESTIMONY OF SEATTLE MAYOR MIKE MCGINN
BEFORE THE SUBCOMMITTEE ON ENERGY AND POWER OF THE HOUSE ENERGY AND COMMERCE
COMMITTEE
JUNE 18, 2013 HEARING
US ENERGY ABUNDANCE: REGULATORY, MARKET AND LEGAL BARRIERS TO EXPORT**

Summary

Chairman Upton, Ranking Member Waxman, Chairman Whitfield, Ranking Member Rush, and members of the Committee, thank you very much for the invitation to testify before you today. And thank you in particular for your attention to this crucial issue: coal export.

My message to you today is twofold: 1) **Coal exports will have serious negative impacts** on local communities as well as on the environment, both locally and globally; and 2) The Leadership Alliance Against Coal is **opposed to the permitting and development of any new coal export facilities** on the West Coast.

In Washington State and across the Pacific Northwest, coal companies are joining with railroads and international shipping companies to propose new export facilities for coal. Terminals are proposed north of Bellingham, Washington and near Longview, Washington as well as in Oregon and British Columbia. As they travel to Northwest ports from the Powder River Basin, coal trains will leave behind coal dust and diesel exhaust along the rail lines. Coal train traffic will clog our railroads, ports, and roads, risk our families' health, pollute our air and water, hurt local economies and contribute to climate change. In our cities, these coal trains will create unacceptably long delays for residents, visitors, freight, first responders, and others who are trying to cross the busy rail corridor. On Washington State tribal

lands, coal trains will cause those same disruptions, but will do additional damage to cultural heritage and treaty rights.

The corporations that want to export coal through our communities want us to believe that there's nothing wrong with their plans. But it is my job as Mayor of Seattle to stand up to protect our community from these coal export facilities and associated rail traffic. We need an area-wide Environmental Impact Statement to evaluate the local, regional and global impacts of coal export. The geographic scope of the EIS should be broad and all potential impacts in local communities, from increased health risks to traffic delays, from the disruption of freight movement to the impacts on our local businesses should be considered.

I stand together with the Leadership Alliance Against Coal to tell you that we do not want coal trains or coal export facilities in the Pacific Northwest.

Impact of Coal trains on Local Communities

In Washington State and across the Pacific Northwest, coal companies are joining with railroads and international shipping companies to propose new export facilities for coal. The coal industry is responding to a shrinking domestic market with plans to strip-mine coal in Montana and Wyoming, transport it on long coal trains through Northwest cities and towns, ship it on massive cargo ships off the West Coast, and sell it overseas. The largest coal company in the world, Peabody Energy, wants to build the massive Gateway Pacific Terminal north of Bellingham, Washington at Cherry Point, so they can ship coal all over the world. Another terminal is proposed near Longview, Washington along with others in Oregon and British Columbia.

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our families' health, pollute our air and water, hurt local economies and contribute to climate change. In our cities, these coal trains will create unacceptably long delays for residents, visitors, freight, first responders, and others who are trying to cross the busy rail corridor. On Washington State tribal lands, coal trains will cause those same disruptions, but will do additional damage to cultural heritage and treaty rights.

Coal Export Will Fuel Climate Change

Unless we can stop coal terminals from being built in Washington State, at least 110 million tons of coal will be shipped from ports on the West Coast overseas to Asia every year. The proposed Gateway Pacific Terminal would export at least 59.5 million tons of coal per year, making it the largest coal export facility in North America. The proposed Longview terminal would ship at least 48.5 million tons per year.

Just the 110 million tons of coal from Cherry Point and Longview would result in more carbon emissions than the entire Keystone XL pipeline each year¹. Those 110 tons would also more than double total U.S. coal exports. A Sightline Institute study in 2011 found that burning just 60 million tons of Washington state coal in China would produce as much climate-changing carbon pollution as all the gasoline burned by 50 million people each year². Now that we're looking at 110 tons of coal every year rather than 60, this coal is the equivalent of the gas burned by everyone on the entire western seaboard plus Colorado, Montana, Idaho, Alaska, Nevada, New Mexico, Arizona and most of Texas.

Unless we can stop these coal terminals from being built and keep our coal in the ground where it belongs, Washington state coal exports will be responsible for hastening the advance of climate change here at home and around the world.

¹ <http://daily.sightline.org/2011/11/16/coal-exports-are-bigger-threat-than-tar-sands-pipeline/>

² <http://daily.sightline.org/2011/02/22/coal-exports-and-carbon-consequences/>

In addition, the Department of Interior's Office of the Inspector General recently released a report confirming U.S. coal companies receive massive subsidies from U.S. taxpayers for mining leases on public lands³. The Inspector General's findings come on the heels of the Institute for Energy Economics & Financial Analysis 2012 report which revealed that the current Bureau of Land Management (BLM) leasing program cuts U.S. taxpayers out of billions of dollars in revenue⁴. The Inspector General report faults BLM for failing to take into account potential profits for coal export and for failing to follow an Interior Secretary Order intended to ensure unbiased evaluations of the fair market value for federal coal. The report explains, "Since even a 1-cent-per-ton undervaluation in the fair market value calculation for a sale can result in millions of dollars in lost revenues, correcting the identified weaknesses could produce significant returns to the Government."

I don't think American taxpayers should be on the hook to subsidize large corporations that damage our environment and continue to advance the climate crisis.

Community Concerns

As Mayor of Seattle, I have heard concerns from many in our community about the possible impacts of the propose coal terminal and coal trains. Last fall and winter, the Army Corps of Engineers along with the Washington State Department of Ecology and Whatcom County, held a series of hearings to take comments on the potential scope of environmental analysis for the proposed Gateway Pacific Terminal. The response they received was almost unprecedented; thousands of people turned out for each of six hearings.

³ View the full report "Coal Management Program, U.S. Department of the Interior":

http://www.eenews.net/assets/2013/06/11/document_pm_01.pdf

⁴ For additional details on the report see: <http://www.ieefa.org/study-almost-30-billion-in-revenues-lost-to-taxpayers-by-giveaway-of-federally-owned-coal-in-powder-river-basin/>

The Seattle hearing was attended by approximately 2,300 people, with the vast majority representing the anti-coal side. The regulators heard from dozens of people concerned about both the local impacts and the larger impacts on climate and then environment from the coal proposal. I testified on behalf of the City of Seattle, calling on the regulatory agencies to perform a comprehensive analysis the encompassed the full rail corridor and all of the potential health, environmental and economic impacts of the coal trains.

By the end of the comment period, the agencies received over 125,000 individual comments, with strong opposition to the proposal in general and clear call for a comprehensive analysis potential impacts. Many federal, state and local agencies weighed in to voice similar positions. For example, the US EPA recommended that not only is an analysis considering the full rail corridor as well as fugitive coal dust and diesel emissions warranted, they also urged that the regulatory agencies consider the air, water and greenhouse gas impacts from burning the exported coal (see Attachment 1).

Since the scoping hearings, local and state officials have continued to weigh in with concerns over the environmental review process. The Governors of Washington and Oregon have sent a letter urging the Council on Environmental Quality to “undertake and complete a thorough examination of the greenhouse gas and other air quality effects of continued coal leasing and export *before* the U.S. and its partners make irretrievable long-term investments in expanding this trade” (see Attachment 2) and the King County (Washington) Executive Dow Constantine has also weighed in asking for an area-wide assessment of the impacts of coal export terminals proposed in Washington and Oregon (see Attachment 3).

The Leadership Alliance Against Coal

On Earth Day, I stood together with a number of city governments and tribal nations from across the Pacific Northwest to announce a new coalition to oppose coal trains and coal exports. The

Leadership Alliance Against Coal⁵, already over 50 strong, is working together to raise awareness about the damaging economic, cultural, and health impacts of coal trains and coal exports, as well as, take action to protect our communities (see Attachment 4). We have all agreed that the proposals to export coal from the Northwest present unacceptable impacts to our communities.

In addition to the members of the Leadership Alliance, hundreds of other public officials at all levels of government have voiced concern and/or opposition to the coal export proposals. A summary of this outpouring of concern is summarized in Attachment 5.

Impacts in Seattle

Last year, the City of Seattle worked with consulting firm Parametrix to take a close look at the traffic impacts of the coal train proposal⁶.

The findings indicated that running as many as 18 coal trains per day through Seattle, each over a mile long, at an average speed of 20 miles per hour, will significantly increase delays along our waterfront and in the industrial area south of downtown.

The traffic study indicated railroad crossing gates will be down an additional one to three hours each day. Those coal trains will separate our waterfront and the maritime, industrial, and other small businesses on the waterfront side of the tracks from the rest of the City. The trains will essentially form a wall, cutting off a critical part of Seattle's economy. It will also limit the ability of people to access the businesses and attractions on Seattle's waterfront and hinder emergency response to these areas.

⁵ More information on the Alliance is available here: <https://www.facebook.com/LeadershipAllianceAgainstCoal>

⁶ For additional details on the traffic study, please see: <http://www.seattle.gov/transportation/coaltrainstudy.htm>
View the full report, "Coal Train Traffic Impact Study": <http://www.seattle.gov/transportation/docs/121105PR-CoalTrainTrafficImpactStudy.pdf>

We already know the traffic and safety impacts of this proposal. Those impacts raise a logical question: what do coal trains mean for our regional economy? What do they mean for the health of people living in our communities?

Proponents of the Gateway Pacific Terminal claim that it will be a job creator. I'm concerned that on the whole the terminal will actually have a negative impact on jobs because it will significantly impact business in Seattle and throughout the rail corridor. We're currently studying the economic impacts of coal trains here in Seattle. We are analyzing the impacts on operations and employment for the Port of Seattle and businesses along the proposed coal train route, evaluating the displacement of higher value goods being shipped by rail and making a determination on additional infrastructure improvements or policy measures that would be required to support coal train operations and/or mitigate coal train impacts.

Our work also helped convince the Puget Sound Regional Council to do a region-wide economic impact study. This study will assess the effects of the Gateway Pacific Terminal proposal on the regional transportation system, future trade throughout the regional freight and goods transportation system, current and future land use within the region, water and air quality and adverse impacts on minority and/or low income communities. It will also identify additional infrastructure improvements or policies that may be required to mitigate potential impacts.

In addition, Seattle is supporting studies on the air quality and health impacts from the coal proposals. A University of Washington researcher plans to analyze the air quality impacts of coal and diesel emissions along the rail corridor this summer. Later this year, a team led by Washington State University in collaboration with experts at the University of Washington and the Oregon Public Health Institute will launch a Health Impact Assessment to encompass coal transport routes from mines in the Powder River Basin to proposed coal export terminals in Washington and Oregon.

Sierra Club, along with a number of other environmental groups, recently filed suit against BNSF under the provisions of the Clean Water Act based on emissions of coal dust and chunks into our waterways from existing coal trains. According to BNSF testimony at hearings before the Surface Transportation Board, each rail car loses an average of 500-3,500 pounds of coal dust. Coal trains are composed of approximately 120 rail cars, resulting in an average of 60,000-420,000 pounds of coal lost per train, each trip, according to a Sierra Club press release announcing the lawsuit. We do not know the impacts of these discharges on the environment, particularly on Puget Sound, nor on the health of our communities, and this deserves further study as well.

Impacts in Other Cities

Communities up and down the train line can expect similar impacts to those being quantified in Seattle. In addition, we're hearing from a number of these other cities about the potential impacts they may experience.

Marysville

Within the City of Marysville, there are 23 at-grade railroad crossings with 6 intersections signalized and interconnected with railroad preemption. The City has three, four-lane east/west arterials connecting to Interstate 5. All three roadways have at-grade railroad crossings within 0.4 miles of I-5 and immediately to the west of the main north/south City arterial street, State Avenue. Each of the three east/west connectors to I-5 is separated by 1.6 miles. Average daily traffic (ADT) on 4th Street (SR 528) and 88th Street NE is approximately 30,000 vehicles per day with 20,000 ADT on 116th Street NE. Currently an average of 19 trains travel through Marysville per day with the long freight and coal trains at just over a mile in length. The City has in the past looked at grade separation options for the three east/west arterials with the conclusion that grade separation is not feasible due to site

constraints, extreme non-funded costs and very disruptive impacts to existing and planned City neighborhoods.

The proposed coal trains are estimated to add an additional eighteen 1.5 mile long trains per day rumbling through Marysville. Trains of this length are likely to block at least two of the three east/west arterials simultaneously and with a speed from 5 mph to 30 mph will result in roadway closures from 6-18 minutes per train with anticipated transportation delay of at least an additional 2-3 hours per day. The City and bordering jurisdictions have invested and planned for construction projects to alleviate safety and congestion issues on I-5, 4th Street (SR 528), 88th Street NE, and 116th Street NE, however the addition of the proposed coal trains would negate the effect of these projects. Additional to transportation delays are concerns of the capability for emergency response during times in which the City is cut in half by additional train traffic.

Spokane

Spokane, Washington is the largest Northern U.S. city between Minneapolis and Seattle. All of the rail lines from Montana, Wyoming and Idaho converge in Spokane. If rail traffic carrying coal increases from the current volume of 2 to 3 trains a day to the proposed 30 or more, the city will see many negative effects. Each train represents an economic and public safety risk.

Spokane has numerous at-grade crossings that are along commercial truck routes as well as emergency first responder routes, each presenting unique challenges when train volume increases. The rail lines leading out of town are already close to capacity and additional train volume is likely to cause congestion problems around at-grade crossings. This will have real consequences for commercial traffic as well as emergency response. In addition, existing above-grade railroad crossings are already highly degraded. If coal train traffic is massively increased, scarce infrastructure dollars will need to be

diverted to improve railroad crossing infrastructure in order to accommodate activity that does not benefit our city.

Each coal train also represents a threat to public health and the Spokane River. Spokane is geographically located on and named for the Spokane River. Community volunteers have found significant pollution to both the river and community. They have found coal dust and pieces of coal that have fallen from the 2 to 3 trains that currently pass through the city each day.

Impacts to Tribes

For tribes, treaty rights and cultural heritage are also at stake. Jay Julius, a councilmember for the Lummi Nation whose lands will be directly impacted by the Gateway Pacific Terminal, has stated, “it’s like putting a coal terminal in Arlington National Cemetery” since the terminal will sit directly on an historic Lummi burial ground. In addition, the exponential increase in ship and train traffic across the Northwest created by coal export will directly and negatively affect tribal enterprises and treaty rights.

Tribal economies are among the major economic forces in our cities and regional economy. Tribes employ more than 27,000 people statewide, paying more than \$1.3 billion annually in employee wages and benefits. Tribes purchase more than \$2.4 billion annually in goods and services from our private companies and generate more than \$255 million annually in state and local taxes. For example, just north of Seattle, the Tulalip Tribes alone generated more than \$40 million in state and local taxes and is the second largest employer, along with Boeing.

As sovereign nations, 20 Indian tribes in Western Washington signed treaties with the United States, ceding most of the land that is now Western Washington, but reserving our rights to harvest salmon and other natural resources. For those rights to have meaning there must be salmon available for us to harvest.

In 2011, the Northwest Indian Fisheries Commission, representing the 20 tribes of Western Washington, developed a report on the status of the salmon recovery in the Puget Sound, otherwise known as the Salish Sea⁷. Today fishing rights have been rendered almost meaningless because the federal and state governments are allowing salmon habitat to be damaged and destroyed faster than it can be restored. Salmon populations have declined sharply because of the loss of spawning and rearing habitat and Tribal harvest levels have been significantly reduced. As the salmon disappear, tribal cultures, communities and economies are threatened as never before. Some tribes have lost even their most basic ceremonial and subsistence fisheries – the cornerstone of tribal life.

The threat of this new industry will be detrimental to treaty resources. Coal train derailments are a common occurrence now, with 22 in 2012 and 14 in 2013 so far. Bulk cargo ships have the worst record of oil spills in our State. We cannot afford this damage in the Salish Sea or along the wetlands and habitat between the Salish Sea and the Powder Mountains of Wyoming.

Conclusion

The corporations that want to export coal through our communities want us to believe that there's nothing wrong with their plans. But it is my job as Mayor of Seattle to stand up to protect our community from these coal export facilities and associated rail traffic.

We are the first generation that can see the effects of global warming right in front of us. We are the last generation that has the chance to take action to stop it. We don't need to ship coal to Asia where it will be burned in dirty power plants and the toxins and greenhouse gas emissions will come back to damage our health and communities here in the Northwest. We have better ways to create jobs without putting our health, our economy, and our climate at risk.

⁷ View the full report, "Treaty Rights at Risk": <http://nwifc.org/w/wp-content/uploads/downloads/2011/08/whitepaper628finalpdf.pdf>

We need an area-wide Environmental Impact Statement to evaluate the local, regional and global impacts of coal export. The geographic scope of the EIS should include all of the areas proximate to the proposed train routes, beginning at the mines, as well as the areas in the vicinity of the proposed coal terminals. It should consider all potential impacts in local communities, from increased health risks to traffic delays, from the disruption of freight movement to the impacts on our local businesses.

I stand together with the Leadership Alliance Against Coal to tell you that we do not want coal trains or coal export facilities in the Pacific Northwest.

Attachments

- Attachment 1: Scoping comments from Administrator Dennis McClaren, USEPA Region 10
- Attachment 2: Letter from Governor Jay Inslee, Washington, and Governor John Kitzhaber, Oregon
- Attachment 3: Letter from King County (Washington) Executive Dow Constantine
- Attachment 4: Leadership Alliance Against Coal Member List
- Attachment 5: Highlighted Statements of Concern/Opposition to Coal Export