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June 19, 2014

Oregon Transportation Commission
355 Capitol Street NE, MS # 11
Salem, OR 97301-3871

RE: Subsidizing coal export and crude-by-rail is not an appropriate use of ConnectOregon funds.

Dear Oregon Transportation Commissioners,

Columbia Riverkeeper (Riverkeeper) opposes using 16.7% of the available ConnectOregon V funds to subsidize coal export and crude-by-rail projects. Riverkeeper therefore requests that the Oregon Transportation Commission (Commission) deny grant applications 1M0352, 1M0294, and 1R0350, which were recommended to the Commission on June 11, 2014.

Taken together, these proposals seek a 7 million dollar subsidy to rebuild and expand the Port Westward Beaver dock and expand rail access through downtown Rainer, Oregon, in aid of Ambre Energy's coal export scheme and Global Partners' crude-by-rail shipping terminal. Any expansion of the Port Westward Beaver dock would—whether funded under grant application 1M0352 or 1M0294—improve the dock's capacity to handle both coal and crude oil because the dock cannot currently accommodate Panamax vessels handling either commodity. The rail modification project proposed in grant application 1R0350 has no other purpose than to increase the speed and number of crude oil unit trains traveling through downtown Rainer, Oregon. Ambre Energy's coal export proposal is the subject of intense public controversy in Oregon. Global Partners' crude oil terminal at Port Westward is so new that Oregonians have had few opportunities to express their concerns about dangerous crude-by-rail projects and the risk of massive crude oil spills in the Columbia River. For the following reasons, it is simply inappropriate to use public money to subsidize crude-by-rail and coal export.

First, these applications would detract from the goal of the ConnectOregon program. Increasing crude oil unit train traffic would not 'connect Oregon,' but divide it. Subsidizing the expansion of crude oil shipping at Port Westward will lead to increased crude oil unit train traffic through large and small communities in Eastern Oregon, the Gorge, Portland, and Columbia County, further impairing transportation connectivity for ordinary Oregonians and jeopardizing the safety of anyone living or working near these dangerous oil trains.

Second, the Commission should not approve grant applications 1M0294 (Berth 2) and 1M0352 (Berth 1) because these applications contain important factual errors. These factual

errors will impact the timing, expense, and feasibility the proposed coal export and crude-by-rail projects as follows:

- a. The applications incorrectly claim that the projects have almost secured the necessary permits and do not require extensive environmental reviews. Actually, the projects both require an in-depth Environmental Impact Statement from the Army Corps of Engineers and a Biological Opinion from the National Marine Fisheries Service detailing the impact of coal and crude shipping on endangered salmon.
- b. The applications incorrectly claim that physical construction can begin as soon as the Commission approves the grants. However, the necessary environmental reviews have only just begun and will likely take up to two years to complete.
- c. Application 1M0294 (Berth 2) incorrectly states that a necessary lease approval from the Oregon Department of State Lands has been secured. Actually, the Oregon Department of State Lands informed Ambre Energy—after the submission of Application 1M0294—that Ambre Energy will need a lease to transload coal at the Port Westward dock. If, as appears possible, Ambre Energy cannot secure this lease, the primary user and the source of the matching funds for Application 1M0294 will evaporate.

Third, the Commission should adhere to Governor Kitzhaber’s clear stance against coal export. Governor Kitzhaber recently stated that “it is time [] once and for all to say no to coal exports from the Pacific Northwest.” The Commission, as the decision-making body of an Oregon agency, should implement the Governor’s clear directive against coal export by denying applications 1M0294 (Berth 2) and 1M0352 (Berth 1) which could both facilitate coal transloading and export.

Thank you for considering this important matter. These applications seriously understate the complexity, uncertainty, time-frame, and expense of the proposed projects. Moreover, important ConnectOregon funds and should not be used to subsidize controversial coal export and crude-by-rail proposals. Accordingly, Riverkeeper requests that the Commission not fund the projects described in applications 1M0352, 1M0294, and 1R0350.

Sincerely,

s/ Brett VandenHeuvel
Executive Director
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