

From: [Gagnon, Steven K NWP](#)
To: [Gagnon, Steven K NWP](#); [Inglis, Jr. L NWP](#); [Turaski, Michael R NWP](#); [Holm, Leanne NWP](#); [Latcu, Misty M NWP](#); [Zinszer, Shawn H NWP](#); [Clemans, Scott F NWP](#)
Subject: RE: Second Draft EIS memo (UNCLASSIFIED)
Date: Friday, September 07, 2012 3:39:21 PM
Attachments: [EIS MFR.docx](#)

Classification: UNCLASSIFIED
Caveats: NONE

Another round reflecting comments from today's meeting (I think I captured everything). I haven't had a chance to chase down numbers from the recreation users, but will work on that Monday. Have a great weekend everyone!

Steve

-----Original Message-----

From: Gagnon, Steven K NWP
Sent: Thursday, September 06, 2012 4:05 PM
To: Inglis, Jr. L NWP; Turaski, Michael R NWP; Holm, Leanne NWP; Latcu, Misty M NWP; Zinszer, Shawn H NWP; Clemans, Scott F NWP
Subject: Second Draft EIS memo (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Folks,
Sorry I didn't get this out earlier. I think there is still lots of work, but wanted to get it out for a least a quick look before tomorrow morning.
Thanks,

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CENWP-OD-GP

MEMORANDUM FOR THE RECORD

SUBJECT: (b) (5) for the Coyote Island Terminal project (NWP-2012-56).

1. Decision authority: Pursuant to 40 CFR 1501.3, “An assessment is not necessary if the agency has decided to prepare an environmental impact statement.” Pursuant to the U.S. Army Corps of Engineers’ (Corps) NEPA Implementation Procedures for the Regulatory Program, the District Engineer has the discretion to not prepare an environmental assessment “. . . where it is obvious an EIS is required. However, the district engineer should document his reasons for requiring an EIS.” (see Part 33 CFR 325, Appendix B, § 7(a)). The Corps’ NEPA regulations state that the scope of analysis under NEPA should address the “specific activity requiring a [Corps] permit and those portions of the entire project over which the [Corps] has sufficient control and responsibility to warrant Federal review.” 33 C.F.R. pt. 325 App. B § 7(b)(1). Once the scope of analysis for the action is determined, the Corps then evaluates the direct, indirect, and cumulative effects of the action. 40 CFR § 1508.25(c). (b) (5)

2. Application number and applicant: NWP-2012-56, Coyote Island Terminal, LLC.

3. Permit Authority: This permit application is being evaluated under the authority delegated to the District Engineer from the Secretary of the Army and the Chief of Engineers by Title 33 CFR Part 325.8, pursuant to:

- Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. §403)
- Section 404 of the Clean Water Act (33 U.S.C. §1344)

4. Location of work: In the Columbia River at River Mile (RM) 271 and adjacent uplands near Boardman, Morrow County, Oregon (Figure 1).

5. Description of proposed work: The proposed project involves construction of a new transloading facility at the Port of Morrow at RM 271. The facility will receive coal from Montana and Wyoming by rail and will transfer the coal to barges on the Columbia River. The facility would have in-water and upland components. The in-water and over-water structures would consist of nine dolphins, walkways, a fixed dock, and a conveyor system for loading coal. Approximately 140 permanent piles ranging from 14 to 24 inches in diameter and 110 temporary 16-inch diameter piles would be installed to complete the project. Over 15,000 square feet of new overwater structure would be constructed.

The upland portion of the facility would involve construction of three warehouses, a train unloading barn, approximately 120 feet of temporary rail bypass, and associated conveyors and wet scrubbers. The warehouses would each measure 210 by 1000 feet and would be 97 feet in height. The train unloading barn would be large enough to allow the engines to pass through and then completely enclose an entire rail car for unloading. The temporary rail would allow

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continued use of the onsite rail loop by other port tenants while the train unloading barn is constructed on the existing track. The temporary track would be left in place for potential future expansion of the onsite rail capacity. Conveyors would be constructed to take the coal from an underground d hopper at the unloading barn to the storage warehouses and again from the warehouses to the barges. The loading barn, conveyors, and warehouses would be served by a wet air scrubbing system to capture and contain coal dust and eventually deliver it to the barges for export.

The coal would be barged down the Columbia River to Port Westward (RM 53) and loaded onto “Panamax-class” ocean-going vessels (OGV) to be shipped to Asia. OGV arriving at Port Westward would tie up to the existing dock. No new overwater work is proposed for the Port Westward site at this time. A transloading vessel would then be tied to the OGV. Once the barges arrive at Port Westward, a support tug would be used to split the tows in half so two barges connected end to end can be moved into the transloader for transfer to the OGV. After the second two barges are unloaded, the support tug would assist in reconnecting the tow, so it can return to Port of Morrow to reload. The OGV would transit the lower Columbia River, exit the mouth of the Columbia River with the aid of a bar pilot, and then proceed to its destination.

Best management practices would be used to contain coal dust, including enclosed warehouses, barges, conveyors, and loading equipment. Initially, approximately 3.5 million metric tons (3.85 million short tons) of coal would be shipped through the facility to Asia each year. That would translate to approximately five trains to Port of Morrow, 5.5 loaded barge tows from Port of Morrow to Port Westward, and one OGV to Asia per week initially. At maximum capacity, the facility would be able to handle 8 million metric tons (8.8 million short tons), equivalent to 11 trains, 12 loaded barge tows, and 3 OGVs per week. Including trips for empty trains, barges, and OGVs, number of trips referenced above would double.

6. Project Purpose: At this time, Coyote Island Terminal’s stated project purpose is “to develop and successfully operate an environmentally responsible coal transfer facility in the Pacific Northwest for export of low-sulfur Montana/Wyoming coal to United States (US) trade allies in Asia.” The Corps has preliminarily determined the project purpose is to construct a coal transfer facility.

7. Scope of Analysis: In accordance with 33 CFR 325 Appendix B, the Corps has determined our scope of analysis for this project includes the proposed in-water work and associated upland facilities. We will evaluate direct impacts of the project, as well as indirect and cumulative effects with a reasonably close causal relationship to the federal action.

8. General environmental setting: The project site is within the Port of Morrow Boardman Industrial Park, an industrial development with approximately 2500 acres of developable land. Several existing terminals currently handle onions, potatoes, grain, gravel, and other commodities. Lake Umatilla, adjacent to the project site, was created in 1971 when construction of the John Day Dam was completed by the Corps.

The upland portion of the proposed project would be located on former irrigated farm land. The in-water portion of the project site was not previously developed during modern times except for an abandoned rail line just above ordinary high water. There are no existing in-water structures.

9. Relationship to existing uses: Other nearby port properties are currently developed or zoned for industrial use. There is extensive tribal fishing on the river near the proposed facility. The port is located immediately adjacent to the city of Boardman, Oregon. Land use outside the city limits in the area around the Port of Morrow is predominantly farming and ranching. Morrow County has a population of approximately 12,000. This reach of the Columbia River is managed for hydropower, navigation, and fish passage.

10. Other Applicable Federal Laws:

- Endangered Species Act – Formal consultation with the U.S. Fish and Wildlife Service and National Marine Fisheries Service would be required under Section 7 of the Act.
- Magnuson Stevens Fishery Conservation and Management Act – Consultation with the National Marine Fisheries Service would be required.
- Marine Mammal Protection Act – Consultation with the National Marine Fisheries Service would be required.
- National Historic Preservation Act – Consultation with the Oregon State Historic Preservation Officer and certain Tribes would be required under Section 106 of the Act.
- Section 402 of the Clean Water Act – Applicant will obtain permit through Oregon Department of Environmental Quality.

11. Tribal Trust Responsibility and Treaty Rights: A number of Indian Tribes have fish harvest interests in the Columbia River. The Nez Perce Tribe, Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes and Bands of the Yakama Nation, and the Confederated Tribes of the Warm Springs Reservation of Oregon each signed treaties with the United States government reserving the right, in perpetuity, of each tribe to fish at usual and accustomed fishing sites. By the terms of the *U.S. v. Oregon* case the treaty tribes are allocated 50% of the total fish harvest on the river, and have exclusive commercial fishing rights from Bonneville Dam (RM 145) to McNary Dam (RM 295). Ceremonial and subsistence fishing is also concentrated in this segment of the river. The treaties also reserved other rights of the tribes, such as the right to hunt and gather on open and unclaimed land.

These four tribes have expressed their concern about the potential impacts of the Coyote Island Terminal project on their treaty fishing rights, other treaty-protected resources, natural and cultural resources, and the health and well-being of tribal members, and have requested government-to-government consultation. The Cowlitz Indian Tribe, although not a treaty tribe, has also requested government-to-government consultation regarding the Coyote Island project.

12. Evaluation of Significance: Pursuant to Section 102(2)(C) of the NEPA, CEQ's implementing regulations at 40 CFR Part 1500, and the Corps' implementing regulations at 33 CFR Part 230 and 33 CFR Part 325, Appendix B, Federal agencies must include a detailed

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environmental impact statement in every recommendation or report for a major Federal action significantly affecting the quality of the human environment. To determine whether a Federal action would significantly affect the quality of the human environment, CEQ regulations require the proposed action be evaluated in terms of context and intensity (40 CFR 1508.27).

- A. Context: The significance of an action must be analyzed in several contexts such as society as a whole, the affected region, the affected interests, and the locality (40 CFR 1508.27(a)). Significance varies with the setting of the proposed action, and both short- and long-term effects are relevant.

The setting for the project is a rural port in eastern Oregon farm country. Current operations at the port include several barge loading terminals for grain, containers, and other bulk commodities. Goods delivered to and loaded at the facilities are brought to and from the port by rail and truck. A portion of the Umatilla National Wildlife Refuge is located in the river just across from the proposed project. The refuge was created as part of the mitigation for the loss of habitat from the inundation caused by the construction of John Day Dam.

(b) (5)

The Columbia River is a major waterway, managed for multiple uses. Navigation, power production, irrigation and commercial fishing occur throughout the area impacted by this project. As noted above, tribal treaty fishing is concentrated in a 150-mile segment of the river, including the project site and much of the barge corridor. In addition, hundreds of thousands of recreational users also get on the river every year for fishing, wind surfing, sailing, kite boarding, and kayaking.

The Columbia River Gorge National Scenic Area (Scenic Area) extends from approximately RM 120 to RM 203, and is one of approximately ten designated National Scenic Areas in the U.S. The Scenic Area encompasses an area of almost 300,000 acres and 83 miles of river, set aside to “1...protect and enhance the scenic, cultural, recreational and natural resources of the Gorge; and, 2. To protect and support the economy of the Gorge by encouraging sustainable growth in existing urban areas and by allowing future economic development in a manner that is consistent with the above purpose” 16 U.S.C. § 544a. Millions of visitors travel into the gorge each year to view the waterfalls, visit historic sites, hike the trails, and recreate on the river.

- B. Intensity: This refers to the severity of impact. The CEQ has identified ten factors (listed below) a Federal agency should consider in determining the significance of a proposed action (40 USC 1508.27(b)(1)-(10)). Any one of the following factors may be sufficient to require preparation of an EIS.

- (1) *Impacts that may be both beneficial and adverse. A significant effect may exist even if the Federal agency believes that on balance the effect will be beneficial.*
- (2) *The degree to which the proposed action affects public health or safety.*

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- (3) *Unique characteristics of the geographic area, such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.*
- (4) *The degree to which the effects on the quality of the human environment are likely to be highly controversial.*
- (5) *The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.*
- (6) *The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.*
- (7) *Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. Significance cannot be avoided by terming an action temporary or by breaking it down into small component parts.*
- (8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.*
- (9) *The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973.*
- (10) *Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.*

13. Description of potential impacts of concern (including short term/long term and direct/indirect impacts): The following is a discussion of the potential impacts of the project as currently proposed. (b) (5)

A. Physical and/or Chemical Characteristics.

Air Quality

Context: As with any large industrial development, the project would be expected to increase air pollution during construction and operation. Increases during construction would be limited to the local area around the project site, and would likely be minor.

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(b) (5)

Intensity: (b) (5) Increases in greenhouse gas emissions from operations of the two terminals, barge traffic, and OGV traffic on the Columbia River are expected to be around 150,000 metric tons per year. While this represents a small fraction of overall emissions from the state of Oregon and beyond, it becomes a bigger percent increase as the area of impact is narrowed down.

The applicant has proposed extensive controls to manage coal dust generated from handling the coal during transloading and barge transport operations. (b) (5)

Questions have also been raised in comment letters about controlling coal dust through the use of covered barges. There is potential for spontaneous combustion when transporting or storing coal, both through heating in the storage pile and buildup of methane off gassing from the coal. The concern is that the covered barges could exacerbate the spontaneous combustion risks.

B. Biological Characteristics.

Endangered Species

Context: The cultural, economic, and ecological importance of salmon in the Pacific Northwest is demonstrated by the breadth and depth of interest in restoring fish runs. Multiple federal, state, local, and tribal groups are involved in the restoration effort and in managing fish in the river. Salmon are not only an icon for this region, but also a way of life for many of the inhabitants. Thirteen ESA-listed salmon species, as well as three other ESA-listed fish species, reside in or migrate through portions of the Columbia River that would be affected by this project. At least seven salmon species, as well as bull trout, migrate through or reside in the project area that would be directly impacted by the proposed project. The Columbia River up through the project location has also been identified as critical habitat for most of those species.

Based on a preliminary analysis, the Corps has determined the project is likely to adversely affect the following species:

- Upper Columbia River Steelhead (*Oncorhynchus mykiss*) and designated critical habitat
- Middle Columbia River Steelhead (*O. mykiss*) and designated critical habitat
- Lower Columbia River Steelhead (*O. mykiss*) and designated critical habitat
- Upper Willamette River Steelhead (*O. mykiss*) and designated critical habitat
- Snake River Basin Steelhead (*O. mykiss*) and designated critical habitat
- Upper Columbia River spring-run Chinook salmon (*Oncorhynchus tshawytscha*) and designated critical habitat

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- Lower Columbia River Chinook salmon (*O. tshawytscha*) and designated critical habitat
- Snake River fall-run Chinook salmon (*O. tshawytscha*) and designated critical habitat
- Snake River spring/summer-run Chinook salmon (*O. tshawytscha*) and designated critical habitat
- Upper Willamette River Chinook salmon (*O. tshawytscha*) and designated critical habitat
- Columbia River Chum salmon (*Oncorhynchus keta*) and designated critical habitat
- Lower Columbia River Coho salmon (*Oncorhynchus kisutch*) and designated critical habitat
- Snake River Sockeye salmon (*Oncorhynchus nerka*) and designated critical habitat
- Columbia River Bull trout (*Salvelinus confluentus*) and designated critical habitat
- Southern Green sturgeon (*Acipenser medirostris*) and designated critical habitat
- Eulachon (*Thaleichthys pacificus*) and designated critical habitat

Intensity: During construction the main impacts would be increased turbidity and noise from piling installation and removal. Pile driving with an impact hammer routinely exceeds the threshold known to have adverse effects on fish. The applicant would employ best management practices to reduce those impacts, but would likely not be able to completely avoid them. Construction of the new dock would increase the overwater coverage and shading, improving habitat for predatory fish.

Operation of the facility would cause impacts to ESA listed species at the project site,

(b) (5)



(b) (5)



Essential Fish Habitat (EFH)

The project would impact EFH for Pacific Salmon for the same reasons outlined above for ESA listed salmon habitat.

C. Human Use Characteristics.

Cultural Resources and Historic Properties

Context: Thousands of years of use by the first human inhabitants of the region have left the Columbia River and surrounding uplands with substantial archeological deposits which date from pre-contact through recent history. From traditional uses of the river, such as fishing, to artifacts scattered throughout the basin, there are vast numbers of known and unknown cultural resources in the region. There are multiple documented cultural resources within a two-mile radius of the project area. (b) (5)

Intensity: (b) (5)

Navigation

Context: The Columbia River has been used to transport goods both domestically and for export for over a century, and for millennia before that if one considers the Indians' use of the river for trade. Numerous port facilities are located on the river down and upstream of the proposed project location. Locks, constructed and maintained by the Corps of Engineers, facilitate barge transport, and other river navigation, all the way up to Lewiston, Idaho. The Corps also maintains the jetties at the mouth of the Columbia River and the federal navigation channel. According to the Pacific Northwest Waterways Association website, annual deep draft international trade on the Columbia River amounts to approximately 42 million tons per year, and 10 million ton of commercial cargo are moved on the inland Columbia River system.

The Port of Morrow is currently developed as an industrial port in the midst of rural agriculture lands. The navigation channel for the Columbia River is located within easy access to the dock facilities existing on port property and to the proposed facility associated with this project.

Intensity: Constructing the piers and access trestle would involve a number of vessels ferrying materials to the site and barges facilitating pile driving and installation of overwater structures, which would likely have some adverse affect to navigation in the vicinity of the project area during construction. Once operating, the project would cause an increase of up to 1260 barge tows per year. At the three locks the tows would transit, this represents a range of increase from 47% at Bonneville to 74% at John Day. There is uncertainty how that level of increase would impact the navigation system on the river. While the anticipated total number of lockages, when including this project, would be just below historic highs of the mid 1990s, other uses on the river have increased since the 1990s. The increase in traffic would also be expected to cause delays as well as additional unplanned outages at the three locks.

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At full operating capacity, the proposed project would also result in approximately 133 OGVs per year, a nine percent increase over approximately 1500 vessels currently using the river. (b) (5)

For example, the Port of Kalama's grain storage and loading modernization project (currently under construction), Port of Longview's recently constructed grain terminal, Millennium Bulk Terminals Longview's proposed coal transloading facility, Port of Vancouver's recently permitted potash export terminal, and other bulk material handling facility proposals are likely to further increase the number of deep-draft vessel trips in the lower Columbia River by at least one thousand trips per year.

The Coyote Island Terminal is one of three proposed coal export facilities with active permit applications in the Pacific Northwest. (b) (5)

The applicant is proposing to use nearly every best management practice to minimize the perceived risks of transporting large quantities of coal. However, approval of this project without a thorough environmental review, including indirect and cumulative impacts, may make it more difficult to fully examine potential impacts of other proposed coal export terminals that more obviously will cause significant impacts.

Tribal Treaty Rights

Intensity: All four treaty tribes have all expressed concerns through letters and meetings about the project and how it will affect tribal treaty rights, especially fishing. The tribes have notified the Corps in writing that there are tribal members' fishing sites in the location of the proposed project site, and the increased barge traffic could impact tribal fishers' use of other parts of the river. Wakes from the barges can dislodge nets and fishers' physical safety can be threatened, especially at night. In addition, barges sometimes stray from the designated navigation channel.

The tribes have also expressed concerns about how the project will impact salmon. The concerns are over impacts very similar to those discussed in the ESA section, however the tribes also consider salmon a traditional food and therefore a cultural resource.

Other Evaluation Factors

Other factors likely to be affected to some degree by the proposed project include shoreline erosion and accretion, water quality, economics, aesthetics, general environmental concerns, noise, energy needs, safety, and the general needs and welfare of the people.

14. (b) (5)

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(b) (5)



John W. Eisenhauer
Colonel, Corps of Engineers
District Engineer

Date