



336 36th St., No. 605
Bellingham, WA 98225-6580
info@protectwhatcom.org

March 30, 2012

Tyler Schroeder
Planning Supervisor and SEPA Primary, GPT Project
Whatcom County Planning & Development Services
Via Facsimile Transmission: tshroed@co.whatcom.wa.us

Sam Ryan
Director and SEPA Secondary, GPT Project
Whatcom County Planning & Development Services
Via Facsimile Transmission: jryan@co.whatcom.wa.us

Jack Louws
Whatcom County Executive
Via Facsimile Transmission: JLouws@co.whatcom.wa.us

In Re: Scoping of Socio-economic Impacts – Gateway Pacific Terminal

Dear Ms. Ryan and Messrs. Schroeder and Louws:

Protect Whatcom is a local county-wide grassroots organization researching the social and economic impacts inherent in a project of the magnitude of Gateway Pacific Terminal (GPT). Protect Whatcom requests that Whatcom County conducts a full Economic Impact Assessment as part of the Environmental Impact Statement (EIS) for GPT.

In order to make a reasoned determination whether to approve the Major Project and Shoreline Substantial Development Permits, the County Council must balance *net* economic benefits and environmental impacts. That is, the economic benefits described by SSA Marine/Pacific International Terminals in its permit applications and Project Information Document must be offset with the *costs* of all impacts of the proposed project on all communities impacted by the project.

We recognize that WAC sec. 197-11-448 states “an environmental impact statement analyzes *environmental* impacts” and does not incorporate “socioeconomic” impacts “because the term does not have a uniform meaning and has caused a great deal of uncertainty.” (Emphasis in original.) However, we find it imperative that the County grapple with this uncertainty and note that the state SEPA rules do not preclude such a study and merely state that such as study is “not required.” *Id.* sec. 448(1). The rules further state:

SEPA contemplates that the general welfare, social, economic, and other requirements and essential considerations of state policy will be taken into account in weighing and balancing alternatives and in making final decisions.

Id.

A recent study, “The Impact of the Development of the Gateway Pacific Terminal on the Whatcom County Economy,”¹ discusses potential negative impacts on the county’s socio-economic “health” including jobs, tax revenues, retail sales, home values, etc. It also addresses the potential for stigma to further impact economic sectors regardless of whether there is a direct environmental impact. Likewise, Protect Whatcom’s website (ProtectWhatcom.org) discusses many of the issues addressed by the study with supporting documentation. In short, the community is keenly aware that the terminal and related operations – particularly rail transport – will negatively offset any economic and job benefits.

Protect Whatcom will argue during scoping, among other things, that the EIS must measure economic impacts on the tourism industry. The private group Bellingham Whatcom County Tourism promotes this place to the world because our “magnificent natural scenery, skiing and snowboarding at Mt. Baker, hiking, arts and theatre, charming villages and water adventures like whale watching ... [make this] a unique area of Washington state.”² The governor is currently waging her “Get Out West” initiative³ with the Western Governors Association (WGA) in large part because of the 11.7 *billion dollars per year* the outdoor industry contributes to the state’s economy.⁴ According to the initiative, our “lands and waterways drive our local economies, define our culture and enrich our quality of life.” Its goal is to “generate *jobs* and draw attention to the importance of effective conservation strategies so these assets are available for *future generations*.”⁵ (Emphases added.) How and to what degree coal exports will impact local outdoor industries is but *one* cost measurement without which “economic benefits of the project” will be meaningless when balancing benefits and environmental impacts.

An incomplete but growing list of other costs which must be measured includes:

Public Costs of:

Terminal and Rail Construction and related EIS

- S 936, S 942, other potential federal stimulus funds for infrastructure
- State funds for rail improvements and expansions “for Amtrak” due to increased coal freight

Increased Demand for Healthcare

- Medicare/Medicaid expenditures
- VA/Dep’t of Defense health services expenditures

Rail Upgrades – At-grade Crossings

- Safety upgrades for “Quiet Zones”
- Construction of over/underpasses
- Maintenance of upgrades
- Maintenance of roads receiving increased traffic as alternative routes

¹ Public Financial Management, Inc. for Communitywise Bellingham, (March 6, 2012). Located on March 22, 2012, at <http://www.communitywisebellingham.org/wp-content/uploads/2012/03/Communitywise-Bellingham-Report-3.6.2012.pdf>.

² <http://protectwhatcom.org/coal-costs-us-image/>, citing <http://www.bellingham.org/>, both as of March 22, 2012.

³ <http://www.westgov.org/get-out-west>, as of March 22, 2012.

⁴ The Active Outdoor Recreation Economy, A \$730 Billion Contribution to the U.S. Economy (2006), located on March 22, 2012, at <http://www.outdoorindustry.org/pdf/WashingtonRecEconomy.pdf>.

⁵ <http://www.westgov.org/get-out-west>, as of March 22, 2012.

Natural Resource Degradation

- Cleanup of ground and surface waters
- Site cleanup and restoration after abandonment
- Drinking water treatment
- Stigma

Lost Tax Receipts

- Outdoor recreation, commercial fishing, and agricultural industries
- Businesses which do not locate, expand optimally, or leave
- Households which do not locate or leave
- Jobs not created or lost

Incident Responses

- Oil spills
- Coal fires
- Train derailments
- Underground pipeline spills, explosions (due to vibrations)

Planning & Community Development Major Projects/Conservation, Restoration Projects

- Studies
- Redesign
- Changed implementation
- Lost investment in planning, studies, and implementation for restoration projects such as CREP, Nooksack Salmon Enhancement, Birch Bay Watershed, etc.

Private Costs of:

Increased Demand for Healthcare

- Insurance reimbursements
- Healthcare provider costs unreimbursed by insurance or patient billings
- Individual out-of-pocket payments

At-grade Rail Crossings

- Increased fuel expenditures due to transportation delays, using alternative routes
- Commuter
- Truck freight
- Emergency responders
- Public transportation and school buses
- Lost worker productivity due to traffic delays, using alternative routes

Lost productivity – rail impacts including noise and vibration

- Worker productivity, student learning
- Dairy production, reproduction

Land Use Regression

- School locations/relocations
- Commercial fishing and fishery production/relocation
- Farm productivity/profitability/relocation

- Property devaluation
- Outdoor recreation industry decline due to stigma/actual species lost
- New home and business siting; existing home and business abandonment

Pollution Impacts

- Cleaning fugitive dust
- Built environment and vessel maintenance

Real Estate Devaluations due to

- Proximity – noise, access, dust, stigma
- Incidents – derailments, explosions, fires
- Property loss related to delayed emergency response, fire and law enforcement

Property Insurance

- Increases due to proximity to potential incident, delayed emergency response
- Expenditures related to increased damage due to delayed fire response

Because negative economic impacts will not be limited to Whatcom County, a proper Economic Impact Assessment must measure the impacts on all communities on all rail routes from Cherry Point to the Powder River Basin, which could foreseeably be used now or in the future. The Assessment should also measure the cumulative impacts if other coal terminals are constructed on the West Coast (e.g., Millennium Bulk Terminals in Longview); terminals are expanded in Canada (e.g., Westshore and Ridley Terminals); BP Cherry Point operations are expanded; etc.

Protect Whatcom is gathering signatures from residents throughout Whatcom County and other impacted communities and will resubmit this request that the EIS include a comprehensive Economic Impact Assessment during scoping with those names. We hope, however, that Whatcom County, in consultation with SEPA co-lead Washington Department of Ecology, determines now that the DEIS must include a complete economic analysis and allay public fears that the County Council may not have all of the information necessary to reach an informed decision on whether to grant the Major Development and Shoreline Substantial Development Permits for GPT.

The undersigned can be reached at 656-6180, or wechslerlaw@comcast.net should you have any questions. Thank you for your consideration.

Sincerely,
Protect Whatcom

s/Terry J. Wechsler

By: _____
Terry J. Wechsler, Co-founder
Home Address: 304 Morey Ave., Bellingham, WA 98225