



**Pacific International
Terminals**
A Carrix Enterprise

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April 18, 2014

Mr. Tyler Schroder
Whatcom County Executive's Project Manager
Whatcom County Executive's Office
311 Grand Avenue, Suite 108
Bellingham, WA 98225

Ms. Alice Kelly
Washington Department of Ecology
Northwest Regional Office
3190 160th Ave. SE
Bellevue, WA 98008-5452

RE: Gateway Pacific Terminal

Pacific International Terminals, Inc. (PI Terminals) hereby submits the attached report entitled "*Gateway Pacific Terminals Project Alternatives Report.*" This report is submitted to Whatcom County and the Department of Ecology as the co-lead agencies for the State Environmental Policy Act (SEPA) process for the Gateway Pacific Terminal project. As the report is too large to e-mail, a hard copy is being sent via U.S. mail, and is also on the SharePoint site for download.

The analysis and report was prepared to take into account property adjacent to the original Gateway Pacific Terminal project site. The additional property, acquired to allow for wetland mitigation, also provides opportunities for alternative project site layouts not possible under the original property configuration. One of the new site layout alternatives analyzed results in a significant reduction in the amount of wetland acreage affected by the project, and it also offers other advantages to the project. This new layout could feasibly attain the project's objective with less adverse environmental impact. As a result, we submit it as an alternative for consideration under SEPA, and specifically WAC 197-11-440(5)(b).

By putting forth this new site layout, PI Terminals is not in any material way changing the purpose and need, overall configuration, or function of the proposed Gateway Pacific Terminal. We are simply offering an alternate layout for SEPA review.

We also wish to update two other aspects of the proposed Gateway Pacific Terminal project:

1. Project phasing eliminated – As initially proposed, the Gateway Pacific Terminal project would have been constructed in four phases. Each phase would have expanded the throughput capacity of the



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Terminal resulting in a terminal with 54 million metric tons of annual throughput capacity at the completion of the fourth phase. At this time more than 75 percent of the terminal's planned annual throughput capacity has been reserved by contract with commodity shippers. Therefore, phased development of the project is no longer appropriate and PI Terminals intends to build the project to full capacity in a single construction sequence once project permitting is completed. The elimination of phased development has already been recognized, where appropriate, in those technical reports that are soon to be submitted to the co-lead agencies.

2. Project on-line date revised – As initially proposed, first phase construction of the project would have been completed in 2016 and operation begun in 2017 with full capacity operations achieved in 2026. With the elimination of phased development, and in recognition of the current schedule for development of the EIS, PI Terminals is now planning for initial operation of the project to occur in 2019 at full capacity. The change in the project's on-line date has also been recognized in those technical reports that are soon to be submitted to the co-lead agencies.

After your review of the attached report, we would welcome the opportunity to discuss it with you and the environmental consultants to answer any questions you may have. Since the work on the NEPA and SEPA EIS' is being coordinated, we also enclose a copy of the cover letter on this subject submitted to the Corps of Engineers.

Sincerely,

Ari Steinberg, P.E.
Pacific International Terminals, Inc.

cc: Randel J. Perry, U.S. Army Corps of Engineers