

December 9, 2013

Honorable Governor Jay Inslee
Office of the Governor
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Olympia, WA 98504-0002

Director Maia Bellon
Washington State Department of Ecology
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Commissioner Peter Goldmark
Washington State Department of Natural Resources
PO Box 47000
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RE: Concerns over crude oil by rail shipments in the Northwest

Dear Governor Inslee, Director Bellon, and Commissioner Goldmark:

Thank you for your leadership on the important issue of the clear negative impacts of proposed coal terminals, and their associated train traffic, on the economy, environment, and human health of Washington State.

We the undersigned write today to express our concern over new and growing crude oil shipments in the Northwest and to call for a moratorium on permitting new oil transportation infrastructure, at least until a programmatic Environmental Impact Statement (EIS) can be proposed and approved.

In recent months, the public has expressed increasing concerns over the dramatic rise in transport of crude oil by rail, and in Washington an even more dramatic rise in the number of terminals to receive crude oil trains. Washington is simply not ready in terms of spill preparedness or transport safety, and neither is the aging and outdated fleet of rail cars used to transport crude by rail and which would facilitate the rapid and unsafe growth of that industry in our state.

As a matter of fact, at the close of the public comment period (December 5th) on the advance notice of proposed rulemaking from the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), some 100,000 Americans, many of which were Washingtonians, sent a clear message that rail car safety in light of increased proposals

for oil shipment infrastructure is paramount. Official comments were submitted to PHMSA, and were signed by many of the signatories of this letter. Those comments are attached.

PHMSA oversees the structural and some operational requirements for railroad tank cars used to transport hazardous materials on US railways. Of particular concern to our groups is the continued use of the puncture-prone DOT-111 tank car to transport crudes that tend to explode or sink in water upon derailment (Bakken crude and sinking tar sands (diluted bitumen), respectively).

The train derailment and explosions in Lac-Megantic, Quebec this summer, the pipeline breach along the Kalamazoo River in 2010, and the grounding of the Exxon-Valdez tanker in 1989 are reminders that accidents happen and have devastating consequences when it comes to transporting oil.

Together, the oil companies' ten proposed or in-process projects for Washington would be capable of moving nearly 800,000 barrels of crude oil per day through the state of Washington. This would be done via approximately 12 loaded crude oil trains a day entering the state in northeastern Washington and traversing south and west to the various proposed terminal locations, with some subset of trains traveling north through Pierce, King, and Snohomish counties, along the landslide-prone route bordering much of Puget Sound. Each "unit train" of 100 tanker cars, carries approximately 70,000 barrels and is over a mile in length.

Starting east and moving west, communities like Spokane, the Tri Cities, Longview, Vancouver, Aberdeen, Hoquiam, Tacoma, Seattle and Bellingham would be impacted by the increase in train traffic and the issues associated with that. Add that to the proposed increase in coal train traffic and these communities would be asked to bear a load that is quite possibly unfeasible both structurally and economically.

In Spokane County, communities such as Spokane Valley, Spokane and Cheney would see the brunt of this increase as the proposed 12 crude oil trains would make their way from Sandpoint, ID through Spokane County before departing in various routes to the coast. This is a significant proposition as rail lines through Spokane County are already operating near capacity, especially during summer harvest months.

These figures are only taking into account the proposed facilities in the state of Washington. There are additional projects proposed in the state of Oregon that would increase these figures, meaning even more crude oil trains traveling through Spokane en route to Oregon.

Beyond concerns over rail capacity and that impact on communities, here are key aspects of our concerns related to these proposals in the state of Washington:

Spill readiness: We simply aren't ready for spills by rail, per Ecology's own account. Much of the rail route parallels waterways like the Spokane River, Columbia River, Chehalis River, Grays Harbor Estuary, and Puget Sound. With respect to tar sands, we have no meaningful response

plan that acknowledges the fate of tar sands in marine or fresh aquatic environments. Current rail standards allow transport of explosive Bakken crude in old and outdated cars--a risk Washingtonians shouldn't have to take.

It isn't for us: In total, the new rail terminals substantially exceed Washington's refining capacity, which already receives all the crude needed by vessel and Kinder Morgan's Puget Sound Pipeline. While each of the terminals is nominally intended to receive domestic Bakken shale oil, many have already been demonstrated to be actively soliciting tar sands business from Alberta. In fact it is doubtful that the proposed expansion would make economic sense for Bakken crude alone. With Alberta's tar sands representing the second largest oil deposit on the planet, international market demand will inevitably pressure Washington's crude by rail terminals to become nothing but transshipment points for Canadian crude to the world—leaving us with all the risk and no reward.

What would be the economic effect of a massive spill or rail explosion in our state? Washington can create real jobs and real prosperity by dedicating our resources to meet transportation needs without an increase of crude flowing into the state--transit, efficiency, conservation, walkable communities, electric car manufacture, all are viable options that keep jobs at home and support responsible development.

The terminals endanger the Columbia River, Chehalis River, and Puget Sound: While some of the crude has a chance of being used locally at the refineries, both the new merchant terminals and refinery terminals mean a vast increase in crude oil transiting our waterways--on the way out of our state. Although its clear intent was to protect Puget Sound, the Magnuson Amendment to the Marine Mammal Protection Act only limits incoming crude by ship. That means there is no effective limit, other than rail capacity, on the transit of tar sands into world markets or Bakken into domestic markets. Washington gets all risk, no reward. (Note: current restrictions on US crude export are under attack by the American Petroleum Institute through WTO rules. If oil companies win on that issue, the flood of exports from tar sands and Bakken becomes doubly problematic.)

The terminals would slow Washington's economic recovery: Committing large volumes of rail capacity for raw energy export is bad for Washington jobs and retards economic growth. Mixing coal, Bakken, and tar sands on the rails is a recipe for increased derailment and catastrophic disasters; likewise, repeated risk exposure through a vast increase in crude and bulk carrier vessels in the Columbia or Puget Sound virtually guarantees a devastating oil spill of a size that could easily exceed the two Puget Sound spills that generated so much outcry from citizens ten years ago. Ecology estimates a single major oil spill in Puget Sound to cost our economy \$10.8 billion and impact 165,000 jobs.

Ocean acidification: Opening up the taps to Alberta's tar sands, which these rail terminals would eventually do (each of the three terminals on the Columbia have had conversations with tar sands producers), effectively opens up the taps to the second-largest oil deposit on the planet. This has been described as "game-over" for defending against catastrophic climate

change. Even if this oil is burned elsewhere, the sheer scale of the reserves can easily be traced to dramatic local climate change and ocean acidification effects.

Governor Inslee, Director Bellon, and Commissioner Goldmark, we urge you to declare a moratorium on permits for new oil transport infrastructure until Ecology can conduct a programmatic Environmental Impact Statement (EIS) that adequately describes the risk the new infrastructure represents. This EIS should take in account not only the proposals for the railroad crude oil terminals, but also for the proposed coal export terminals. These projects, though independent of each other, should be looked at cumulatively to understand the threat they pose to the state of Washington.

Thank you for your attention to this matter.

Sincerely,

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Director
Spokane Riverkeeper

Matt Krogh
Campaign Director
ForestEthics

Mike Petersen
Executive Director
The Lands Council

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