

June 1, 2012

Mr. Steve Gagnon
Project Manager
U.S. Army Corps of Engineers
P.O. Box 2946
Portland, OR 97208-2946



Dear Mr. Gagnon:

On behalf of the Pacific Northwest Waterways Association (PNWA), please accept these comments in response to the Section 10 permit application for Coyote Island Terminals LLC.

PNWA is a regional trade association that advocates for federal policy and funding for navigation infrastructure projects in the Northwest. PNWA represents multiple industries in the public and private sectors in Oregon, Washington, Idaho, and California. Members include public ports, navigation, transportation, international trade, tourism, agriculture, forest products, energy and local government interests. Since its founding in 1934, PNWA led the way for development of economic infrastructure for navigation, electric power and irrigated agriculture on the Columbia and Snake River System. In 1971, PNWA expanded, adding Puget Sound and coastal port members to provide a comprehensive regional perspective. Today, PNWA works with the U.S. Congress, federal agencies and regional decision leaders on transportation, trade, tourism, energy and environmental policy to enhance economic vitality in the Pacific Northwest.

We would like to clarify some of the statements submitted in the most recent comment period. Our concerns fall into two categories: characterization of the Columbia Snake River System and the request for an expanded scope and review process.

1. Columbia Snake River System

The Columbia Snake River System is a 470 mile vital transportation link for the states of Idaho, Montana, Oregon and Washington. These four states rely heavily upon the trade and commerce that flows up and down this system.

The river system has great local, regional and national benefits. It is the number one U.S. export gateway for wheat and barley, and number one West Coast exporter of wood products and mineral bulk materials. It is the third largest grain export gateway in the world. In 2010, 42 million tons of cargo moved on the Lower Columbia River, supporting at least 40,000 local jobs.

The river system also provides the most fuel-efficient mode of transportation – barging carries more cargo and utilizes less energy than trucking and rail combined. Each year, barging keeps 700,000 trucks off the highways that run through the Columbia River Gorge.

An earlier comment letter described the Columbia River as a "confined system". Even with current trade levels, there is capacity in the river system. From 1994 to 1995, 8,037 vessels passed through the Bonneville Lock. By contrast, last year just 5,152 vessels passed through the same lock, a decrease of 36%. These statistics are mirrored at locks in The Dalles, John Day and McNary. Thanks to regular lock maintenance and repairs, there is significant capacity for vessel traffic to increase.

As the letter states, there are “multiple ports” along the river system. These ports move commerce in and out of the Pacific Northwest and play a vital role in local communities through job creation, port fees and property taxes. Many of the region’s ports have the capacity to expand and are actively cultivating new business. Indeed, the region and the state of Oregon have already invested in increasing river commerce.

In 2010, stakeholders celebrated the completion of the Columbia River Channel Improvement Project. The federal government, ports on the Lower Columbia River, and the states of Oregon and Washington invested over \$183 million to deepen the Columbia River navigation channel to 43 feet. The purpose of this project was to make the river system more marketable and to bring new business to our region. Channel deepening, as well as significant recent lock repairs, solidify the Columbia Snake River System’s position as one of the nation’s leading international trade gateways.

An earlier comment letter also questions the safety of the current navigation system. Navigation stakeholders have worked hard to develop a comprehensive system to ensure safe and efficient navigation. The state appointed Oregon Board of Maritime Pilots regulates and oversees pilot associations including the Columbia River Pilots and Columbia River Bar Pilots.

The Columbia River Pilots, in conjunction with ports, vessels and shippers, currently tracks vessel movements with an advanced computer communication system called the Automatic Identification System (AIS). In a letter submitted to the Corps and dated April 4, 2012, The Columbia River Pilots responded to forecasted vessel traffic that would be created by the proposed Morrow Pacific project. The letter stated:

Increased Vessel Traffic: The Morrow Pacific project anticipates that, depending on cargo volume, 58-133 vessels per year would be calling at the proposed terminal. COLRIP is of the opinion that this increased traffic level poses no additional safety concerns for vessels transiting the river system.

Navigation of Vessels: The vessels expected to call at the terminal are Panamax bulk carriers. Vessels of this type routinely call in the river system and pose no additional risk to navigation safety.

An earlier comment letter makes reference to our “breaking bar”. Every year, the Columbia River Bar Pilots guide approximately 3,200 vessel crossings of the bar. Shippers, ports and Bar Pilots can attest to the safety and efficiency of our bar. The unique geography of the Columbia River bar is met by the skill and professionalism of the pilots. The Bar Pilots have indicated there is capacity to increase the number of vessel crossings above current and historical levels.

All of these groups work closely with the U.S. Coast Guard, U.S. Army Corps of Engineers, ports and shipping industry to ensure safe passage. The current navigation system is both safe and efficient, and primed to accept an increase in vessel traffic and tonnage.

2. Scope and Review Process

Some of the comment letters call for an expanded scope of review or in some cases, a programmatic Environmental Impact Statement (EIS). Regardless of the commodity moved, we support the current project level review being conducted by the Corps. This process includes a reasonable scope and a thorough review by state and federal agencies. These processes provide opportunities for comment by elected officials and the public.

Increasing the scope of the review process would be inappropriate for this project and may set a precedent of similar requirements for other export projects. The permit requested by the Morrow Pacific project is for a dock permit, similar to what could be requested for other commodities including grain, aggregate, ethanol and more.

In evaluating permits, state and federal agencies play the critical role of gatekeeper. Requests for expanding the scope of the review process amount to a significant public policy shift. In addition, a programmatic EIS could include review of projects that have not even submitted a permit application. It would be irresponsible of these agencies to spend federal and state dollars to review projects that are no further than the infancy stage.

The requests for an expanded scope, which would certainly delay or kill projects, are also at odds with the national and regional goals to increase exports. In March 2010 as part of the Administration's National Export Initiative, President Obama announced an ambitious goal of doubling exports within five years. At a recent port meeting Governor Kitzhaber highlighted the importance of the export market to the Oregon economy and pledged to continue "scouring the state" for new export business.

For 78 years, PNWA has effectively advocated for the region's navigation projects and broader regional economic development. Our members often are their community's most effective – or only – voice for jobs. We have advocated for the river system since 1934 because of the jobs and economic opportunity it provides for Northwest communities. We respect and support the Corps' thorough review process and encourage you to maintain the current scope and process.

Thank you for considering these comments.

Sincerely,



Kristin Meira
Executive Director
Pacific Northwest Waterways Association

cc: Governor Christine Gregoire
Governor John Kitzhaber
Dennis McLerran, Environmental Protection Agency, Region 10
Peter Goldmark, Washington State Department of Natural Resources
Louise Solliday, Oregon Department of State Lands

PNWA Membership Roster



AECOM	Maul Foster & Alongi, Inc.	Port of Skagit
Alaska Assoc. of Port Managers & Harbormasters	McGregor Company	Port of St. Helens
Ball Janik LLP	McMillan	Port of Sunnyside
Bell Buoy Crab Co.	Millennium Bulk Terminals	Port of Tacoma
Benton County PUD #1	Moffatt & Nichol	Port of Toledo
BergerABAM Engineers, Inc.	Morrow Pacific	Port of Umatilla
Bergerson Construction	Normandeau and Associates	Port of Umpqua
Bernert Barge Lines	Northwest Grain Growers, Inc.	Port of Vancouver
BST Associates	Northwest Public Power Association	Port of Walla Walla
Central Oregon Basalt Products, Inc.	Oregon Business Development Department	Port of Whitman County
Central Washington Grain Growers	Oregon Int'l Port of Coos Bay	Port of Woodland
Clark Public Utilities	OR Wheat Growers League	Schnitzer Steel
CLD Pacific Grain	Pacific Northwest Farmers Cooperative	Schwabe, Williamson & Wyatt
Clearwater Paper	Parametrix	SDS Tug & Barge
Columbia Basin Development League	Parsons Brinckerhoff	Seattle Public Utilities
Columbia Grain	PBS Engineering & Environmental	Shaver Transportation Company
Columbia River Bar Pilots	PND Engineers, Inc.	Stoel Rives LLP
Columbia River Pilots	PNGC Power	Strategies 360
Columbia River Steamship Operators Association	Pomeroy Grain Growers	Teevin Brothers
Cooperative Agricultural Producers	Port of Astoria	TEMCO, LLC
David Evans & Associates	Port of Bandon	Tidewater Barge Lines
Dunlap Towing Company	Port of Benton	Ukiah Engineering, Inc.
The Dutra Group	Port of Camas-Washougal	United Grain
East Columbia Basin Irrigation District	Port of Cascade Locks	USA Dry Pea & Lentil Council
EGT, LLC	Port of Chelan County	WA Association of Wheat Growers
Foss Maritime Company	Port of Chinook	WA Public Ports Association
Franklin PUD	Port of Clarkston	WA State Potato Commission
Gordon Thomas Honeywell Government Affairs	Port of Columbia County	WA Grain Commission
Great Lakes Dredge & Dock	Port of Garibaldi	Westwood Shipping
Hart Crowser	Port of Hood River	Weyerhaeuser Company
Wally Hickerson	Port of Humboldt Bay	Wildlands, Inc.
ID Wheat Commission	Port of Ilwaco	
International Longshore and Warehouse Union (ILWU)	Port of Kalama	
J.E. McAmis, Inc.	Port of Klickitat	
Kalama Export Company	Port of Lewiston	
KPFF Consulting Engineers, Inc.	Port of Longview	
Lampson International, LLC	Port of Mattawa	
Landau Associates, Inc.	Port of Morrow	
Lewis-Clark Terminal Association	Port of Newport	
Longview Fibre Company	Port of Pasco	
Mackay & Sposito, Inc.	Port of Port Angeles	
Manson Construction	Port of Portland	
Marine Industrial Construction	Port of Ridgefield	
	Port of Royal Slope	
	Port of Seattle	
	Port of Siuslaw	