

Guest Opinion

Don't let coal overshadow bulk export benefits

Premium content from Puget Sound Business Journal by Anthony Hemstad, Guest Columnist Friday, October 19, 2012

For more than 200 years one of the Pacific Northwest's chief economic engines has been international trade. Over the generations, our region has evolved into an economic and export powerhouse, creating a complex network of infrastructure and professionals collaborating to share our region's goods, services and resources with the rest of the world.

The spirit of collaboration cannot be overstated. Our region reaches from the Puget Sound area through Washington and into the nearby states of Oregon, Idaho, Montana and Wyoming, enabling neighborhoods, cities and states to work together. Our business leaders ensure that, by truck, train or barge, our bounty is shared with trading partners in Asia and around the world. Our population is intricately linked to international markets with trade now responsible for as many as 40 percent of our jobs. From apples to airplanes and timber to technology, Pacific Northwest communities rely on collaboration to maintain our way of life.

So, while our region, along with the rest of the country, works through a struggling economy and nagging unemployment, it only makes sense that we continue our collaboration and enhance the export economy that is the Pacific Northwest's competitive advantage.

The greatest growth opportunities for Northwest ports are likely in bulk exports, not the containerized exports that have grown so much in recent decades. Several private firms are now proposing to build and upgrade bulk shipping terminals in Washington and Oregon. Bulk exports include a wide variety of products, including grain, iron ore, minerals and coal among others. There is substantial and growing market demand in Asia for bulk exports from the Northwest, but there aren't adequate facilities for meeting that demand. Today many bulk exports go by rail through Washington for export out of British Columbia. Ports there are already expanding to try and capitalize on the added demand in Asia. Washington now has an opportunity to capture a much larger market share of these exports by having the facilities in Washington itself and not just having the trains pass through our state. These new U.S. facilities, if built, could provide a welcome boost to our economy with, by some estimates, \$2 billion in private port investments and thousands of jobs in manufacturing, construction, transportation and trade.

As coal is a key potential product for these new bulk export terminals, there has already been a very emotional reaction to their construction. From an economic development perspective, this opportunity should be looked at rationally and coal should be treated as any other legal bulk commodity, such as iron ore and minerals that can use the same facilities. If the proposed terminals can meet the required environmental impact studies and other permitting issues, they should be embraced, just as our region has embraced other exports that have added so much to our local

economy. Discriminating against exporting a legal product like coal ensures that Canadian ports will see the benefits of these exports while Washington watches them traverse the state, gaining none of the benefit from having the jobs generated from our own terminals.

Trade and exports are a rich part of the Pacific Northwest's history and an asset to our future. The business, trade and export community's commitment to excellence is seen in every product our region produces, transports and exports overseas. We have the opportunity to use that expertise to strengthen the Pacific Northwest export economy with the jobs, investment and economic benefit these shipping proposals will create. And we'll do it the way we do for everything that runs through our region by rail, truck or barge — safely, reliably and responsibly. Because, as the country's most trade-dependent region, we owe it to ourselves to do it right.

ANTHONY HEMSTAD is president and CEO of the World Trade Center Tacoma. Opinions expressed are his own.