

Kinder Morgan scraps plans for coal export plant at Port Westward

ST. HELENS — Kinder Morgan officials informed the Port of St. Helens and Columbia County commissioners May 8 that it is scrapping plans to build a coal storage and export facility at Port Westward Industrial Park. Port Westward is located at the Port of St. Helens, about 60 miles northwest of Portland near Clatskanie, along the Columbia River.

“We made a determination this week that it’s not going to work and we’re not going to pursue the project,” said Kinder Morgan Public Affairs Director Allen Fore during the commissioners’ May 8 meeting.

The Houston, Texas-based company had signed a memorandum of understanding in May 2012 with the Columbia Pacific Building Trades Council to build the \$200 million state-of-the-art facility under a project labor agreement. Officials said the project would have created 150 construction jobs over an 18- to 30-month period.

Once completed, the facility was expected to employ 80 full-time workers, including members of the International Longshore and Warehouse Union to load ships.

Kinder Morgan’s plan was to transport coal by railcar from the Powder River Basin in Wyoming and Montana to Port Westward, where it would be loaded onto ships bound for Asia.

Environmental groups strongly opposed the project as soon as it was an-

nounced.

However, the real turning point came last year when Portland General Electric rejected Kimber Morgan’s initial terminal location, saying coal dust could potentially impact two natural gas plants it operates there. PGE has lease control of about 850 acres at the industrial park. Kinder Morgan had signed an option with the Port of St. Helens to lease about 100 acres of land.

PGE’s concerns forced Kinder Morgan to find another location within the industrial park.

“After months (and) many months of this analysis ... we determined we could not find a site on this footprint that we could construct,” Fore told the Longview Daily News.

Fore said that while the company is disappointed the project did not work out, it is not ruling out the possibility of working with the Port of St. Helens on a future project.

John Mohlis, executive secretary of the Oregon State Building and Construction Trades Council, was disappointed with the news.

“We’re disappointed any time a project that could put our unemployed members back to work is taken off the table,” he said. “There is still one coal export proposal in Oregon we hope moves forward. Otherwise, the coal will be shipped out of other states and ports, and they’ll get the jobs, and we won’t.”



ILWU President Robert McEllrath (center, with moustache) leads a march through downtown Vancouver following the Feb. 27 lockout of longshore workers at United Grain. A year ago, unionized construction workers picketed the company at the Port of Vancouver when it hired an out-of-state contractor a foreign workers to build new grain silos.

A year ago, it was building trades unions picketing at United Grain

VANCOUVER — Mitsui-United Grain at the Port of Vancouver was the site of a labor dispute a year ago, only that time with building trades unions.

Unemployed construction workers picketed the Port last spring after United Grain hired an out-of-state general contractor who used a nonunion foreign workforce on its \$80 million export terminal expansion. A Portland television station reported that of 240 workers brought in to pour concrete at the grain terminal, 60 percent were

from another country. At the time, unemployment in the construction industry in Southwest Washington and Portland hovered at 30 percent.

United Grain, founded in Portland in 1969, became a subsidiary of the Japanese conglomerate Mitsui in 1997. It enjoys a long-term lease from the Port of Vancouver. The Port itself was created by Clark County taxpayers in 1912. It is a tax-supported public agency with a mission of economic development.

As the Labor Press reported in the March 16, 2012, edition:

“The project benefits from several kinds of public assistance:

“**A tax break.** In Washington, businesses pay a 6.5 percent sales tax when they build a new facility. But developers of large warehouses and grain elevators get a pass: They pay the tax, then fill out an application to have it rebated in full.

“**Rail improvements.** The Port of Vancouver is half-way through its 10-year \$150 million West Vancouver Freight Access project. One component of the project — estimated at \$8 million — is a set of track improvements to serve the United Grain terminal. The improvements will double the number of rail cars that can be unloaded at one time, from 11 cars to 22. Under its lease agreement with the Port of Vancouver, United Grain will pay \$10 each for the first 30,000 rail cars a year (or \$300,000 a year) toward that cost.

“**Channel deepening.** The publicly funded 20-year effort to deepen the Columbia River shipping channel — from 40 to 43 feet — means that approximately 7,200 tons of additional grain can be loaded onto each vessel calling at the Port of Vancouver.”

The general contractor, Younglove Construction LLC of Sioux City, Iowa

— turned up in a 2006 Wall Street Journal article about how the use of immigrant workers from Mexico is driving down U.S. wages in construction. In the article, Younglove is mentioned as one of several Midwest silo construction companies using recruiters on the U.S.-Mexico border.

At the Port of Vancouver, union officials determined that general laborers on the job were paid \$12 an hour, far below the prevailing wage of \$28.51 an hour.

Now, a year later, Mitsui-United Grain has locked out its union workforce and replaced them with nonunion out-of-state workers.

...ILWU lockout

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that a “\$275 million West Vancouver Freight Access rail project allows Japan’s Mitsui to export grain shipments for record profits” and the “\$178 million Columbia River channel deepening project moves Mitsui’s massive grain ships in and out of United Grain.”

Mitsui & Co. Inc. reported profits of \$6.08 billion in 2012.

“It’s difficult for all of us to see our local jobs taken away and handed to workers Mitsui imported from Florida and Wisconsin,” said Cager Clabaugh, president of ILWU Local 4 and a third-generation longshoreman, who recalled how as a kid he would go to the grain terminal to watch his grandfather load grain. “We pay local taxes and spend locally, but the replacement workers take their money out-of-state.”



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