

State regulators' handling of coal permits worries BCTC

Oregon construction union officials are worried that future development could be in jeopardy because of the way state regulators are processing permits for a proposed coal export terminal on the Columbia River. Construction workers make their living building things, they say, so less development hits them directly in the pocketbook.

Union and company officials say that the controversial \$242 million Morrow Pacific coal export project proposed by Ambre Energy of Australia is facing "unprecedented" scrutiny from state regulators, with the end goal of denying it permits.

Ambre needs permits approved by the Oregon Department of Environmental Quality (DEQ), the Oregon Department of State Lands (DSL), and the U.S. Army Corp of Engineers in order to start building the Coyote Island Terminal and dock at the Port of Morrow near Boardman.

The plan is to ship coal by rail from the Powder River Basin in Wyoming and Montana to the Port of Morrow. There it will be transferred to an enclosed storage facility and loaded onto covered barges through an enclosed conveyor, where it will be shipped down the Columbia River to Port Westward Industrial Park at the Port of St. Helens. There, enclosed transloaders

will transfer the coal onto oceangoing ships to Asia. Ambre says the project sets new standards for protecting the environment.

"Beginning when coal is off-loaded at the Port of Morrow facility until it arrives in Asia, there will be no visible coal and little, if any, coal dust," said spokeswoman Liz Fuller.

Still, exporting coal is extremely controversial in Oregon. Democratic Gov. John Kitzhaber opposes any investment in the coal export infrastructure. Environmental groups and Native American tribes have threatened lawsuits if the project is allowed to go forward. Some elected officials have written the governor asking him to deny permits for the project. DEQ said it received a record 16,500 public comments during the review process.

"Coal is a legal commodity, and this project shouldn't be treated differently than any other terminal project of similar size and impact," said John Mohlis, executive secretary of the Oregon State Building and Construction Trades Council. "Permits should be based on policy, not politics."

But union and company officials argue that the Morrow Pacific Project is being treated differently. They say the DSL is acting outside its legal authority by considering the potential impacts on

tribal fishing, recreation, and navigation on port property before it will issue a removal-fill permit for the Coyote Island Terminal. The company says the project will have no impact on fisheries and will harm no tribal fishing sites.

The U.S. Army Corps of Engineers is currently conducting an environmental assessment of the project.

In a written response to the DSL, Ambre wrote: "The proposed dock site is ... within a heavily industrial area, on private Port of Morrow property and situated between two already existing docks. This is where the State of Oregon has said that docks like this should be sited and is the purpose of having a port in the first place."

Another significant development occurred in March when the DSL informed Ambre that the proposed transfer sites at both ports were located over state-owned submerged lands, and that the company would need to lease more state land in order to operate.

Union and company officials say the land lease requirements "grossly expands DSL's jurisdiction" and will have implications for all river commerce vessels.

The company already has land lease agreements in place with both ports. It has signed a letter of understanding with both the Pendleton Building Trades Council and the Columbia Pacific Building Trades Council to perform all construction work with union labor. Unionized Vigor Industrial and nonunion Gunderson Marine of Portland will each get a piece of a \$75 million contract to build 20 new covered

coal barges and up to five new tug boats that will be needed to move the coal. And unionized Tidewater Barge Lines of Vancouver, Wash., will provide tug and barge transportation service on the Columbia River. [Ambre Energy said it has had preliminary talks with the International Longshore and Warehouse Union to work the terminals, but nothing is finalized.] All told, the project will create over 2,000 construction jobs and over 1,000 operations jobs.

"That's a lot of private-sector, family wage jobs for parts of this state that have been hit especially hard by the Great Recession," Mohlis said.

Union and company officials also are pointing fingers at the DEQ.

Ambre says DEQ initially told them it didn't need any permits for the project. The environmental agency later reversed itself, saying permits were needed for air quality, construction storm water and water quality. The company complied, and in February 2014 DEQ issued those permits. But then it said it needed another water quality certification — called a 401 certification.

"It is highly unusual, unprecedented, that after two years DEQ would ask for a new certification," Fuller said.

At public hearings conducted by the DEQ, Chuck Little, executive secretary-treasurer of the Pendleton BCTC, said it was clearly stated that as long as standards were met, the agency had no choice but to issue the permits.

"DEQ can't stop from issuing a permit just because they don't like it," Little said.

Ambre submitted the new application in April, but it could take up to six months for a permit to be issued. The delay impacts the Corps of Engineers' environmental assessment because it needs the 401 certification from the DEQ before it can be finalized, Clark Moseley, president and CEO of the Morrow Pacific Project, told the Labor Press.

Meantime, Gov. Kitzhaber said late last month that the DSL will make its decision on the removal-fill permit application by no later than May 31.

Moseley says DSL can do one of three things: "It can deny the permit; it can agree to our request for an extension; or it can approve the permit. From all indications they will deny our permit application."

"If you change the rules as you go, what's next?" asked Mohlis. "You can always find somebody who doesn't like something."

"We believe that some of the decisions now being made run the risk of creating serious issues for future projects, which would have a direct impact on our members," he said.

Recently, a group of local elected officials and community leaders sent a letter to Gov. Kitzhaber and the director of the DSL urging a fair review process of the project.

"If that process leads to the issuance of a removal-fill permit, then we should welcome Morrow Pacific to Oregon," said the letter, signed by 68 individuals, including mayors, city commissioners, port officials and union officials who live along the Columbia River.



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