REFORE THE COWLITZ COUNTY HEARINGS EXAMINER

IN RE THE MATTER OF BULK TERMINALS - LO LLC COAL EXPORT FAC	ONGVIEW,)	File No. 12-04-0375 SHORELINE PERMIT APPLICATION NO. 17-0992
APPLICANT: MILLENNIUM BULK TE LONGVIEW, LLC	RMINALS -	FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION DENYING PERMITS
APPLICANT:	Millennium Bulk	Terminals - Longview, LLC ("Applicant")
REPRESENTATIVE:	Jon K. Sitkin Chmelik Sitkin & 1500 Railroad Av Bellevue, Washin	/enue
	Craig S. Truebloo K&L Gates, LLP 925 4th Avenue, S Seattle, Washingt	Suite 2900
COUNTY STAFF:	Elaine Placido, Director of Community Development Ron Melin, Senior Environmental Planner 207 4th Avenue N. Kelso, Washington 98626	
REPRESENTATIVE:	Douglas Jensen Cowlitz County Prosecutor's Office First Floor, 312 S.W. 1st Avenue Kelso, Washington 98626	
INTERESTED PARTIES:	Climate Solutions Council, Greenpe Northern Plains R	ceper, Friends of the Columbia Gorge, s, Sierra Club, Washington Environmental ace USA, Association of Northwest Steelhead Resource Council, Oregon Physicians for Social Vashington Physicians for Social Responsibility
		anization of Resource and Councils (collective

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REPRESENTATIVE:

Kristen Boyles

Earthjustice

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SUMMARY OF REQUEST: The Applicant seeks a Shoreline Substantial Development Permit and a Shoreline Conditional Use Permit to construct Stage 1 improvements for a coal export facility near Longview and along the Columbia River, an urban shoreline of statewide significance.

LOCATION OF PROPOSAL: The Project is located at 4029 Industrial Way, Longview, Washington, within the Northwest and Northeast Quarters of Sections 35 and 36, Township 8 North, Range 3 West, W.M., and the Southwest and Southeast Quarters of Sections 25 and 26, Township 8 North, Range 3 West, W.M., at approximately Columbia River Mile 63, within Parcel Nos. 619530400, 61950, 61953, WDNR Aquatic Lands Lease No. 20-B09222, and BPA Parcels 61954 and 6195303.

PROJECT DESCRIPTION: See below

SUMMARY OF DECISION:

In advance of this hearing Cowlitz County (the "County") and the Department of Ecology ("Ecology"), as co-lead agencies, issued a Final Environmental Impact Statement (the "FEIS") to inform this decision making process. The FEIS concludes that the Project has nine unavoidable, significant adverse impacts. Importantly, neither the Applicant or any other party has appealed the FEIS. For the purpose of this hearing its findings and conclusions are unchallenged.

By Decision dated September 26, 2017, Ecology denied the Applicant a Section 401 Water Quality Certification, in part, under its substantive SEPA authority, concluding that the Project had nine unavoidable significant environmental impacts as identified in the FEIS, and that these impacts could not be reasonably mitigated. I concur with Ecology that the Project has unavoidable, significant environmental impacts that cannot be reasonably mitigated, and therefore deny the Applicant's requested Shoreline Substantial Development Permit and Shoreline Conditional Use Permit under Cowlitz County's substantive SEPA authority.

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 Although I reach the same conclusion as Ecology I do so through a different analysis. Ecology reached its Decision by examining the FEIS and concluding that the listed unavoidable and significant adverse impacts could not be mitigated. I question whether this approach provided the Applicant with an opportunity to offer evidence of possible, reasonable mitigation. Therefore, in this hearing the County and the Applicant have been given the opportunity to propose reasonable mitigation. Nonetheless, by the conclusion of the hearing the parties had failed to do so. As the unchallenged FEIS concludes that the Project has many unavoidable, significant adverse impacts, and as the parties have failed to provide reasonable mitigation, the Shoreline Permits must be denied.

In its Decision Ecology did not address the impacts from Greenhouse Gas (GHG) emissions. This was due to the belief that the Applicant was proposing to mitigate 100% of net GHG emissions. During the hearing the Applicant clarified that it is <u>not</u> proposing to mitigate the Project's net GHG impacts as calculated in the FEIS. The FEIS concludes that if the net GHG emissions are not fully mitigated they become a tenth unavoidable, significant adverse impact.

In summary, I conclude that the Applicant has failed to reasonably mitigate the ten unavoidable, significant adverse impacts identified in the FEIS, and the Shoreline Permits must be denied under substantive SEPA authority.

- 2. The Applicant has the burden of proving that all of the requirements of the State Shoreline Management Act (SMA) and the County's Shoreline Master Program (SMP) have been satisfied. As a result of the unavoidable, significant adverse impacts identified in the FEIS, the Applicant has failed to meet this burden.
- 3. There remain a number of unresolved issues which further prevent the Applicant from meeting its burden of proving that the requirements of SMA and SMP have been met.

These include:

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The Project requires dredging to accommodate berthing of fully loaded Panamax-class ships, resulting in dredging and disposal of up to 350,000 cubic yards of material from State-owned aquatic lands.

The Project would be constructed in two stages over several years:

Stage 1 of the Project would consist of facilities necessary to unload coal from trains, stockpile the coal onsite, and load coal into oceangoing vessels at Dock 2. Two docks (Dock 2 and Dock 3) would be constructed along with one ship loader and related conveyors on Dock 2, with berthing facilities only at Dock 3. Onshore a stockpile area including two stockpile pads, railcar unloading facilities, one operating rail track, up to eight rail storage tracks for train parking, miscellaneous ground improvements, and associated facilities and infrastructure would be built. Upon completion of Stage 1 the Project would have capacity for handling 25 Million Metric Tons Per Year (MMTPY) of coal.

Stage 2 of the Project would consist of installation of ship loading and associated equipment on Dock 3, two additional coal stockpile pads and necessary conveyors and facilities for conveyance of coal from the collective coal pads to the two docks. Construction of Stage 2 would be expected to commence once Stage 1 had been completed, within approximately 3 to 5 years. Stage 2 would increase export capacity to 44 MMTPY.

The Applicant is leasing 540 acres from the landowner, Northwest Alloys. Northwest Alloys also has an existing Aquatics Lands Lease No. 20-B09222 from the Washington Department of Natural Resources (DNR) through January 2038 for the adjacent tidelands where the Project's docks are to be located. The 190-acre Project site has been separated from the Applicant's remaining leased area through boundary line adjustment. The remaining land within the Applicant's leased area is intended for other uses, including the continued operation of a bulk product terminal at the existing Dock 1.

A more complete description of the Project can be found in the County Staff Report (the "Staff Report") at pages 4-13, incorporated herein by reference:

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Coal would be delivered to the Project site by rail. The Project anticipates receipt of coal from two separate sources:

Wyoming. Coal coming from this source would be delivered by dedicated "unit trains" operating on BNSF lines. The coal trains would move west to Huntley, Montana then across northern Idaho to Sandpoint, Idaho. From Sandpoint, trains would cross into Washington State and travel through Spokane. Trains would then travel south to Pasco and then west along the Washington side of the Columbia Gorge in close proximity to the Columbia River. The trains would then travel through Vancouver and turn north, following the Interstate 5 corridor and the Columbia River until reaching the Longview/Kelso area. Once unloaded at the Project site the empty trains would continue north on the main BNSF line paralleling Interstate 5 and through Olympia, Lacey, Tacoma and Auburn before turning east and travelling over the Cascade Mountains at Stampede Pass. Return trains would then turn south through Yakima and return to Pasco. From Pasco empty trains would follow the same route as loaded trains and travel through Spokane and back to the Powder River Basin.

2. The secondary source of coal would come from the Uinta Basin in Utah and Colorado as well as from the Powder River Basin. Coal from this area would be delivered on Union Pacific (UP) unit trains. These trains would travel through Pocatello and Boise, Idaho and then along the Oregon side of the Columbia Gorge to Portland. North of Portland UP trains would operate on BNSF tracks, crossing the Columbia River into Vancouver and continuing on the same main BNSF track used by the BNSF coal trains. Empty UP trains would return on the same route as they came.

Coal from either source would be delivered by dedicated trains or "unit" trains consisting of 4 locomotives and 125 coal cars with an approximate length of 1 1/3 miles. The Project would result in 8 loaded unit trains and 8 empty unit trains per day, or 16 total unit trains per day. Coal would be delivered 365 days per year resulting in over 23,000 locomotive trips annually (4 locomotives x 16 trains x 365 = 23,360 annual locomotive trips).

All coal trains would arrive at Longview/Kelso at the "Longview Junction Yard". Trains would be diverted off of the BNSF main line and onto the "BNSF Spur". The BNSF Spur travels across the Cowlitz River and into the Longview industrial area. Coal trains would then continue on a second spur known as the "Reynolds Lead" through Longview until reaching the Project site.

Coal would be unloaded and sent by conveyor to large storage pads. Additional conveyance systems would convey the coal to the docks for loading onto ocean-going vessels for shipment to Pacific markets. Coal would be loaded onto vessels in the "Handymax" and "Panamax" sizes. These are deep draft vessels having capacities of up to 100,000 tons. The Project anticipates loading 70 vessels per month, or 840 vessels per year. This equates to 1,680 vessel "transits" of the Columbia River annually.

Construction of the Project would result in the permanent loss of 24.10 acres of wetlands. In addition, construction and operations would have shoreline, overwater, underwater, and dredging impacts affecting aquatic resources. To mitigate these impacts, the Applicant, submitted a Conceptual Mitigation Plan (the "Mitigation Plan") which evaluates fish and wildlife habitat impacts, discusses onsite construction impacts and minimization measures, and proposes fish and wildlife habitat mitigation. The Mitigation Plan proposes to create an off-channel

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slough feature as aquatic mitigation and also proposes off-site wetlands mitigation. The FEIS concludes that as a result of the Mitigation Plan, there will be no adverse impacts to wetlands. On July 19, 2017, the County approved a Critical Areas Permit No. 17-06-3166 requiring compliance with the Mitigation Plan. The Critical Areas Permit was not appealed.

Acting as co-lead agencies, on April 29, 2016, the County and Ecology published a Draft Environmental Impact Statement (DEIS) for review and comment. Several hundred thousand comments were received. On April 28, 2017, the co-lead agencies issued their Final Environmental Impact Statement (FEIS). The FEIS has not been appealed by any party and its findings and conclusions come to the Hearing Examiner unchallenged. The FEIS concludes that the Project will have ten unavoidable, significant adverse impacts: to noise; increased risk of cancer; traffic; community resources; cultural resources; rail capacity; rail safety; vessel transportation; tribal resources; and Greenhouse Gas emissions.

There are several ongoing, related matters occurring with respect to the Project:

- On January 5, 2017, the Washington Department of Natural Resources (DNR) denied the Applicant's request to sublease the aquatic lands under lease to Northwest Alloys. This denial was appealed by the Applicant to the Cowlitz County Superior Court. On October 27, 2017, the Cowlitz County Superior Court orally ruled that DNR's denial was arbitrary and capricious, but the court did not find that the Applicant was entitled to a sublease. Rather, the court directed the parties to engage in further negotiations to determine if a sublease could be agreed upon.
- On July 19, 2017, the County issued its Critical Areas Permit approving the
 Mitigation Plan. The permit was not appealed.

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- On September 26, 2017, Ecology denied the Applicant's Section 401 Water

 Quality Certification with prejudice. Denial of this certification precludes federal agencies from acting on pending permit applications for required federal permits. The Applicant has appealed Ecology's denial to the Pollution Control Hearings Board as well as to the Cowlitz County

 Superior Court.
- On October 7, 2017, the Environmental Protection Agency announced the repeal of the Clean Power Plan.
- On October 24, 2017, DNR issued its Memorandum of Decision which: (1) denies any improvements to the aquatic lands under Aquatics Lands Lease No. 20-B09222; (2) notifies the Applicant that it does not have the State's permission to remove dredged materials from the Columbia River; and (3) notifies the Applicant that it has not been granted permission to engage in dredging on State-owned aquatic lands outside of the leased area. These notices effectively preclude the Applicant from constructing Docks 2 and 3 and from necessary dredging.
- The U.S. Corps of Engineers is acting as lead agency on a separate environmental review conducted under NEPA to inform the federal permit decision making process. The NEPA DEIS was issued September 30, 2016, but the NEPA FEIS has not yet been issued.

PUBLIC HEARING

Prior to the public hearing several parties asked for and received recognition as interested parties including Columbia Riverkeeper, Friends of the Columbia Gorge, Climate Solutions, Sierra Club, Washington Environmental Council, Greenpeace USA, Association of Northwest Steelheaders, Northern Plains Resource Council, Oregon Physicians for Social Responsibility,

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Washington Physicians for Social Responsibility and Western Organization of Resource and Councils (collectively "Riverkeeper"). These interested parties were represented by legal counsel, allowed to make opening and closing presentations and given the opportunity to cross-examine other parties' expert witnesses.

Also prior to the public hearing I undertook an independent site examination. This included an examination of the site, the surrounding properties and the surrounding area.

The public hearing commenced at 9:00 a.m. on November 2, 2017 at the Cowlitz County Expo Center in Longview. The public hearing continued for three days with testimony ending at noon on Monday, November 6. The hearing was held open to the end of Monday, November 6, to allow for additional written public comment. The hearing formally concluded at 5:00 p.m. on Monday, November 6.

In advance of the public hearing a Pretrial Order was entered to assist in hearing procedures. The Order established an identification system for exhibits including an exhibit prefix to identify the presenting party. County exhibits bear the prefix "C" and begin with exhibit C-1. The Applicant's exhibits bear the prefix "A" and begin with exhibit A-26. Riverkeeper exhibits bear the prefix "I" and begin with exhibit I-101. Exhibits presented by the public bear the prefix "P" and begin with exhibit P-126. A complete list of all exhibits is attached to this decision.

Some of the core documents include:

C-1 County Staff Report to the Hearing Examiner.

C-7 Final EIS.

A-64 Applicant's Revised Comments to Proposed Permit Conditions.

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I-102 Ecology Decision denying Section 401 Clean Water Certification.

I-104 DNR Memorandum of Decision.

These core documents may be referred to by their title rather than their exhibit number (for example, the "Staff Report", the "FEIS", the "Applicant's Response", the "Ecology Decision" and the "Memorandum of Decision").

Cowlitz County appears through its Director of Community Development, Elaine Placido, and its Senior Environmental Planner, Ron Melin. The County is represented by Douglas Jensen of the Cowlitz County Prosecuting Attorney's Office. The Applicant is represented by Craig Trueblood and Jon Sitkin. Riverkeeper is represented by Kristen Boyles. Several hundred interested individuals were present at various times during the three-day hearing.

The public hearing commenced with the testimony of Elaine Placido from County Staff, Ms. Placido explained that the purpose of the hearing was to consider shoreline permits for Stage I of the Project, and she provided an overview of the Project's planned improvements. Ms. Placido noted that the Project site has a zoning designation of MH (Heavy Industrial), and that the Project is an allowed use in this zoning district. She added that the Project is vested under the County's 1976 Comprehensive Plan (a new Plan has recently been approved) and that the County finds the Project to be consistent with the applicable Comprehensive Plan. Ms. Placido also confirmed that the Project is vested under the County's 1977 Shoreline Master Program (SMP). County Staff finds the Project to be consistent with the SMP and that it satisfies all of the requirements of the SMP and the Shoreline Management Act (SMA). County Staff recommends approval of the Project subject to the 36 conditions found at the conclusion of the Staff Report,

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Following Ms. Placido's testimony the Applicant's counsel, Craig Trueblood, made a brief opening presentation. Mr. Trueblood then presented the testimony of the Applicant's representatives, Kristen Gaines and Trevor Simmons; the Applicant's Environmental Consultant, Glenn Grette; a representative from BNSF, Dava Kaitala; the Director of the Cowlitz County Economic Development Council, Ted Sprague; and Mike Bridge, representative for the Longview/Kelso Building Trades Associations. Most of these witnesses testified both orally and by written testimony presented in advance of the public hearing.

At the conclusion of the Applicant's presentation the public testimony commenced.

Kristen Boyles, counsel for Riverkeeper, was allowed to make an opening presentation.

Pursuant to the Pretrial Order tribal representatives were given the first opportunity to testify, followed by public officials and then members of the general public. Representatives of the Cowlitz Tribe were not available on Thursday and were instead allowed to give testimony on Friday and again on Monday. A few public officials testified followed by testimony from members of the general public during the remainder of Wednesday. Those giving testimony from prepared written statements were encouraged to have their written statements identified as exhibits. During the course of the day written comments, both from those giving testimony and others, were submitted and identified as public exhibits.

The hearing resumed at 9:00 a.m. on Friday, November 3, with continued public testimony. Three representatives from the Cowlitz Tribe were allowed to testify. Public testimony continued until mid-afternoon by which time all members of the public asking to testify had been given the opportunity.

The hearing resumed on Monday, November 6 at 9:00 a.m. to hear from the Applicant's responsive witnesses. Chip Halpert and Robert Scofield testified on air quality issues; David Hauri testified on coal dust related issues; Peter Bennett, the Applicant's Vice President of Business Development for Bulk Products, testified on business operations; Julie Carey and Mary Hess testified on issues relating to air quality and Greenhouse Gas emissions; and the Applicant's Representative, Kristen Gaines, responded to various questions asked by the Hearing Examiner during the course of the hearing. These responses were reduced to writing and submitted as Exhibit A-65. Ms. Gaines also testified regarding the Applicant's revised position on proposed conditions of Project approval. This testimony was also reduced to writing and submitted as Exhibit A-64. The Applicant also submitted the supplemental testimony of Dava Kaitala, representative for BNSF (Exhibit A-66). The County had no additional witnesses and all testimony was completed by noon on Monday, November 6 but members of the public were given until 5:00 p.m. to present additional written comment.

At the conclusion of testimony, the County was asked if it had any changes or additions to its proposed conditions for Project approval. The County replied that it is standing on the conditions contained in the Staff Report. The Applicant's revised response to these proposed conditions is found in Exhibit A-64, with additional comment found in Exhibit A-65.

None of the parties requested an opportunity to submit written post-hearing comments or briefing. The hearing was therefore deemed closed as of 5:00 p.m. on Monday, November 6.

During the course of the hearing, there were no proposed changes to the Project. The Applicant did, however, submit new information on the issue of "wake stranding" of fish, including a proposed Mitigation Plan which has recently been presented to the National Marine

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Fisheries Services (NMFS) (Exhibit A-60). These and other materials relating to wake stranding will be discussed more fully in the Findings of Fact.

Based upon the Staff Report, the FEIS and related materials, the testimony and exhibits presented by the Applicant and all other testimony, the Hearing Examiner makes the following:

FINDINGS OF FACT

1. General Findings of Fact.

1.1 Any Findings of Fact contained in the foregoing Background Section are hereby incorporated as the Hearing Examiner's Findings of Fact.

FINDINGS RELATED TO SEPA

2. Findings of Fact Relating to Noise Impacts.

- 2.1 The Project's noise impacts are discussed in Section 5.5 of the FEIS. As noted in the Background Section, loaded coal trains arriving at the Longview Junction Yard in Kelso would transfer onto the BNSF spur, taking them across the Cowlitz River and into the Longview industrial area. Coal trains would then transfer onto the Reynolds Lead which runs through the Longview industrial area until reaching the Project site. Empty trains would reverse this route back along the Reynolds Lead and BNSF spur to the BNSF mainline at the Longview Junction Yard.
- 2.2 A map depicting the location of the BNSF spur and the Reynolds Lead is found at Figure 2-2 of the FEIS.
- 2.3 The Reynolds Lead has four public at-grade crossings. These are located at Third Avenue, California Way, Oregon Way and Industrial Way in Longview and identified in Figure 2-2 in the FEIS.

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- 2.4 The Project would result in 16 unit trains (8 loaded, 8 empty) traveling through the public at-grade crossings along the Reynolds Lead.
- 2.5 Per Federal Railroad Administration (FRA) regulations, Project-related trains would be required to sound their horns for public safety at the public at-grade crossings along the Reynolds Lead.
- 2.6 The FEIS finds that the required use of train horns at public at-grade crossings along the Reynolds Lead will expose 60 residences to a severe noise impact and an additional 229 residences to a moderate noise impact.
- 2.7 Proposed transportation improvements would eliminate the public at-grade crossings at Oregon Way and Industrial Way. If constructed, these improvements will eliminate the noise impacts at these locations but similar improvements are not currently planned at the public at-grade crossings at Third Avenue or California Way.
- 2.8 If the public at-grade crossings at Industrial Way and Oregon Way are eliminated the number of residences suffering severe or moderate noise impacts will be reduced but 10 residences will continue to be exposed to severe noise impact and 42 residences will continue to be exposed to moderate noise impact due to the use of train horns at the Third Avenue and California Way crossings.
- 2.9 The FEIS finds that the implementation of Quiet Zones at these at-grade crossings would eliminate the Project's noise impacts. But without the implementation of Quiet Zones the resulting train noise would be an unavoidable and significant adverse environmental impact.

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The FEIS analyzes the Project's air quality impacts in Section 5.6.

3.2 The FEIS finds that the Project will result in increased inhalation cancer risk related to diesel particulate matter emissions from all operation sources (terminal, rail and vessel) in the Project area, the Kelso/Longview area, and County-wide. The FEIS finds:

- Near the Project site there is an increased risk of ten cancers per million extending across the Columbia River approximately 1.3 miles southwest of the Project area and approximately .1 miles northeast of the Project area, and across Industrial Way near the northwest boundary of the Project area.
- In the Kelso/Longview area there is an increased risk of ten cancers per million for most of Longview south of Ocean Beach Highway, as well as a portion of Kelso along the I-5 corridor. There is an increased risk of thirty cancers per million along the Reynolds Lead a width of 3,000 feet and extending to the Highlands neighborhood. There is an increased risk of fifty cancers per million along the Reynolds Lead a width of 1,000 feet bordering the Highlands neighborhood.
- In Cowlitz County there is an increased risk of ten cancers per million along the BNSF mainline a width of 2 miles throughout all of the County. There is an increased risk of thirty cancers per million along the BNSF mainline a width of 1/2 mile through the entire County.
- 3.3 The FEIS concludes that these increased risks of cancer are an unavoidable and significant adverse impact.
- 3.4 The FEIS finds that the increased risk of cancer could be mitigated by use of the newest generation of low-emission train locomotives, referred to as "Tier 4" locomotives, first introduced in 2015. Unless Tier 4 locomotives are utilized the increased risk of cancer cannot be mitigated.

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4.3 At current train speeds, and assuming one Project train traveling along the Reynolds Lead during the peak traffic hour, the Project would result in the Level of Service (LOS) at the four public at-grade crossings along the Reynolds Lead, as well as at two private atgrade crossings, to fall to unacceptable levels of either "E" or "F".

4.4 Similarly, and assuming one Project train traveling along the Reynolds

Lead during the peak traffic hour, blocked traffic would result in unacceptable queuing lengths at several of these at-grade crossings.

- 4.5 Because vehicle delays will increase, emergency vehicle delays will also increase. During a 24-hour period, Project-related trains would increase the probability of emergency response vehicles being delayed by up to 10% at crossings along the Reynolds Lead.
- 4.6 Proposed improvements at the Industrial Way and Oregon Way crossings, previously referred to in Finding of Fact 2.7, would eliminate LOS deficiencies, queuing problems and emergency vehicle delays at these intersections but would not mitigate traffic impacts at the California Avenue and Third Avenue rail crossings.
- 4.7 The FEIS concludes that these traffic impacts are an unavoidable and significant adverse impact.
- 4.8 The FEIS further concludes that these significant traffic impacts can be mitigated if all necessary track improvements to the Reynolds Lead are implemented, allowing an increase in train speed from 10 to 25 miles per hour. Increased train speed would significantly decrease the length of gate down time at each crossing. The only rail crossing to still have an unacceptable LOS would be a private crossing at 38th Avenue. All of the public at grade crossings along the Reynolds Lead would have LOS of "D" or better and all queuing

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lengths would be acceptable.

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- 5.3 The FEIS concludes that the Project's traffic impacts (Findings 4.1 through 4.12) will have a disproportionally adverse effect on minority and low income populations. Without necessary track improvements to the Reynolds Lead, the Project's disproportionate traffic impacts on minority and low income populations will be unavoidable and significant.
- 5.3 The increased risk of cancer resulting from the Project (Findings 3.1 through 3.10) will have a disproportionally adverse effect on minority and low income populations. Use of Tier 4 locomotives would reduce but not eliminate this disproportionate adverse effect, but otherwise this impact is unavoidable and significant.
 - 6 Findings Relating to Cultural Resources.
- 6.1 The Project's impacts on cultural resources is discussed in Section 3.4 of the FEIS.
- 6.2 The Project site was formerly used by the Reynolds Metal Company as an aluminum plant. The former Reynolds facility was evaluated as a Historic District and documented on a National Register of Historic Places (NRHP) nomination form as part of the review undertaken by the Corps of Engineers. The former facility is officially referred to as the "Reynolds Metals Reduction Plant Historic District" (the "Reynolds Historic District") and was determined eligible for listing in the NRHP as a Historic District.
- 6.3 The Reynolds Historic District consists of 53 separate resources including 33 buildings, 12 structures and 8 landscape features. Of these 53 identified resources, 39 were determined to contribute to the Reynolds Historic District's significance.

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7. Findings Relating to Statewide Rail Transportation.

- 7.1 The FEIS analyzes the Project's impact on projected BNSF rail capacity in the State of Washington in Section 5.1.
- 7.2 In Table 5.1-5 the FEIS examines the various segments of BNSF mainline; their length; their available number of tracks (1 or 2); their projected capacity in 2028; and the impact of the Project on their projected capacity.
- 7.3 The FEIS finds that the BNSF segment from the Idaho border to Spokane, having a length of 18.6 miles and 2 current tracks, has a projected capacity of 106 trains per day in 2028. With inclusion of the Project's trains, this segment of the BNSF mainline is projected to be 46 trains over its daily capacity by 2028.
- 7.4 The FEIS finds that the BNSF segment between Spokane and Pasco, having a length of 145.5 miles and 1 current track, has a projected capacity of 56 trains per day in 2028. With inclusion of the Project's trains, this segment of the BNSF mainline is projected to be 34 trains over its daily capacity by 2028.
- 7.5 The FEIS finds that the BNSF segment from Pasco to Vancouver, having a length of 221.4 miles and 1 current track, has a projected capacity of 48 trains per day in 2028. With inclusion of the Project's trains, this segment of the BNSF mainline is projected to be 15 trains over its daily capacity by 2028.
- 7.6 The FEIS finds that the BNSF segments from Vancouver to Longview, and from Longview to Auburn, are projected to be at capacity with the inclusion of the Project's trains.

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"Recent investments in infrastructure in the Pacific Northwest and system wide... demonstrate BNSF's continuing commitment to making needed capacity upgrades. As a result, it is not necessary to condition coal deliveries to the Project or lines being upgraded to a capacity set by the State of Washington and Cowlitz County." (Exhibit A-66 at Page 9)

8. Findings Related to Rail Safety.

- 8.1 The FEIS discusses the Project's impacts on rail safety in Section 5.2.
- 8.2 Assuming that track improvements are made to the BNSF spur and Reynolds Lead (Finding 4.8), the Project is likely to result in an accident on this rail segment involving a fully loaded unit train once every 4 years, and an accident involving an empty train once every 4 years. Collectively, with all track improvements having been made there is a 50% chance of a Project-related train accident on the BNSF spur or Reynolds Lead each year.
- 8.3 If track improvements are not made the FEIS predicts that the number of Project-related train accidents on the BNSF spur or Reynolds Lead would be approximately 1.5 to 3 times higher, or up to 1.5 accidents per year.
- 8.4 The FEIS predicts that the addition of Project trains would increase statewide rail accidents by 11.38 accidents per year. This is a 22% increase in rail accidents.
- 8.5 The FEIS finds that the increase in rail line accidents is, at least in part, the product of insufficient rail line capacity as discussed in the previous section of Findings.
- 8.6 The FEIS concludes that the Project would increase the potential for train accidents in both Cowlitz County and across the State of Washington. The rail line operators could improve rail safety through investments or operational changes but it is unknown when or if these actions will be taken or permitted. Therefore, the FEIS concludes that Project-related trains could result in an unavoidable and significant adverse impact on rail safety.

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9.14 The Applicant objects to the imposition of a similar condition on this Project. The Applicant argues that the vessels used for transporting coal will not belong to the Applicant and it will not have control over them. The Applicant therefore objects to being held responsible for the actions of third parties. (Testimony of Gaines) Additional objections to this proposed condition are found in the Applicant's Responses, Exhibit A-65 in Section 4.

10. Findings Relating to Tribal Resources.

- 10.1 The FEIS discusses impacts on tribal resources in Section 3.5.
- 10.2 A section of the Columbia River located upstream from the Project site, commonly referred to as "Zone 6", is a critical tribal commercial, subsistence and ceremonial fishing area for a number of American Indian Tribes. Zone 6 consists of that portion of the Columbia River approximately bounded by Bonneville Dam to the west and by McNary Dam to the east, a distance of 147 miles. The location of Zone 6 is identified on Figure 3.5-1 in the FEIS.
- 10.3 Four tribes or confederation of tribes: the Confederated Tribes and Bands of the Yakima Nation, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of Warm Springs and the Nez Perce Tribe, have reserved rights to fish in the Columbia River and its tributaries. Collectively these tribes and confederations form the "Columbia River Inter-Tribal Fish Commission" (CRITFC). Member tribes of CRITFC rely on Zone 6 for fishing and are referred to as "Treaty Tribal Fishers".
- 10.4 Chinook Salmon is the most abundant species caught by Treaty Tribal Fishers.

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10.5 The Department of Interior, through the Bureau of Indian Affairs, has
established 31 fishing access sites on the Columbia River within Zone 6 for the exclusive use of
Freaty Tribal Fishers. The sites are managed by CRITFC for the benefit of member tribes. The
ites were set aside by the U.S. Congress to provide fishing access to tribal fishers whose
raditional fishing grounds were inundated by the Columbia River dams. These sites are deeme
o be culturally significant in that they are at or near traditional villages or fishing locations. Of
hese 31 sites, 20 are located on the Washington side of the Columbia River.

- 10.6 Treaty Tribal Fishers gain access to these sites either by boat or from the highway. Highway access often requires crossing the BNSF tracks at-grade. Treaty Tribal Fishers may set up residence at the access sites in May and remain until October. At times during this period there may be as many as 80 tribal members camping at any one of the many access sites.
- 10.7 In addition to these managed access sites, Treaty Tribal Fishers also access the river at many other unimproved points along Zone 6.
- 10.8 Project-related BNSF trains would travel through Zone 6, generally between the highway and the tribal fishing access areas.
- 10.9 The FEIS finds that Project-related trains could result in delays to tribal fisher's access to traditional fishing sites as well as delays to delivery of fish to buyers.
- 10.10 In addition, as Treaty Tribal Fishers access the Columbia River at multiple unmapped locations using unimproved, at-grade crossings, Project-related trains could impair Treaty Tribal Fishers! ability to access these traditional fishing locations, especially during summer months.

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11.6 The FEIS, at page 5.8-24, states that the Applicant proposed to mitigate 100% of the GHG identified in the 2015 U.S. and International Energy Policy Scenario. That is, at operations at maximum capacity, the Applicant proposed to mitigate 1.99 Million Metric Tons per year from 2028 to 2038.

11.7 During the hearing the Applicant announced that this statement in the FEIS is incorrect. The Applicant does <u>not</u> propose to mitigate 100% of the GHO emissions identified in the 2015 U.S. and International Energy Policy Scenario.

11.8 It does not appear that this correction was made known to any parties prior to this hearing. In particular, Ecology was not notified of this correction during its consideration of the Applicant's request for a Section 401 Clean Water Certification.

11.9 Despite the FEIS conclusions, County Staff does not propose any condition of Project approval that would require mitigating for net GHG emissions.

11.10 The Applicant instead proposes to mitigate 100% of the Project's "Scope

1" emissions. The Applicant calculates that this would amount to approximately 10,000 tons per

year, or 1/2 of 1% of the mitigation required in the FEIS.

involving three tiers of emissions; Scope 1 emissions are also referred to as "direct GHG" and are defined as "emissions from sources that are owned or controlled by the organization"; Scope 2 emissions are also referred to as "energy indirect GHG" and are defined as "emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the organization"; and Scope 3 emissions are also referred to as "other indirect GHG" and are defined as "emissions that are a consequence of the operations of an organization, but are not directly owned or controlled by the organization".

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statewide interest over local interest, and further preclude any conclusion that the Project protects the resources and ecology of the shorelines.

FINDINGS RELATING TO UNRESOLVED ISSUES.

- 13. Finding Relating to the Applicant's Ability to Construct Docks and Other
 Improvements on Leased State-owned Aquatic Lands.
- 13.1 As noted in the Background Section, the aquatic lands adjacent to the Project site are owned by the State of Washington. These aquatic lands are leased to Northwest Alloys under Aquatic Lands Lease No. 20-B09222 through January 2038 (the "Aquatics Lease").
 - 13.2 Docks 2 and 3 would be constructed within the area of the Aquatics Lease.
- 13.3 On October 24, 2017, DNR issued its written "Memorandum of Decision" (the "Memorandum of Decision") notifying Northwest Alloys, as Lessee, that DNR is denying permission to construct Docks 2 and 3 and other necessary improvements within the Aquatics Lease area. (Exhibit A=104)
- 13.4 The Memorandum of Decision notes that Northwest Alloys cannot build improvements on the leased property without DNR's prior written consent. The Aquatics Lease gives DNR the right to deny requests to build improvements if it determines that denial is in the best interest of the State. The Memorandum of Decision analyzes the proposed improvements and concludes that it is not in the State's best interest for these improvements to be constructed on State-owned aquatic lands.
- 13.5 Although the Memorandum of Decision is addressed to Northwest Alloys it would apply equally to the Applicant, either as the operator for Northwest Alloys or as its sublessee.

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- 15.4 Even if the Corps of Engineers approves the Applicant's request to dispose of the dredge material at the Ross Island Sand & Gravel site, this proposed disposal lacks the necessary permission from DNR.
- 15.5 The Project's dredge material could be placed elsewhere in the Columbia River but this alternative has been found to be problematic. As noted in both the Staff Report and the testimony of the Applicant's consultant, Glenn Grette, the physical composition of the dredge material has prevented finding a suitable location in the river to deposit it.
- 15.6 As the Applicant does not have DNR's permission to place the Stateowned dredge material in Oregon, and as its placement in other areas of the river has proven problematic, there is no approved plan for the disposal of the Project's dredge materials.

16. Findings Relating to Water Availability.

- 16.1 As set forth at page 2-15 of the FEIS, the Applicant's intended primary source of industrial water for Project operations is treated stormwater. Onsite wells are intended as a backup source during dry weather and as otherwise needed.
- 16.2 Water will be needed for both Project operations and fire protection.

 Operations include dust control, stockpile spraying, and equipment wash down. The Project is reliant upon water to properly manage coal dust.
- 16.3 It is anticipated that peak process water demand would be approximately 5,000 gallons per minute, and peak emergency fire water demand would be approximately 1,500 gallons per minute. The Applicant's existing activities on the leased property have a current demand of approximately 1,063 gallons per minute (FEIS at 4.4-15).

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- 16.5 The FEIS finds that the Project's anticipated industrial water need, coupled with its current needs, is within the volume of water rights held by Northwest Alloys. It adds, however, that it is unknown whether these water rights were relinquished back to the State of Washington for nonuse. The FEIS concludes that if these historical water rights have been relinquished new water rights will need to be applied for under the normal regulatory process.
- 16.6 Ecology, in its Decision denying the Applicant's request for a Section 401
 Water Quality Certification, reminds the Applicant that its plan to collect and use stormwater requires that the Applicant obtain a water right permit in accordance with Chapter 90.03 RCW.
- 16.7 To date the Applicant has not applied for a water right permit to collect and reuse stormwater as its primary source of water.
- 16.8 Ecology also notes that the historical groundwater rights held by

 Northwest Alloys may no longer be valid as Ecology has not been provided with any information documenting their continued beneficial use since the early 2000's.
- 16.9 In December 2016, Ecology requested information from the Applicant documenting the current and recent water uses at the Project site. As of September 26, 2017, the Applicant had not provided this information.
- 16.10 Ecology concludes that without proof of water rights the Applicant will not be able to legally carry out the Project.

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16.11 As the Applicant has not received, or even applied for, a water right to collect and use stormwater and as the Applicant has so far failed to produce any evidence proving the continued validity of historic groundwater rights, there is currently no evidence that the Project has sufficient water to properly manage coal dust, provide for other operational needs or assure adequate fire suppression.

17. Findings Relating to Anti-Idling Policies.

- 17.1 The shipping of coal will result in the arrival of 840 oceangoing vessels at the Project's docks annually and the arrival of over 23,000 locomotives at the Project's railyard annually. These vessels and locomotives will rely on diesel motors.
- 17.2 The use of these diesel motors will result in Diesel Particulate Matter (DPM). The FEIS finds that DPM is harmful and is the cause of the increased risk of cancer from the Project. The FEIS therefore recommends that "anti-idling" policies be imposed upon both vessels and locomotives to eliminate or at least minimize DPM caused by unnecessary idling.
- 17.3 The County Staff Report recognizes the benefit of anti-idling policies but proposes that the Applicant implement its own anti-idling policies. (Condition 32)
- 17.4 The County's proposed Condition 32 would allow the Applicant to decide what anti-idling policies to impose on its operations, or whether to impose any at all.
- 17.5 The Hearing Examiner proposed a condition of Project approval similar to one imposed recently in *In re NWIW*, Cowlitz County Hearing No. SL 16-0975. As previously noted in Finding 9.13, that project involves a nearby methanol production and shipping facility. That project anticipates a maximum of 72 vessels annually, or less than 10% of this Project's

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8. Findings Relating to Possible Impacts from Wake Stranding.

18.1 When the wake from a vessel meets the shoreline it can carry fish and deposit them on the beach, potentially stranding them where they would be susceptible to stress, suffocation, and predation before they could return to the water. This phenomenon is referred to as "wake stranding".

18.2 Wake stranding depends on various factors such as the slope and breadth of a beach; the river's stage; tide stage; depth of water; vessel size; direction of travel and speed and wakes from other passing vessels.

Columbia River. Those portions of the Lower Columbia shoreline having gentle shoreline slopes, sandy beaches, a confined river channel and close proximity to the navigation channel, along with various other factors, tend to have a higher incident of wake stranding. Studies have also suggested that wake stranding is particularly troublesome along "Barlow Point", located a short distance downriver from the Project site. Studies to date have concluded that sub-yearling Chinook Salmon are particularly susceptible to wake stranding due to their small size and preference for swimming near the shore. Lower Columbia Chinook Salmon are a threatened species.

18.4 The FEIS, at page 4.7-33, notes that while the scientific literature generally acknowledges the problem of wake stranding in the Lower Columbia River, the literature has not yet identified methods to quantify its impact to Chinook Salmon or other fish. Nonetheless, the FEIS concludes that this Project's 1,680 transits will have an adverse effect on Chinook Salmon and other fish as a result of wake stranding.

18.5 During the environmental review process several federal and State agencies, including U.S. Fish and Wildlife, Washington Department of Fish and Wildlife (WDFW) and Washington Department of Natural Resources (DNR) expressed concerns that the DEIS understated the Project's additional impact to the wake stranding problem, and encouraged additional study of the phenomenon to determine the Project's impact and necessary mitigation.

- 18.6 The County Staff Report does not discuss wake stranding or propose any mitigation. The County explains that this is an issue best addressed through the federal permitting process. (Testimony of Placido)
- 18.7 In response to questioning from the Hearing Examiner, the Applicant revealed that it has recently proposed a mitigation plan for wake stranding. This proposed mitigation plan is contained in a Memorandum from Mr. Grette to National Marine Fishery Services (NMFS) dated May 30, 2017. (Exhibit A-60)
- 18.8 According to the Applicant's proposed mitigation plan, the Applicant believes that its Project activities will cause the 3,800 unrelated commercial vessels going to and from upriver ports to slow for several miles. The Applicant asserts that this will reduce vessel speeds past Barlow Point, thereby reducing wake stranding at this critical location and mitigating for any wake stranding the Project's vessels might cause further downriver.
- 18.9 The various upriver ports (Portland, Vancouver, etc.) have not been notified of this mitigation plan or of its claim that the Project will force their vessels to slow. It is unknown whether these ports will disagree or, conversely, whether these ports will argue that, if true, the Project fails to recognize and protect the statewide interest over local interest.

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18.10 During the hearing there was conflicting testimony as to whether the Project would cause all non-project vessel traffic to slow past Barlow Point. The Applicant's witness, Dan Mills, testified in writing that the Project would force all other traffic to slow to 8 knots past Barlow Point (Exhibit 206). But a member of the public, Rob Rich, who has several decades of experience with Columbia River transportation, testified that the Project would not cause other vessels to slow.

18.11 On October 10, 2017, NMFS issued its Biological Opinion for NWIW (the Kalama Methanol Project) (Exhibit A-61), previously referred to in Findings 9 and 17. It includes a Wake Stranding Monitoring Plan for the Kalama facility. (Exhibit A-62) The monitoring plan requires NWIW to fund, either individually or with others, a study to examine the rates of fish stranding at three sites along the Columbia River: Barlow Point, County Line Park and Sauvie Island. Studies will extend over seven months (March through September) in years one, three and five of the project, with year zero being the first March after product is shipped from the Kalama facility. The study can be delayed up to two years to allow other applicants from other projects to participate in funding. (The Kalama project is not yet approved, let alone operational, and so "year zero" of the study remains at least a few years away.)

18. Findings Relating to Statewide Impacts from At-Grade Rail Crossings.

The Project has been formally opposed by the cities of Vancouver. Washougal, Camas, Olympia, Tacoma, Seattle, Stevenson, and North Bonneville in the State of Washington; by the cities of Sandpoint, Dover, Ponderay and Kootenai in the State of Idaho; by the cities of Livingston, Missoula and White Fish in the State of Montana; and by the cities of Portland, Milwaukie and Hood River in the State of Oregon.

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18.8 As the FEIS Study does not examine impacts to traffic in any of Washington's urban centers, especially those in Western Washington, the Study does not inform the decision making as to whether the Project recognizes and protects the statewide interest over local interest.

19. Findings Relating to the Lease of BPA Property.

- 19.1 Portions of the proposed Project site are located on property owned by the Bonneville Power Administration (BPA). Areas owned by BPA are identified on the map submitted as Exhibit A-27.
- 19.2 As noted in the Staff Report, a portion of the Project's rail loop would be constructed on 2 parcels currently owned by BPA. BPA has not yet made a determination whether to grant necessary easements to the Applicant. BPA will not make this determination until the Corps of Engineers has issued the NEPA FEIS.
- 19.3 The Applicant responds that it has 3 alternative site layouts, one of which does not require use of BPA property.
- 20. Findings Relating to Further Analysis of Coal Dust Impacts on Aquatic and Tribal Resources.
- 20.1 Nearly 30 American Indian Tribes or Nations have formally opposed the Project. ¹, ² These Tribes express a number of common concerns including: an increased risk of rail accidents on tribal property and appropriate mitigation; increased risk of fire; impacts from

¹ These include the 12 Confederated Tribes or Nations of the Yakima Nation; the 5 tribes comprising the Columbia River Inter-Tribal Fish Commission; the 4 tribes comprising the Upper Columbia United Tribes; the 3 tribes of the Umatilla Reservation; the Northern Cheyenne; the Nez Perce; the Lummi Nation; and the Cowlitz Tribe.

² Another American Indian Tribe, the Crow Tribe, is in support of the Project.

train horn noise, increased risk of train strike, especially to Tribal Treaty Fishers; and effects on fish populations and the Tribes' treaty rights.

- 20.2 The FEIS addresses some of the tribal concerns but acknowledges that many tribal issues fall outside of its scope.
- 20.3 A commonly expressed tribal concern is that coal and coal dust from Project-related trains, along with diesel emissions, will have significant adverse impacts upon tribal property and tribal resources, including fish.
- 20.4 The FEIS, at page 5.7-6, notes that: "the U.S. Geological Survey (USGS) is preparing a study that identifies methods for determining potential impacts on aquatic resources from coal dust exposure."
- 20.5 The official website for the USGS confirms that such a study is being undertaken. The USGS website states:

"Federal and state natural resource managers and Northwest Indians are concerned with potential impacts from unintentional release of coal dust from train cars during transport through the Northwest. . . . To date, very little scientific data exists that is suitable to address these concerns. There exists a strong desire and need for science to better understand and determine if transporting coal can have any measurable environmental impacts. Multiple USGS science centers are collaborating on a pilot that leverages the Survey's chemical, hydrological, and biological expertise to conduct reconnaissance-level sampling and analysis of mercury (Hg) and Polycyclic Aromatic Hydrocarbon (PAH) levels in air, water, sediment, and biota at sites of interest near rail lines. . . .

This study will evaluate some of the risks to Indian trust resources associated with coal transport. If coal transport continues to grow in the region, this study will provide critical baseline data necessary in order to determine whether the expanded transport results in increased contaminate distribution and exposure. If this study is not conducted, and coal transport continues to grow, we will be unable to determine whether and to what extent coal transport results in environmental contamination and risk to wildlife, fishes, and any Indian trust resources.

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The conditions proposed in the Staff Report do not reasonably mitigate these impacts. At the conclusion of the hearing the County chose not to propose any new conditions, and the Applicant's position is nearly identical to the County's. As a result, neither the County nor the Applicant propose reasonable mitigation for any of the unavoidable, significant adverse environmental impacts identified in the FEIS.

More specifically:

- The parties' proposed mitigation for noise impacts is insufficient to ensure that
 Quiet Zones will be implemented.
- The parties do not propose any mitigation for the increased risk of cancer. Their only suggestion is that eventually the BNSF fleet will upgrade to Tier 4 status, but currently only 6% of the BNSF fleet meets this standard. The remainder of the fleet will not be completely upgraded for more than 20 years.
- The parties' proposed conditions to mitigate traffic impacts do not ensure that the necessary track improvements will be made to the Reynolds Lead.
- The parties do not propose any conditions addressing the impacts to the Reynolds
 Historic District.
 - The parties proposed conditions fail to ensure rail capacity or rail safety.
- The parties do not propose any conditions to ensure vessel safety and appropriate responsibility for any vessel accident.
- The Mitigation Plan, approved as part of the Critical Areas Permit, will address some tribal concerns but not all of them. The parties do not propose any additional conditions to address additional tribal impacts.

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The County proposes no Greenhouse Gas mitigation, while the Applicant proposes less than 1% of that required under the FEIS.

Cowlitz County has adopted SEPA rules promulgated by the Department of Ecology. CCC 19.11.020. Cowlitz County recognizes its right to condition or deny permits if such decision is based upon policies that have been identified and incorporated into regulations, plans, or codes formerly designated as possible bases for the exercise of substantive authority under SEPA. CCC 19.11.110

The County has adopted the following bases for the exercise of substantive authority

Cowlitz County shall use all practicable means, consistent with other essential considerations of State policy, to improve and coordinate plans, functions, programs, and resources to the end that the State and its citizens may:

- Fulfill the responsibilities of each generation as trustee of (a) the environment for succeeding generations.
- Assure for all people of Cowlitz County safe, healthful, productive, and aesthetically and culturally pleasing surroundings.
- Attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences.
- Preserve important historic, cultural, and natural aspects of (d) our national heritage.
- Maintain, whenever possible, an environment which (e) supports diversity and variety of individual choice.
- Achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities.
- Enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

CCC 19.11.110(b)(1)

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Cowlitz County also recognizes that each person has a fundamental and inalienable right to a healthful environment and that each person has a responsibility to contribute to the preservation and enhancement of the environment. CCC 19.11.110(b)(2)

Again, the parties have not reasonably mitigated the ten unavoidable, significant adverse environmental impacts identified in the FEIS. Failure to reasonably mitigate these impacts conflicts with virtually every one of the County's environmental policies stated above.

Accordingly, the requested Shoreline Permits must be denied under the County's substantive SEPA authority.

- 2. Compliance with the Requirements of the SMA and the SMP. In order for the Shoreline Permits to be approved, the Applicant must meet its burden of proving that all of the requirements of the SMA and SMP have been met. As a result of the Applicant's inability to reasonably mitigate the unavoidable, significant environmental impacts identified in the FEIS, it has failed to meet this burden. The Project does not recognize and protect statewide interest over local interest; result in a long term over short term benefit; or protect the resources and ecology of the shorelines, all as set forth more fully in the Findings of Fact.
- 3. Unresolved Issues. A number of unresolved issues further preclude the Applicant from meeting its burden of proving that all requirements of the SMA and SMP have been met:
- The Applicant has been denied permission from the State to build Docks 2 and 3 in the Aquatics Lease area; to engage in dredging outside of the Aquatics Lease area; and to remove dredging materials from the Columbia River. Collectively these three denials preclude constructing Docks 2 and 3 and performing necessary dredging. Unless these barriers are overcome the requested Shoreline Permits cannot be granted.

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• Although this application has been pending for five years, the Applicant has not yet applied for the necessary water permits. Large quantities of water are essential for this Project, especially for control of coal dust. The current absence of any assurance that necessary water is available prevents further consideration of the needed permits.

- Anti-idling policies for both vessels and locomotives must be established. To date no formal policies have been presented. The Applicant's proposal to "do what is done at other ports" is not an acceptable anti-idling policy. Given the number of vessels and locomotives involved and the harmful impact of diesel particulate matter resulting from needless idling, there must be a more robust effort to avoid this problem. This includes a thorough analysis of whether "cold ironing" is possible. Similarly, given that more than 23,000 locomotives will arrive at the site each year the anti-idling policy for locomotives cannot be left up to BNSF and requires a more thorough analysis.
- Wake stranding has been increasingly recognized as a significant problem along the Lower Columbia River, with its greatest impact on young Chinook Salmon, a threatened species. Federal and State agencies have universally recognized the need to better understand the impacts of this phenomenon and determine proper mitigation. The Applicant's recently revealed Mitigation Plan is noteworthy in that it claims the Project will cause all other commercial vessel traffic on the river to slow past Barlow Point, and that this disruption serves as mitigation for the Project's own wake stranding impacts. The upriver ports affected by this claim have not yet been alerted to this plan, or given a chance to respond. It is possible that the Project will effectively create a "no wake" zone past Barlow Point, but ports and State agencies must be allowed to participate in the discussion. Ultimately the Project's impact on wake stranding needs to be calculated and mitigated.

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- The study of statewide rail crossings found in the FEIS provides little, if any, useful information as to the impact of this Project on urban traffic. The rural, sparsely populated crossings selected for the study provide no meaningful information as to whether coal trains will have significant impacts on our cities. The study fails to examine a single urban rail crossing in Western Washington. Again, it is the Applicant's burden to prove that the Project protects statewide interest over local interest. This has not yet been proven. Further analysis needs to be undertaken, preferably with an opportunity for cities to identify those crossings most likely to be impacted.
- It remains to be seen whether BPA will agree to allow its properties to be used by the Applicant. If not, further review of the Applicant's alternative proposed layout must be undertaken.
- If timely completed, the USGS study of coal dust impacts may provide critical information as to whether the transport of coal is having any significant impacts on aquatic or tribal resources.
- The recent repeal of the Clean Power Plan by EPA suggests that the Project's net
 Greenhouse Gas emissions should be reevaluated under the "No Clean Power Plan Scenario".
- As part of its Decision denying the Applicant's Section 401 Clean Water

 Certification, Ecology requested additional materials from the Applicant to better address

 important issues relating to wellands, water, etc. The information sought is of equal benefit to
 this decision making.

CONCLUSIONS OF LAW

I. The Hearing Examiner has jurisdiction over the parties and the subject matter.

- Any Conclusions of Law contained in the foregoing Background Section,

 Findings of Fact or Analysis Section are hereby incorporated by reference and adopted by the

 Hearing Examiner as his Conclusions of Law.
 - 3. All public notice requirements for this application have been met.
- 4. The Project is located within 200 feet of the Ordinary High Water Mark of the Columbia River. The Columbia River is a shoreline of statewide significance. This Project is therefore subject to the requirements of the Shoreline Management Act (SMA), Chapter 90.58 RCW.
- 5. For shorelines of statewide significance, Ecology and local governments shall give preference in the following order to uses which: (1) recognize and protect the statewide interest over local interest; (2) preserve the natural character of a shoreline; (3) result in long term over short term benefit; (4) protect the resources and ecology of the shoreline; (5) increase public access to publicly owned areas of the shorelines; (6) increase recreational opportunities for the public in the shoreline; (7) provide for any other element as defined in RCW 90.58.100 deemed appropriate or necessary. (RCW 90.58.020)
- 6. The Washington Legislature enacted the SMA because Washington's shorelines are fragile and the mounting pressure of development in the shorelines necessitates coordination in their management. The SMA is broadly construed to protect the State's shorelines as fully as possible. All development on the shorelines of the State must conform to the SMA. *Beuchel v. Department of Ecology*, 125 Wn.2d 196, 203 (1994).
- 7. The Applicant has the burden of proving that all requirements of the SMA and the Cowlitz County SMP have been met for the issuance of a Shoreline Substantial Development Permit and Shoreline Conditional Use Permit.

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- 8. The Project, as conditioned, fails to reasonably mitigate the ten unavoidable, significant adverse environmental impacts identified in the FEIS.
- 9. As a result of the Project's failure to reasonably mitigate the unavoidable, significant adverse environmental impacts identified in the FEIS, the Project has not satisfied the environmental standards found in CCC 19.11.110(b)(1), or in CCC 19.11.110(b)2).
- The Project, as conditioned, does not recognize and protect the statewide interest over local interest.
 - 11. The Project, as conditioned, does not result in long term over short term benefit.
- 12. The Project, as conditioned, does not protect the resources and ecology of the shoreline.
 - 13. The Project, as conditioned, is not consistent with the policies of the SMA.
 - 14. The Project, as conditioned, is not consistent with the Cowlitz County SMP.
- 15. The various unresolved issues identified in the Analysis Section further preclude any conclusion that the policy is consistent with either the SMA or the SMP.
- 16. The requested Shoreline Substantial Development Permit and Shoreline Conditional Use Permits for Stage 1 of the proposed coal export facility should be denied.

DECISION

Based upon the above Findings of Fact and Conclusions of Law, the requested Shoreline Substantial Development Permit and Shoreline Conditional Use Permit for Stage 1 of a proposed coal export facility are hereby **denied**.

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COWLITZ COUNTY FILE NO. 12-04-0375

Millennium Bulk Terminals - Longview, Coal Export Terminal
Shorelines Substantial Development Permit and Conditional Use Permit No. SL 17-0992

C-1	Starr Report to the Hearing Examiner
C-2	JARPA (July 13, 2016)
C-3	Critical Areas Permit Issued July 19, 2017
C-4	Shoreline Application Notice September 8, 2017
C-5	Hearing Notice
C-6	SEPA Determination
C-7	Final EIS
C-8	Shoreline Application Response Document
C+9	Coal Export Terminal Wetland Impact Report - Parcel 619530400 (Grette Associates, September 15, 2014)
C-10	Conceptual Mitigation Plan (Grette Associates, May 25, 2017)
C-11	Sediment Characterization Report (Dalton, Olmsted, Fugleyand, July 12, 2017)
C-12	2017 Dredge Material Management Program (DMMP) Dredge Suitability Determination
C-13	Oregon Department of Environmental Quality Acceptance of Dredge Material at Ross Island
C-14	Economic & Fiscal Impacts of Millennium Bulk Terminals Longview (Berk, April 12, 2012)

APPLICANT EXHIBIT LIST

COWLITZ COUNTY FILE NO. 12-04-0375

Millennium Bulk Terminals - Longview, Coal Export Terminal
Shorelines Substantial Development Permit and Conditional Use Permit No. SL 17-0992

A 26	MBT - Longview Pre-hearing Memorandum
A 27	Site Map
A 28	2012 JARPA
A 29	Applicant Proposed Mitigation Measures
A 30	BNSF Comment Letter in Response to Notice of Application, October 8, 2017
A31	Critical Areas Report, Glenn Grette, 2017
A 32	Technical Response Analysis Population Level Impact of Tribal Resources in Zone 6 (2016)
A 33	Technical Memorandum, Clarification on the DEIS Comments, Technical Response Analysis of Population - level Impacts on Tribal Fish Resources in Zone
A 34	Glenn Grette, Tribal Fisheries Impact, Pre-filed Testimony
A 35	Expert Report of NERA and ERM
A36	Expert Opinion of Robert Scofield, Assessment of Health Risks Associated with Diesel Exhaust
A 37	Expert Report, Air Quality Impacts, Landau
A 38	Export Report, Evaluation of Potential Coal and Coal Dust Impacts on Aquatic Resources - Anchor QEA
A 39	Curriculum Vitae for Trevor Simmons
A 40	Curriculum Vitae for Glenn Grette
A41	Curriculum Vitae for Ted Sprague
Applicant's Ext Applicant's Ext	ilbit List Updated ilbit A 67

A 42	Curriculum Vitae for Charles "E" Halbert
A 43	Curriculum Vitae for Robert Scofield
A 44	Curriculum Vitae for David Haury
A 45	Curriculum Vitae for Julie Carey
A 46	Curriculum Vitae for Mary Hess
A 47	Curriculum Vitae for Dan Mills
A 48	Curriculum Vitae for Kurt Reichelt
A 49	Curriculum Vitae for Peter Rawlings
A 50	Curriculum Vitae for Dustin Pittman
A 51	Applicant's Preliminary List of Witnesses
A 52	Applicant's Preliminary List of Exhibits
A 53	Certificate of Service of Rhonda S. Vogelzang
A 54	K. Gaines power point
A 55	T. Simmons power point
A 56	G. Grette power point
A 57	D. Kaitala Written Testimony
A 58	T. Sprague Power point
A 59	M. Bridges written testimony
A 60	Addendum to the Biological Assessment for NOAA Fisheries Species, May 30, 3017, G. Grette & Associates

Applicant's Exhibit List Updated Applicant's Exhibit A 67

A 61	Kalama Manufacturing and Marine Export Facility Biological Opinion, October 10, 1017
A 62	Updated Wake Stranding Monitoring Plan, for the October 10, 2017 Kalama Manufacturing ar Marine Export Facility Biological Opinion
A 63	GHG Scope of Emissions power point slides (2) supporting responsive testimony
A 64	Applicant's Proposed Mitigation Measures Table (Update to Exhibit A 29)
A 65	Table of Responses-Applicant
A 66	Dava Kaitala, BNSF, Supplemental Written Testimony
A 67	Applicant Exhibit List, (Update to Exhibit 52)

INTERVENOR'S EXHIBIT LIST COWLITZ COUNTY FILE NO. 12-04-0375

Millennium Bulk Terminals - Longview, Coal Export Terminal Shorelines Substantial Development Permit and Conditional Use Permit No. SL 17-0992

I-101	Riverkeeper's Pre-hearing Brief
I-102	DOE 401 Denial
I-103	DNR Sublease Denial
I-104	DNR Construction Denial
I-105	DNR SSDP Comment Letter (October 6, 2017)

PUBLIC EXHIBIT LIST

COWLITZ COUNTY FILE NO. 12-04-0375

Millennium Bulk Terminals - Longview, Coal Export Terminal

Shorelines Substantial Development Permit and Conditional Use Permit No. SL 17-0992

P-126	Ed or Harriet Griffith Shoreline Email of October 24, 2017
P-127	Standard Letter from Various Individuals Starting With "I urge Cowlitz County and the Department of Ecology to reject the Shoreline Substantial Development"
P-128	Steve Harrington Email of October 18, 2017
P-129	Standard Letter from Various Individuals Starting With "I am writing to reaffirm our support of Millennium Bulk Terminal "
P-130	Charles Pace Email of October 9, 2017
P-131	Richard I. Woods Letter of October 4, 2017
P-132	BNSF Comments on Millennium Dated October 8, 2017
P-133	Standard Letter from Various Individuals Starting With "I would like to thank the Washington Department of Ecology "
P-134	Mark Uhart, LTC USA Ret., Email of October 17, 2017
P+135	Thrinley DiMarco, Email of October 17, 2017
P-136	David M. Scheer, D.C., Email of October 12, 2017
P-137	Mike Conlan, Email of October 9, 2017
P-138	Rodger Wehage Email of October 31, 2017

			Received
P-139	Chris Turner	Comments and materials	11-2-17
P-140	Gregory Monahan Phd	Comment Letter	11-2-17
P-141	Patricia Bellamy RN	Comment Letter	11-2-17
P-142	Diane Winn RN	Comment Letter	11-2-17
P-143	Pat Dubke	Comment Letter	11-2-17
P-144	Leigh McKeirnan	Comment Letter	11-2-17
P-145	Susan Schwartz	Comment Letter	11-2-17
P-146	James Lanz	Comment Letter	11-2-17
P-147	Kathryn Ketcham	Comment Letter	11-2-17
P-148	Patricia Kullberg	Comment Letter	11-2-17
P-149	Peter Cornelison	City of Hood River Councilor / Comments	11-2-17
P-150	Larry Horst	Comment Letter	11-2-17
P-151	Linda Leonard	Comment Letter	11-2-17
P-152	Dave Gillihan	Comment Letter	11-2-17
P-153	Larry Wilhelmsen	Comment Letter	11-2-17
P-154	Marilee Dea	Comment Letter	11-2-17
P-155	Diane Dick	Comment Letter	11-2-17
P-156	Stephen Chandler MD	Comment Letter	11-2-17
P-157	Alona Steinke RN	Comment Letter	11-2-17
P-158	Cathryn Chudy	Comment Letter	11-2-17
P-159	Jessica Zimmerle	Comment Letter	11-2-17
P-160	Leda Zakarison	Comment Letter	11-2-17
P-161	Daniel Jaffee	Comment Letter	11-2-17
P-162	Edith Gillis	Comment Letter	11-2-17
P-163	Mona McNeil	Comment Letter	11-2-17
P-164	Emma Lamb-Smith	Comment Letter	11-2-17
P-165	Mark Keely	Comment Lefter	11-2-17

		경기되어 보다 사람들이 되었다. 그 말을 살아 보다 하다. 경우로 하는 사람들이 사용하는 경우를 받았다. 나 없다.	
P-166	Sally Keely	Comment Letter	11-
P-167	Cambria Keely	Comment Letter	11-:
P-168	Theodora Tsongas Phd	Comment Letter	11-
P-169	Don Steinke	Comment Letter	11-
P-170	Christine Dupris – Cowlitz	: Tribe Comment Letter & materials	11-
P-171	Norman Roark Monahon -	Cowlitz Tribe Comment / Testimony	114
P-172	Celine Cloquet - Cowlitz T	ribe Comment / Testimony	11-
P-173	David Isaacs	Comment Letter/ Testimony	11-(
P-174	Pamela Mattson-McDonald	1 Comment Letter/ Testimony	11-0
P-175	Fred Greef	Comment Letter/ Testimony	11-
P-176	Joel Rupley	Comment Letter/ Testimony	11-3
P-177	Paul Youman	Pathway 2020 materials	11-3
P-178	Darrel Whipple	Comment Letter/ Testimony	11-(
P-179	Mike Wallin	"Build it Right" document	11-8
P-180	Mike Elliott	Comment Letter/ Testimony	11-8
P-181	Nate Stokes	Comment Letter/ Testimony	11-8
P-182	Dixie Bailey	Comment Letter/ Testimony	11-8
P-183	Michelle Nelson	Comment Letter/ Testimony	11-3
P-184	Shannon Stull	Comment Letter/ Testimony	11-3
P-185	Thomas Gordon	Comment Letter/ Testimony	11-3
P-186	Shane Nehls	Comment Letter/ Testimony	11-3
P-187	Jeff Childers	Comment Letter/ Testimony	11-3
P-188	Diana Gordon	Comment Letter/ Testimony	11-3
P-189	Lori Black	Comment Letter/ Testimony	11-3
P-190	Deborah Romerein	Comment Letter/ Testimony	11-3
P-191	John Sutton	Comment Letter	11-€
P-192	Chris Turner	Comment Letter	11-6
P-193	Diane Dick	Comment Letter	11-6
P-194	Jerry Iyall – Cowlitz Tribe	Comment / Testimony	11-6
P-195	Anita Thomas	Comment Letter	11-6
P-196	Nadine Haynes	Comment Letter	11-6

P-197	Capt. Kimberly Higgins	Comment Letter	11-6-17
P-198	Marcia Denison	Comment Letter	11-6-17
P-199	Jeff Wilson – Longview Poi	rt Commissioner Comment Letter	11-6-17
P-200	Alyse Vasil	Comment Letter	11-6-1 <i>7</i>
P-201	Katie Frei	Comment Letter	11-6-17
P-202	Rodger Wehage	Comment Letter	11-6-17
P-203	Rick Gill	Comment Letter	11-6-17
P-204	Bo McCall	Comment- Email	11-6-17
P-205	Kate Mickelson - Columbia	a River Steamship Operators Assoc. Comment	11-6-17
P-206	Jason Jenkins	Comment - Email	11-6-17
P-207	Aaron Barber-Strong	Comment - Email	11-6-17
P-208	Jeff Wilson _ Longview Por	t Commissioner Comment Email	11-6-17
P-209	Diana Leigh	Comment/handouts	11-6-17
Hearing	adjourned – all further comm	ents have been received by E-mail	
P-210	Monty Anderson	Comment - Email	11-6-17
P-211	Jason Howard	Comment - Email	11-6-17
P-212	Russell Thompson	Comment - Email	11-6-17
P-213	Christian Daniels - IBEW R	ep Comment – Email	11-6-17
P-214	Michael Bosse' - IUOE Rep	Comment - Email	11-6-17
P-215	Josh Swanson – IUOE Rep	Comment - Email	11-6-17
P-216	Den Mark Wichar	Comment Email	11-6-17
P-217		essels Program Director E-mailed Comment tiends of the Earth members	11-6-17
P-218	S.J. Jacky	Comment – Email	11-6-17
P-219	Rejean Idzerda	Comment - Email	11-6-17
P-220	Ann Turner	Comment – Email	11-6-17
P - 221	Sharon Miller	Comment E-mail	11-6-17
P-222	Laura Skelton, MS	Comment E-mail	11-6-1 <i>7</i>
P-223	Capt. Dan Jordan – Columb Dated 11-1-17	oia River Bar Pilots Comment E-mail	11-6-17
P-224	Spencer Ward	Comment E-mail	11-6-17
P-225	Don Jensen - Mayor City of	Longview Comment E-mail	11-6-17

P-226	Inga Fisher Williams	Comment E-mail	11-6-17
P-227	Paul Moyer	Comment E-mail	11-6-17
P-228	Liz Wainwright – Merchants	Exchange of Portland E-mail Comment	11-6-17
	요. 하다 그림을 받았다. 정본하다되고 하다 그 그는 말 얼마 젖었다고 된다.		
	된다 그 하이겠습니다. 그리다		