

# United States Senate

WASHINGTON, DC 20510

August 2, 2012

The Honorable John McHugh  
Secretary of the Army  
1400 Defense Pentagon  
Washington, D.C. 20301-1400

The Honorable Ken Salazar  
Secretary of the Interior  
U.S. Department of the Interior  
1849 C Street, NW, Room 5665  
Washington, D.C. 20240

Dear Secretary McHugh and Secretary Salazar,

We write to express our strong opposition to significantly expanding the scope of the environmental review process for facilities in Oregon and Washington which would export Powder River Basin coal. On April 5, 2012, the Environmental Protection Agency (EPA) requested that the Army Corps of Engineers conduct a “broadly-scoped cumulative impacts analysis” for an export facility at the Port of Morrow, Oregon. More recently, Governor John Kitzhaber and Senator Jeff Merkley of Oregon have requested that the Corps and the Department of the Interior conduct a programmatic environmental impact statement for new port facilities in Oregon and Washington. We believe that the National Environmental Policy Act does not require these steps and that taking them would set a dangerous precedent for American exports.

Since 2000, the global demand for coal has surged. According to the International Energy Agency (IEA), “coal is the most important fuel after oil.” The IEA’s 2011 World Energy Outlook explains that “[i]n 2010, world coal demand was almost 55% higher than in 2000—a bigger increase in both volume and percentage terms than for any other fuel category, including renewables.” Between 2000 and 2010, over 91 percent of the increase in world coal demand has come from China and India alone. While China and India have significant domestic sources of coal, they continue to import large quantities of coal. Australia, for example, exported about 285 million tonnes of coal between September 2010 and August 2011. Almost 60 million tonnes of this coal was exported to China and India. Australia is now experiencing a boom in mineral production and enjoys a 5.2 percent unemployment rate.

In contrast, the United States exported under 9.6 million short tons (8.7 million tonnes) of coal to China and India between September 2010 and August 2011. It makes no sense to cede the Asian market for coal to countries such as Australia especially when America has an 8.2 percent unemployment rate. The Alliance for Northwest Jobs & Exports estimates that new port facilities in Oregon and Washington would create thousands of permanent, family-wage jobs. It estimates that the Gateway Pacific Terminal alone would employ over 4,000 construction workers for about two years. Coal producers in the Powder River Basin currently export coal to Asia through

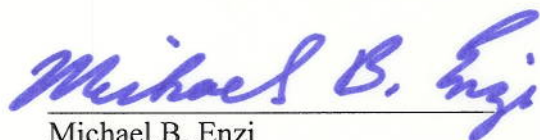
ports in British Columbia, Canada. Coal producers may very well be able to increase exports through Canadian ports if the Corps significantly delays permitting, or fails to permit, new port facilities in Oregon and Washington. However, the Administration should not outsource jobs to Canada especially when over 460,000 people in Oregon and Washington cannot find work.

In its April 5th letter, EPA identified coal dust and diesel pollution as “[t]wo of [its] primary preliminary concerns” about the proposed facility at the Port of Morrow. EPA also raised concerns about listed species, critical habitat, aquatic resources, and cultural resources. While these concerns are not insignificant, they are routinely addressed under existing environmental review processes. In no way do any of these concerns warrant significantly expanding the scope of or delaying the environmental review process for new port facilities. To the contrary, expanding the scope of or delaying the environmental review process for new port facilities would create uncertainty for ongoing and future exports of coal from the Powder River Basin as well as Ohio, Virginia, Pennsylvania, Illinois, Kentucky, and West Virginia.

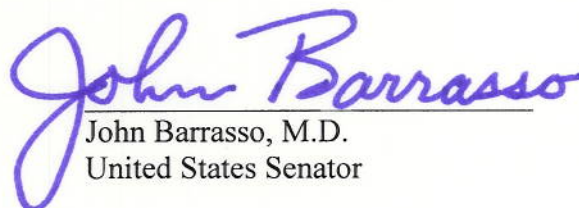
EPA has also raised concerns about the cumulative impacts from air emissions and specifically greenhouse gas emissions. We suspect this is EPA’s real reason for its April 5th letter as it is for so many of the agency’s recent actions, including regulations that seemingly have nothing to do with climate change. We find it deeply troubling that EPA is attempting to impose what is effectively a climate change litmus test on American exports. Restricting exports of American coal will do nothing to reduce greenhouse gas emissions in Asia. In India alone, there are still 400 million people who do not have access to electricity. Coal already accounts for over half of India’s energy supply and coal will be critical to lifting these people out of poverty. Moreover, imposing a climate change litmus test on American exports would threaten the very heart of American manufacturing. It is difficult, for example, to see how American made airplanes, automobiles, or heavy equipment could ever pass a climate change litmus test.

In conclusion, we ask you to deny the requests for a programmatic environmental impact statement for new port facilities in Oregon and Washington which would export Powder River Basin coal. We also ask that you not take steps which would significantly expand the scope of or delay the environmental review process for these facilities. Instead, we request that you complete the environmental review and permitting processes for the new port facilities in the most expeditious manner permitted under the law. With 12.7 million Americans unable to find work, now is not the time to stand in the way of increasing American exports and creating new jobs.

Sincerely,



Michael B. Enzi  
United States Senator



John Barrasso, M.D.  
United States Senator

cc: Major General Merdith W.B. (Bo) Temple  
Acting Director Mike Pool