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VIA ELECTRONIC FILING

Millennium Bulk Terminals—Longview SEPA EIS
c/o ICF International
710 Second Ave, Suite 550
Seattle, WA 98104

Re: SEPA Draft EIS Public Comment

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, as well as state and local chambers and industry associations, writes to express strong support for the proposed Millennium Bulk Terminal (MBT) in Longview, and strong opposition to unprecedented conditions in the facility's draft environmental impact statement (EIS) calling for the purchase of carbon offsets in order for the project to proceed.

The importance of energy development and expanded trade opportunities to boosting lackluster U.S. economic growth is widely acknowledged. Nonetheless, our domestic policies continue to send mixed signals both to global and to U.S. markets. In particular, we are concerned about increasing regulatory restrictions that paralyze capital and threaten the fate of major U.S. infrastructure and energy projects. We need to make it clear to investors and consumers here and abroad that U.S. energy markets are open for business, and the Millennium export terminal is a perfect example of this need.

By cleaning up the site of a former Reynolds Aluminum smelter and redeveloping it into a port facility to export coal, MBT's brownfield revitalization emphasizes local environmental stewardship and would generate extensive economic benefits for state and local residents. As detailed in the draft EIS, Millennium expects the local economic benefits of the project will be substantial, generating more than \$102 million in state and local tax revenue over a 30-year period and resulting in more than 2,600 direct and indirect construction jobs, as well as 300 permanent jobs (including high-paying fields such as longshoremen, which earn an average of \$130,000 annually in wages and benefits).

But the project is threatened due to an unusual and unprecedented condition: the requirement that MBT account for cumulative lifecycle greenhouse gas emissions associated with the terminal, including by purchasing offset credits for up to 1.3 million tons of carbon dioxide that will be emitted annually in Asia when the exported coal is used for electricity generation.

This condition is extremely troubling for many reasons. First and foremost, it appears to represent yet another attack on American energy resources, and coal in particular. According to the Department of Energy, the U.S. already exports more than 70 million tons of coal each year from more than 30 locations across the country (including more than 4 million tons from Seattle—the 5th highest of any port). Moreover, much of this exported coal contains less sulfur and ash than other coal on the global market, making it preferable from an environmental perspective. Singling out Millennium and the port of Longview to pay fees not required of other locations is simply unfair, and puts Millennium at a significant domestic and global competitive disadvantage.

Even more concerning, however, is the precedential nature of the proposed carbon offsets. For decades, the scope of environmental permitting has rightly focused on the *site itself*, not the *product* being sold or what happens to it thousands of miles away from the facility under review. A growing push from “keep it in the ground” advocates threatens to impose global life-cycle carbon considerations into EIS reviews of all kinds—be they export facilities, pipelines, exploration and production activities, or even just roads. These requirements will often make projects economically infeasible. For example, at a carbon credit price of \$20 per ton, the Millennium project’s estimated 1.3 million tons of additional emissions could effectively cost port owners more than \$25 million per year. That amounts to what is effectively an enormous *export tariff* on an American product.

Moreover, if this requirement is not removed, it will be used to impose similar requirements on an endless range of other exported products. The implications for other energy resources such as oil and natural gas are obvious, but it is entirely conceivable that other export products are similarly penalized, including aircraft, vehicles, heavy machinery, medical equipment, refrigerators, computers and electronic equipment, and even agricultural products. The same logic applies—use of all these products requires significant amounts of energy, and that energy increases carbon emissions. In fact, energy is so ubiquitous in trade and commerce that nearly every transaction involving overseas use of American products could theoretically become subject to global carbon offset conditions.

This is a path that would result in immeasurable harm to the U.S. economy while failing to actually reduce emissions, as activities made uneconomic by such domestic policies very

likely could move overseas (along with their emissions) to countries that do not impose similar restrictions.

For these reasons, we strongly urge the state of Washington and Cowlitz County to give careful consideration to the potential sweeping implications of proposed carbon offset requirements in the draft EIS, and approve the Millennium Bulk Terminal permit without these conditions. By pursuing sensible and balanced trade and energy policy at all levels of government, we can foster a regulatory environment that embraces trade and energy development as the economic anchor, and make it clear to the world that America is open for business.

Thank you for the opportunity to comment on this important project.

Sincerely,



Karen A. Harbert