



## Questions

There have been comments about using chemical spray covers on coal rail cars and questions about the amount of coal dust released during transport, either along the rail line or in the process of transferring it at a potential terminal. How effective are those treatments? What are the limits of coal dust loss that would be considered acceptable? Would coal be loaded directly into ships or would it be stored at the terminal and loaded later? Are there acceptable limits of coal dust lost in the air and water during this process?

## Answer

Thank you for your interest in the Port District's efforts to revitalize maritime commerce in the Coos Bay harbor. The Port will address what it can about the proposed bulk terminal in hopes of fostering a constructive dialogue about marine transportation and job creation for the region.

As you probably know, the Oregon International Port of Coos Bay has entered into an Exclusive Negotiating Agreement (ENA) with a specific entity regarding the proposed development of a bulk commodity shipping terminal; both inbound and outbound. That means the Port and the entity are in the very early stages of a feasibility analysis of the project.

During the past 24-30 months, the Port received several dozen inquiries from various organizations about the possibility of moving a broad variety of bulk commodities – iron ore, minerals, sand and coal – via the Coos Bay rail line to and through the Coos Bay harbor.

After an initial review by Port staff four entities were asked to provide an Expression of Interest report. Staff provided each with 11 criteria to address in their proposals and evaluated those on a rating scale.

The Port's No. 1 concern was evaluating each company in the development, construction and operation of similar facilities in the U.S. and abroad.

No. 2, Port staff wanted an in-depth explanation of each company's environmental record and use of environmental best-management-practices related to the design, construction and operation of similar facilities in the U.S. and abroad.

The criteria evaluation process and the weighted scoring for each company that turned in proposals are at the following link. <http://www.portofcoosbay.com/packets2011/oct20bulkENAcriteria.pdf>

The top three weighted issues were:

1. The company's experience exporting the commodity
2. The company's environmental record and practices



### 3. The company's financial strength

Ultimately for the ENA, staff didn't select the biggest company with the biggest payoff. The selected entity provided the most suitable, long-term, stable partner that would protect the integrity of the Coos Bay estuary, bring solvency to the railroad and offer potential diversification into other maritime commodities based on the company's extensive interests.

To get to the heart of your questioning on environmental concerns, the top contender with which we've signed the ENA has an excellent track record. The entity has received awards for environmental stewardship at an existing facility, which is located in a very rigid permitting region. In addition, the entity operates and evaluates low-emission equipment in its operation. Port staff has toured the entity's export facility and was impressed with its management of the fully contained facility. The entity also has a good record for safe handling of cargo.

As to project design concepts, at this point it's a very general discussion. However, as we have said publicly, the Port will not consider a development on Port property that would involve open piles of coal. The Port will only consider a fully contained storage facility and a totally enclosed conveyance system. One other positive from the Port's perspective is that the existing export facility Port staff toured uses a special loading device that employs recycled and treated water to create a fog curtain to contain dust emissions during the loading phase.

In addition, there's the expectation that stormwater and wastewater would be captured and treated at Coos Bay. The Port is investigating possibilities for wastewater/stormwater treatment on the North Spit from an industrial and/or long-term municipal perspective.

For transport of the commodity to the facility along the Coos Bay rail line, the Port would expect the entity to use the best available technology. That technology may involve the use of a chemical spray, covered rail cars or other methods to reduce or eliminate coal dust fugitive emissions during transportation. The Port has expressed its concern to the project managers about control of dust during transportation. The project managers in turn have expressed their desire to be accommodating and do not want to risk negative impacts to their global operations. At this point, the entity has proposed using rail cars that are rotary dump, which means the bottom of the rail car is solid, preventing dust and fragments from leaking from the bottom of the car. This was a key component in our evaluation of the proposals in addition to a contained system.

That said, it's important to remember that the Port of Coos Bay is not a regulatory agency, but that we would closely monitor all air quality and water quality issues associated with the transport, storage and handling of coal. The Port expects permitting agencies work to protect and preserve the natural environment of the region.

This project is an opportunity to build and bring substantial investment in the railroad and maritime infrastructure. But there is another aspect to that environmental protection that Port staff and commissioners are very concerned about, too. Coos Bay is Oregon's largest commercial oyster producing estuary, harvesting more than 170,000 pounds of oysters per week. In addition, the

Port owns and maintains the infrastructure at the Charleston Marina and Shipyard. That infrastructure supports hundreds of jobs in commercial and recreational fishing, along with tourism. We want to ensure long-term viability of those industries.

Lastly, should this project progress beyond the feasibility investigation stage, and should the entity be ready to go public, the Port would be willing to coordinate a tour of a U.S. facility for a group of community members.

Thank you for your interest and willingness to learn more. The Port will be sharing more information as it becomes available, if this project progresses.

**Cost to process public record request**

Staff time 60 minutes @ \$40/hour state rate = \$40.00

Rate set by County and Special District General Records Retention Schedule, July 2010

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