

Millennium Bulk Terminals—Longview, LLC (Applicant) is proposing to construct and operate an export terminal in Cowlitz County, Washington, along the Columbia River. The proposed export terminal would receive coal from the Powder River Basin in Montana and Wyoming, and Uinta Basin in Utah and Colorado, via rail shipment. The proposed export terminal would receive, stockpile, blend, and load coal by conveyor onto vessels in the Columbia River for export to Asia.

The Applicant is required to obtain Department of the Army authorization, pursuant to Section 10 of the Rivers and Harbors Act of 1899 (codified as 33 United States Code [USC] § 403) and Section 404 of the Clean Water Act (codified as 33 USC § 1344), to construct the export terminal. The U.S. Army Corps of Engineers (Corps) decision to issue, issue with conditions, or deny a permit for activities within the Corps' jurisdiction associated with the construction and operation of the export terminal is a Federal Action, requiring National Environmental Policy Act of 1969 (NEPA) review.

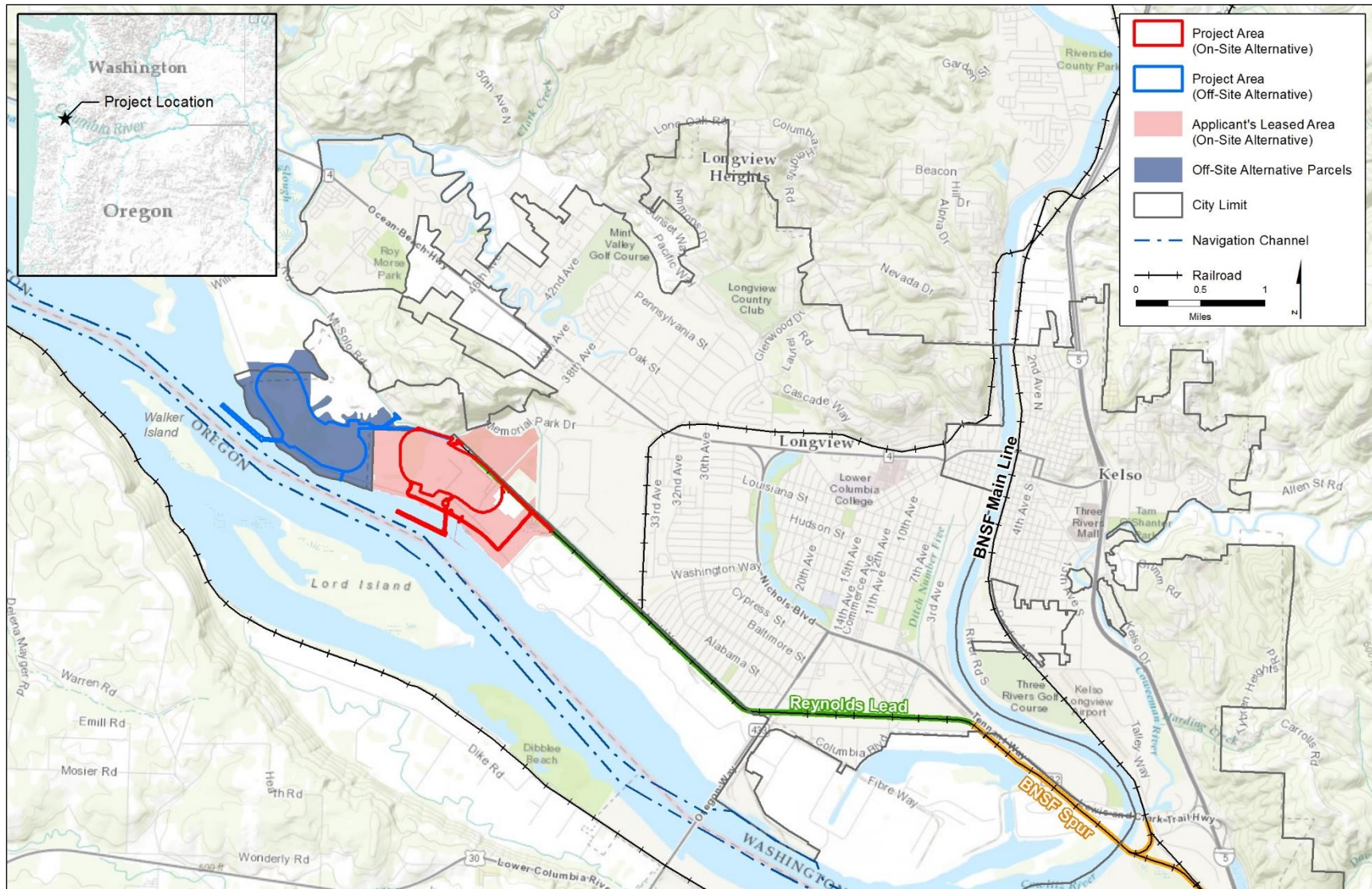
On July 13, 2012, the Corps determined the proposed export terminal may have significant individual and/or cumulative impacts on the human environment pursuant to 33 Code of Federal Regulations (CFR) Part 325 Appendix B; therefore, an environmental impact statement (EIS) is required under NEPA, as amended (42 USC § 4321 et seq.). This Draft Environmental Impact Statement (Draft EIS) analyzes the environmental impacts of two action alternatives for the proposed export terminal and a No-Action Alternative. Preparation of this Draft EIS and future Final EIS will support the Corps' permit decision.

1.1 Project Location

This Draft EIS analyzes two action alternatives for the proposed export terminal: the On-Site Alternative and the Off-Site Alternative. Chapter 3, *Alternatives*, of this Draft EIS provides a detailed description of these alternatives. The following describes the project locations for the On-Site Alternative and Off-Site Alternative.

- **On-Site Alternative.** The On-Site Alternative is located adjacent to the Columbia River in unincorporated Cowlitz County, Washington, near the city limits of Longview, Washington (Figure 1-1). Under the On-Site Alternative, the Applicant would develop the terminal on 190 acres primarily within an existing 540-acre site currently leased by the Applicant. The 190-acre area is the project area for the On-Site Alternative.
- **Off-Site Alternative.** The Off-Site Alternative is located adjacent to the Columbia River in Longview, Washington, and unincorporated Cowlitz County, Washington, in an area commonly referred to as Barlow Point (Figure 1-1). Under the Off-Site Alternative, the Applicant would develop the terminal on an approximate 220-acre site primarily owned by the Port of Longview. The 220-acre site is the project area for the Off-Site Alternative. The remainder of the project area is within unincorporated Cowlitz County and primarily consists of privately owned agricultural and rural residential land uses.

Figure 1-1. Project Vicinity



1.2 History and Background

The Applicant determined there is sufficient Asian market demand for U.S. low-sulfur coal to warrant the development of an export terminal in the western United States for shipping Powder River Basin and Uinta Basin coal to Asian markets. According to the Applicant, Japan, South Korea, and Taiwan lack substantial coal resources and depend almost exclusively on foreign imports. Pacific Northwest ports are well positioned to provide western U.S. coal to trade partners in Japan, South Korea, and Taiwan at rates competitive in the international marketplace, and to provide a diversification of coal supply to those importing countries.

Lighthouse Resources, Inc. owns Millennium Bulk Terminals—Longview, LLC. Prior to the formation of Millennium Bulk Terminals—Longview, LLC in January 2011, Lighthouse Resources, Inc.'s predecessors in interest,¹ began looking for a suitable location between northwest Washington and southern California to construct an export terminal. Following a project-location-evaluation process, Lighthouse Resources determined two sites on the Columbia River in Cowlitz County, Washington, were the most suitable locations for the export terminal. These locations have become the On-Site Alternative and Off-Site Alternative evaluated in this Draft EIS. Chapter 3, *Alternatives*, of this Draft EIS describes the alternatives development process in more detail.

The Applicant's 540-acre leased area, which includes the On-Site Alternative project area, has been an industrial site since 1941. Reynolds Metals Company constructed and operated an aluminum smelter and aluminum casting facility from 1941 until 2001. Operations ceased in February 2001, and all smelting equipment was removed. The Reynolds Metals Company facility was an intensive industrial use and, at the time of its closure in 2001, employed approximately 800 workers and operated 24 hours per day, 7 days per week. Northwest Alloys purchased the 540-acre site in May 2000, and remains the owner. The Applicant purchased the buildings and other equipment in the project area in January 2011, and now operates on a ground lease with Northwest Alloys. After taking ownership of facility assets in early 2011, the Applicant cleared and disposed of the debris and waste left by previous industrial activities. Currently, the Applicant uses a portion of the 540-acre leased area to import, store, and transfer bulk alumina and coal. Portions of the project area are also the subject of ongoing hazardous materials cleanup activities resulting from contamination by the former aluminum smelting and casting uses.

In February 2012, the Applicant submitted to the Corps a Joint Aquatic Resources Permit Application (JARPA)² for the proposed export terminal at the location of the On-Site Alternative. On February 5, 2013, the JARPA was withdrawn by the Applicant as they were nearing the 1-year limit for the Washington State Department of Ecology (Ecology) to make a decision on the Section 401 Water Quality Certification. In accordance with 33 CFR 325.1(b), the Corps may work with potential applicants in a preapplication consultation phase to prepare environmental documentation to be used in an eventual permit decision by the district engineer. The Corps, therefore, continued

¹ In April 2015, Ambre Energy North America, Inc. announced that it had changed its name to Lighthouse Resources, Inc. In 2014, Ambre Energy North America, Inc. separated from its Australian parent company, Ambre Energy Limited, when Resource Capital Funds became the majority owner of Ambre Energy North America, Inc. (Lighthouse Resources, Inc. 2015)

² To streamline the environmental permitting process, multiple federal, state, and local regulatory agencies created one application form—the Joint Aquatic Resources Permit Application (JARPA)—to use for a variety of federal, state, and local permits in Washington State. The JARPA avoids the need to prepare multiple application forms for certain federal, state, and local permits.

reviewing the proposed project, including the NEPA process, in a preapplication status after the withdrawal of the initial JARPA. In July 2016, the Applicant submitted a revised JARPA for the proposed export terminal to the Corps.

1.3 National Environmental Policy Act

NEPA requires federal agencies to integrate environmental values into their decision-making processes for a proposed Federal Action by considering the environmental impacts of and reasonable alternatives to the action. Specifically, NEPA calls for the evaluation of reasonable alternatives to a proposed Federal Action; solicitation of input from organizations and individuals potentially affected; and the objective presentation of direct, indirect, and cumulative environmental impacts of the Federal Action. This information is considered before taking an action, such as making a decision on whether or to not to issue a federal permit.

An EIS must be prepared when a NEPA lead agency determines a proposal is likely to have a significant effect on the quality of the human environment. An EIS provides a comprehensive and objective evaluation of potential environmental impacts, reasonable alternatives, and mitigation measures that could avoid or minimize adverse impacts.

On July 13, 2012, the Corps determined the proposed export terminal may have significant individual and/or cumulative impacts on the quality of the human environment; therefore, an EIS was prepared for the proposed export terminal as required by NEPA. On August 14, 2013, the Corps published a Notice of Intent to prepare an EIS in the *Federal Register* (78 FR 49484). The publishing of the Notice of Intent initiated the NEPA EIS process. The Corps issued an amended Notice of Intent on September 6, 2013 (78 FR 54871) by providing additional and updated information.

1.3.1 NEPA Lead Agency

Because Department of the Army authorization is required pursuant to Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act, the Corps is the lead agency under NEPA as defined in 40 CFR Part 1501.5. As the NEPA lead agency, the Corps is responsible for ensuring the respective federal environmental rules and regulations are followed thoroughly and without bias during the NEPA process. This Draft EIS was prepared in accordance with the Corps' procedures for implementing NEPA (33 CFR Part 325, Appendix B).

1.3.2 NEPA Cooperating Agencies

NEPA implementing regulations allow the lead agency to invite other federal agencies to participate in the NEPA process as cooperating agencies. A federal agency may also request the lead agency to designate it as a cooperating agency. Cooperating agencies, as defined in 40 CFR Part 1501.6, are federal agencies having jurisdiction by law or special expertise regarding a proposal. Cooperating agencies assist the lead agency by participating in the NEPA process at the earliest possible time, assist in developing information and preparing environmental analyses, and make staff available to enhance interdisciplinary capabilities.

The NEPA cooperating agencies for this EIS are the U.S. Environmental Protection Agency (EPA) and the U.S. Coast Guard (USCG). The Federal Railroad Administration (FRA) and Surface Transportation Board (STB) were invited as NEPA cooperating agencies but declined the invitation. In December

2014, the Corps, EPA, and USCG signed a Memorandum of Understanding that identifies the terms of cooperation between the Corps as the NEPA lead agency and EPA and USCG as cooperating agencies.

1.3.3 Environmental Review Co-Lead Agencies

In October 2012, the Corps, Cowlitz County, and Ecology signed a Memorandum of Understanding amended on October 1, 2013, to serve as co-lead agencies to jointly oversee the preparation of an EIS under NEPA and an EIS under the Washington State Environmental Policy Act (SEPA). Pursuant to this Memorandum of Understanding, the agencies agreed to synchronize the separate NEPA and SEPA environmental reviews. Cowlitz County and Ecology are the co-lead agencies under SEPA³ and published a Draft EIS pursuant to SEPA on April 29, 2016.

1.3.4 NEPA Public Scoping Process

The Corps, Cowlitz County, and Ecology invited local, state, and federal agencies, Native American tribes, organizations, and members of the public to comment on the scopes of the NEPA EIS and SEPA EIS during concurrent 95-day scoping periods. The scoping periods began August 16, 2013, and closed November 18, 2013. The co-lead agencies collected over 217,500 comments at in-person scoping meetings, online, and in writing. The Corps established the scope of this Draft EIS based, in part, on comments received during the scoping period, and identified elements of the environment that should be addressed in this Draft EIS.

A number of issues were identified through public scoping comments. Many comments involved greenhouse gases and climate change, rail and vessel traffic, coal dust, human health, economics, the aquatic environment, and the NEPA process. Issues identified during the scoping process have been taken into account in this EIS. More detail on the public scoping process and the public comments received can be found in this Draft EIS in Appendix K, *Scoping Summary Report*.

1.3.5 NEPA Scope of Analysis

Under NEPA, the Corps' scope of analysis includes the activities requiring a Department of the Army permit from the Corps, plus those activities over which the Corps has sufficient control and responsibility. The Corps extends its scope of analysis when the upland elements of a project may be considered effects of the Corps permit action or the permit action in conjunction with other Federal involvement.

To determine the extent to which the Corps has control and responsibility for portions of the proposed project beyond those activities requiring a Department of the Army permit, the Corps considered the following four factors in accordance with its NEPA implementation procedures (33 CFR Part 325, Appendix B, Section 7(b)(2)).

1. **Whether or not the regulated activity comprises “merely a link” in a corridor-type project.** There are no other proposed actions by the Applicant outside the project area. The

³ Similar to NEPA, if an agency in Washington State takes an action, in this case the issuance of a permit, a SEPA review must be prepared. Several County and State permits would be required for the proposed action. Cowlitz County is responsible for issuing the Shoreline Substantial Development Permit and other land use permits. Ecology is responsible for issuing or approving various state permits and plans related to stormwater and hazardous substance use reporting.

proposed project is a “stand alone” project and not a link in, or component of, any linear or corridor project.

2. **Whether there are aspects of the upland facility in the immediate vicinity of the regulated activity which affect the location and configuration of the regulated activity.** The proposed upland facilities would affect the location and configuration of the Corps-regulated activities. The rail loop, coal handling and stockpile area, and other features would need to be constructed in reasonable proximity to the proposed docks to facilitate the transfer of coal onto oceangoing vessels. There is a strong relationship between the locations of the docks and coal handling and stockpile area based on cost and logistics. Based on information provided by the Applicant, constructing a functional facility on upland portions of the project areas likely could not be accomplished without affecting waters of the United States because there is a substantial amount of wetlands scattered across the sites.
3. **The extent to which the entire project will be within the Corps’ jurisdiction.** The proposed project would involve installing structures in the Columbia River, a navigable water of the United States, and discharging dredged and fill material into waters of the United States (the Columbia River, adjacent wetlands, and jurisdictional ditches), all of which require authorization by a Department of the Army permit. Based on project plans, a substantial amount of wetlands scattered across the project areas would likely be permanently filled by the proposed project (approximately 24 acres of wetlands at the On-Site Alternative project area and 51 acres of wetlands at the Off-Site Alternative project area). In the Columbia River, approximately 5.1 acres of new overwater structures, up to 48 acres of dredging, and an undetermined acreage for dredged material disposal would occur in navigable waters of the United States.
4. **The extent of cumulative federal control and responsibility.** The Corps, through its Seattle District, has authority under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899 to regulate construction of the proposed project, including maintenance dredging. The Corps, through its Portland District, has authority and responsibility to maintain the federal navigation channel in the Columbia River and to specify the location of dredged material disposal in the river. No other federal agency has control or responsibility over any other aspect of the proposed project itself.

When considered in accordance with applicable laws and regulations, many of the activities of concern to the public, such as rail traffic, coal mining, shipping coal overseas, and burning exported coal in other countries, are outside the Corps’ control and responsibility. While other federal agencies may have regulatory control over certain aspects of a commodity’s extraction or production, those activities are already occurring and would continue to occur independent of the proposed project. Similarly, while there is general federal oversight of existing rail lines and rail traffic, neither the STB nor FRA have a licensing role or are funding any aspect of the proposed project. Federal oversight of existing rail lines is within FRA authority over rail safety. Federal oversight of vessel traffic associated with the proposed project is within USCG authority over vessel traffic and safety in territorial waters of the United States. Vessel traffic serving the proposed project would occur along ship routes in U.S. waters that are already well established. Use of these routes would continue independent of the proposed project. The proposed project is not dependent on or subject to “federal control and responsibility” by EPA, USCG, FRA, or STB, in that these federal agencies do not have an independent obligation to issue their own NEPA decision document(s) for this project.

Under factors 2 and 3, above, the environmental consequences of the upland elements of the proposed project may be considered products of the Corps’ permit action. These factors support

expanding the scope of analysis beyond the area directly subject to Corps jurisdiction (i.e., waters of the United States) to also include the upland facilities of the project. Factor 1 is not applicable to the proposed project and factor 4 does not support extending the Corps' scope of analysis because the proposed project is not subject to other federal control and responsibility outside of the Corps' jurisdiction. Based on the analysis above, the Corps' scope of analysis for this Draft EIS includes the project areas, any area that would be dredged, any dredged material disposal sites, any off-site area that might be used for compensatory mitigation, and any other areas in or adjacent to the Columbia River that would be affected by, and integral to, the proposed export terminal.

1.4 Document Organization

This Draft EIS contains three volumes: Volume I includes the Draft EIS chapters, Volume II includes appendices, and Volume III includes technical reports from which information presented in the Draft EIS was extracted.

1.4.1 Volume I

Volume I is organized as follows.

Chapter 1, *Introduction*. Chapter 1 provides an introduction to this Draft EIS.

Chapter 2, *Purpose and Need*. This chapter provides the Applicant's purpose and need for the proposed export terminal.

Chapter 3, *Alternatives*. This chapter describes the alternatives development process including the screening and evaluation of alternatives, and the alternatives considered but rejected. This chapter also describes the three alternatives evaluated in this Draft EIS: the On-Site Alternative, Off-Site Alternative, and No-Action Alternative.

Chapter 4, *Built Environment: Affected Environment and Project Impacts*. This chapter presents the affected environment and project impacts related to the On-Site Alternative, Off-Site Alternative, and the No-Action Alternative for the built environment. It is subdivided into subsections, with each subsection addressing one element of the built environment. The built environment chapter includes land use, social and community resources, aesthetics, cultural resources, tribal treaty rights and trust responsibilities, hazardous materials, and energy.

Chapter 5, *Natural Environment: Affected Environment and Project Impacts*. This chapter presents the affected environment and project impacts related to the On-Site Alternative, Off-Site Alternative, and the No-Action Alternative for the natural environment. It is subdivided into subsections, with each subsection addressing one element of the natural environment. The natural environment chapter includes geology and soils, surface water and floodplains, wetlands, groundwater, water quality, vegetation, fish, and wildlife.

Chapter 6, *Operations: Affected Environment and Project Impacts*. This chapter presents the affected environment and project impacts related to the On-Site Alternative, Off-Site Alternative, and the No-Action Alternative for the operational environment. It is subdivided into subsections, with each subsection addressing one element of the operational environment. The operations chapter includes rail transportation, rail safety, vehicle transportation, vessel transportation, noise and vibration, air quality, coal dust, and greenhouse gas emissions.

Chapter 7. *Cumulative Impacts.* This chapter addresses the potential impacts of the proposed export terminal when considered in combination with all other past, present, and reasonably foreseeable future actions.

Chapter 8. *Minimization and Mitigation.* This section identifies minimization measures and potential mitigation measures related to the construction and operation of the terminal.

Chapter 9. *Short- and Long-Term Productivity of the Environment.* This chapter considers the relationship between short-term uses of the environment and the maintenance and enhancement of long-term productivity related to the construction and operation of the terminal.

Chapter 10. *Irreversible and Irrecoverable Commitment of Resources.* This chapter considers the irreversible and irretrievable commitment of resources related to the construction and operation of the terminal.

Chapter 11. *Public Involvement and Agency Coordination.* This chapter addresses how the Corps involved the public and coordinated with agencies and tribes throughout the NEPA process.

Chapter 12. *Required Permits and Approvals.* This chapter lists the required permits and approvals to construct and operate the terminal.

1.4.2 Volume II

Appendices A through K provide materials and data to support the information presented in Chapters 2 through 12 of this Draft EIS. The table of contents in this Draft EIS provides the title of each appendix.

1.4.3 Volume III

Information contained in this Draft EIS was extracted from technical reports located in Volume III and incorporated by reference. The technical reports were prepared specifically for this Draft EIS. The technical reports include the determination of study areas, methods used for analysis, potential impacts, and potential mitigation measures.

1.5 Next Steps

The Corps published and circulated this Draft EIS on September 30, 2016, for review and comment. The following is a list of next steps.

1. The Corps will accept comments on this Draft EIS until November 29, 2016. Chapter 11, *Public Involvement and Agency Coordination*, describes how to provide oral and written comments.
2. After the comment period on the Draft EIS has ended, the Corps will prepare and circulate a Final EIS. The Final EIS will address comments received on the Draft EIS. The Corps will identify the Applicant's preferred alternative in the Final EIS based on the Draft EIS analysis and comments received from agencies, tribes, and the public. The Final EIS will support the Corps' Department of the Army permit decision for the proposed action.
3. The Corps will prepare and publish a Record of Decision (ROD), to document the Corps' permit decision for the proposed action. The ROD will conclude the Corps' NEPA process.