



KWWC
Keep Washington Competitive

May 4, 2017

Gov. Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Gov. Inslee:

We, the undersigned 30 labor leaders from 20 labor organizations are asking for your support of two key energy infrastructure projects in our state: Millennium Bulk Terminals in Longview and Vancouver Energy at the Port of Vancouver USA. In our view, both projects would provide much-needed jobs and extensive training opportunities for our apprenticeship programs, while also increasing the state's trade capacity and overall energy security for our region.

Every day, thousands of skilled tradesmen and women in Southwest Washington await good news about these proposals, which would bolster an area of the state that continues to struggle economically. Absent significant construction projects, many of our members are forced to drive hundreds of miles away, to other parts of the state or other neighboring states, just to find consistent work to support their families. Both Millennium and Vancouver Energy would create local jobs, bolstering local economies struggling to recover from recent recessions. They would also provide prime training grounds for the next generation of apprentices and other skilled workers who need large infrastructure experience to advance in the trades.

As you know, Millennium Bulk Terminals has already jumpstarted the economic recovery effort in Longview with its clean-up and redevelopment efforts of a former Reynolds aluminum smelter site. Thirty people are currently employed at the site. Further revitalization of the site through the development of a world-class port facility would result in the addition of 2,650 direct and indirect jobs during construction. Once operational, Millennium would employ 230 people and provide more than \$20 million in wages annually.

All told, the project would generate \$37.2 million in state tax revenue and \$5.9 million in county tax revenue. As you know, these tax dollars are essential for the support of public services like schools, police and fire protection.

Millennium Bulk Terminals would also create additional trade capacity for a variety of commodities, including many of our prized agricultural products. Added investments from rail partners would increase our capacity to move goods through Washington state to other trading partners, which is critical for our trade-dependent economy. We should not overlook the value of private investment dollars, or the message we send to future investors with projects like these.

We are frustrated with the Washington state Department of Ecology's application of a statewide regulation on a global level, requiring Millennium to mitigate 100% of greenhouse gas emissions tied to the use of coal

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mined in other states, transported through Longview and used in countries on the other side of the globe. This use of a state regulatory policy to police the use of products outside of Washington state is simply unheard of and sets a dangerous precedent for a whole host of industries that call Washington home. This type of regulatory overreach will put a chill on future job-creating investments in the most trade-dependent state in the nation.

Like Millennium, Vancouver Energy is also an important project for our state, region and county. The proposed loading terminal will decrease America's dependence on foreign oil by potentially displacing 30 percent of the crude oil currently imported from foreign countries for use on the West Coast. The crude oil will be processed for domestic use into transportation fuels and other petroleum products that we all use to maintain our daily quality of life.

Vancouver Energy has also done an excellent job in addressing the concerns relating to safe transport of petroleum in and out of the terminal. Vancouver Energy recently initiated an unprecedented proposal to only ship at 50 percent of capacity. Future increases are contingent on safety performance that extends beyond the terminal to Vancouver Energy rail and maritime carriers. The project is also using state-of-the-art railcars and is working closely with BNSF, who has instituted unprecedented safety protocols for track inspection prior to railcars traveling to the terminal.

This same commitment to safety and the environment extends to shipping vessels. Vancouver Energy will only accept and load crude oil onto marine vessels that have been vetted in accordance with the Tesoro Maritime proprietary screening process. This system is used to review and evaluate the vessel, its systems, management company, and crews to insure all safety and environmental standards are met by the ship, its owner, and crew.

Vancouver Energy will provide 300 jobs in the building trades, and support 1,000 total direct and indirect jobs. Annually the terminal will also bring in \$1.6 billion in labor income and more than \$2 billion in total economic impact. During construction, Vancouver Energy will pay \$22 million in state and local taxes and \$7.8 million in taxes annually.

In short, we believe both of these projects are vital to our state's workforce training needs, and to the communities where they live and work. Millennium Bulk Terminals and the Vancouver Energy project will provide critically needed family-wage, union jobs and tax revenue for state local governments. For these reasons and more, we support Millennium and Vancouver Energy, and encourage your support of both projects.

Sincerely,

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WA Building Trades Council

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