

### BACKGROUND:

On Sept. 26., the Department of Ecology announced it would deny Millennium Bulk Terminals, the proposed export terminal based in Longview, its water quality permit. None of the factors cited by the agency were related to water quality concerns; the department cited effects to air quality, noise pollution and tribal resources, among others.

As Bill Chapman, president and CEO, Millennium Bulk Terminals-Longview stated, "Ecology appears to have intentionally disregarded decades of law defining the Clean Water Act to reject the water quality certification requested for Millennium's project."

The decision effectively casts a chill on any future project proposals, particularly those that involve rail access, from the Canadian border to the Columbia River Gorge. The announcement also poses serious regulatory threats to exiting projects currently in review, including Vancouver Energy at the Port of Vancouver and Northwest Innovations, the proposed methanol plant in Kalama.

### BROADER IMPLICATIONS:

**TRADE:** As the most trade-dependent state in the nation, Washington state relies on a strong infrastructure network of ports and rails to move a majority of its agricultural and manufacturing products across the country and to foreign markets. **Ecology's ruling on Millennium, if allowed to stand, would threaten the ability of any business or industry to develop additional export facilities (or other large commercial facilities), particularly those along major water routes like the Columbia River, or those who access those facilities via rail service.**

**REGULATORY UNCERTAINTY:** **This decision also threatens future investments in existing facilities, as any potential investor will likely be wary of the state's arbitrary regulatory review process.** As the Ecology decision clearly demonstrates, the state cannot be trusted to manage regulatory reviews with any degree of certainty or timeliness. Millennium Bulk Terminals has endured endless changes to its initial permit application, now well into its fifth year of review. Additionally, the state has also required that Millennium engage in numerous public hearings, resulting in hundreds of hours of oral testimony and thousands of written comments, all of which were instantly negated by the Sept. 26 decision. This seemingly endless review process, which included a broad scope to include global greenhouse gas impacts of the local project, coupled with the requirement of extensive public comment periods, are well-beyond what most investors or private businesses expect to navigate as part of a regulatory examination.

**POLITICAL GAMESMANSHIP:** **When the future of major infrastructure projects is politically pre-determined, the entire regulatory process is irretrievably broken.** In the case of Millennium, Ecology intentionally dragged its feet on the regulatory review, now extending into its fifth year. Data-driven evaluations are irrelevant in the face of a regulatory process hijacked by political ideology and the agendas of activist environmental groups.