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To: Hoy, Rachael; Nameny, Phil (PLN); Engstrom, Eric (Planning)
Subject: Hayden Island Livability Project stand on West Hayden Island

March 22, 2013

Why won't Port of Portland declare what products it is going to ship? Do they have a secret agenda for COAL?

Various worldwide organizations and respected foundations show that the only need for a new Port of Portland facility is to accommodate COAL exports. The following are my sources for research, Energy Information Agency US, World Trade Organization, National Mining Association, US Scientific America, Organization for Economic Co-operation and Development France, The Carnegie Endowment and others. Due to the sheer volume of research it is impossible to name all sources as that in itself would make this document unreadable. Readers are encouraged to research for themselves and substantiate the content where not named.

Projections for US exports of grain and wheat through 2050 will remain as they are now with little room for expansion due to maximized production techniques. In line with that, potash exports will decline slightly in order to amend soil for continued maximum grain and wheat production in the US. (WTO)

Current multi-million dollar upgrades to grain terminals in Portland will accommodate exports thru 2050 and beyond. Terminal 6 Operators in Portland have stated publicly that they can double production at that site without any capital improvement.

Auto Imports/Exports are seen to stabilize with an increase in demand in China that will be met by constructing auto plants in Asia, reducing exports. The Port has not named the product or products to be moved thru Portland but the facts show that Coal would be the only viable money maker.

The Boardman plan to turn that facility into a coal transfer plant, plus the increasing demand for high quality Powder River coal along with the expansion of Chinese clean coal burning technology, (Currently the world leader) and then add the nearly 140% use increase projection over 2010 and the only logical conclusion is to use the new terminal as a coal pass thru facility.

Although coal exported for power and steel production dropped by 10% from 2011 to 2012 demand is expected to remain strong. Coal imports to China have expanded 60 fold in recent years. The permitting and public outreach programs supplied by the Coal and Transport industries point to expansion of coal movement thru the region.(EIA)

Add to that the following predictions and statements of fact:

EIA reports that China is responsible for 47% of worldwide coal consumption and that will remain stable with a drop to 44%. On January 30, 2013 Scientific America stated that "The

growth of US coal exports to China and other Asian Pacific countries is dependent on planned construction of new and expanded Pacific Ocean coal export terminals in the Pacific Northwest, Oregon, Washington and British Columbia”.

Worldwide use of COAL is expected to remain high due to its much lower costs compared to Natural Gas, Nuclear and Petroleum products. This along with advancements in clean burn technology make it the affordable alternative for developing countries.

Make no mistake, the recent ads on TV declaring clean technology, jobs, taxes for schools and the local economy are but the first in a well planned and designed PR blitz.

If annexation is approved the cost is expected to exceed \$100, 000, 000 (that is one hundred million dollars) to develop West Hayden Island. Would it then be prudent or even wise to turn down an operating contract that will allow the Port to make money without having to bribe (sorry, offer bonuses and incentives) to the operators of a new COAL terminal?

Before annexation and permitting of the site is voted on, the public, the Commissioners and City Council have not only the expectation but the right to know the product that will be moved through Portland and Vancouver and down the Columbia from it's source to the estuary so that the true cost can be determined.

The Port, City, County and State will promise and have stated that they will not allow COAL to pass through the area and have even declared them coal free zones. The Federal Government can put all that aside and declare interstate and international commerce laws and the Port, City, County and State will have no choice but to ship COAL.

EIA stated that, the reason COAL is so attractive is that compared to other sources from power COAL receives almost zero in subsidies. The Carnegie Endowment stated that, "prior to 2009 China was a net coal exporter. China's domestic coal output has more than doubled while imports have increased by a factor of 60".

After spending hundreds of millions of public and private investment dollars in the new facility, local government will have no choice but to promote the very product they banned. There are internal documents containing references to COAL.

The only resolution to be passed at this time should be a strong NO to annexation. The what ifs, the contrary best estimates, proven inaccurate past modeling and unknowns make this the strongest candidate for a NO vote to pass through any legislature.

To put a price tag on the new Port is not only risky but impossible to calculate without knowing the exact product or combination of products that will pass through. The different handling requirements and storage facilities along with specific loading techniques that will be used account for vastly different dollar amounts, depending on what that commodity is. Also to be considered, is if a barge facility is needed for transferring products (not mentioned to date). The dollar amounts needed, vary for each product handled and could account for tens of millions of dollars. There would also be the different mitigation requirements and associated costs.

If this resolution is passed and coal does find it's way to China through Oregon, no amount of mitigation will be available to the residents of Hayden Island, Portland or Oregon. The Residents of Hayden Island will be displaced and Portland will be in the money, before becoming broke as health related costs, mitigation and law suit costs soar. Is this the legacy we should leave for your grandchildren.

Respectfully,

Lucinda Karlic-President

For and on behalf of H.I.L.P.