

Editorial: Crude By Rail represents an economic opportunity for Grays Harbor

Local News

Posted by:

Posted on : April 15, 2013 at 12:12 pm

The following editorial was submitted by Larry Kahl, Board Chair of Greater Grays Harbor, Inc. Last month the board of Greater Grays Harbor, Inc. invited Imperium Renewables to talk with us about their project to bring Crude by Rail to the Port of Grays Harbor. We had heard a great deal of speculation about what these projects would mean to Grays Harbor – and the predictions ran the gamut from 100 jobs to almost certain environmental ruination of the estuary. We wanted more information about what the projects entailed and what it meant for our Harbor. The following is what we have learned. Imperium, along with Westway Terminals and U.S. Development, plans to transfer rail car shipments of crude oil from North Dakota to tankers in the Port. Those tankers will transport the oil to refineries on the West Coast, as American law mandates U.S. oil be refined here. North Dakota oil is expected to last for decades. That is why the three companies are looking to build millions of dollars of infrastructure at the Port of Grays Harbor. The tanks they build will be used for the storage of crude oil, not for its processing. Both Imperium and Westway have years of experience working with biodiesel and bulk liquid in much the same way they are proposing to do with crude oil, in many cases complying with the very same laws that apply to crude with their current products. We also learned that Crude by Rail is not a new business model. There are Crude by Rail operations in the Port of Tacoma and along the Columbia River that have been operating with solid safety records.

We learned Imperium has received over 60 vessels and thousands of railcars with zero incidents. It and Westway have been doing business successfully and safely, and we have no reason to think it will be any different here. Oil, railroads and maritime shipping are three of the most highly federally-regulated activities. We feel those regulations adequately protect our Harbor, and we know the companies operate in good faith. We believe that Crude by Rail is compatible with tourism, commercial fishing, and shellfish aquaculture. We would not support these projects if we felt that they put the Harbor’s estuary at risk. We don’t have to “choose” between environmental safety and industrial development, and to imply that there is a trade-off is a false choice. We also looked at the potential economic benefits to the Harbor. Millions of dollars in infrastructure will be invested in the Port, which will return sales and B&O taxes to our cities and county, and the investment will create hundreds of short-term construction jobs. The multiplier effect for each of the 90 or so new long-term industrial jobs – not to mention new jobs for pilots and longshoremen – could be 2.5 indirect jobs or higher. The investment at the Port will provide lasting returns in other ways. First, it will help diversify its product base. Second, it will help the Port attract interest from other businesses, furthering its ability to bring industry and jobs to the Harbor. Growth at the Port, no matter the cargo, will lead to increased train traffic. The Port has seen 400 percent growth in the past five years, and we anticipate that growth, and train traffic, will continue. Currently, the existing traffic is already a stressor for our communities. But we have reasons to be encouraged that we are going to see short and long term solutions come into play. Already the Port, the City of Aberdeen and Genesee & Wyoming, the company that now owns the track, have made progress in identifying potential short and long term solutions to alleviate access issues at the Olympic Gateway Mall. Genesee & Wyoming is the largest short-line railroad in North America, and it is in their best interest to invest in and develop our rail line to its maximum freight potential. And, with

their partnership with the Port and Greater Grays Harbor, Inc., they will help our area attract even more business investment to further use the railroad line. When the board heard that, not only could we feel good about Crude by Rail on its own merits of increasing employment and investment, but we could feel good that it would bring additional attention, investment and improvement to Grays Harbor. It was a rare triple win, for the community, for the local businesses and for the future.