

Q and A to Frequently Asked Questions About Oakland Coal Proposal

Question 1: Isn't the proposed coal terminal going to ship "clean coal" or "EPA compliant coal"?

A: There is no such thing as "clean coal" and saying that coal is "EPA compliant" does not make it environmentally sound. Simply put, organizations like the World Bank note that burning more coal of any kind simply makes air quality, respiratory illness rates, climate change and other problems much worse.¹

There are several types of coal--bituminous, sub-bituminous, lignite, etc. Each coal type has different chemical components--for instance, some coal has lower sulfur content than other coal, some coal has higher ash content, and the like. Utah coal is mostly sub-bituminous coal which may have a lower sulfur content compared to other types of coal and has occasionally been called "EPA compliant coal".² However, more low sulfur coal must be burned to achieve the same energy output (BTUS) as other types of coal, thus increasing the emissions carbon dioxide and other uncontrolled pollutants like mercury and ozone.³ Additionally, if a power plant has scrubbers that remove sulfur pollution, then there is no ecological benefit to low sulfur sub-bituminous coal.

In terms of carbon dioxide emissions, the proposed coal export facility at the Oakland Army Base Redevelopment would export approximately 10 million tons of coal exports annually, half of which would likely be from Utah. Ten million tons of coal amounts to at least 26 million tons of carbon dioxide emitted each year.⁴ That amount of coal and carbon is the rough equivalent of the pollution of 7 average size (500 MW) coal fired power plants.⁵

Much of the pollution from burning coal in Asia --in terms of carbon, mercury, and ozone--actually ends up back in California thus eroding the progress that we are making to reduce pollution here. In other words, local pollution control efforts can be undermined by global emissions. By way of a few examples, a recent study noted that while California cut

¹World Bank rejects energy industry notion that coal can cure poverty, the guardian, 29 July 2015, <http://www.theguardian.com/environment/2015/jul/29/world-bank-coal-cure-poverty-rejects>

² Utah Online Library, accessed: http://pioneer.utah.gov/research/utah_symbols/rock.html

³ How Coal Works, Coal and Other Fossil Fuels, Union of Concerned Scientists, http://www.ucsusa.org/clean_energy/coalvswind/brief_coal.html#.VcU5XflViaU

⁴ How Coal forms, Coal and Other Fossil Fuels, Union of Concerned Scientists, http://www.ucsusa.org/clean_energy/coalvswind/brief_coal.html#bf-toc-0

⁵ A Case Study: The Side Effects of a Coal Plant, Coal and Other Fossil Fuels, Union of Concerned Scientists, http://www.ucsusa.org/clean_energy/coalvswind/brief_coal.html#bf-toc-0. A 500 MW plant emits 3.7 Million tons of carbon dioxide and burns 1,430,000 tons of coal. 10 million tons of coal is thus equivalent to 7 average-sized power plants, and approximately 26 million tons of carbon. Figures can vary depending on the exact type of coal burned.

ozone emissions by 21% there was no drop at all in pollution in California in large part due to pollution blowback from burning coal in China.⁶ Mercury is another toxic pollutant that travels to California from Asian coal-fired power plants. Mercury is a neurotoxin and bioaccumulates in the food chain within fish species, and can result in human fish consumption advisories. Several studies have looked at harmful mercury emissions and the transport of these air pollutants from Asia to North America.⁷

Question 2: Wouldn't the coal trains going to Levin-Richmond move through Oakland anyway? Why does it matter if Oakland also has a coal export terminal?

A: To be clear the Port of Oakland itself neither imports nor exports any coal.⁸ And the rail routes for coal going to the private Levin-Richmond terminal in Richmond do NOT regularly move through Oakland. The Union Pacific rail lines serving the Levin-Richmond terminal move coal from Utah to Richmond via a Northern route through towns like Reno, Auburn, Roseville, Sacramento, and then Davis, Fairfield, San Pablo, the community of Parchester Village, and Richmond.⁹ Or the route from the North could move from Sacramento to Stockton, Pittsburg/Antioch, Concord, Martinez, then San Pablo, Parchester Village and Richmond. There is a southern route via Las Vegas and the Central Valley cities of Fresno and Stockton that could theoretically be used that would pass through Oakland en route to Richmond, but given that the mileage is longer and more expensive, it's not the preferred route.

In other words, coal trains moving through Oakland right now are a rare occurrence. If Oakland were to build a coal terminal, however, there would be a massive increase in coal train traffic--at least 4 unit trains/day (unit trains usually contain 100 rail cars or more). *The volume of coal that is proposed to be shipped through Oakland is ten times the amount moving through the private Levin-Richmond facility and would entail significantly more train traffic.*

Further, according to a SEC filing made as part of an initial public offering by the Utah coal company that proposed to ship coal through Oakland, Bowie Resource Partners, their contract with Levin-Richmond is expiring at the end of 2015. As such it is not clear whether coal shipments will even continue through Richmond.¹⁰

⁶ Air pollution from China undermining gains in California, Western states, Los Angeles Daily News, 10 Aug 2015, <http://www.dailynews.com/article/20150810/NEWS/150819954>

⁷ Jaffe, Daniel et al., Export of Atmospheric Mercury from Asia, Atmospheric Environment 39 (2005) 3029-3038. Ex. 6. See also China's Mercury Flushes into Oregon's River, Oregonian (Nov. 24, 2006). Ex. 7.

⁸ Email to Commissioner Gordon from Port of Oakland, August 6, 2015.

⁹Coal Train Dust Worries Richmond Residents, KQED Science, 22 June 2015, <http://ww2.kqed.org/science/2015/06/22/coal-train-dust-worries-richmond-residents/>

¹⁰ See, e.g., Bowie Resource Partners S-1 SEC Filing at 39, accessed: <http://www.sec.gov/Archives/edgar/data/1631790/000104746915005595/a2225124zs-1.htm>

Question 3: Isn't the coal facility proposed in Oakland supposed to be a new state of the art coal export facility that's completely enclosed?

A: We have seen no concrete design plans for this project because plans specific to a coal terminal did not undergo environmental review. At this point, we only have the rumors from the developer, CCIG, and its lessee, Terminal Logistics Solutions, as to what this facility would look like. There are no enforceable conditions or mitigation that would require any particular kind of technology or pollution control like covers, drip pans, bag houses or anything of the like. Current laws do not require coal or petcoke facilities to be covered in Northern California. Given that the developer is under no legal obligation to cover any part of the facility, and has already been dishonest about what the facility would ship, it would be easy for CCIG or TLS to decide to cut these supposed "state of the art" designs to reduce costs.

Even with supposed "state of the art" covered facilities, there are major pollution problems. Take for instance the proposed enclosed coal export facility at the Port of Morrow in Oregon. Air modeling showed major exceedances of particulate matter and nitrous oxide (NOx) national ambient air quality standards.¹¹ Both of these pollutants have significant human health effects. NOx are highly reactive gasses that can cause respiratory problems such as asthma attacks, respiratory tract syndrome, bronchitis, and decreased lung function. In addition to public health concerns, NOx emissions cause nitrogen deposition, which may cause soil acidification, water acidification, and eutrophication. These problems, in turn, reduce water quality and may render water unfit for aquatic life or human consumption. NOx also contributes to visibility impairment, global warming, acid rain, formation of ground-level ozone and formation of toxic chemicals.¹² Similarly, particulate matter pollution has significant health impacts including premature death, "increased hospital admissions emergency room visits, absences from school or work, and restricted activity days," due to aggravated cardiovascular and respiratory problems.¹³ Sadly, the populations most at risk for these health impacts are the sick, the elderly, and children.¹⁴

¹¹ See, e.g., Air Quality Modeling for the proposed enclosed coal export facility at the Port of Morrow, http://media.oregonlive.com/environment_impact/other/AERMOD_Modeling_Morrow_vfin.pdf

¹² See, e.g., Jaffe, D., et al. Atmospheric Pollution Research, 5 (2014), 344--351, available at <http://www.atmospolres.com/articles/Volume5/issue2/APR-14-040.pdf>

¹³ 72 Fed. Reg. at 20,586-87 ("Epidemiological studies have shown statistically significant correlations between elevated PM2.5 levels and premature mortality."); 75 Fed. Reg. 22,896, 22,900 (Apr. 30, 2010) (EPA has determined that, "Both ozone and PM2.5 are associated with serious public health problems, including premature mortality...")("Studies have demonstrated that both fine and coarse PM can have negative effects on public health and welfare. For example, each is associated with increased mortality (premature death) rates and morbidity (illness) effects such as cardiovascular disease and decreased lung function.").

¹⁴ *Id.*

West Oakland is already a community disproportionately impacted by goods movement, and there is no plan to deal with the proposed movement of coal trains and export of coal at the Oakland Global Trade and Logistics Center pursuant to the statewide Emissions Reduction Plan for Port and Goods Movement.¹⁵ Four coal trains a day would add a significant amount of diesel particulate matter and coal dust pollution to the community with major impacts to human health, air and water as our technical comments will further address.

Further, even enclosed facilities must be ventilated, have water runoff and fire controls that involve coal dust moving to air and water. Coal is extremely friable and thus prone to producing dust.¹⁶ In part due to this dust, coal is also flammable and known to spontaneously combust.¹⁷ Without seeing concrete design plans, it's hard to comment on full extent of potential environmental, public health and safety impacts. It is best to assume that the facility would be a standard, uncovered facility.

Question 4: Aren't the coal cars going to be covered to stop the coal dust from coming out?

A: Once again, no one has seen any specific design plans for the terminal and its rail cars because it did not undergo proper environmental review for coal and there are no enforceable conditions for the facility and the trains. It is not certain what CCIG or TLS means when they say covered coal cars. If by covers they mean using topping agents like surfactants, some coal cars may be "covered" with a hairspray-like substance called a topping agent or surfactant. The US Surface Transportation Board (STB) did approve the railroad's use of those topping agents for coal but they are not required for Utah coal, they do not fully prevent coal dust loss, they are themselves pollutants because they wear off the coal along the rail lines, and they require massive amounts of water to apply. Surfactants do not resolve the problem. If CCIG and TLS mean a physical coal car cover, there are no covered coal trains currently in use anywhere in the U.S. or in the world to our knowledge. And even covered rail cars would likely need some sort of ventilation and fire suppression that would involve exposure to air and water, thus still allowing coal pollution to air and water. There have been no studies of covered coal cars that we are aware of, likely because covered cars just are not in use for coal. Because coal is inherently flammable, concerns have been raised about whether covered coal cars would increase fire risk.

¹⁵ California Air Resources Board, Emissions Reduction Plan for Ports and Goods Movement, <http://www.arb.ca.gov/planning/gmerp/gmerp.htm>

¹⁶ See IEA, December, 2010, [http://www.iea-coal.org/documents/82476/7685/Propensity-of-coal-to-self-heat-\(CCC/172](http://www.iea-coal.org/documents/82476/7685/Propensity-of-coal-to-self-heat-(CCC/172); See also HOSSFELD & HATT, PRB COAL DEGRADATION: CAUSES AND CURES 1, at www.researchgate.net/publication/228972594_PRB_COAL_DEGRADATIONCAUSES_AND_CURES.

¹⁷ Coal's spontaneously combustion problem, Sightline, April 11 2012, <http://daily.sightline.org/2012/04/11/coins-spontaneous-combustion-problem/>

Finally, something like a physical car cover is not something that the developer can guarantee, or that Oakland City Council can just require. The federal bodies that regulate rail would be the ones responsible for promulgating and enforcing any sort of covered trains rule--the Federal Rail Administration or the Surface Transportation Board. It's not something that the City could just simply require given the complex web of federal rail laws at play like the Interstate Commerce Termination Act (ICCTA) and a legal concept known as preemption. City council action on this issue would likely be open to challenge by the railroads, developer, or mining company. In addition, rail car ownership and leasing involves many parties like the railroad operators (BNSF or Union Pacific), the mine owner/operator, the coal terminal operator (here, CCIG and TLS) and the final recipient of the goods abroad. All of these parties would need to coordinate efforts to implement a covered rail car system, which, again, is not in use anywhere in the US that we are aware of. Normally it is the final goods recipient that leases the coal cars--in the US for coal that is usually a power plant but here that would be an unknown company abroad--not a terminal operator like CCIG or TLS. The mine owner/operator loads the coal cars, and they would need to change their loading practices and invest in new loading equipment to accommodate covers.

Simply put, surfactants do nothing to resolve the dust problems, and covers are an untested technology for coal that do not fully eliminate air and water pollution impacts, and might exacerbate fire risk. There are legal, practical and logistical hurdles to requiring covers as well.

Question 5: Isn't coal a major West Coast bulk commodity export where there is increasing demand? Wouldn't Oakland be foreclosing itself to major economic opportunity by not considering coal?

A: Quite the opposite. Coal is a commodity that is losing more market share in global markets each year. The coal industry--at home and abroad--is in dire straits due to new environmental regulations like the Clean Power Plan, low natural gas prices, and a surge in renewable energy.¹⁸ Several coal companies are declaring bankruptcy.¹⁹ Even companies with more Western-based mines are in trouble. Railroad giant BNSF says that coal-related infrastructure like railroads in major coal producing regions like the Powder River Basin are now considered to be "stranded assets" without the potential for economic recovery for their major investments made just a few years ago.²⁰ Demand from Asian countries like China and India is weakening,

¹⁸ Why Coal Companies Are Collapsing in Such Spectacular Fashion, greentechmedia, 30 July 2015, <http://www.greentechmedia.com/articles/read/why-coal-companies-are-collapsing-in-such-spectacular-fashion>

¹⁹ Alpha Energy, Walter Energy and Patriot Coal have declared bankruptcy so far, Institute for Energy Economics and Financial Analysis, 14 Jan 2015, <http://ieefa.org/global-energy-markets>

²⁰ Railway Executive Sees Powder River Basin Coal for What It Is: A Stranded Asset, Institute for Energy Economics and Financial Analysis, 29 June 2015,

and the international market for coal is generally volatile.²¹ China's currency was recently devalued calling into question its ability to import foreign coal, in addition to new environmental pressures due to air quality concerns.²²

Nationwide, there are several existing coal export facilities on the Gulf and East coasts, and less than 70% of the capacity was used last year. In the Northwest (which includes the existing Canadian ports,) even during peak coal exports in 2012 **less than 14% of existing coal export capacity was utilized in the region.**²³ In reference to the two remaining Northwest coal terminal proposals on the US Side, one consultant noted that: ***“Global coal prices are extremely weak, markets are oversupplied. Major consumers of coal globally are rethinking their strategies and U.S. coal producers are in a state of financial disarray.”***²⁴ In July of this year, Morgan Stanley reported that, at the current international prices, 80% of US thermal coal exports are uneconomic.²⁵

In terms of West Coast export capacity, the Port of Stockton, the private Levin-Richmond terminal and the Port of Long Beach ship small amounts of coal--1-2 Million Tons--in California. Other facilities had been proposed in Washington and Oregon, but 3 of the 6 have disappeared largely due to poor coal market conditions and major public opposition. Three proposals remain in Washington and Oregon, although one similar in size to the Oakland coal proposal has been put indefinitely on hold due to Oregon's denial of a major permit, and a virtual halting of the other parallel permitting processes.²⁶ Alaska has one small coal export facility that has seen dramatically decreasing shipments to Asia over the last 5 years.²⁷

The top 50 bulk commodities exported from the U.S. include things like soybeans, corn, rice, wheat, zinc and other metal ores, fertilizers, and scrap metal. Additionally, a number of oversized items top this list, such as tractors, bulldozers, aircraft and parts, machinery, wood,

<http://ieefa.org/railway-executive-sees-powder-river-basin-coal-for-what-it-is-a-stranded-asset/>. See also Burned out: Powder River Basin coal is fast becoming a "stranded asset," Missoula Independent, 13 August 2015 <http://missoulanews.bigskypress.com/missoula/burned-out/Content?oid=2393008>

²¹ Global Energy Markets Transition Drives Thermal Coal Into Structural Decline, Institute for Energy Economics and Financial Analysis, 14 Jan 2015, <http://ieefa.org/global-energy-markets/> (Link to [pdf](#))

²² Yuan devaluation could trigger coal exports by world's biggest buyer, Reuters, 13 Aug 2015, <http://www.reuters.com/article/2015/08/13/china-exports-coal-idUSL5N10N3WP20150813>

²³ No Need for New U.S. Coal Ports: Data Shows Oversupply in Capacity, Institute for Energy Economics and Financial Analysis, 19 Nov 2014, <http://www.ieefa.org/wp-content/uploads/2014/11/Sanzillo-port-capacity.pdf>

²⁴ Id. at conclusion.

²⁵ Morgan Stanley: Vast majority of US export coal uneconomic at current spot prices, SNL financial 21 JULY 2015, <https://www.snl.com/InteractiveX/Article.aspx?cdid=A-33289010-12341>

²⁶ Oregon Regulators Deny Key Permit for Columbia Coal Terminal, Bloomberg News, August 20, 2014, <http://www.bna.com/oregon-regulators-deny-n17179893999/> Army Corps review on hold pending resolution of the Department of State Lands permit denial appeal, September 12, 2014, <http://www.nwp.usace.army.mil/Missions/Currentprojects/CoyoteIslandTerminal.aspx>

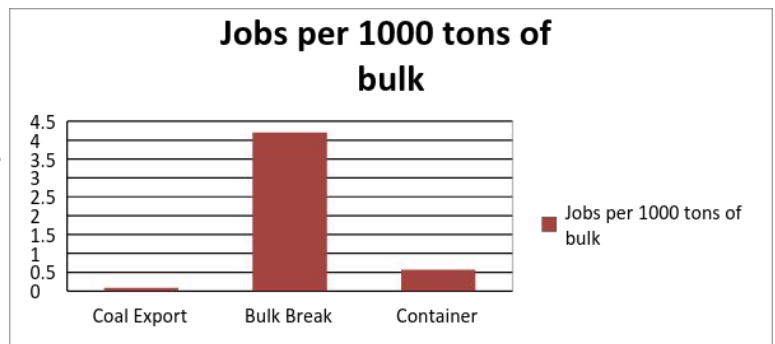
²⁷ Sagging exports hit Usibelli coal production for fifth year in a row, Alaska Dispatch News, 15 Aug 2015, <http://www.adn.com/article/20150815/sagging-exports-hit-usibelli-coal-production-fifth-year-row>

pipes, pumps, and turbines. Oakland could easily export these products without being subjected to the risky coal markets and significant health concerns associated with coal.

Question 6: Will saying no to coal at this project mean that Oakland will lose jobs?

A: Not at all, and other import/export commodities would actually mean better, more long-term jobs. The community groups opposed to coal in Oakland do not oppose the overall Army Base redevelopment project. The bulk/bulk-break terminal proposed at the site can ship other commodities like windmills and auto parts and other goods discussed in the original environmental review and funding documents, especially commodities that are associated with stable, long-term jobs. In fact, terminals that ship coal provide far fewer jobs than terminals that ship container or bulk-break materials (big machines like wind turbines, pallets, and the like).²⁸ Apart from shipping jobs, jobs in the renewable energy and energy efficiency sector create twice as many jobs per dollar spent. An analysis conducted by Professor Dan Kammen of the University of California at Berkeley of the proposed Gateway Pacific terminal in the Northwest showed only one coal job created for every \$2 million spent, whereas comparable investments in renewable energy generate twice as many jobs.²⁹ Dr. Kammen concludes that “[t]he much-ballyhooed coal-terminal jobs are a fool’s bargain that should be rejected on economic grounds alone, never mind the obvious impacts. It’s time we stopped feeding such fossil dinosaurs and started investing seriously in U.S. innovators, workers and companies that can help realize our low-carbon future.”³⁰

In addition, forcing the project to rely on a risky industry like coal as a business partner is a bad prospect for jobs or loan paybacks in the long run. Questions have been raised about the financial statements made by Bowie Resource Partners, the secretive Utah mining company behind the coal funding,



²⁸Northwest Coal Exports, Sightline Institute, Nov 2012, <http://www.sightline.org/research/coal-export-faq/> (Download report)

²⁹ Dan Kammen, For Greater Job Growth Invest in Renewable Energy not US Coal Exports, National Geographic Blog, January 15, 2013, <http://energyblog.nationalgeographic.com/2013/01/15/for-greater-job-growth-invest-in-clean-energy-not-u-s-coal-exports/>

³⁰ Id.

that is currently undergoing an initial public stock offering.³¹ Bowie has likely been overly optimistic in discussing the growth of the international coal markets.³²

Coal is a commodity that also poses danger to workers in close proximity to it on a regular basis. Prolonged, direct exposure to coal dust – studied especially in miners – has been linked to health issues such as chronic bronchitis, decreased lung function, emphysema, cancer, and death.³³ It has also been shown to increase the risk of mortality from heart disease.³⁴

Question 7: Won't saying no to coal in Oakland mean that the project's public financing is put at risk?

A: No, if anything having coal be part of the project may jeopardize current and future public funds. The Oakland Army Base Redevelopment does have a lot of public money at stake. The project received \$242.1 million in California Transportation Commission (CTC) Trade Corridor Improvement Funds (TCIF). TCIF funds are intended to “place[] emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions.”³⁵ The agreements for TCIF funds involve the City, Port, CTC. The City committed to \$54.4 million in matching funds which it had already raised. Private funding commitments from the developer are also needed in the total amount of \$171.9 million. There is no requirement for the City or Developer to take the \$50 million from the 4 counties in Utah to ship coal. To the contrary, based on what was said in the TCIF application documents about this project and the underlying purpose of these public funds taking the coal money may actually put that funding at risk. Further sources of public funded needed by this project, like the funds

³¹ See ‘Secretive’ coal company pushed coal-export port in Oakland, IEEFA, August 20, 2015, <http://ieefa.org/secretive-company-pushes-coal-export-port-in-oakland/>; See also Letter to SEC re: Bowie Resource Partners IPO, July 28, 2015, accessed: http://ieefa.org/wp-content/uploads/2015/08/Sierra-Club-Letter-to-SEC-re-Bowie_7-28-15.pdf; See also Banking on Coal in Oakland, August 19, 2015, <http://m.eastbayexpress.com/oakland/banking-on-coal-in-oakland/Content?oid=4463888&storyPage=1#CommentsMobile>

³² See , As US coal market continues to struggle, the SEC must do a better job of policing the industry, IEEFA, August 6, 2015, <http://ieefa.org/as-u-s-coal-sector-continues-to-struggles-the-sec-must-do-a-better-job-of-policing-the-industry/>

³³ “Criteria For a Recommended Standard: Occupational Exposure to Respirable Coal Mine Dust” U.S. Department of Health and Human Services, September 1995, pages 52-116. Occupational Exposure to Respirable Coal Mine Dust, U.S. Department of Health and Human Services, Sep 1995, <http://www.cdc.gov/niosh/docs/95-106/pdfs/95-106.pdf>

³⁴ Landen, Deborah, et al, “Coal Dust Exposure and Mortality from Ischemic Heart Disease Among a Cohort of U.S.Coal Miners”, July 2011, American Journal of Industrial Medicine, Vol. 53, Issue 10, page 6. <http://www.cdc.gov/niosh/mining/UserFiles/works/pdfs/cdeam.pdf>

³⁵ TCIF Guidelines, 27 Nov 2007 http://www.dot.ca.gov/hq/transprog/ibond/tcif_guidelines_112707.pdf.

governed by the Alameda County Transportation Commission, may be considering action that would preclude coal projects from being considered for funding.³⁶

In 2012, the original TCIF funding agreement between the CTC and Port was revised to combine allocations into one \$242.1 mil grant, adding the city as a grant recipient in addition to the Port, change the funding match deadlines, and expand the scope as to where TCIF funds could be used.³⁷ According to the City Council documents approving this agreement revision on April 6, 2012, the City committed to \$54.4 million in City funds to match TCIF funds, and had \$35.5 million of those monies already in hand with the remainder of \$18 million being the among “to be received by the City from the land sales to the recyclers and CalTrans, projects that are under contracts to be sold.”³⁸ In addition to the city monies, a private match is required on the part of the developer of \$171.9 million, as allocated between backbone infrastructure (\$25.9 mil), recycling facilities (\$46.6 mil), and the city logistics facility (\$99.4 mil.)

Importantly, neither coal nor any other fossil fuel was mentioned in the TCIF application, or in any environmental review document pertaining to the Army Base Redevelopment project. The funding application, in mentioning the Berth 7 export facility, describes the project as one that would be “converted to a modern bulk cargo marine terminal for movement of commodities **such as iron ore, corn** and other products brought into the terminal by rail....the terminal would also accommodate project cargo such as **windmills, steel coils and oversized goods.**”³⁹[1] This violates TCIF Guidelines requiring disclosure of “the function of the proposed project within the corridor.”⁴⁰ Finally, the project timetable shows a 2018 completion date. Funding timelines have changed multiple times with this project so if there is an issue in securing funding, it is possible to ask the CTC for an extension rather than take Utah coal money. The project funding matrix and deadlines are below.

³⁶ Opposition Grows Against Proposed Coal Exports from Oakland Army Base Project, East Bay Express, 22 July 2015, <http://www.eastbayexpress.com/SevenDays/archives/2015/07/22/opposition-grows-against-proposed-coal-exports-from-oakland-army-base-project>

³⁷ See April 24, 2012 City Council Special Community Economic Development Meeting Agenda report at 3-4, accessed: <https://oakland.legistar.com/LegislationDetail.aspx?ID=1109666&GUID=007669A9-58B0-46A8-B21D-B38A91C68313&Options=&Search=>

³⁸ See April 24, 2012 City Council Special Community Economic Development Meeting Agenda report at 4.

³⁹ See LDDA Exh 20, Trade Corridor Improvement Fund Project Baseline Agreement Amendment #1, Exh B at 5 Accessed:

<http://www2.oaklandnet.com/Government/o/CityAdministration/d/NeighborhoodInvestment/OAK038485>

⁴⁰ TCIF Guidelines, at ¶ 7.

Table 1*

Development Elements	Total Cost	Port	City	City Private Match	TCIF
Remediation	11.4	5.7	5.7	-	-
Port Rail Terminal	79.6	10	5.8	-	65.8
Site Prep on City Lands/Backbone Infrastructure	247.2	-	5.9	25.9	176.30
Recycling Facilities	46.6	-	-	46.6	-
City Logistics & Oakland Bulk and Oversized Terminal	99.4	-	-	99.4	-
TOTAL	484.2	15.7	54.5	171.9	242.1

* Sources shown in top horizontal row to the right of "Total Cost," and Uses are shown in the column under Development Elements.

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Exhibit B

City Project Delivery Schedule for Each City Lead Improvement

- | | |
|--|---------------------------|
| 1. Complete Design Build Bridging Documents: | September 28, 2012 |
| 2. Execute Design Build Contract: | November 30, 2012 |
| 3. Issuance of Notice to Proceed for Backbone Infrastructure: | May 31, 2013 |
| 4. Substantial Completion of Construction: | April 15, 2018 |

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Question 8: I heard that building the coal export terminal will cost more than \$250 Million? I thought the terminal was only supposed to cost \$99 million?

A: According to the California Transportation Commission (CTC) funding documents, the City Logistics and Bulk and Oversize Terminal are supposed to cost around \$99 million to build and now sources are saying that the project will cost \$250 million to build.⁴³ In addition, for the Army Base as a whole, the developer is supposed to find \$171.9 million in private matching funds for the project, not just the City Logistics and Bulk and Oversize Terminal.⁴⁴ If shipping coal would more than double the cost of the proposed City Bulk and Oversize Terminal (increasing it from \$99 mil to \$250 mil), that may be another independent reason why shipping

⁴¹ See Table 1, April 24, 2012 City Council Agenda report at 3.

⁴² LDDA Exh 20 Amended Baseline Agreement at Exh B.

⁴³ Project Could Transform Local Coal Market to International, Richfield Reaper, April 7, 2015, accessed: http://www.richfieldreaper.com/news/local/article_e13121f0-dd67-11e4-b956-3ff480cc1929.html

⁴⁴ See Table 1, April 24, 2012 City Council Agenda report at 3.

coal is a bad idea--it's a very costly prospect, not just for public health, but also for the City and taxpayers. Finally, given the poor prospects for US coal in the international market and the history of failure for West Coast coal export projects, the proposed development is a risky financial gamble for Oakland and its residents.⁴⁵ There is a history of failed coal export facilities in Los Angeles and Portland where taxpayers were left on the hook-- Los Angeles had to write off \$19 million in capital investment and more than \$90 million in expected revenue.⁴⁶

⁴⁵ Coal Export A history of failure for western , Aug 2011, [portshhttp://www.coaltrainfacts.org/docs/Sightline_Coal-Export-A-History-of-Failure.pdf](http://www.coaltrainfacts.org/docs/Sightline_Coal-Export-A-History-of-Failure.pdf)

⁴⁶ See Gambling on Coal and Losing, Sightline, September 12, 2011, <http://daily.sightline.org/2011/09/12/gambling-on-coal-and-losing/>