Coal is already part of bulk terminal plan

By Mark McClure

The planning and development of the Oakland Bulk Export Terminal, a rail-to-ship transfer facility, has been an open and transparent process that the Oakland City Council approved as part of the Army Base Redevelopment process in 2012. The terminal project always has been envisioned to accommodate a variety of bulk products to survive the market fluctuations of any single commodity. Iron ore was in vogue in 2013. Soda ash is popular now. Coal is now exported through California’s major ports and travels by rail through Oakland.

Project opponents, however, have framed the terminal development as a choice between jobs or health. This is a false dichotomy. The discussion of possible coal shipments is particularly overblown.

The city of Oakland has always positioned this project as a “market rate” deal to compete with other West Coast commodities terminals such as Long Beach, Richmond and Stockton, all of which handle a full array of commodities including coal. What the terminal developers have communicated to the city is that the future operations and financing of the Oakland export terminal becomes more difficult — if not impossible — where there are political threats to block coal that amount to a taking of vested rights. Today it’s coal; tomorrow it will be wood pellets, and next week it will be genetically modified grain.

Further, the assertions that public funds are being used to fund the terminal are untrue. When the export terminal developer signed a lease with the city of Oakland in February, it declined California funding for the terminal project. Instead, the export terminal developer has taken on additional risk and advanced more than $13 million for infrastructure costs, subsidizing the progress of the public improvements on the Oakland Army Base to the city’s benefit. Recent press has focused on port funding activity in the Utah Legislature. We have had nothing to do with that.

After announcing it with much fanfare, the Sierra Club quietly dropped its California Environmental Quality Act lawsuit last year. The city withdrew an item to fund its “health and safety” analysis in February. Why? Could it be that all of these politically motivated actions regarding the transportation of coal would never stand up to legal or scientific scrutiny?

A recent Obama administration Federal Surface Transportation Board, Office of Environmental Analysis, Environmental Impact Statement in the Pacific Northwest confirmed that there are no health and safety impacts from the transportation of coal by rail.

Per federal regulation, coal is not a hazardous material. Of the more than 900 substances that appear on California’s Proposition 65 list of materials that pose a hazard to human health, coal is not one of them. Infrastructure, housing and commercial developments depend on coal for cement production and steel manufacturing. The East Bay Municipal Utility District uses coal products for water purification. Like other products, coal already is transported through Oakland in open railcars on a regular basis already with no measurable impact.

It is easy to reduce complex arguments to soundbites that play well in a 24/7 news cycle. This leads to an environment where narrowly focused special interest groups revel in their righteous judgment over those who don’t agree with them.

It is much harder to challenge the soundbites, examine the details and honor contractual agreements. Ideological righteous judgment will not stand up to facts, science and the law.

Mark McClure, a lifelong Oakland resident, is a partner in California Capital and Investment Group, which has contracted with the city of Oakland to build the infrastructure at the Oakland Army Base. He is former chair of the Oakland Planning Commission and is president of the Oakland Builders Alliance.