

Inside the fight over fossil fuels in the Pacific Northwest

By Alex Altman/Portland, Ore.

ROADS DON'T GET MUCH PRETTIER THAN SECTIONS OF U.S. HIGHway 12 in the northern Rockies. Near Kooskia, Idaho, it's a narrow two-lane byway that winds above the Clearwater and Lochsa rivers, framed by craggy bluffs of Douglas fir and ponderosa pine. For the past few years, global energy companies have been fighting to use this remote sliver of asphalt to carry oversize industrial equipment to mining sites in the interior U.S. and Canada. Neighbors weren't keen on a scenic patch of wilderness's becoming a corridor for so-called megaloads, which can be nearly the length of a football field and too tall to fit beneath interstate overpasses.

In conservative Idaho County, residents toted signs blasting the AXLE OF EVIL and flooded a Forest Service website with so many comments that the system crashed. Locals like Linwood Laughy, 73, plunged into environmental activism for the first time. "It just grew like a snowball," says Laughy, who runs a blog called Fighting Goliath from his home perched above the road. "I learned the value of collective action."

So did Goliath. In 2010, an ExxonMobil subsidiary tried to move 207 megaloads along Highway 12 to its oil-sands mine in the Canadian province of Alberta. Only one even made it through Idaho. Waylaid by a court challenge, it sat parked along the side of the road near Lolo, Montana, for 13 months under round-the-clock guard. Cost overruns for the Alberta project ran to some \$2 billion. The next year, protesters turned a ConocoPhillips megaload's nine-hour drive into a 91-day odyssey. In a dramatic midnight confrontation during the summer of







2013, Nez Percé tribe members and their neighbors formed a human blockade to stop a convoy bound for the Alberta tar sands.

Highway 12 had become a pivotal stretch of what some environmental activists call the Thin Green Line. It's an imaginary barrier, drawn by national environmental groups and manned by local activists, that is designed to stop the construction of new pipelines, coal trains and other facilities that would make it easier to export fossil fuels to countries overseas. The line has outposts from rural Idaho to East Texas, where in 2012 tarsands opponents barricaded themselves inside a wedge of oil pipe. But the heart of the Thin Green Line is the Pacific Northwest, where environmentalists are battling energy companies to shape America's climate future.

Since 2010, coal, oil and gas companies have been hoping to turn the northwest Pacific coast into a new portal for energy exports to Asia. Nearly 30 major fossil-fuel infrastructure projects-including coal and oil export terminals, propane pipelines, liquefied natural gas plants and petrochemical refineries-have been proposed in Oregon and Washington. Industry groups promise billions in capital investment and thousands of new jobs in struggling corners of the region. On the other side, environmental groups like the Sierra Club and 350.org have marshaled an unlikely army of faith groups, Indian tribes, concerned physicians, conservative ranchers, not-in-my-backyard farmers, local crusaders and politicians from both parties. And so far, the environmentalists have won.

The strength of the Thin Green Line is a reminder that activists have successfully moved the fight over fossil fuels from the point of initial extraction to more far-flung points of processing and export. And it comes in the wake of the longawaited decision by President Obama to reject the building of the Keystone XL pipeline, which would have run from oil fields in the northern plains to refineries on the Gulf Coast. As energy prices fall and opposition mounts, the cost and hassle of taking carbon out of the ground becomes increasingly prohibitive. "The Pacific Northwest has become a remarkable battleground in the fight over the future," says climate activist Bill McKibben. "This is the bottleneck, and they've drawn the line."

THE STRUGGLE in the Pacific Northwest is driven by geology and geography. Coal remains the dominant energy source in the U.S., supplying nearly 40% of our power. But its grip is slackening; as recently as 2005, the figure was more than 50%, and tough climate regulations by the Obama Administration will likely reduce that number quickly. By 2010, the industry determined that its future lay in Asia, with its lax emission standards and huge demand for cheap coal. The prospect of exporting abundant reserves from the huge, 100-ft. seams in the Powder River Basin of Wyoming and Montana looked like a lifeline for an industry in flux. "Coal's best days are ahead," Peabody Energy, the St. Louis-based coal giant, declared in its 2009 annual report.

Moving Powder River Basin coal to Asia isn't easy. It gets loaded into railcars, which chug through rural communities to West Coast ports, where it's deposited on bulk ships that carry it across the Pacific. It's a massive industrial enterprise in a region philosophically opposed to the product. By the time the fossil-fuel industry began targeting the Pacific Northwest, Oregon and Washington had already decided to shut down existing coal-fired power plants.

But the Thin Green Line has held. More than half of those proposals have been killed or delayed. The rest face deeply uncertain futures. "What's happening in the Northwest is like a shutdown defense," says Eric de Place, policy director of the Sightline Institute, a Seattle-based think tank that opposes fossil-fuel-infrastructure projects in the region.

Activists use different tactics, from demonstrations to public-records requests to lawsuits that trap the projects in bureaucratic thickets. Even some conservatives came to question whether the economic benefits offset the cost in quality of life. "We're very pro-jobs and proexports," says Sean Guard, the mayor of Washougal, Wash., a timber town where



the city council, weary of fleets of trains and lengthy traffic delays, passed a resolution expressing "deep concern" about the construction of a nearby oil export terminal. "This isn't necessarily about the commodity on the trains. It's about what it does to our community."

The steep decline in energy prices has played a role as well. The price per ton of coal, battered by oversupply and the dwindling costs of competing fuels, has plunged from a peak of \$132 in 2011 to \$43 in December. China, which burned more than 3.3 billion tons in 2009, is using less as its economy slows. As a result, some of the companies that bet on U.S. coal exports as a savior were crippled. Peabody, which began planning a coal terminal near Bellingham, Wash., in 2011, has seen its stock plummet nearly 90% since February 2015. The Australian firm formerly known as Ambre Energy, which invested in both the Bellingham proposal and a similar project down the coast in Longview, Wash., was forced to sell off its stake. Wyoming-based Arch Coal, a partner in the Longview terminal, filed for bankruptcy on Jan. 11 in a bid to shave \$4.5 billion in debt from its balance sheet.

THE UNLIKELY ALLIANCES are visible in communities like Longview. An old timber town built by a lumber tycoon in the 1920s, this working-class enclave of 35,000 has never strayed much from its industrial roots. The engine of the economy is a factory-studded port that moves everything from pulp to coking

coal down a deepwater channel to the Pacific. When it was first proposed, prospects looked bright for the \$650 million project to build a major West Coast coal-export facility. Longview sits at the junction of a rail line and the Columbia River, and it has high unemployment and a long history of welcoming heavy industry. The company running the facility, Millennium Bulk Terminals, reclaimed a brownfield that had been the site of an aluminum smelter and forged a partnership with eager local unions. It held open houses, passed out company swag and delivered PowerPoint presentations to show how bread-loaf-shaped piles of coal are safely funneled into railcars and sprayed with sealant to prevent dust from escaping. "This is huge to us," says Mike Bridges, president of the local building-trades union.

The economy and the environment have a complex relationship in Washington. At least 1 in 4 jobs in the Evergreen State is tied to trade, one of the highest ratios in the U.S. And while prosperous urban and coastal enclaves are pushing back against the projects, hardscrabble communities could use the infusion of middle-class jobs they would bring. "I really believe in the economic value of this," says Lee Newgent, executive secretary of the Washington State Building and Construction Trades Council, AFL-CIO. "We are in no way climate deniers, but we think the real conversation should be around phasing out carbon fuels on a timeline."



At times the coal firms made it harder on themselves. As the Longview project was getting under way, a records request filed by an environmental group called Columbia Riverkeeper revealed that executives had concealed the scope of their ambitions. They told the community the port would export about 5 million tons of coal per year. Internal emails revealed they planned to ship up to 60 million. "Expansion plans should not be made available," an executive warned in a message outlining a strategy to "mitigate the political risk." Millennium employees stopped wearing their badges in public after getting hassled at the grocery store.

A permitting process that normally lasts about 18 months has now stretched on for four years. The future of the project remains uncertain; Millennium still hasn't won permission to build the docks. Elected officials from Montana and Wyoming, where the coal is mined and creates hundreds of jobs, came to Longview to lobby locals on behalf of the project and left empty-handed, threatening lawsuits. "It's a big deal," Kris Johnson, president of the Association of Washington Business, says of the jobs at stake. "This would be an infusion of infrastructure that spurs the economy and lowers the unemployment rate."

Millennium executives say public opinion is turning in their favor and dismiss arguments that the projects will wreck the climate. "Asia is going to burn coal with or without us," vice president Wendy Hutchinson says, as she drives a company SUV amid coal silos in Longview. "It just doesn't make a difference in the big picture."

Environmental activists see hypocrisy between private American firms that want to export the nation's fossil fuels and a federal government that is trying, at least in some of its policies, to curb its use at home—especially since the carbon emitted by coal has the same climate impact no matter where it's burned. "We can't have it both ways," says Daphne Wysham, a Portland-based activist who directs the climate program at the Center for Sustainable Economy. "We can't be claiming climate leadership while ensuring the rest of the world is hooked on coal."

PORTLAND MAYOR CHARLIE HALES learned that lesson the hard way. A former lobbyist and transportation planner, he keeps a plaque on his desk that broadcasts a tongue-in-cheek mantra: BECAUSE I SAID SO. In this liberal mecca, Hales tries to balance economic and environmental concerns. When the Pembina Pipeline Corp. announced plans in 2014 to build a \$500 million facility for propane exports in Portland, Hales issued a statement celebrating the "great news."

But local green groups bristled. They disrupted council hearings and plastered signs around the Rose City with an unflattering image of "Fossil Fuel Charlie." The mayor struggled with fundraising. Under pressure, Hales decided to kill the Pembina project. "The scale of the public revulsion at the idea of Portland being a big fossil-fuel spigot aimed at the world" changed his thinking, Hales explains in an interview in his office at city hall. "It was a case of there go the people, I'd better follow them."

Facing the prospect of a tough campaign against a well-funded challenger,

Green groups see hypocrisy in the U.S.'s exporting a fuel whose use the government is trying to curb at home Hales dropped his re-election bid this fall. Now he's focused on burnishing his environmental legacy. On a chilly Wednesday in November, Hales introduced a resolution to block all new energy-export projects like Pembina. On the day of the scheduled vote, the sidewalk beneath the council chamber was crowded with throngs of environmentalists in telltale red garb, toting signs that read COAL, OIL, GAS: NONE SHALL PASS. The city council later approved the measure unanimously, making Portland the first U.S. city to take such a step. "It's highly significant," says McKibben. "They're trying to stop the fossil-fuel industry in its tracks."

Portland's move is likely the shape of things to come elsewhere. Hales is lobbying other West Coast mayors to adopt his blueprint for stopping other energy export and processing operations. Oregon Senator Jeff Merkley and Democratic presidential candidate Bernie Sanders introduced a bill that would block the federal government from issuing new leases for oil, gas and coal extraction on public lands. In August, the White House unveiled a sweeping set of emission regulations, called the Clean Power Plan, that imposes the first-ever national limits on carbon pollution from power plants. In December, 195 nations gathered at a climate summit in Paris to strike a landmark pact designed to curb greenhouse-gas emissions. On Jan. 15, the Obama Administration announced a moratorium on new leases to mine coal on public lands, punctuating a string of successes for environmentalists.

Late last year, Congress passed, and Obama signed, legislation that lifted a 40-year ban on exporting crude oil. Still, the broad trend suggests the U.S. may be moving away from the easy sale of extracted carbon abroad. Meanwhile, the continued decline in energy prices is making many of the export and processing projects harder to justify. And so, at the moment, the Thin Green Line holds. To those manning the outposts, nothing less than human existence is on the line. If the energy industry can hook Asian markets on cheap American coal, "then we're done, climate-wise," says K.C. Golden, a senior policy adviser at Climate Solutions in Seattle. "That, not to put it too frankly, is how the world ends." © Time Inc., 2016. All rights reserved. No part of this material may be duplicated or redisseminated without permission.