March 17, 2023

Governor Jared Polis State Capitol Building 200 E. Colfax Ave., Rm 136 Denver, CO 80203



Re: Opposition to Subsidies for Harmful Uinta Basin Railway

Dear Governor Polis,

The Northwest Colorado Council of Governments Water Quality/Quantity Committee ("QQ") would like to voice our deep concern for the proposed Uinta Basin Railway, a project that would allow the transportation of crude oil up the Colorado River to its iconic headwaters. QQ comprises 40 local governments in the headwaters of the Colorado, Yampa, and Gunnison River Basins.

We have learned that the project proponents are seeking to fund the railway through a tax-exempt <u>Private Activity Bond</u> (PAB) issued by the US Department of Transportation (DOT).

We respectfully ask that you oppose the federal issuance of private activity bonds to the Uinta Basin Railway to protect water quality in the headwaters of the Colorado River Basin, and that you communicate your opposition both publicly and directly to the DOT.

As you know, the <u>Seven County Infrastructure Coalition</u> in Utah has announced its intention to use tax-exempt PABs authorized through the DOT to cover \$2 billion in costs for the Uinta Basin Railway ("Railway"). This amounts to millions of dollars in public subsidies every year for a project that has significant environmental, economic, and health risks to Coloradans.

The Railway would greatly increase transportation of heavy crude oil through the Colorado River Corridor. Heavy crude oils are highly toxic and very difficult to remove from a water source; contamination in the event of a spill is severe and long-term. In addition, oil train derailments could cause devastating forest fires in Colorado's mountains. A federal agency review concluded the proposed new Railway would add up to 87 million gallons of waxy crude per week to the interstate rail system. Oil would be transported via as many as 180,000 loaded rail cars per year from the Uinta Basin to the mainline of the Union Pacific where it would travel east, adjacent to the Colorado River – the source of water for 40 million people and a river you're aware is in crisis.

Long-term impacts from the increase in rail traffic may include, to name a few:

- Worsening of existing water quality challenges in the region, such as sedimentation and deposition of pollutants from the railcars into waterways.
- Further aquatic life impairment. Many waterways in the Headwaters struggle to sustain aquatic life and are fragile and sensitive to long-term increases in pollutants from increased rail car traffic.

- Union Pacific already has a <u>history of releasing damaging sludge</u> from the Moffat Tunnel into the Fraser River; the potential for additional releases would increase.
- The region's ability to meet water quality standards established by the EPA is unclear given these long-term impacts.

The increase in rail car traffic also increases the catastrophic potential for a train derailment and spill. As the recent, disastrous train derailment and chemical spill in East Palestine, Ohio shows, rail transportation of hazardous materials threatens communities, air, and water along the way. A catastrophic spill could have the following far-reaching impacts:

- Communities along the Colorado and Fraser Rivers could lose access to safe, clean drinking water and irrigation water supply.
- Environmental impacts would be widespread.
- The State's recreation and tourism economy would be adversely impacted because of the loss of fishing, rafting, and other water-based recreation income.
- Impacts in Glenwood Canyon could be particularly acute because the Canyon is already struggling to recover from damaging 2020 wildfires.
- Local investment in watershed restoration could be lost. Local governments and state
 and federal agencies are spending millions of dollars already to restore these
 watersheds. See, for example, Grand County <u>Learning By Doing Cooperative Effort</u>.

Approving federal bonds for this project also conflicts with state and federal efforts to combat climate change and reduce greenhouse gas emissions. The Railway would generate 56 million tons of carbon emissions annually, limiting our progress as a state and a nation towards reducing greenhouse gas emissions.

QQ asks that you object to the Railway due to its potentially catastrophic impact to the State's water resources and its greenhouse gas impacts. We request that you communicate this both publicly and directly to Secretary Buttigieg and the Department of Transportation.

For questions or concerns, please contact QQ Co-Director Claire Carroll at 719.740.0785 or ccarroll@nwccog.org.

Sincerely,

Kathy Chandler-Henry

QQ Chair and Eagle County Commissioner

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CC:

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