

REVENUE: No Revenue Impact
FISCAL: No Fiscal Impact
SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Erin Seiler, Administrator

Meeting Dates: 6/18, 6/25

WHAT THE MEASURE DOES: Requires insurer of liable party to pay actual costs of emergency response provided by private emergency responders.

ISSUES DISCUSSED:

- Variety in payments from insurance companies for toxic and nontoxic spill clean-up services
- Rates established by Department of Environmental Quality every fiscal year
- Discussion on how to handle labor rates and excessive charges

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: Currently, in the case of emergency services, ORS 466.610 (3) authorizes the Department of Environmental Quality (DEQ) to employ personnel (including specialists and consultants), purchase materials and supplies, and enter into contracts with public and private parties necessary to carry out the provisions of ORS 466.605, which requires: the cleanup, containment, collection, removal, treatment or disposal of oil or hazardous material (hazmat); site restoration; and any investigations, monitoring, surveys, testing and other information gathering required or conducted by DEQ. Presently, DEQ and the Oregon Department of Transportation contract for these services with private “emergency service agencies,” as defined by ORS 401.025. These private entities are then tasked with billing the liable party of a hazardous material cleanup (e.g. trucking company insurer) for the recoupment of actual costs incurred in the response. Some insurers reimburse the potentially dangerous, expensive and technical hazmat cleanup at the lowest rate possible, which is often the rate of a tow truck response.

When an insurer of a liable party is obligated to reimburse private emergency responders for services provided, including associated costs, when responding to an emergency, House Bill 2594-A requires the insurer to reimburse the private emergency responder for actual costs incurred. These associated costs include, but are not limited to, the use of mobile laboratories, tools and equipment for handling hazardous materials and other specialized equipment required by hazardous materials response teams.