

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 06/30/15

Action: Do Pass The A-Eng Bill.

Meeting Dates: 06/18, 06/30

Vote:

Yeas: 3 - Beyer, Boquist, Rosenbaum

Nays: 1 - Ferrioli

Exc: 1 - Burdick

Prepared By: Erin Seiler, Committee Administrator

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
- Process used by Department of Environmental Quality to manage costs
- Reimbursement for actual versus reasonable and necessary costs for clean-up services
- Scope of toxic and nontoxic clean-ups

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Currently, in the case of emergency services, the Department of Environmental Quality (DEQ) is authorized to employ personnel (including specialists and consultants), purchase materials and supplies and enter into contracts with public and private parties necessary to carry out responsibilities associated with spill response and cleanup of hazardous materials. This could include: the clean-up, 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 a private "emergency service agency," 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.