



FRIENDS OF THE COLUMBIA GORGE

**Testimony in support of HB 2131 and HB 3344
To the House Energy and Environment Committee
By Michael Lang, Friends of the Columbia Gorge
March 13, 2017**

Good afternoon, Chair Helm and members of the Energy and Environment Committee. Thank you for the opportunity to testify on HB 2131 and HB 3344. My name is Michael Lang. I'm the Conservation Director for Friends of the Columbia Gorge ("Friends"). Friends is a nonprofit organization with over 6,000 members dedicated to protecting the outstanding resources of the Columbia River Gorge National Scenic Area and supporting its communities. Friends is a member of the Stand Up to Oil coalition, which opposes new oil terminals in the Northwest and the transportation of crude oil by rail along the Columbia River and throughout the states of Oregon and Washington.

Friends and the Stand Up to Oil Coalition support HB 2131 and HB 3344. HB 2131 and HB 3344 are crafted to respond to the new and growing threat of transporting large volumes of oil by rail through Oregon.

For decades, Oregonians have taken pride in the fact that we have strong values, a vision for the future of our state and planning to ensure that our common vision becomes a reality. Livable communities, clean air and water, sustainable economic growth and protection of our natural treasures like the Columbia River Gorge are all values that we cherish. However, in the past five years external forces including advances in hydraulic fracturing technology to extract oil that was previously unreachable, exponential increases in transporting crude oil by rail, and the lifting of the crude oil export ban, have caught us unprepared. HB 2131 and HB 3344 are necessary to help us respond to a changing world and ensure the protection of the values that we as Oregonians hold dear.

HB 2131 would require the following:

- Oil spill contingency plans for spills resulting from the transportation of oil on "high hazard trains routes";
- Require fees on railroads to build Oregon's Oil Spill Contingency Fund; and
- Require railroads to have adequate insurance to cover worst-case oil train derailments.

HB 3344 would close a big loophole in state law, called the “wharfing exemption”, that allows construction of oil terminals on state submerged lands without requiring a state land lease. HB 3344 would require the following:

- Insurance to cover worst-case oil spills;
- State land leases for the construction new oil terminals;
- An analysis of the public need and risks to public health, safety and the environment for the oil terminal project; and
- A balancing test for removal and fill permits for oil terminal projects.

Why HB 2131 and HB 3344 are necessary

- Since September, 2012, crude oil is being transported by rail at high speeds through Oregon, including the Columbia River Gorge National Scenic Area, the Deschutes River canyon, and many communities across Oregon. Oil is transported through our state to refineries in California and Washington, with no direct benefit to Oregon’s economy. Explosive Bakken oil is transported in unsafe rail cars that puncture at speeds as low as 14 mph, leading to oil fires and explosions. New federal safety standards for rail cars only slightly improve impact resistance. Unit trains of oil carry up to 120 oil tank cars containing over 3 million gallons of volatile Bakken Crude oil or tar sands oil. These *pipelines on rails* endanger communities and waterways along major rail routes through Oregon, risking severe damage to public safety, drinking water, and Columbia River salmon habitat.
- Oil-by-rail is inherently unsafe. In the past three years, several oil train derailments, explosions, and fires in North America have resulted in 47 deaths, the evacuation of thousands of people, millions of gallons of oil spilled into waterways, and billions of dollars of property damage and environmental destruction. Our fears were realized last year when an oil train derailed in the small Gorge town of Mosier, catching fire, and spilling 42,000 gallons of oil. Mosier residents were spared only because it was a rare and windless day, thus preventing an unstoppable fire that would have incinerated the town. The Federal Railroad Administration (FRA) determined that Union Pacific Railroad’s negligence caused the derailment. FRA statistics show Union Pacific has more derailments and accidents caused by equipment failures compared to the industry average. We continue our work to reduce the threats of oil-by-rail in the hope of preventing any future such disasters.
- Several oil-by-rail terminal proposals are active in the Northwest. These include Tesoro’s Vancouver Energy project, which would be the largest oil-by-rail terminal in the U.S. If approved, it would transport up to 15 million gallons of oil per day through the Columbia River Gorge National Scenic Area. This terminal needs several permits to

operate, including approval by Washington's governor. A final decision from the governor's office on the terminal is anticipated this year. Without HB 2131, Oregon will continue to lack basic protections for trains headed to other states.

- For 35 years, the U.S. ensured energy independence by prohibiting export of U.S. crude oil. In 2015, Congress lifted the U.S. crude oil export ban, thus creating the likelihood of new export terminals on the West Coast. As soon as the price of oil rebounds, residents of the Northwest can expect to see more proposals for oil export terminals. Without HB 3344, oil terminals will easy spread into Oregon.
- Oregon has the weakest laws on the West Coast related to oil trains and oil terminals. In the Mosier derailment, oil spill and fire, Oregon had to rely heavily on the Washington Department of Ecology for assistance. Both California and Washington have passed laws similar to HB 2131 and SB 7. These new laws have not been preempted by federal railroad laws. In addition, California and Washington have comprehensive environmental policy acts. Oregon does not. Oregon law also contains a loophole in ORS 780.040(1) that would allow oil terminals on state lands without the need for a state land lease. HB 3344 addresses this gaping loophole. The combination of a very weak oil train law, lack of an environmental policy act, and exemptions for terminals make Oregon a soft target for oil-by-rail transport and terminals.

Friends and Stand Up to Oil do not want Oregon to be the weak spot on the West Coast for oil trains and terminals. Please support HB 2131 and HB 3344. Thank you for considering these bills.

