Safety Defects on Oil Train Routes Underscores Need for Passing Oregon Rail Legislation

Wednesday, April 5, 2017

Friends of the Columbia Gorge Media Response

Contact: Michael Lang, (503) 490-3979

For immediate release

According to a story released today by the Associated Press, federal rail inspectors uncovered 24,000 rail defects on oil train routes across the country. Many similar defects led to derailments, fires and oil spills in Mosier, OR, Virginia, Montana and elsewhere.

This report highlights the need to pass legislation pending in Oregon to address oil trains and terminals. HB 2131 or the Mosier Act of 2017 would require state approval of oil train emergency response plans, fees on railroads to fund emergency response, and insurance requirements to cover worst-case derailments and spills. Companion legislation (HB 3344) would require closer scrutiny of proposed oil terminals in Oregon. Both of these bills received hearings on March 13 and are awaiting further action in the Oregon House of Representatives.

"Oregon has the weakest laws on the West Coast for oil trains and terminals," said Steve McCoy, Staff Attorney for Friends of the Columbia Gorge. "Oil by rail is fundamentally unsafe, but Oregon needs to pass these bills to better protect our communities and special places like the Columbia River Gorge."

On June 3, 2016, a Union Pacific oil train derailed in Mosier within the Columbia River Gorge National Scenic Area. The derailment spilled 42,000 gallons of crude oil, creating a fire that burned for 14 hours and leaking oil into the Columbia River and the surrounding groundwater. The town of Mosier was saved only because of the unusually calm winds in otherwise one of the windiest spots in the Columbia Gorge. The Federal Railroad Administration determined (view report) that Union Pacific caused the accident due to inadequate maintenance of its tracks and poor inspections.

"Now is the time to pass common sense oil train legislation," said Mosier Mayor Arlene Burns. "We must do all we can to protect the communities along the tracks from derailments of dangerous cargo. Mosier's derailment reiterates how crucial it is to be proactive."

"Our region must lead to protect our communities and waterways from the devastating impacts of oil spills and derailments. Passing consequential legislation this year is now only the right thing to do but, as this reports shows, an absolute necessity," said Rebecca Ponzio, Campaign Director of Stand Up To Oil.

Read More

April 5, The Oregonian: <u>Thousands of defects found on oil train routes, including in Oregon</u>
April 6, Portland Business Journal: <u>Report: Union Pacific fared worst in oil-train route inspections</u>

HOOD RIVER COUNTY BOARD OF COMMISSIONERS



JEFF HECKSEL, COUNTY ADMINISTRATOR

BOARD OF COMMISSIONERS

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LES PERKINS - DISTRICT NO. 4

February 22, 2017

Representative Mark Johnson Oregon Capital 900 Court St. NE, H-489, Salem, Oregon 97301

Dear Representative Johnson,

At their meeting on February 21, 2017 the Hood River County Board of Commissioners requested a letter be written supporting the purpose behind HB 2131.

In July 2015, the Board of Commissioners passed Resolution 2043. The purpose of the Resolution was to encourage State and Federal agencies to ensure rules are enacted to protect the public and local economy from the risks associated with transport of crude oil through Hood River County. A copy of the Resolution is attached.

Last summer's derailment in Mosier shows the risks associated with an oil or high hazard train accident. HB 2131 looks to add protection and insurance that is needed. The Board of Commissioners are hoping you will work to protect Hood River County by supporting HB 2131 as introduced, strengthen it as necessary and work toward its passage.

Sincerely,

County Administrator

CC:

Senator Chuck Thomsen

✓ Hood River County Board of Commissioners

CITY OF MOSIER small enough to make a difference

PO Box 456 | 208 Washington Street, Mosier, OR 97040 Phone: 541.478.3505 | www.CityofMosier.com

February 15th, 2017

PO Box 104 The Dalles, OR 97058

Dear Representative Huffman,

Please support HB 2131 in the current session of the Oregon Legislature. This legislation directs the Environmental Quality Commission to adopt rules applying certain oil spill prevention and emergency response planning requirements to railroads that own or operate high hazard train routes in this state.

This is a common sense bill that will provide:

- Contingency plans and training for oil train-related spills;
- Fees on railroads to build Oregon's Oil Spill Contingency Fund;
- Proof that railroads carry adequate insurance to address a worst-case oil train derailment, spill and fire.

Similar requirements are in effect in California and Washington. These laws have not been preempted by federal railroad laws.

As last summer's derailment in Mosier shows, our community is at risk from another oil or high hazard train accident. This bill adds protection and insurance that is needed. Oregon has the weakest level of oil spill protection of any state on the west coast. Passage of this bill would help remedy that. We're counting on you to help protect the City of Hood River by supporting HB 2131 as introduced, strengthen it as necessary and work toward its passage.

Sincerely,

City of Mosier, Mayor and Council

CC: Sen. Ted Ferrioli

Arlene Burns



February 16, 2017

Representative Mark Johnson Oregon Capital 900 Court St. NE, H-489, Salem, Oregon 97301

Dear Representative Johnson,

As you may know, the City of Hood River passed a Resolution in 2014 opposing transportation of oil through the Columbia River Gorge by rail or barge. It is attached. House Bill 2131 in the current session of the Oregon Legislature directs the Environmental Quality Commission to adopt rules applying certain oil spill prevention and emergency response planning requirements to railroads that own or operate high hazard train routes in Oregon. The City of Hood River respectfully asks that you support HB 2131, which is also attached.

This common sense bill will provide:

- Contingency plans and training for oil train-related spills;
- Fees on railroads to build Oregon's Oil Spill Contingency Fund;
- Proof that railroads carry adequate insurance to address a worst-case oil train derailment, spill and fire.

Similar requirements are in effect in California and Washington. Federal railroad laws have not preempted these laws.

As last summer's derailment in Mosier shows, our community is at risk from another oil or high hazard train accident. This bill adds protection and insurance that is needed. Oregon has the weakest level of oil spill protection of any state on the west coast. Passage of this bill would help remedy that. We're counting on you to help protect the City of Hood River by supporting HB 2131 as introduced, strengthen it as necessary and work toward its passage.

Sincerely,

Paul Blackburn, Mayor For the City of Hood River

CC: Senator Chuck Thomsen

Members of the Oregon House Energy and Environment Committee

Resolution 2014-22

A Resolution stating the City of Hood River's concerns and opposition to the transportation of crude oil through the Columbia River Gorge

WHEREAS, the City Council and Mayor under the Hood River City Charter have the authority to protect the health, safety and general welfare of its citizens and have determined that the transport by rail or barge of crude oil is contrary to the health, safety and general welfare of its citizens; and

WHEREAS, the City is committed to being a leader in protecting and sustaining the community, the local economy, the environment, the air quality, the water quality, and drinking water supplies, as well as reducing carbon emissions in the City of Hood River which is in the Columbia River Gorge; and train derailments can lead to crude oil spills that pose a significant public health risk; and

WHEREAS, because the rail alignment runs through our downtown area, the impact of existing and proposed oil trains is **potentially catastrophic** in terms of loss of life and devastation of The City of Hood River community, environment and economy; and

WHEREAS, oil tank cars are moving through the Gorge now and the volume is projected to increase dramatically [according to the Association of American Railways (AAR) the volume of crude oil shipped by rail has increased from 9,500 carloads in 2008 to 400,000 carloads in 2013], all of it destined to existing or proposed oil terminal facilities in the Northwest; and most of it unusually explosive [According to the Federal Pipeline and Hazardous Materials Safety Administration (PHMSA)], making an even greater hazard due to the extreme fire danger from high winds and dry forests in the Columbia Gorge; and

WHEREAS, tar sands crude or bitumen from Alberta and Utah is known to be extremely difficult to handle; if a derailment and spill occurs the oil would sink into Northwest rivers making clean-up difficult, if not impossible; and

WHEREAS, derailment poses a significant threat for which we lack a specific emergency response plan; and

WHEREAS, the City experiences strong and steady job growth due to our exceptional quality of life, attracting people who can move their companies anywhere in the world; this growth and quality of life is endangered by intensified crude oil transport through the Gorge; and

WHEREAS, the City oversees the operation of the Hood River police and fire departments, which are responsible for maintaining order and emergency response within our city limits and through a series of mutual aid agreements assists in

emergency responses throughout much of the gorge, on both sides of the Columbia River; and

WHEREAS, the Governor of Oregon's Preliminary Statewide Rail Safety Review of July 2014 and the Washington State Legislative Board of the Brotherhood of Locomotive Engineers and Trainmen's letter of August 2014, in response to the

Governor of Washington's Washington State Marine and Rail Oil Transport Study, cite concerns about the risk to public health and safety of crude oil trains because of faulty operational practices, inadequate maintenance, poor federal regulatory oversight, and lack of accountability in all areas of railroad operations management; and these factors are more likely to cause accidents and derailment; and

WHEREAS, the City struggles to maintain our Fire Fighters and First Responders, and in January 2014 the National Transportation Safety Board stated that communities will bear the cost of cleaning up spills and explosions. The transport of increasingly large volumes of crude oil through the Columbia River Gorge places an unacceptable burden on us that we are unwilling and refuse to accept; and

WHEREAS, since January 2013 in the United States and Canada, ten catastrophic derailment incidents involving explosions, spills and death have occurred that have harmed other communities and could occur in our towns, on our farm lands and in our river systems; in July 2010, an oil spill caused more than 1 million gallons of tar sands crude to flow into Michigan's Kalamazoo River, much of which sank to the river bottom and still remains today after \$1 billion in clean-up efforts; according to the PHMSA more than 1.15 million gallons of crude oil was spilled in U.S. rail incidents in 2013; and in 2013 through early November, there were 137 crude releases as compared to just one in 2009; and

WHEREAS, the U.S. Department of Transportation (USDOT) is designating new safety standards and requirements for oil tank rail cars and evaluating potential new rules for the transportation of flammable liquids; and the increase in the production of Bakken crude oil has placed such a demand for tank cars that 92,000 DOT-111 cars (designed 50 years ago but not to contain crude oil) are being used to transport flammable liquids, with only approximately 15% of those tank cars built to the latest industry safety standards (as yet unproven as safe), in contrast to the Canadian government, which has ordered the phase-out of the use of these puncture-susceptible DOT-111 tank cars; and

WHEREAS, oil tank cars built since 2011 meet the new CPC 1232 standard, the AAR "now supports even more stringent standards...retrofits of existing cars...and an aggressive phase-out of cars that cannot meet retrofit requirements"; the design of those new cars is unsettled and does not have a proven record of safe utilization (one of the tank cars that ruptured in Lynchburg, Virginia was a CPC 1232 tank car and was traveling 24 mph, well below the recently agreed upon 40 mph speed limit for urban areas, causing a spill, explosion and fire and resulting in the evacuation of a portion of the downtown area and the spill of 50,000 gallons of crude oil into the

James River); and

WHEREAS, Union Pacific plans to increasingly move mile-long trains of crude oil and bitumen from Utah on the Oregon side of the Columbia River Gorge (according to the Oregon Department of Transportation); the number and length of proposed trains transporting the oil will affect local emergency response capabilities by blocking road crossings; and diesel exhaust from the trains will increase air pollution and affect public health, causing lung damage, worsening allergies and asthma, and increasing the risk of lung and cardiovascular diseases.

NOW THEREFORE BE IT RESOLVED that the City of Hood River opposes transporting crude oil through the Columbia River Gorge either by rail or by barge; and

BE IT FURTHER RESOLVED that the City supports economic growth that does not jeopardize the City of Hood River's commitment to fight the serious impacts of climate change; and

BE IT FURTHER RESOLVED that the City strongly urges the Governor of Oregon and the Governor of Washington to use the powers of each state to oppose crude oil transport through the Columbia River Gorge; and

BE IT FURTHER RESOLVED that the City agrees with the concerns expressed in the July 2014 resolution passed by the Columbia River Gorge Commission; and

BE IT FURTHER RESOLVED that the City urges the Federal Government to immediately implement safety regulations regarding train speeds and mandate that rail cars are designed that will be safe for the transport of flammable crude oil; and

BE IT FURTHER RESOLVED that the cited hazard and potential damage require that the owners and operators transporting crude oil by rail or barge assume all risk and be sufficiently bonded and insured; and

BE IT FURTHER RESOLVED that the City requests that the railroad submit an emergency environmental clean-up plan in case of a derailment affecting our community, local economy, watersheds and recreational areas; and the City further insists that the railroad and barge transportation of crude oil be fully insured against the risk of catastrophic fire and explosion, loss of life and property, environmental destruction and damage and any other harm connected with a derailment or accident; and

BE IT FURTHER RESOLVED that the City requests that an Environmental Impact Statement that identifies and measures the impacts on our community be completed prior to approval of permits; that at least one environmental impact scoping hearing be held in Hood River and the results of continued environmental

monitoring of noise, air, groundwater, and surface water quality be shared with local and state agencies; and

BE IT FURTHER RESOLVED that the City urges the State of Oregon to require coordination of state agencies concerning the state's preparedness and capacity to respond to an accident involving transportation of crude oil by rail or barge; and

BE IT FURTHER RESOLVED that the City transmits copies of this resolution to the Governors of Oregon and Washington, to the Columbia River Gorge Commission, to the County Commissions of Hood River, Wasco, Multnomah, Klickitat, Skamania, and Clark counties, to each state Senator and Representative in both Oregon and Washington whose districts fall within the Columbia River Gorge, to the Oregon Division of State Lands, to the Oregon Department of Environmental Quality, to the Oregon Department of Fish and Wildlife, to the Oregon State Fire Marshal, to the Oregon Department of Transportation, to the Washington Department of Ecology, to the Washington State Fire Marshal, to the Washington Department of Transportation, and to each member of the Congressional Delegations of Oregon and Washington; and

BE IT FURTHER RESOLVED that passage of this resolution shall not preclude the City from taking additional future actions to protect residents from the effects of oil trains or barges.

Approved by The Hood River City Council this 8th day of December, 2014, to take effect immediately.

Arthur Bahitz Mayor

Jennifer Gray, City Recorder

House Bill 2131

Sponsored by Representative SMITH WARNER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Directs Environmental Quality Commission to adopt rules applying certain oil spill prevention and emergency response planning requirements to railroads that own or operate high hazard train routes in this state.

Adds railroad cars to definition of "facility" for purposes of liability for oil spillage under oil or hazardous material spillage statutes.

Defines "high hazard train," "high hazard train route" and "listed sensitive area" for purposes

of contingency plans. Expands definition of "navigable waters" for purposes of applicability of oil or hazardous material spillage statutes to include inland watersheds and drinking water intakes that intersect with high hazard train routes.

Requires proof of financial responsibility for high hazard train routes. Becomes operative January 1, 2018.

Establishes annual assessment proportioned among certain railroads. Transfers moneys to Oil and Hazardous Material Transportation by Rail Action Fund. Becomes operative July 1, 2019. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to safe transport of hazardous materials; creating new provisions; and amending ORS 468B.300, 468B.340, 468B.345, 468B.355, 468B.360, 468B.365, 468B.385, 468B.390 and 468B.412.

Be It Enacted by the People of the State of Oregon:

AMENDMENTS TO OIL OR HAZARDOUS MATERIAL

SPILLAGE STATUTES

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SECTION 1. ORS 468B.300 is amended to read:

468B.300. As used in ORS 468.020, 468.095, 468.140 (3) and 468B.300 to 468B.500:

- (1) "Bulk" means material stored or transported in loose, unpackaged liquid, powder or granular form capable of being conveyed by a pipe, bucket, chute or belt system.
- (2) "Cargo vessel" means a self-propelled ship in commerce, other than a tank vessel, of 300 gross tons or more. "Cargo vessel" does not include a vessel used solely for commercial fish harvesting.
- (3) "Commercial fish harvesting" means taking food fish with any gear unlawful for angling under ORS 506.006, or taking food fish in excess of the limits permitted for personal use, or taking food fish with the intent of disposing of such food fish or parts thereof for profit, or by sale, barter or trade, in commercial channels.
- (4) "Contingency plan" means an oil spill prevention and emergency response plan required under ORS 468B.345.
 - (5) "Covered vessel" means a tank vessel, cargo vessel, passenger vessel or dredge vessel.
- (6) "Damages" includes damages, costs, losses, penalties or attorney fees of any kind for which liability may exist under the laws of this state resulting from, arising out of or related to the discharge or threatened discharge of oil.

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

- (7) "Discharge" means any emission other than natural seepage of oil, whether intentional or unintentional. "Discharge" includes but is not limited to spilling, leaking, pumping, pouring, emitting, emptying or dumping oil.
- (8) "Dredge vessel" means a self-propelled vessel of 300 or more gross tons that is equipped for regularly engaging in dredging of submerged and submersible lands.
- (9) "Exploration facility" means a platform, vessel or other offshore facility used to explore for oil in the navigable waters of the state. "Exploration facility" does not include platforms or vessels used for stratigraphic drilling or other operations that are not authorized or intended to drill to a producing formation.
- (10) "Facility" means a pipeline, a railroad car or any structure, group of structures, equipment or device, other than a vessel that transfers oil over navigable waters of the state, that is used for producing, storing, handling, transferring, processing or transporting oil in bulk and that is capable of storing or transporting 10,000 or more gallons of oil. "Facility" does not include:
- (a) A [railroad car,] motor vehicle or [other] rolling stock other than a railroad car while transporting oil over the highways [or rail lines] of this state;
- (b) An underground storage tank regulated by the Department of Environmental Quality or a local government under ORS 466.706 to 466.882 and 466.994; or
- (c) A marina, or a public fueling station, that is engaged exclusively in the direct sale of fuel, or any other product used for propulsion, to a final user of the fuel or other product.
- (11) "Federal on-scene coordinator" means the federal official predesignated by the United States Environmental Protection Agency or the United States Coast Guard to coordinate and direct federal responses or the official designated by the lead agency to coordinate and direct removal under the National Contingency Plan.
 - (12) "Hazardous material" has the meaning given that term in ORS 466.605.
- (13) "High hazard train" means a train consisting of more than 25 tanker railroad cars that are transporting oil or a hazardous material as cargo over navigable waters of the state.
- (14) "High hazard train route" means a section of rail lines in this state over which high hazard trains operate.
- (15) "Listed sensitive area" means an area or location listed as an area of special economic or environmental importance in an Area Contingency Plan or Sub-Area Contingency Plan prepared and published pursuant to section 311(j) of the Federal Water Pollution Control Act, 33 U.S.C. 1321(j), as amended by the Oil Pollution Act of 1990 (P.L. 101-380).
- [(13)] (16) "Maritime association" means an association or cooperative of marine terminals, facilities, vessel owners, vessel operators, vessel agents or other maritime industry groups, that provides oil spill response planning and spill related communications services within the state.
- [(14)] (17) "Maximum probable spill" means the maximum probable spill for a vessel operating in the navigable waters of the state considering the history of spills of vessels of the same class operating on the west coast of the United States.
 - [(15)] (18) "Navigable waters" means:
- (a) The Columbia River, the Willamette River up to Willamette Falls, the Pacific Ocean and estuaries to the head of tidewater; and
 - (b) Inland watersheds, and drinking water intakes, that abut high hazard train routes.
- [(16)] (19) "National Contingency Plan" means the plan prepared and published under section 311(d) of the Federal Water Pollution Control Act, 33 U.S.C. 1321(d), as amended by the Oil Pollution Act of 1990 (P.L. 101-380).

- [(17)] (20) "Offshore facility" means any facility located in, on or under any of the navigable waters of the state.
- [(18)] (21) "Oils" or "oil" means oil, including gasoline, crude oil, bitumen, synthetic crude oil, natural gas condensate, fuel oil, diesel oil, lubricating oil, sludge, oil refuse and any other petroleum related product and liquefied natural gas.
- [(19)] (22) "Onshore facility" means any facility located in, on or under any land of the state, other than submerged land, that, because of its location, could reasonably be expected to cause substantial harm to the environment by discharging oil into or on the navigable waters of the state or adjoining shorelines.
- [(20)] (23) "Passenger vessel" means a ship of 300 or more gross tons carrying passengers for compensation.
 - [(21)] (24) "Person" has the meaning given the term in ORS 468.005.
- [(22)] (25) "Person having control over oil" includes but is not limited to any person using, storing or transporting oil immediately prior to entry of such oil into the navigable waters of the state, and shall specifically include carriers and bailees of such oil.
- [(23)] (26) "Pipeline" means a facility, including piping, compressors, pump stations and storage tanks, used to transport oil between facilities or between facilities and tank vessels.
- [(24)] (27) "Region of operation" with respect to the holder of a contingency plan means the area where the operations of the holder that require a contingency plan are located.
- [(25)] (28) "Removal costs" means the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize or mitigate oil pollution from the incident.
- [(26)] (29) "Responsible party" has the meaning given under section 1001 of the Oil Pollution Act of 1990 (P.L. 101-380).
 - [(27)] (30) "Ship" means any boat, ship, vessel, barge or other floating craft of any kind.
- [(28)(a)] (31)(a) "State on-scene coordinator" means the state official appointed by the Department of Environmental Quality to represent the department and the State of Oregon in response to an oil or hazardous material spill or release or threatened spill or release and to coordinate cleanup response with state and local agencies.
 - (b) For purposes of this subsection:

- (A) "Spill or release" means the discharge, deposit, injection, dumping, spilling, emitting, releasing, leaking or placing of any oil or hazardous material into the air or into or on any land or waters of this state except as authorized by a permit issued under ORS chapter 454, 459, 459A, 468, 468A, 468B or 469 or ORS 466.005 to 466.385, 466.990 (1) and (2) or 466.992 or federal law, or except when being stored or used for its intended purpose.
- (B) "Threatened spill or release" means oil or hazardous material is likely to escape or be carried into the air or into or on any land or waters of the state, including from a ship as defined in this section that is in imminent danger of sinking.
- [(29)] (32) "Tank vessel" means a ship that is constructed or adapted to carry oil in bulk as cargo or cargo residue. "Tank vessel" does not include:
 - (a) A vessel carrying oil in drums, barrels or other packages;
- (b) A vessel carrying oil as fuel or stores for that vessel; or
 - (c) An oil spill response barge or vessel.
 - [(30)] (33) "Worst case spill" means:
 - (a) In the case of a vessel, a spill of the entire cargo and fuel of the tank vessel complicated

1 by adverse weather conditions; and

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- 2 (b) In the case of an onshore or offshore facility, the largest foreseeable spill in adverse weather 3 conditions.
- 4 SECTION 2. ORS 468B.340 is amended to read:
- 5 468B.340. (1) The Legislative Assembly finds that:
 - (a) Oil spills present a serious danger to the fragile natural environment of the state.
- 7 (b) Commercial vessel activity on the navigable waters of the state is vital to the economic in-8 terests of the people of the state.
- 9 (c) Recent studies conducted in the wake of disastrous oil spills have identified the following 10 problems in the transport and storage of oil:
 - (A) Gaps in regulatory oversight;
 - (B) Incomplete cost recovery by states;
 - (C) Despite research in spill cleanup technology, it is unlikely that a large percentage of oil can be recovered from a catastrophic spill;
 - (D) Because response efforts cannot effectively reduce the impact of oil spills, prevention is the most effective approach to oil spill management; and
 - (E) Comprehensive oil spill prevention demands participation by industry, citizens, environmental organizations and local, state, federal and international governments.
 - (2) Therefore, the Legislative Assembly declares it is the intent of ORS 468B.345 to 468B.415 to establish a program to promote:
 - (a) The prevention of oil spills especially on the large, navigable waters of the Columbia River, the Willamette River and the Oregon coast;
 - (b) The prevention of oil spills to inland rivers and streams serving as essential habitat for salmon and other wildlife or as a source of water for consumption, irrigation or other public use;
 - (c) The prevention of spills from railroad cars transporting oil as cargo, particularly from high hazard trains;
 - [(b)] (d) Oil spill response preparedness, including the identification of actions and content required for an effective contingency plan;
 - [(c)] (e) A consistent west coast approach to oil spill prevention and response;
 - [(d)] (f) The establishment, coordination and duties of safety committees as provided in ORS 468B.415; and
 - [(e)] (g) To the maximum extent possible, coordination of state programs with the programs and regulations of the United States Coast Guard and adjacent states.
 - SECTION 3. Section 4 of this 2017 Act is added to and made a part of ORS 468B.345 to 468B.415.
 - SECTION 4. Notwithstanding ORS 468B.300, as used in ORS 468B.345 to 468B.415, "facility" has the meaning given that term in ORS 468B.300, except that "facility" does not include railroad cars.
 - SECTION 5. ORS 468B.345 is amended to read:
- 41 468B.345. (1)(a) Unless an oil spill prevention and emergency response plan has been approved 42 by the Department of Environmental Quality and has been properly implemented, no person shall:
 - [(a)] (A) Cause or permit the operation of an onshore facility in the state;
- 44 [(b)] (B) Cause or permit the operation of an offshore facility in the state; or
- 45 [(c)] (C) Cause or permit the operation of a covered vessel within the navigable waters of the

1 state.

- [(2)] (b) It is not a defense to an action brought for a violation of **this** subsection [(1) of this section] that the person charged believed that a current contingency plan had been approved by the department.
 - [(3)] (c) A contingency plan shall be renewed at least once every five years.
- [(4) This section shall not apply to the operation of a cargo or passenger vessel on Yaquina Bay or on the navigable waters of the state in the Pacific Ocean used by cargo or passenger vessels entering or leaving Yaquina Bay until January 1, 1998.]
- (2)(a) An oil spill prevention and emergency response plan that has been approved by the department is required for the operation of a high hazard train route in this state.
- (b) It is not a defense to an action brought for a violation of this subsection that the person charged believed that a current contingency plan had been approved by the department
- (c) A contingency plan for a high hazard train route shall be renewed at least once every three years.
- SECTION 6. Section 7 of this 2017 Act is added to and made a part of ORS 468B.345 to 468B.415.
 - SECTION 7. (1) The Environmental Quality Commission shall adopt rules defining:
 - (a) Standards for the preparation of contingency plans for high hazard train routes; and
- (b) Oil spill response zones within the navigable waters of the state that abut high hazard train routes and the amount of equipment identified in a contingency plan that is required to be regularly located in the zones.
 - (2) The rules adopted under subsection (1) of this section shall:
- (a) To the extent feasible and appropriate, define standards for the preparation of contingency plans for high hazard train routes that are equivalent to standards for the preparation of contingency plans for facilities adopted under ORS 468B.350; and
- (b) Require the owners and operators of high hazard train routes to demonstrate an ability to meet the requirements of subsection (3) of this section.
 - (3) A railroad that owns or operates a high hazard train route in this state shall:
- (a) Offer training at least once every three years to each fire department having jurisdiction along the high hazard train routes owned or operated by the railroad. Training provided under this paragraph must address:
 - (A) General hazards of oil and hazardous materials;
- (B) Techniques to assess hazards to the environment and to the safety of emergency responders and the public;
- (C) Factors that an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate emergency responders and the public from an area;
 - (D) Other strategies for initial response by local emergency responders; and
- (E) Suggested protocols or practices by which local emergency responders can safely accomplish activities associated with items listed in subparagraphs (A) to (D) of this paragraph.
- (b) Communicate at least annually with the State Fire Marshal and with each regional hazardous material response team having jurisdiction along high hazard train routes owned or operated by the railroad, to ensure coordination of emergency response activities between the railroad and the regional hazardous material response teams.
 - (c) Following confirmation of a discharge from a high hazard train, deliver and deploy

sufficient equipment and trained personnel to contain and recover discharged oil or hazardous materials and to protect the environment and public safety. The railroad must:

- (A) Provide, within one hour of confirmation of the discharge, a qualified company employee to advise the state on-scene coordinator. The employee may be made available by telephone and must be authorized to deploy all necessary response resources of the railroad.
 - (B) Be capable of providing, within three hours of confirmation of the discharge:
- (i) Monitoring equipment and a trained equipment operator to assist in protecting the safety of emergency responders and the public; and
- (ii) Qualified personnel at the discharge site to assess the discharge and advise the state on-scene coordinator.
- (C) Be capable of delivering and deploying, within eight hours of confirmation of the discharge, containment booms, boats, oil recovery equipment, trained staff and all other materials needed to provide:
- (i) On-site containment and recovery of a volume of oil equal to 10 percent of the calculated worst case spill at any location along the route; and
- (ii) Protection of the listed sensitive areas and potable water intakes that are within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the high hazard train route abuts.
- (D) Be capable of delivering and deploying, within eight hours of confirmation of the discharge, additional containment booms, boats, oil recovery equipment, trained staff and all other materials needed to provide containment and recovery of a worst case spill and to protect the listed sensitive areas and potable water intakes that are at any location along the route.
- (d) Be capable of deploying containment booms from land across sewer outfalls, creeks, ditches and other places where oil or hazardous substances may drain, in order to prevent access by discharged material. A railroad may arrange with a contractor or other qualified public or private entity to supply containment booms under this paragraph. Any arrangement entered into under this paragraph must be tested by drill at least once every five years.
- (e) Conduct at least one oil containment, recovery and listed sensitive area protection drill every three years, at a location and time chosen by the Department of Environmental Quality. The drill must be attended by safety representatives of railroad employees governed by the Railway Labor Act, as amended (45 U.S.C. 153 et seq.).

SECTION 8. ORS 468B.355 is amended to read:

- 468B.355. (1) A contingency plan for a facility or covered vessel shall be submitted to the Department of Environmental Quality within 12 months after the Environmental Quality Commission adopts rules under ORS 468B.350. The department may adopt a schedule for submission of [an oil] a contingency plan within the 12-month period. The schedule for the Columbia River shall be coordinated with the State of Washington. The department may adopt an alternative schedule for the Oregon coast and the Willamette River.
- (2) A contingency plan for a high hazard train route shall be submitted to the department within 12 months after the commission adopts rules under section 7 of this 2017 Act. The department may adopt a schedule for submission of a contingency plan within the 12-month period.
- [(2)] (3) The contingency plan for a facility shall be submitted by the owner or operator of the facility or by a qualified oil spill response cooperative in which the facility owner or operator is a

participating member.

- [(3)] (4) The contingency plan for a tank vessel shall be submitted by:
- (a) The owner or operator of the tank vessel;
- (b) The owner or operator of the facility at which the vessel will be loading or unloading its cargo; or
- (c) A qualified oil spill response cooperative in which the tank vessel owner or operator is a participating member.
- [(4)] (5) Subject to conditions imposed by the department, the contingency plan for a tank vessel, if submitted by the owner or operator of a facility, may be submitted as a single plan for all tank vessels of a particular class that will be loading or unloading cargo at the facility.
- [(5)] (6) The contingency plan for a cargo vessel or passenger vessel may be submitted by the owner or operator of the vessel, or the agent for the vessel resident in this state. Subject to conditions imposed by the department, the owner, operator, agent or a maritime association may submit a single contingency plan for cargo vessels or passenger vessels of a particular class.
- (7) The contingency plan for a high hazard train route shall be submitted by the railroad that owns or operates high hazard trains on the route.
- [(6)] (8) A person that has contracted with a facility, [or] covered vessel or railroad that operates a high hazard train route to provide containment and cleanup services and that meets the standards established by the commission under ORS 468B.350 or section 7 of this 2017 Act may submit the contingency plan for any facility, [or] covered vessel or high hazard train route for which the person is contractually obligated to provide services. Subject to conditions imposed by the department, the person may submit a single plan for more than one covered vessel.
- [(7)] (9) The requirements of submitting a contingency plan under this section may be satisfied by a covered vessel by submission of proof of assessment participation by the vessel in a maritime association. Subject to conditions imposed by the department, the association may submit a single plan for more than one facility or covered vessel or may submit a single plan providing contingencies to respond for different classes of covered vessels.
- [(8)] (10) A contingency plan prepared for an agency of the federal government or an adjacent state that satisfies the requirements of ORS 468B.345 to 468B.360 and the rules adopted by the [Environmental Quality] commission may be accepted as a plan under ORS 468B.345. The commission shall assure that to the greatest extent possible, requirements for a contingency plan under ORS 468B.345 to 468B.360 are consistent with requirements for a plan under federal law.
- [(9)] (11) Covered vessels may satisfy the requirements of submitting a contingency plan under this section through proof of current assessment participation in an approved plan maintained with the department by a maritime association.
- [(10)] (12) A maritime association may submit a contingency plan for a cooperative group of covered vessels. Covered vessels that have not previously obtained approval of a plan may enter the navigable waters of the state if, upon entering such waters, the vessel pays the established assessment for participation in the approved plan maintained by the association.
- [(11)] (13) A maritime association shall have a lien on the responsible vessel if the vessel owner or operator fails to remit any regular operating assessments and shall further have a lien for the recovery for any direct costs provided to or for the vessel by the maritime association for oil spill response or spill related communications services. The lien shall be enforced in accordance with applicable law.
 - [(12)] (14) Obligations incurred by a maritime association and any other liabilities or claims

against the association shall be enforced only against the assets of the association, and no liability for the debts or action of the association exists against either the State of Oregon or any other subdivision or instrumentality thereof, or against any member, officer, employee or agent of the association in an individual or representative capacity.

[(13)] (15) Except as otherwise provided in ORS chapters 468, 468A and 468B, neither the members of the association, its officers, agents or employees, nor the business entities by whom the members are regularly employed, may be held individually responsible for errors in judgment, mistakes or other acts, either of commission or omission, as principal, agent, person or employee, save for their own individual acts of dishonesty or crime.

[(14)] (16) Assessment participation in a maritime association does not constitute a defense to liability imposed under ORS 468B.345 to 468B.415 or other state or federal law. Such assessment participation shall not relieve a covered vessel from complying with those portions of the approved maritime association contingency plan that may require vessel specific oil spill response equipment, training or capabilities for that vessel.

[(15)] (17) A person providing a contingency plan for a cargo or passenger vessel under this section shall be exempt from liability as provided under ORS 468B.425 for any action taken or omitted in the course of providing contingency planning service.

SECTION 9. ORS 468B.360 is amended to read:

468B.360. In reviewing the contingency plan required by ORS 468B.345, the Department of Environmental Quality shall consider at least the following factors:

- (1) The adequacy of containment and cleanup equipment, personnel, communications equipment, notification procedures and call-down lists, response time and logistical arrangements for coordination and implementation of response efforts to remove oil spills promptly and properly and to protect the environment;
- (2) The nature and amount of vessel or high hazard train traffic within the area covered by the plan;
 - (3) The volume and type of oil being transported within the area covered by the plan;
 - (4) The existence of navigational hazards within the area covered by the plan;
- (5) The history and circumstances surrounding prior spills of oil within the area covered by the plan;
- (6) The sensitivity of fisheries and wildlife and other natural resources within the area covered by the plan;
- (7) Relevant information on previous spills contained in on-scene coordinator reports covered by the plan;
- (8) The extent to which reasonable, cost-effective measures to reduce the likelihood that a spill will occur have been incorporated into the plan;
- (9) The number of covered vessels calling in, and high hazard train routes and [the] facilities located in, the geographic area and the resulting ability of local agencies and industry groups to develop, finance and maintain a contingency plan and spill response system for those vessels, high hazard train routes and facilities; and
- (10) The spill response equipment and resources available to a person providing a contingency plan for cargo and passenger vessels under contingency plans filed by the person under state or federal law for other covered vessels or facilities owned or operated by that person.

SECTION 10. ORS 468B.365 is amended to read:

468B.365. (1) The Department of Environmental Quality shall approve a contingency plan only

if it determines that:

- (a)(A) The plan for a covered vessel or facility meets the requirements of ORS 468B.345 to 468B.360 and[:]
- [(a)] the covered vessel or facility demonstrates evidence of compliance with ORS 468B.390; [and] or
- (B) The plan for a high hazard train route meets the requirements of ORS 468B.345 to 486B.360; and
- (b) If implemented, the plan is capable, to the maximum extent practicable in terms of personnel, materials and equipment, of removing oil promptly and properly and minimizing any damage to the environment.
- (2) An owner or operator of a covered vessel, high hazard train route or facility shall notify the department in writing immediately of any significant change affecting the contingency plan, including changes in any factor set forth in this section or in rules adopted by the Environmental Quality Commission. The department may require the owner or operator to update a contingency plan as a result of these changes.
- (3) A holder of an approved contingency plan does not violate the terms of the contingency plan by furnishing to another plan holder, after notifying the department, equipment, materials or personnel to assist the other plan holder in a response to an oil discharge. The plan holder shall replace or return the transferred equipment, materials and personnel as soon as feasible.
- (4) The department may attach any reasonable term or condition to its approval or modification of a contingency plan that the department determines is necessary to [insure] ensure that the applicant:
- (a) Has access to sufficient resources to protect environmentally sensitive areas and to prevent, contain, clean up and mitigate potential oil discharges from the facility, high hazard train or tank vessel;
 - (b) Maintains personnel levels sufficient to carry out emergency operations; and
 - (c) Complies with the contingency plan.
- (5) The contingency plan must provide for the use by the applicant of the best technology available at the time the contingency plan was submitted or renewed.
- (6) The department may require an applicant or a holder of an approved contingency plan to take steps necessary to demonstrate its ability to carry out the contingency plan, including:
 - (a) Periodic training;
 - (b) Response team exercises; and
- (c) Verification of access to inventories of equipment, supplies and personnel identified as available in the approved contingency plan.
- (7) The department may consider evidence that oil discharge prevention measures such as double hulls or double bottoms on vessels or barges, secondary containment systems, hydrostatic testing, enhanced vessel traffic systems or enhanced crew or staffing levels have been implemented and, in its discretion, may make exceptions to the requirements of this section to reflect the reduced risk of oil discharges from the facility or tank vessel, or along the high hazard train route, for which the plan is submitted or being modified.
- (8) Before the department approves or modifies a contingency plan required under ORS 468B.345, the department shall provide a copy of the contingency plan to the State Department of Fish and Wildlife, the office of the State Fire Marshal and the Department of Land Conservation and Development for review. The agencies shall review the plan according to procedures and time limits es-

tablished by rule of the Environmental Quality Commission.

- (9) Upon approval of a contingency plan, the department shall issue to the plan holder a certificate stating that the plan has been approved. The certificate shall include the name of the facility, high hazard train route or tank vessel for which the certificate is issued, the effective date of the plan and the date by which the plan must be submitted for renewal.
- (10) The approval of a contingency plan by the department does not constitute an express assurance regarding the adequacy of the plan or constitute a defense to liability imposed under ORS chapters 468, 468A and 468B or any other state law.

SECTION 11. ORS 468B.385 is amended to read:

- 468B.385. (1) Upon request of a plan holder or on the initiative of the Department of Environmental Quality, the department, after notice and opportunity for hearing, may modify its approval of a contingency plan if the department determines that a change has occurred in the operation of the facility, high hazard train route or tank vessel necessitating an amended or supplemental plan, or that the operator's discharge experience demonstrates a necessity for modification.
- (2) The department, after notice and opportunity for hearing, may revoke its approval of a contingency plan if the department determines that:
 - (a) Approval was obtained by fraud or misrepresentation;
- (b) The operator does not have access to the quality or quantity of resources identified in the plan;
 - (c) A term or condition of approval or modification has been violated; or
- (d) The plan holder is not in compliance with the plan and the deficiency materially affects the plan holder's response capability.
- (3) Failure of a holder of an approved or modified contingency plan to comply with the plan or to have access to the quality or quantity of resources identified in the plan or to respond with those resources within the shortest possible time in the event of a spill is a violation of ORS 468B.345 to 468B.415 for purposes of ORS 466.992, 468.140, 468.943 and any other applicable law.
- (4) If the holder of an approved or modified contingency plan fails to respond to and conduct cleanup operations of an unpermitted discharge of oil with the quality and quantity of resources identified in the plan and in a manner required under the plan, the holder is strictly liable, jointly and severally, for the civil penalty assessed under ORS 466.992 and 468.140.
 - (5) In order to be considered in compliance with a contingency plan, the plan holder must:
- (a) Establish and carry out procedures identified in the plan as being the responsibility of the holder of the plan;
- (b) Have access to and have on hand the quantity and quality of equipment, personnel and other resources identified as being accessible or on hand in the plan;
 - (c) Fulfill the assurances espoused in the plan in the manner described in the plan;
- (d) Comply with terms and conditions attached to the plan by the department under ORS 468B.345 to 468B.380; and
- (e) Successfully demonstrate the ability to carry out the plan when required by the department under ORS 468B.370.

FINANCIAL RESPONSIBILITY

SECTION 12. ORS 468B.390 is amended to read:

468B.390. (1) No person shall cause or permit the operation of a facility in the state unless the

- person has proof of compliance with Section 1016 of the federal Oil Pollution Act of 1990 (P.L. 101-380), if such compliance is required by federal law.
- (2) No person may cause or permit the operation of an offshore exploration or production facility in the state unless the person has proof of compliance with Section 1016 of the federal Oil Pollution Act of 1990 (P.L. 101-380).
- (3) Except for a barge that does not carry oil as cargo or fuel or a spill response vessel or barge, the owner of any vessel over 300 gross tons in the waters of this state shall have proof of financial responsibility for the following vessels:
 - (a) For tank vessels over 300 gross tons:
- (A) \$1,200 per gross ton or \$2 million for vessels of 3,000 gross tons or less, whichever is greater; and
- (B) \$1,200 per gross ton or \$10 million for vessels over 3,000 gross tons, whichever is greater; or
- (b) For any other covered vessel over 300 gross tons carrying oil only for use as fuel, \$600 per gross ton or \$500,000, whichever is greater.
- (4) A railroad that owns or operates a high hazard train route in this state shall have proof of financial responsibility in an amount that equals the product of the worst case spill volume in barrels, as calculated in the contingency plan for the high hazard train route submitted to the Department of Environmental Quality under section 8 of this 2017 Act, multiplied by \$10,000.
- [(4)] (5) The Department of Environmental Quality shall enter into an agreement with the United States Coast Guard to receive notification of noncompliance with the provisions of subsections (1) to (3) of this section.
- [(5)] (6) The financial assurance requirement established under [subsection (3)] subsections (3) and (4) of this section shall meet the liability to the state for:
 - (a) Actual costs for removal of spilled oil;
 - (b) Civil penalties and fines imposed in connection with oil spills; and
 - (c) Natural resource damage.

RAILROAD SAFETY ASSESSMENT

SECTION 13. Section 14 of this 2017 Act and the amendments to ORS 468B.412 by section 15 of this 2017 Act become operative on July 1, 2019.

SECTION 14. (1) As used in this section, "applicable rail carrier" means a railroad operating in this state that is classified as a Class I or Class II carrier under 49 C.F.R. 1201.

- (2) The Department of Environmental Quality shall levy and collect an annual assessment from applicable rail carriers. The total assessment under this section shall equal \$375,000 per year, with each applicable rail carrier assessed a proportional share of the total assessment that is based on the total track miles operated by the applicable rail carrier within this state.
- (3) Moneys collected under this section shall be deposited in the State Treasury to the credit of the Oil and Hazardous Material Transportation by Rail Action Fund.

SECTION 15. ORS 468B.412 is amended to read:

468B.412. (1) By September 30 of each year, the Department of Environmental Quality shall publish a report for the previous fiscal year, commencing on July 1 and ending on June 30, that addresses:

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(a) The fees assessed under ORS 468B.405 on covered vessels and offshore and onshore facilities; 1 2 (b) The assessment on applicable rail carriers under section 14 of this 2017 Act; 3 [(b)] (c) The activities of the department under ORS 468B.410 (4); [(c)] (d) The penalties recovered by the department under ORS 468B.450 (1); and 4 5 [(d)] (e) The activities of the department under ORS 468B.455 (2). 6 (2)(a) The report published by the department under this section must be in a format that allows 7 for the monitoring of fee and assessment collection and related activities by the department and 8 for ensuring that adequate but not excessive fees and assessments are collected to meet the 9 department's budgetary needs. (b) The department shall make the report available to those who paid fees under ORS 10 468B.405, those who paid the assessment under section 14 of this 2017 Act and [to] the general 11 12 public. 13 14 **MISCELLANEOUS** 15 16 SECTION 16. (1) Sections 3, 4, 6 and 7 and the amendments to ORS 468B.300, 468B.340, 468B.345, 468B.355, 468B.360, 468B.365, 468B.385 and 468B.390 by sections 1, 2, 5, 8, 9, 10, 11 17 and 12 of this 2017 Act become operative January 1, 2018. 18 (2) The Environmental Quality Commission, Department of Environmental Quality and 19 20 Department of Revenue may take any action before the operative date specified in subsection 21 (1) of this section that is necessary for the commission or the departments to exercise, on and after the operative date specified in subsection (1) of this section any of the duties, 22 23 functions and powers conferred on the commission or the departments by sections 3, 4, 6 and 24 7 and the amendments to ORS 468B.300, 468B.340, 468B.345, 468B.355, 468B.360, 468B.365, 468B.385 and 468B.390 by sections 1, 2, 5, 8, 9, 10, 11 and 12 of this 2017 Act. 25

SECTION 17. The unit captions used in this 2017 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2017 Act.

SECTION 18. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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