

HB 2209 -3, -5, -6, -7 STAFF MEASURE SUMMARY

House Committee On Veterans and Emergency Preparedness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/7, 3/28

WHAT THE MEASURE DOES:

Requires railroads that own or operate high hazard train routes to institute oil spill contingency plans and to have those plans reviewed and approved by the Department of Environmental Quality. Outlines requirements for submission and approval of plans. Requires railroads that own or operate high hazard train routes to submit financial responsibility statements, on an annual basis, to Department. Sets forth additional requirements for a plan adopted by the Oregon State Fire Marshal for coordinated response to oil or hazardous material spills or releases that occur during rail transport. Establishes the High Hazard Train Route Oil Spill Preparedness Fund and continuously appropriates money in the Fund to Department for purposes related to contingency planning for high hazard train routes.

ISSUES DISCUSSED:

- Product of multiple work groups
- Importance of training responders
- Regulation of oil trains in Washington and other states
- Changes in federal rail regulation
- Examples of oil train crashes and spills in recent years
- Environmental impacts of oil train accidents

EFFECT OF AMENDMENT:

-3 Changes requirement for annual oil spill or release notification exercise to triennial requirement. Changes requirement for annual oil spill or release tabletop exercise to triennial requirement. Changes requirement for biennial oil spill containment and recovery equipment deployment exercise to triennial requirement.

-5 Establishes annual fee of five hundredths of one percent of gross operating revenues of railroads that are required to submit contingency plan for high hazard train route. Directs revenues to High Hazard Train Route Oil Spill Preparedness Fund. Sunsets January 2, 2027. Specifies that any remaining moneys in Fund that are unexpended shall be refunded to payors without interest.

-6 Establishes fee of up to \$20 on each railroad oil tank car entering state from outside and on each car loaded with oil within the state. Directs Department of Environmental Quality and State Fire Marshal to establish exact amount of fee, by rule, as necessary to fund programs out of High Hazard Train Route Oil Spill Preparedness Fund and Oil and Hazardous Material Transportation by Rail Fund. Exempts oil for which state is prohibited from assessing fee by Constitution or laws of the United States. Stipulates that owner of oil so transported is to remit payment of fee on quarterly basis. Outlines duties of Department of Revenue in administering fee. Directs revenues to High Hazard Train Route Oil Spill Preparedness Fund and Oil and Hazardous Material Transportation by Rail Fund. Sunsets January 2, 2027. Specifies that any remaining moneys in Fund that are unexpended shall be refunded to payors without interest.

-7 Directs DEQ to levy and collect a proportional per-mile track assessment on railroads that own or operate high hazard train routes. Specifies that moneys collected by Department are deposited into the High Hazard Train Route Oil Spill Preparedness Fund.

BACKGROUND:

The U.S. Department of Transportation issued an emergency order that took effect on June 6, 2016, requiring carriers operating single trains transporting one million gallons or more of Bakken crude oil to provide information to each relevant state emergency response commission (SERC) on estimated volumes and frequencies of applicable train traffic. The Oregon Legislative Assembly enacted House Bill 3225 (2015), requiring the State Fire Marshal, Oregon's designated SERC, to adopt a plan for coordinated response to an oil or hazardous material spill or release that could occur during rail transport.

In June 2016, a 96-car train carrying crude oil derailed in Mosier, Oregon, in the Columbia River Gorge. Sixteen of the cars derailed, resulting in a fire that burned for 14 hours and required the evacuation of about 100 nearby residents. Approximately 47,000 gallons of crude oil were released during the derailment; however, even though it occurred 600 feet from the Columbia River, only trace amounts of crude oil were discharged into the river. Most of the oil burned off, was absorbed into the soil, or was released into the town's wastewater treatment facility. There were no injuries in the incident, the cause of which was determined by the railroad to be worn or damaged track infrastructure.