



Jessica Spiegel

NW Regional Director

February 11, 2020

Re: Written Testimony on HB 4105

Honorable Representatives:

Thank you for the opportunity to provide feedback on HB 4105. The Western States Petroleum Association (WSPA) is a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the five western states, including Oregon. We oppose HB 4105.

Safety is the top priority for our industry and is taken into consideration during all points of operation, including the transport and off-loading of crude shipments at rail facilities. Following the Lac Megantic, Canada incident in 2013, several factors related to the incident have been analyzed to improve rail safety. One of the topics under this discussion was the question of vapor pressure, or psi, of train cars associated with that incident.

Analysis of these kinds of incidents reviews the degree, consequence, or magnitude of a release—or the likelihood of a fire – to improve rail safety. To that end, the Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA), during the Obama Administration and in response to questions regarding vapor pressure, requested Sandia National Lab to produce a science-based study to understand these points. The Sandia Lab report, released last year, stated in the results that their analysis did not support creating a distinction for vapor pressure depending on different petroleum products – and provided the long awaited scientific proof that vapor pressure does not enhance transportation safety¹. In general, flammable liquids with vapor pressures from 2-14 do not have different safety characteristics.

In order to comply with an arbitrary psi, some crude oils would have to separate the products in the stream into multiple product (see figure, attached). This separation can only be done through adding new facilities near the production fields which would operate as a mini-refinery. The product would then have to be transported to the end destination in pieces, then re-assembled. It is easier to simply use other crude oils – and for no safety benefit.

In addition, a similar law passed in Washington in 2019 is being challenged by the States of North Dakota and Montana on preemption grounds before the PHMSA. A determination on that law is expected the first quarter of this year.

We also have concerns about the limitations of transportation of oil and gas across state lands. This limitation seems very broad. Additionally, the 14 day advanced notice to DOT is concerning and could become very difficult.

¹ [Pool Fire and Fireball Experiments in Support of the US DOE/DOT/TC Crude Oil Characterization Research Study](#), 2019-08-23, Sandia National Lab

We look forward to the the opportunity to meet with the bill sponsor to gain a better understanding of the intent of this language.

We have substantial additional information about all the improvements which have taken place in the last seven years to improve safety throughout the west. If you have any questions or comments, please contact me via e-mail at jspiegel@wspa.org or (360) 352-4512.

Sincerely,



Jessica Spiegel
Director, Northwest Region