

Legislative Proposal Request Form

Title

Concerning Oil Transportation Safety (HB 1449)

Sponsor(s)

As Environmental and Sustainability Programs/WWU Students for Renewable Energy

Describe the issue

While in the past, 90% of the crude oil for Washington's refineries came by tanker from Alaska and other sources, there is an increasing shift towards other modes of transportation, including by rail and to pipeline. Crude by rail transportation has increased dramatically in the last three years, reflecting the unprecedented trend across the nation and neighboring Canada. But since 2012, nearly a dozen plans have emerged to ship crude oil by train to Northwest refineries and port terminals. Moving large quantities of oil by rail would be a major change for the Northwest's energy economy, but so far the proposals have largely escaped notice.

There are particular concerns about the types of oil being transported - Bakken crude - due to its potential volatility and public safety hazards.

These hazards came to light in a tragic rail incident in Quebec in which 47 people lost their lives as crude by rail tank cars derailed and burned. There is also a trend towards more transportation by rail and vessel of diluted bitumen in its various forms. This oil raises particular concern with respect to potential spill impacts and response issues related to its potential propensity to submerge or sink. This oil also has a relatively high content of toxic poly-nuclear aromatic hydrocarbons (PAHs).

Why should Western work on it?

Oil by rail projects, especially if resulting in exports, would harm the WWU community by conflicting with the planned WWU waterfront facilities and programming; by decreasing access, health, safety, and quality of experience of students at the proposed WWU waterfront facilities and by putting at risk the renowned sustainability of Bellingham and WWU that attracts prospective students. The proposals present considerable risk from numerous impacts from any serious accidents, spills or adverse events that would affect all residents of Bellingham including the WWU community.

WWU and the AS have both made commitments to help decrease its reliance on fossil fuels, and allowing the unchecked expansion of oil-by-rail is inconsistent with those long term goals. WWU has committed in its Strategic Plan "to demonstrate engaged excellence in environmental stewardship and sustainable practices through our programs, scholarship, and actions." WWU is also signatory to the President's Climate Commitment, stating that "we believe colleges and universities must exercise leadership in their communities and throughout society by modeling

ways to minimize global warming emissions,” and has demonstrated that commitment in the past by launching the Office of Sustainability, which fosters “a sustainable WWU protects local and global ecology, upholds social equity, creates economic vitality, and maintains human health.”

There is considerable precedent for the AS to advance these goals also. The Associated Students has pledged in its Mission Associated Students of Western Washington University Board of Directors Statement and Strategic Plan to be “a collaborative environment where faculty, staff, and students contribute to the mission of the University,” and its that the objective of the Associated Students is, “to ensure student representation in decisions that impact students.” In the Charge and Charter of ASWWU, the AS is committed as “as the primary representative of students shall make every effort to meet the needs and concerns of students,” which includes the public safety risks and climate justice concerns presented by a massive, unchecked expansion in the transport of dangerous crude oil by rail.

What is the solution?

The solution is to change the outdated laws that currently are in place and to ensure that it is public knowledge of what kind of oil and how much is being transported throughout the state. There also needs to be responsibility for who pays for the oil spills and recovery. Additionally, there needs to be more work done to prevent oil spills with new technology and safer practices.

What are you advocating for?

We are advocating that HB 1449/SB 5087 Concerning Oil Transportation Safety be passed.

The proposal would in essence:

- create easily accessible public information including the type of oil, and where/how much is being moved.
- give the authority to use proven oil spill prevention measures like tug escorts for ships carrying oil.
- create financial protections to ensure that the companies carries the crude oil pay for cleanup as necessary, not taxpayers.
- Require oil companies to pay for increased oil spill prevention.

The details of the bill are laid out below:

Define Oil

Redefine oil in oil spill prevention, cleanup, and financial responsibility laws to mean any kind of oil that is liquid at 25 degrees Celsius and one atmosphere of pressure, including any distillate of that oil. This definition also explicitly covers the other types of oil such as bitumen, and natural gas well condensate, which is a liquid hydrocarbon mixture recovered at natural gas extraction wellheads.

Disclosure of Information about Oil Transportation.

Additionally, railroads that transport oil as bulk cargo, pipelines, and other facilities are required to submit advanced notice to the Department of Ecology (Ecology) of transfers between rail facilities, vessels, and other facilities. Ecology must also collect pipeline and rail transfer data by county quarterly and publish it on its website. The information published by ECY must include: the county of transfer; the volume and type of oil transferred; the oil's place of origin; the mode and route of transport; the number of rail cars transferring oil; and information about any spills that occurred during transport or transfer.

Financial Assurance Requirements.

Railroads that transport oil as bulk cargo must provide the same financial assurances to Ecology as facilities like oil refineries and terminals. Ecology is directed to adopt a rule setting the amount required for railroads and other facilities to demonstrate financial responsibility; an amount which is to be calculated by multiplying the reasonable anticipated per-barrel cleanup costs by the estimated worst-case spill volume anticipated in the facility's oil spill contingency plan.

Oil Spill Prevention Plans and Oil Spill Contingency Plans.

Railroads must submit oil spill contingency plans to Ecology in the same manner as terminals, refineries, and other covered facilities. However, railroads are not made subject to the oil spill prevention planning requirements placed on other facilities

Oil Spill Prevention and Response Taxes and Accounts.

Beginning January 1, 2016, the administration tax is increased to 10 cents per 42-gallon barrel. The administration tax and response tax are levied on oil received by facilities from rail tank cars, pipelines, and vessels.

Who do you have as support so far?

The legislation is introduced at the request of Governor Jay Inslee and is sponsored in the Senate by Senators Rolfes, Ranker, McCoy, Billig, Cleveland, Jayapal, Darneille, Conway, Chase, Hasegawa, Lias, Hargrove, Pedersen, Keiser, Fraser, Kohl-Welles, Habib, Nelson, Frockt, McAuliffe and Representatives Farrell, Carlyle, Fitzgibbon, Ortiz-Self, Peterson, Walkinshaw, Gregerson, Senn, McBride, Robinson, Tarleton, Pollet, Cody, Ormsby, Riccelli, Kagi, Blake, Fey, Hudgins, Lytton, Bergquist, Sells, Takko, Tharinger, Jenkins, Wylie, S. Hunt, Stanford, Reykdal, Sawyer, Appleton, Van De Wege, Clibborn, Ryu, Goodman, Kilduff. Countless cities and municipalities have expressed concern over oil rail safety and have passed resolutions expressing concerns. Some of those cities and counties include: Olympia, Seattle, and Bellingham. Various tribes such as the Quinault Nation and the Columbia River Inter-Tribal Fish Commission also express their concern over current safety standards. The Port of Olympia, The Washington State Council of Fire Fighters, and the Columbia River Gorge Commission have all indicated support for increased safety measures as well.

Who needs to be moved/potential opposition?

The legislation historically has been blocked by Senator Doug Ericksen by failing to schedule previous bills for a hearing in the Senate Environment Committee. Improving oil transportation safety is nominally supported by the oil industry and its lobbyist organization, the Western States Petroleum Association, but they oppose this specific proposal.

Provide any legislative background and context for the issue. *(Has this issue been worked on recently, how far did it get, other legislative history, where is the public at with issue, etc.)*

In April 2014, the Washington State Legislature directed and funded the Department of Ecology (Ecology), in consultation with the Utilities and Transportation Commission (UTC), Washington Military Department's Emergency Management Division (EMD), the Federal Railroad Administration (FRA), and the Department of Transportation (WSDOT), to conduct a study on marine and rail oil transportation. In June 2014, Governor Inslee issued an Oil Transport Directive to Ecology to act more swiftly to assess the safety of oil transportation in Washington and to provide recommendations sooner.

The Legislature's and the Governor's action is driven by the rapid changes in how crude oil is moving through rail corridors and over Washington waters, creating new safety and environmental risks. With this in mind, this study has focused on developing recommendations to foster public health and safety, environmental protection, and respect for tribal treaty rights. The 2014 Washington Marine and Rail Oil Transportation Study was designed to analyze existing information to determine the best way forward for legislative, regulatory, and budgetary actions that will maximize protection of public safety and the protection of the environment, Tribal Treaty rights, and the State's natural and economic resources, given a continuously changing future pattern of crude oil transport. The Study identified gaps in information and recommends future analyses to fill those gaps in understanding to better serve the citizens of Washington. The initial report included the preliminary findings and recommendations for the Marine and Rail Oil Transportation Study as directed by the Legislature's Budget Proviso (ESSB 6002)¹ and Governor's Directive 14-062 of June 11, 2014. A public hearing was held in late October in Olympia to seek public input on the draft Study, and almost 1,000 people attended with over 300 signed up to testify. Comments received during this process were considered in developing recommendations.

A full draft Legislative report will be submitted December 1, 2014 and initial findings are included in the proposed legislation. A final report is due to the Legislature on March 1, 2015 and likely further legislative proposals will follow that implement the recommendations from that final report.

Sources used:

Washington State Bill Analysis, HB 1449: <http://lawfilesexxt.leg.wa.gov/biennium/2015-16/Pdf/Bill%20Reports/House/1449%20HBA%20ENVI%2015.pdf>

Department of Ecology, Washington State Marine and Oil Transportation Study

WWU Office of Sustainability, WWU Sustainability Goals and Commitments:

<http://www.wvu.edu/sustain/overview/goals/>

ASWWU Bylaws, Charge and Charter

Sightline Institute, The Northwest's Pipeline on Rails: <http://www.sightline.org/research/the-northwests-pipeline-on-rails/>