

HB 2209 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: John Terpening, Budget Analyst

Meeting Dates: 5/30, 6/7

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 Department of Environmental Quality. Outlines requirements for submission and approval of plans. Requires railroads that own or operate high hazard train routes to annually submit financial responsibility statements to Department. Outlines triennial schedule for training for response to high hazard oil train spills. 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. Authorizes gross revenue fee of up to 0.05 percent on railroads required to submit contingency plans, to sunset January 2, 2027. Authorizes per-car fee of up to \$20 on oil tank rail cars entering state or originating in state, to sunset January 2, 2027. 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:

- Fiscal impact of the measure
- Timing of fee revenue

EFFECT OF AMENDMENT:

No amendment.

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 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.