



April 16, 2021

Dear Members of the Senate Judiciary Committee,

We are writing in strong support of House Bill 2377. We appreciate the work of the Oregon Department of Justice and Representatives Sanchez and Witt and Senator Frederick on this legislation.

HB 2377 closes a highly problematic loophole in Oregon law that prevents the state and local governments from accessing insurance coverage to cover the cleanup costs of environmental contamination when the polluting companies that paid for that insurance dissolve their corporate status. The nature of contaminated sites is such that the contamination may not even be known at the time of dissolution. In these instances, the insurance company, which may have taken in decades of premiums to cover the costs of pollution, can walk away with a large and inappropriate windfall while that taxpayer is left to cover the costs of the cleanup. It is time to close this loophole.

Specifically, HB 2377 adds a provision to Oregon law clarifying that a party can pursue claims against a dissolved corporation or LLCs to the extent of available insurance assets, subject to otherwise applicable statutes of limitation. Insurers that have reaped the financial benefits of providing pollution coverage would simply be held accountable for the coverage that they agreed to provide.

Our organizations have all worked to support the cleanup of the Portland Harbor Superfund Site and the associated upland brownfields for many years. We represent a wide array of Oregonians concerned about and impacted by the degraded state of our environment due to a long legacy of contamination. These sites put our community and our environment at risk and present a particular risk to frontline communities, houseless people living along the river, and people who depend on fish from this stretch of river for survival. We are deeply concerned about the length of time it has taken to cleanup these sites and the challenges associated with holding polluters (and their insurers) accountable. The cleanup process has already take more than twenty years and it will be at least another decade and a half before implementation of the clean-up is completed. Orphaned sites where the responsible party has dissolved their business represent a particularly difficult challenge.

Many of the companies responsible for this contamination, which was created over the course of nearly a century, no longer exist, but the insurance policies that they paid for may well still be

accessible. We are encouraged by the work done by the Oregon Department of Justice in determining that 1) other states have similar provisions to those outlined in HB 2377 in place and 2) that forensic investigation is likely to result on the recovery of significant funds.

HB 2377 represents an important and common sense step to ensure that insurance companies will be held accountable for the pollution policies that they were paid to provide and to avoid situations where the taxpayer will not be left holding the bill.

We urge you to pass HB 2377.

Respectfully,

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