**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**
**REGION 10**
**OREGON OPERATIONS OFFICE**
805 Southwest Broadway, Suite 500
Portland, Oregon 97205

February 7, 2022

The Honorable Kate Lieber
Oregon State Senator
Chair, Senate Committee on Energy and Environment
900 Court St. NE, S-417
Salem, Oregon 97301

Re: SB 1567 of 2022 Legislative Session

Dear Senator Kate Lieber:

Thank you, Chair Lieber and Committee Members for this opportunity to provide testimony today. I hope I can fill in some informational gaps for you.

I am Richard Franklin, a Federal On-Scene Coordinator with the U.S. EPA, Region 10, which covers the states of Oregon, Washington, Idaho, and Alaska. On-Scene Coordinators, or OSCs, are charged by federal and agency delegation and regulation with monitoring, coordinating, and directing, if necessary, actions at oil spills and hazardous material releases to make sure the responses are efficient, coordinated, and protect human health and the environment.

I have over 28 years' experience in such emergency responses across the U.S and here in Oregon and the Pacific Northwest. Some examples of my experience; I was the federal incident commander for the Mosier crude oil train derailment response, in Mosier, Oregon in 2016. I was the first person sent into Louisiana for EPA to begin operations for Hurricane Katrina, and eventually oversaw a spill cleanup of over 1,100,000 gallons of crude oil. I have worked other large and small oil spill and hazmat incidents across Oregon and the Pacific Northwest.

I am also the EPA senior inspector here and a coordinator for EPA's oil spill prevention regulations, known as the Spill Prevention Control and Countermeasure (SPCC) and Facility Response Plan (FRP) regulations. As part of those duties, I have inspected all of the oil terminal and storage facilities in the CEI Hub, as well as many others across Oregon, the Pacific Northwest, and the Gulf Region.

The SPCC & FRP regulations apply to certain oil storage and handling facilities, such as those at the CEI Hub. The rules require that the bulk oil terminals at the CEI Hub prepare and implement an oil spill prevention plan, or SPCC plan and a response plan, or FRP. The goal of the SPCC rule is to make sure regulated facilities maintain their facility and oil storage equipment appropriately using sound engineering practices, prevent spills from occurring, and when they do, to keep spills from entering waters of the U.S.

The SPCC rules have been in place since 1974, and are not delegable to state, local, or tribal agencies. However, they do not preclude a state authority from developing and promulgating their own rules about oil spill prevention and response. A few key requirements of the SPCC rule include:

- Review and certification of the SPCC plan by a Professional Engineer (PE),
- Secondary containment to adequately contain oil releases from tanks, piping, oil transfer areas, and other facility infrastructure and equipment in case releases do occur,
- Facility inspections, and tank integrity tests and inspections.

**Tank Integrity requirements.**

The SPCC rules require that facilities conduct regular integrity testing for their oil storage tanks, meaning they have to test tanks to make sure their structure is sound, stable, functional, and serving their intended use and purpose. In conducting this testing, they have to use an appropriate industry standard, and take into account the container size, configuration, and design. Facilities must also frequently:

- inspect the tanks' foundations and supports
- inspect the outside of tanks for signs of deterioration and leaks, and
- keep comparison records of inspection and tests.

It is important to note that although our rules regulate inspections and maintenance after a tank is constructed and storing petroleum, they do not regulate how tanks are initially constructed, or how seismic considerations are taken into account during construction. However, the SPCC rule does require that the PE certify container compatibility with the material being stored and the conditions of storage, and in doing so must consider applicable industry standards. In tank construction, a facility should be following the industry standards, which may have requirements for addressing seismic considerations.

Further, there is no specific language or requirement in the regulation for a seismic vulnerability analysis of tanks or equipment, or retrofitting of tanks. If a tank is undergoing a seismic retrofit, a facility would have to follow the industry standard requirements for that retrofit.

One other note: facilities are required under the FRP rules to analyze the probability of a discharge occurring at the facility due to multiple factors, including vulnerability to natural disasters.

**Industry standards.** There is a wide array of technical and robust industry standards which apply to bulk oil storage facilities' tanks and piping construction, operation, maintenance, and inspection, etc. The standard most often used under the SPCC rule for inspection and maintenance of tanks at the CEI Hub is *API 653*. API 653 is considered the industry authority for field erected, aboveground steel tank inspection, repair, alteration, and reconstruction. However, it does not address other types of tanks, such as concrete, fiberglass, bunkered, underground, or shop-fabricated tanks.

API 653 inspections at these large CEI oil storage tanks are important for several reasons:

- to assure long-term petroleum storage vessel reliability and integrity
- Prevent leaks by identifying at risk conditions early
- Assure repairs are made such that a tank's integrity is maintained

- Minimize risks of leakage that does occur

There is, however, an industry standard which includes seismic design and loading considerations for construction of welded steel tanks, and that is *API 650, in Appendix E - Seismic Design of Storage Tanks.* The scope of this standard provides minimum requirements for design of storage tanks subject to seismic load, and represent an industry accepted practice for application to flat-bottomed tanks.

There are also tank integrity standards that may apply under the SPCC rule for smaller, shop-built tanks, such as the Steel Tank Institute's SP001 standard. It also provides for a minimum set of requirements for various shop-built tanks for inspections and maintenance.

For more specific details and requirements of the standards, I would suggest consulting with experts at API (American Petroleum Institute) or certified API tank inspectors.

Lastly, EPA has no position on SB 1567.

**Other Helpful Resources and Information:**

The SPCC regulation may be found at 40 Code of Federal Regulations, Part 112.

Also, EPA maintains a website covering SPCC and FRP regulation, guidance, and resources for facilities which may be regulated. It may be found at:
https://www.epa.gov/oil-spills-prevention-and-preparedness-regulations

EPA's Tank Integrity Fact Sheet;
https://www.epa.gov/sites/default/files/2014-05/documents/bulk_storage_container_integrity-testing-factsheet.pdf

Sincerely,

RICHARD FRANKLIN

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Richard Franklin
Federal On-Scene Coordinator
Spill Prevention, Assessment and Removal Section
Emergency Management Branch
Superfund and Emergency Management Division