

Thank you for the opportunity to share my views. I'm Mary King, Professor of Economics Emerita at Portland State University.

I strongly support this bill to commission a study of the best way for Oregon to obtain financial assurances from companies transporting and storing bulk oils and liquid fuels anywhere in the state. Our communities are at high risk of damage and destruction of lives, property and the environment, and are also on the hook to pay for damages, clean up and restoration. We know that a very powerful earthquake may strike at any moment. We are increasingly vulnerable to wildfires, whether caused by lightning, train derailment or other sources. We've seen the destruction of big oil spills.

I've carefully followed the years of work invested by Multnomah County and the City of Portland to study both (1) the risks created by the Critical Energy Infrastructure hub on the lower banks of the Willamette River and (2) the financial assurance policies that could and should be required of the parties putting us at risk. Financial assurances provide an incentive to mitigate risks and ensure that taxpayers aren't left holding the bag for slipshod business activities or accidents.

Very conservative assumptions incorporated into [the economic study](#) means that damages and costs have been significantly underestimated, as is recognized by the authors. For example, as they state in Section 2-2: Cost of Direct Impacts to People:

"These mortality and morbidity rates do not consider any delays in emergency response or earthquake-related confounding factors that could result in higher rates of death and injury. These values do not include any mortality and morbidity caused by fires or people other than on-site workers being harmed by the event. The values also do not include instances of suicide or mental health, which have been seen after other oil spills. For this reason these values should be considered minimum estimates of total direct costs to people."

Yet we know that bridges will fall in a major earthquake, that people living and working nearby are likely to be affected and that mental health impacts are real. The [value placed on a life](#) by the U.S. Dept. of Health and Human Services, now \$13.2 million, has increased by 28% since EcoNW estimated costs.

Multnomah County is on the precipice of enacting a risk bonds policy, which should not be preempted by the state unless and until a stronger policy is in place at the state level. Its experience will be extremely useful input for the study of a statewide measure.