

February 10, 2026

TO: House Committee on Emergency Management and Veterans

RE: HB 4100-3, Financial Assurance requirement for Bulk Fuel Terminals

Chair Tran, Vice-Chairs Lewis and Watanabe, and Committee Members –

My name is Nikki Mandell. I'm part of the CEI Hub Task Force -- community advocates committed to raising public awareness about the CEI Hub. I also co-lead a statewide coalition advocating for state action on the CEI Hub. Given the breadth of the coalition, I can't claim that every organization agrees on every detail in this bill; but Coalition members are unanimous in understanding that the Critical Energy Infrastructure [CEI] Hub is a disaster waiting to happen, and that the time for action is Now.

The CEI Hub Task Force strongly urges you to vote YES on HB 4100-3.

Portland's CEI Hub is a state matter of highest importance. Oregon does not produce any liquid fuels. We import all the gas, diesel, aviation & jet fuel used in the state. 90% of those fuels come through the CEI Hub located in Portland. Fuel is distributed statewide from that single location. The CEI Hub is an essential part of the state's lifeline infrastructure, and it's the state's Achilles heel.

It's not hyperbole to call this a ticking time bomb with catastrophic potential. The CEI Hub tank farms are in a quadruple hazard zone: earthquake, fire, landslide, and flood; plus, there are added dangers of train derailment, sabotage & human error. Bulk fuel tanks at the CEI Hub have the capacity to store more than 350 million gallons of flammable, combustible, and toxic fuel. Fewer than 2% are built or retrofitted to withstand a major earthquake. Berms and containment structures are no better. Emergency response capacities range from inadequate to non-existent. These facts are evident in the Seismic Vulnerability Assessments submitted by CEI Hub facilities as part of the state's Fuel Tank Seismic Stability Program.

Multiple studies have documented these dangers, and recommended action. I think of those as a kind of three-legged stool:

1. Safety: we need to make fuel storage as safe as technologically possible
2. Diversification: we need some fuel forward staged outside the vulnerable CEI Hub
3. Preparedness: we need resources to respond to and recover from a fuel disaster

In 2022 the legislature took a crucial first step toward two of these legs, with passage of SB 1567. The Fuel Tank Seismic Stability Program [FTSS] is designed to increase safety. We anticipate that most of the regulated facilities will begin their 10-year mitigation plans by 2028. On the diversification leg, SB 1567 called on ODOE to explore ways to increase the geographic distribution of fuel storage. The 2024 Energy Security Plan began, but did not complete that process. Today, that 3-legged stool is nowhere close to standing up.

HB 4100-amended adds a financial assurance requirement to the FTSS Program. Financial Assurance (aka risk bonding or financial responsibility) is a critical piece of emergency preparedness. It is a safety net that ensures that a business can meet its financial responsibilities for damages caused by its operations. Without this, response and recovery costs will fall on state and local governments. Those costs have been calculated in the billions of dollars. Residents, small businesses, and public budgets, cannot afford this. Nor should they.

Financial assurance is common throughout the fuel industry. It is required, nationwide, for vessels transporting bulk fuel, for offshore refineries, and for underground fuel tanks. It is required by Oregon's High Hazard Rail Program for oil trains within a quarter mile of the state's waterways. HB 4100-3 bill extends this kind of financial safety net to Oregon's largest bulk fuel facilities – 15 large corporations; not small businesses.

There are good governance reasons to fold a financial assurance requirement into the FTSS Program now. The program is already tracking and assessing the seismic vulnerabilities of the bulk fuel terminals, and will monitor seismic safety improvements and residual risks. Program rules recognize that terminals cannot mitigate risk 100%. But, there hasn't been a way to protect against current or expected residual risks. Financial assurance is that protection.

This is a compromise bill, with provisions that would not be the first (or second) choice of many community advocates. Overall, however, it's a good compromise that ensures that bulk fuel terminals will be fairly assessed for the potential public damages and costs posed by their operations. Key features include requirements that:

- Financial responsibility levels are based on comprehensive risk assessments, including but not limited to, the volume and types of fuels handled, the risks posed by the facility structures and response capacities, and fuel clean-up and recovery costs experienced elsewhere.
- Financial responsibility levels must be re-evaluated and adjusted on a triennial basis, accounting for changes in facility conditions, recovery and clean-up costs, and inflation.
- Regulated entities can combine and choose from a menu of financial instrument options, ensuring that this financial safety net is not limited by the availability of any single instrument.
- Higher requirements are placed on self-insurance, which has proven to be a particularly unreliable form of financial assurance.
- All stakeholders will be equally represented on the rules advisory committee, including community members and local governments that will be most directly affected by a disaster at the CEI Hub.

As the dangers of earthquake and wildfires grow, we cannot keep kicking the can down the road. Delay will be deadly, economically devastating, and unmanageably costly.

Please vote YES on HB 4100-3

Thank you,

Nikki Mandell

On behalf of the CEI Hub Task Force