

Submitter: Margaret Sherraden

On Behalf Of:

Committee: House Committee On Emergency Management and Veterans

Measure, Appointment or Topic: HB4100

To: House Committee on Emergency Management and Veterans

Re: Support for HB 4100-3 – Financial Responsibility for Bulk Fuel Terminals

Chair Tran, Vice-Chair Lewis, Vice-Chair Watanabi, Members of the House Committee on Emergency Management and Veterans

My name is Margaret Sherraden. I am a resident of Portland and a member of Third Act Oregon. I am deeply concerned about the potential hazards that the Critical Energy Infrastructure (CEI) Hub presents to Portlanders and all Oregonians. I strongly support the Financial Responsibility for Bulk Fuel Terminals bill (HB 4100-3).

Why am I concerned? We now know that a catastrophic disaster at the CEI Hub is a very real possibility. Oregonians are dependent on the CEI Hub tank farms for 100% of the jet fuel and 90% of the gas and diesel we use every day. The CEI Hub sits in a disaster zone subject to earthquakes, fires, landslides, and flooding. For example, less than 2% of the storage tanks are seismically stable, and emergency response capacity is inadequate. A 2022 study commissioned by Multnomah County and the City of Portland projected that a seismically-induced disaster at the CEI Hub could spill 100-200 million gallons of flammable, toxic fuel onto the land and into the Willamette and Columbia Rivers.

Estimates for clean up and partially restored following a disaster at CEI Hub (excluding medical) would cost more than \$2.6 billion in today's dollars. Currently, the taxing public would have to foot that bill.

HB 4100-amended creates an urgently needed financial safety net in the event of a major fuel disaster. This so-called "risk bonding" is a widely used financial safety net for such situations. It is a form of advance assurance provided by a private company that certifies its capacity to cover the costs of damages to the public arising from its operations. Risk is required in much of the fuel industry, such as for marine vessels, refineries, and underground storage tanks.

HB 4100-3 will add a financial responsibility requirement to the existing Fuel Tank Seismic Stability [FTSS] Program. The bill requires each bulk fuel storage facility to obtain financial assurance in an amount determined by the type and volume of fuel stored, projected response and recovery costs, and other factors. Triennial evaluations will ensure that the amount of financial assurance is commensurate with

the documented risk and clean up and recovery costs.

The public should not bear all costs of damages arising from the operations of private corporations.

Importantly, in this time of limited public funding, this bill is a is “net revenue neutral.”

I urge you to support HB 4100-amended.

Sincerely,
Margaret Sherraden