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Aloha, OR 97078
June 7, 2017

Mr. Scott Gibbens
Oregon Public Utility Commission
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088

Dear Mr. Gibbens:

I am writing to ask for denial of the application UP 349, Docket Name: PGE SALE TO COLUMBIA PACIFIC BIO-REFINERY. The proposed application is not in the public interest, for reasons relating to public safety and harm to the environment. Below you will find useful information supporting this position.

At currently permitted levels for the Global Partners oil terminal, the application would allow for the movement of 44 unit trains of crude oil per month through the region. Using current industry risk levels for hazardous materials shipment incident rates, that volume would result in an estimated 29 months between incidents for the track segment from Wishram, Washington to Clatskanie, Oregon, and from The Dalles to Clatskanie on the Oregon side of the Columbia River. The chart below (Figure 1) illustrates the risk levels at varying volumes.

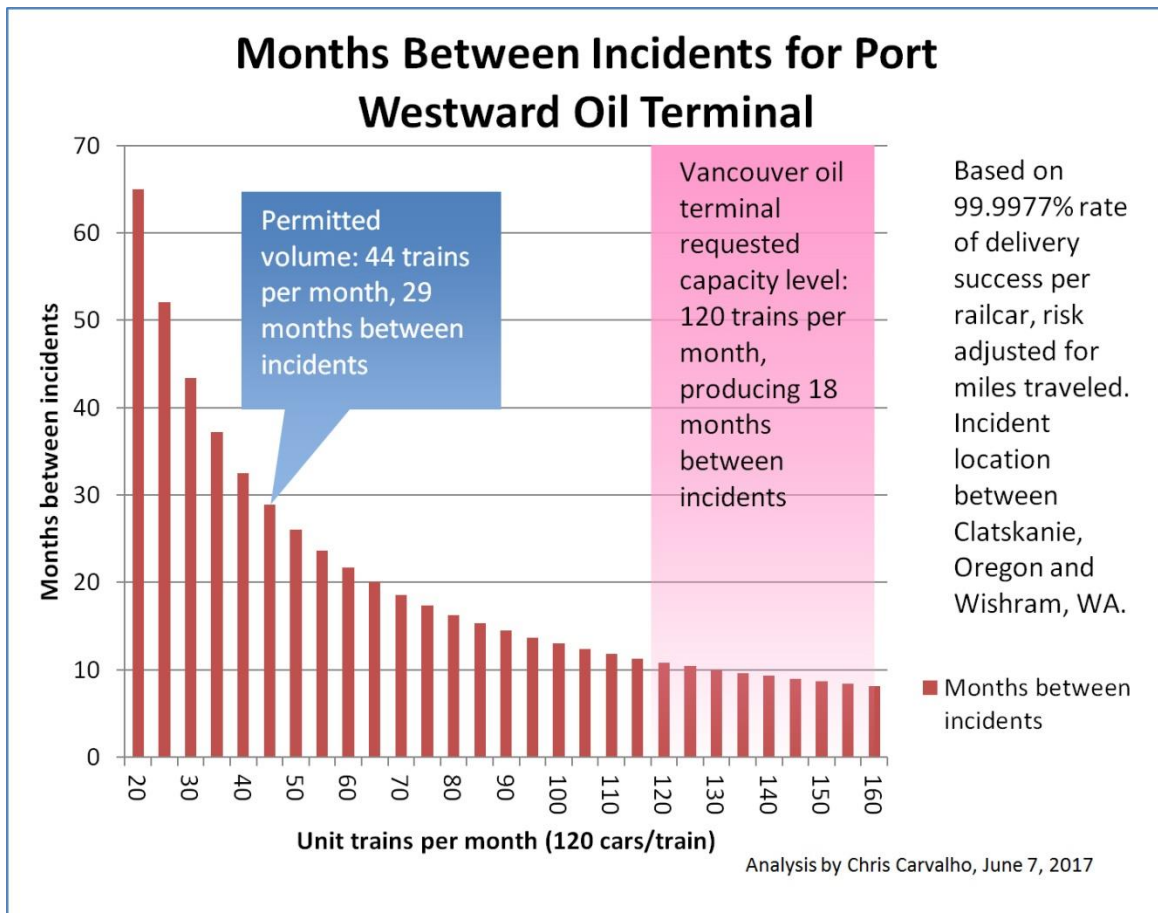


Figure 1. Expected incident frequency for oil-by-rail transport

The analysis methodology for this risk model is straightforward and based on widely available industry statistics from the Association of American Railroads that are not subject to bias or interpretation. It was published last year in response to the Mosier, Oregon derailment and agrees with the observed length of time for an incident to happen in the Columbia Gorge. No one in the rail industry has challenged it.

The consequences of an incident in the Columbia River Gorge or between Portland and Clatskanie are serious and could result in a massive wildfire, an oil spill fouling the river and salmon habitat, property damage, loss of human life, wildlife impact, high cost of recovery running into hundreds of millions of dollars¹, disruption to our lives and the local economy, and a railroad bankruptcy that would transfer recovery costs to the public.

An even more serious concern is that the industry risk statistics are based on the accident rate for all US railroads. Union Pacific, the most likely carrier of the oil for this terminal, has an extremely poor safety record that would increase this risk considerably. Accident data from the Federal Railroad Administration for Union Pacific are highly troubling. While most railroads have successfully worked to reduce their accident rates for fire and violent rupture, Union Pacific is a shocking exception. Its rate has skyrocketed since 2012, and shows no signs of leveling off (Figure 2, below). Their accident rate is now 20 times greater than all other major railroads combined. Therefore, the expected incident frequency above is a conservative estimate.

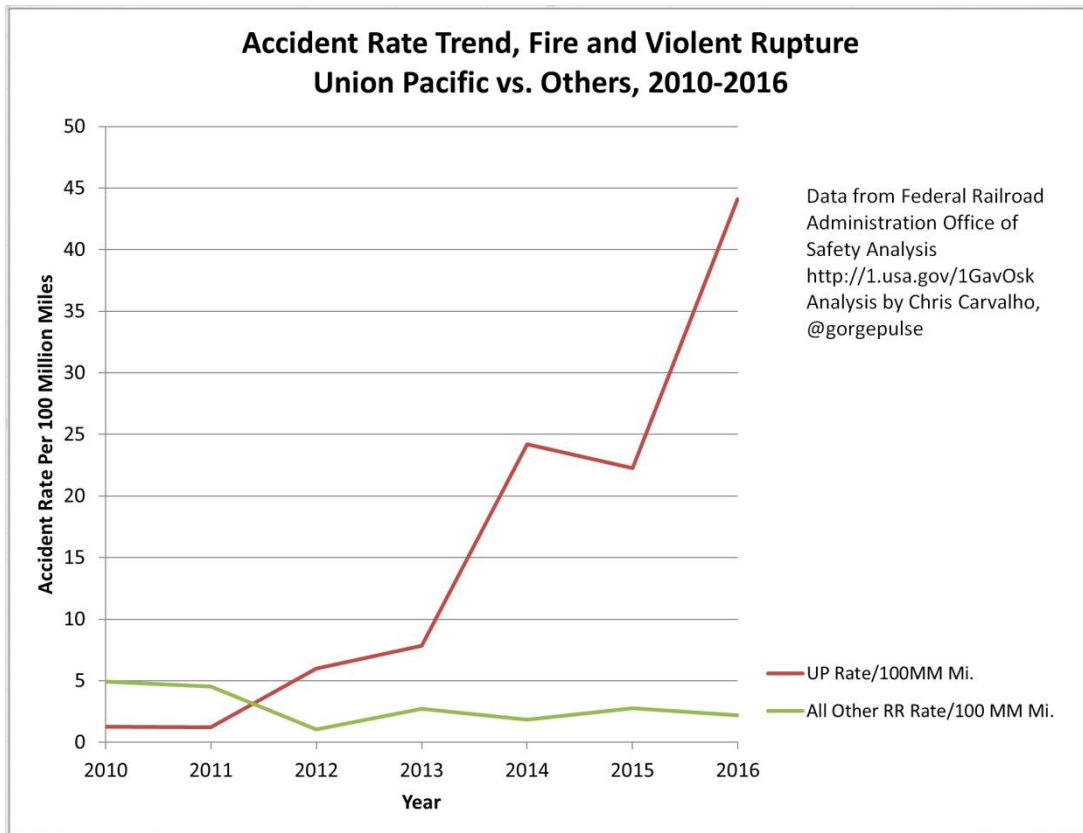


Figure 2. Accident rate comparison for fire and violent rupture, Union Pacific (UP) vs. all other Class I railroads

There are additional concerns. Global Partners in the past has violated their permit by illegally shipping six times more crude oil than allowed. No company that has deceived the public and violated Oregon law should be rewarded with the ability to increase oil shipments unless it can demonstrate a commitment to operating honestly, within the law, and as a supportive member of the community that cares about protecting the environment. Their site currently has serious oil contamination of the soil and groundwater.² A 2012 peer-

reviewed paper found that salmon nearby were contaminated by polycyclic aromatic hydrocarbons derived from petroleum products, at levels producing harm to their immune systems and reproductive abilities.³

Portland & Western Railroad would transport oil from BNSF or Union Pacific’s track to Port Westward. It has an accident rate that’s at least twice that of larger railroads (Figure 3, below) and is underinsured, with its parent company carrying an estimated \$500 million in coverage. If an accident were to happen on its track, the result would likely be bankruptcy and the public would bear the recovery cost.



ACCIDENT/INCIDENT RATE (events per million train miles)

	2013*	2012*	2003 – 2011 Range*	Recent Former Owner	Current Owner
LARGE RAILROADS, NATIONAL AVERAGE	9.8	9.6	10.5 – 14.9		
SMALL RAILROADS, NATIONAL AVERAGE	25.6	27.0	28.0 – 51.0		
MONTREAL, MAINE & ATLANTIC (MMA)	38.9	36.1	23.4 – 56.0	Rail World	N/A
ALABAMA & GULF COAST RAILWAY (AGR)	20.8	29.3	11.6 – 27.8	RailAmerica/Fortress Investment	Genessee & Wyoming
PUGET SOUND & PACIFIC RAILROAD (PSAP)	39.7	15.7	30.3 – 114.4	RailAmerica/Fortress Investment	Genessee & Wyoming
PORTLAND & WESTERN RAILROAD (PNWR)	24.3	17.1	5.4 – 65.4	Genessee & Wyoming	Genessee & Wyoming

* All data from the Federal Railroad Administration, Office of Safety Analysis, "1.12 Ten Year Accident/Incident Overview" database. "Large railroads" refers to Class 1 railroads, which are railroads with annual operating revenues of at least \$433 million. Figures for large railroads exclude Amtrak. "Small railroads" refers to FRA Group 3 railroads, which are any railroads that have less than 400,000 annual employee-hours (equivalent to 200 full-time employees) of railroad workers on duty. MMA, AGR, PSAP, and PNWR are all Group 3 railroads.

Figure 3. Rail industry accident rate examples

The current state of oil-by-rail shipment is a game of Russian roulette. Granting this proposal will put more bullets in the revolver. Very little is understood about the upper limits of damages from a serious accident because oil-by-rail transport by unit train has only been at high volumes for about four years. Federal estimates put recovery costs as high as \$5 billion in an urban core such as Portland.⁴ Oregon’s economy could not absorb this sum. Until all the railroads involved in transporting oil to Port Westward can demonstrate a safety record that allows them to afford adequate insurance and properly fund emergency preparedness efforts for all towns along their tracks, the application must be denied to prevent an increased threat to public safety. Today, we are already in an unsafe regime. Until the situation can be corrected, the only responsible course of action is to prevent any increases in oil-by-rail shipments. Thank you for the opportunity to comment.

Sincerely,

Chris Carvalho

¹ Woods, Allan. "Quebec submits \$400 million claim for Lac-Mégantic train disaster." Toronto Star, June 16, 2014. Web. <https://www.thestar.com/news/canada/2014/06/16/quebec_claims_400_million_for_lacmgantic_train_disaster.html>

² Fortuna, Steve. "Preliminary Assessment, Beaver Army Terminal (Former) Kallunki Road, Clatskanie, Oregon 97016." October 26, 2008. p. 44. Web. <[http://www.deq.state.or.us/Webdocs/Controls/Output/PdfHandler.ashx?p=2269c200-6b44-4617-a820-10278980e957.pdf&s=Beaver%20Army%20Terminal%20\(Preliminary%20Assessment\)-1.pdf](http://www.deq.state.or.us/Webdocs/Controls/Output/PdfHandler.ashx?p=2269c200-6b44-4617-a820-10278980e957.pdf&s=Beaver%20Army%20Terminal%20(Preliminary%20Assessment)-1.pdf) >

³ Yanagida, Gladys K. "Polycyclic aromatic hydrocarbons and risk to threatened and endangered Chinook salmon in the Lower Columbia River estuary." Arch Environ Contam Toxicol. 2012 Feb;62(2):282-95.

⁴ dePlace, Eric. "Grays Harbor Oil Trains Would be Severely Under-Insured." October 19, 2015. Web. <<http://www.sightline.org/2015/10/19/grays-harbor-oil-trains-would-be-severely-under-insured/>>