

Testimony From Cities, Tribes, and State Agencies Demonstrates Overwhelming Case Against Proposed Tesoro Savage Oil Terminal

In hundreds of pages of opening briefs submitted to the Washington Energy Facility Site Evaluation Council (EFSEC), cities, tribes, businesses, advocacy groups, and Washington state agencies provided an overwhelming argument for why EFSEC should recommend that Governor Inslee deny the largest proposed oil-by-rail terminal in North America.

Below are some key excerpts from legal briefs submitted during EFSEC's adjudication process for Tesoro and Savage companies' proposed "Vancouver Energy" terminal in Vancouver.

Washington Department of Natural Resources Calls for Denial of Tesoro Savage Proposal:

- **"DNR respectfully submits that the evidence as whole compels the conclusion that the application for site certification for the Proposal should be denied." (7)**
- "Because of the potential for tremendous catastrophic loss associated with shipment of crude-by-rail, and the difficulty in adequately assessing the frequency at which disasters will occur, EFSEC simply cannot provide adequate assurance in a draft site certification agreement that the safeguards associated with the Proposal are 'technically sufficient for [public] welfare and protection' or ensure 'that the location and operation of such facilities will produce minimal adverse effects on the environment' as required." (7)
- "...the Proposal would create an increased risk of wildfire ignition along every mile of track used, both from heat and sparks created by increased daily rail traffic and from catastrophic accidents." (2)
- "State firefighters are not prepared to address additional wildfires associated with transportation with crude oil by rail as part of the Proposal." (5)

City of Vancouver:

- "Because the Facility's true costs are unwarranted and the unreasonable risks of its operations will be borne not by Tesoro but by Washington's citizens and taxpayers, Vancouver requests that EFSEC recommend denial of the Application." (3)
- "The financial risks associated with this project are unacceptable. It is reasonable to estimate an expected (maximum foreseeable loss) for a catastrophic accident associated with this project at roughly \$5-\$6 billion." (25)
- "If an applicant cannot pay for an energy project's true costs and instead asks the public to bear the financial risks the project would create, then EFSEC must recommend denial of the application for site certification. With respect to the Facility, Tesoro provides no assurances that it will not shift to the public costs that it cannot cover itself or through insurance." (25)

- “...Tesoro cannot fully remedy (from a financial perspective) impacts resulting in injury and casualties, natural resource and property damage, emergency responder resource impacts, and infrastructure damage.” (27)
- “...Tesoro assumes that its mobilization of additional resources will not be hindered by the emergency situation itself, an assumption which is patently unrealistic given the near certainty of road, bridge and rail closures in all but the smallest of incidents. The reality is that Vancouver and its citizens will be solely responsible for first response to emergencies caused by Tesoro’s operations and that supplemental resources may not arrive in time to make a difference.” (16-17)

Clark County:

- “...the proposed oil terminal presents serious, quantifiable, and unacceptable risks to the health and safety of the (Jail Work Center) population.” (8)
- “According to Sheriff Atkins, an oil terminal related emergency that necessitates the evacuation of the JWC would require virtually every on-duty CCSO law enforcement deputy to assist in the evacuation and rehousing of inmates at an alternate secure location. This necessary diversion of CCSO resources would seriously strain its ability to respond to other emergency calls in the community and could jeopardize public safety.” (8)
- “Clark County believes that *complete* mitigation of these significant risks is possible through the Tesoro-Savage funded relocation of the JWC to a location that is not surrounded by a crude oil terminal...Ultimately, as currently designed and without mitigation, the facility presents serious threats to the safety of those incarcerated and working at the JWC and is, therefore, not in the public's interest.” (2)

City of Spokane:

- “In the event of an accident or spillage of crude oil during the transportation through the Spokane area, over the Aquifer or along the Spokane River, such spillage could be crippling to the public's sole source of drinking water.” (8-9)
- “...a large scale fire from an oil train derailment in the urban center would be beyond the Fire Department's capabilities.” (10)
- “...because of the size and complexity of an oil crude rail tank car related fire incident, the existing capability of the Spokane community will likely be inadequate and ineffective.” (6)
- “The increase in oil train rail traffic through the City of Spokane creates the potential of harm to the City's public health, safety and welfare through potential impacts to the City's emergency management and fire protection response capabilities, the City's

drinking water and storm water systems, the Spokane River, Latah Creek, the Spokane Valley-Rathdrum Prairie Aquifer and to the City's urban core." (2)

Washington Attorney General's Council for the Environment:

- "Human error piloting a vessel in the Columbia River or one broken bolt on a track could lead to a significant environmental and public safety disaster." (15)
- "The testimony is clear that a worst-case oil spill...would have substantial ecological impacts to the Columbia River." (10)
- "The first scenario involves a tanker ship grounding in the lower Columbia River and releasing crude oil into the river. The second scenario involves a spill further upstream with a train derailment that would discharge oil in to the Columbia River near the Bonneville Dam, with oil being mixed with the water as it flows through the dam and downstream. In both cases...the habitats of the river and surrounding area would not be restored to pre-spill conditions for up to 20 years. In addition, **Washington would suffer from the loss of multitudes of fish, wildlife and birds.** For the tanker spill, restoration costs are calculated to be \$171.3 million, while such costs stemming from the train derailment would be \$84.9 million." (2-3)
- "The VEDT (Vancouver Energy Distribution Terminal) project is unique to EFSEC and the State of Washington. The potential environmental impacts detailed in the CFE's experts' report and testimony, and the environmental risks and impacts set forth in testimony submitted by the other parties to the adjudication, demonstrate the **significant and unprecedented** impacts to the environment that may occur as a result of the VEDT project." (14)
- "The risks associated with the VEDT project are significant to the people and the environment of the State of Washington. As shown by the recent oil train incident in Mosier, Oregon, consideration of the risks associated with the transportation of crude oil through the state is crucial to EFSEC's evaluation." (14)

Columbia Waterfront Development Group

- "Tesoro-Savage's request for site certification is at the wrong location, will not serve Washington's energy needs, and would harm local community interests and the environment while providing little or no benefit to the state." (1)
- "...there are no conditions that the Council could impose that would protect the interests of affected communities and tribal and state governments or ensure a clean, safe, and healthy environment." (6)
- "11 of the community's 22 city blocks and numerous residential structures will be within 100 feet of the BNSF main line and the Port of Vancouver spur line on which the oil trains are proposed to pass." (8)

- “Given the limited local benefits of the Project and the substantial negative economic impacts of the Project, including property value impacts and increased congestion along the rail corridor, as well as foreclosure of potential alternative uses of the Port property, it is very possible that the net effect of the Project will be an overall negative economic impact to the state.” (5)
- “The evidence will show that the core business of this proposal – the daily movement of crude oil by rail and marine vessel through multiple transfer points – presents a high risk of an oil spill or accident at the facility’s storage tanks, pipelines, docks and transfer points, or from a train or marine vessel, through human error, equipment failure, or earthquake. The evidence will also show that the communities along this route do not have the resources or training to respond to an emergency event at the facility or elsewhere that would not otherwise take place but for this Project. This is sufficient reason alone to deny site certification.” (6)

Tribal Parties and Columbia Riverkeeper et al.:

- “...tribes and members of the tribes would be adversely affected by the oil terminal due to its harm to the Columbia River and salmon, white sturgeon, lamprey, and other aquatic species.” (3)
- “...the Tesoro-Savage project and operations associated with it would interfere with the Tribes’ Treaty-reserved fishing rights, access to long-established fishing spots, and co-management duties for Columbia River fisheries with the regional co-managers including Washington State.” (3)
- “...if a spill occurs in the river, between 40% and 68% of the spilled oil will be left after mechanical recovery and evaporation, depending on the type of oil that is spilled, and that remaining oil could sink, wash ashore, or travel downstream out to the Pacific.” (20)
- “...spills of diluted bitumen, one of the types of crude anticipated to be handled at the terminal, would create heightened challenges for cleanup. Bakken crude, another type of crude that will certainly be handled at the terminal, has high levels of polycyclic aromatic hydrocarbons, which tend to dissolve in the water column and which are extremely toxic to aquatic life.” (20)
- “...there is nothing against which EFSEC can balance the undisputable environmental harms this terminal would bring...the citizens of Washington would bear the risk of oil spills to their waterways, air emissions, and a variety of severe public health impacts, including the risk of fires and explosions.” (28)