



Antonio Machado

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March 8, 2024

Sent via email to: Diana.Davis@ecy.wa.gov

Ms. Diana Davis
Rulemaking Lead
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Re: WSPA Comments on Proposed WAC 173-187 Rulemaking

Dear Ms. Davis:

The Western States Petroleum Association (WSPA) appreciates this opportunity to provide comments on the Washington Department of Ecology (Ecology) proposed WAC 173-187 Financial Responsibility Rulemaking process. WSPA is a trade association which represents companies that produce energy for transportation along the west coast, including refineries and operations in Washington State.

WSPA members understand that the proposed rulemaking is intended to ensure that vessel and facility owners and operators have adequate financial resources to cover cleanup costs and damages resulting from oil spills. The dedicated workers in the energy industry play a crucial role in producing energy in the state of Washington and deeply value the rich natural resources. They are firmly committed to preserving and safeguarding them for future generations. WSPA has remained a dedicated supporter of the Washington Department of Ecology's oil spill program since its inception.

Over the years, our industry has learned from past incidents and invested significant resources in continuous improvement. Throughout the last three decades, we have implemented substantial measures to minimize environmental harm while producing and transporting the energy essential to sustaining the economic vitality of our region.

Ecology's draft rule language for Financial Responsibility includes standard COFR amounts, which were discussed with stakeholders during the rulemaking workshops. These amounts mirror California's, which are considerably higher than those in other jurisdictions, such as Alaska. This alignment is consistent with the legislature and Ecology's intent to harmonize COFR amounts along the West Coast.

Ecology's analysis of financial responsibility, which began with 1992 data, may appear to some as requiring adjustment to current values. However, WSPA believes it is essential to consider and acknowledge the significant advancements in oil spill prevention and response technologies over the past 30 years. Furthermore, stakeholders in Washington State have made substantial improvements since the 1990s, including response plans, equipment staging, current response equipment stockpiles, geographic response plans (GRPs), routine drills and training, vessel strength enhancements, and pre-booming. These improvements reasonably suggest a lower likelihood of a worst-case spill similar to those in the 1990s.

Additionally, oil spill cleanup cost calculations often assume a direct linear relationship between spilled barrels and associated dollar amounts, which is no longer accurate for most analyses. The

industry has actively engaged in enhancing and adopting international, federal, and other standards, bolstering vessel monitoring and inspections, and collaborating with regulatory agencies.

We have also adopted oil handling standards and spill prevention measures, improved preparedness and response assistance capabilities, and enhanced navigation technology, all while prioritizing crew competency. Proactively, we utilize double-hulled vessels to mitigate spill risks, as the improved material strength significantly minimizes the potential for spills.

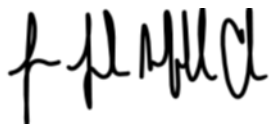
Moreover, we have enhanced tug designs, and WSPA supports an emergency response tug vessel that, while it has not been used to deter oil spill potential, has provided aid to vessels in other industries or services.

Our members adhere to strict policies and procedures ensuring both safety and efficiency in their operations. We believe in being prepared in any case and for any event. We currently maintain higher than ever emergency response safety supplies and conduct regular drills to prepare for any contingency. Additionally, our industry boasts the best safety record of the past two decades, as noted by the Harbor Safety Committee, making our waters the safest navigable waters in the United States. Going forward, WSPA fully supports ongoing efforts to improve safety and environmental protection. Producing energy is a complex, demanding, and challenging process. WSPA and its members believe that no job or task takes precedence over protecting the environment and the safety of our workers and community.

WSPA members believe that the proposed financial responsibility amounts reflect the current insurance and bond markets in a more realistic manner than when the financial responsibility amounts were adjusted two-fold. The proposed Financial Responsibility amounts in the agency's proposed rule language, we believe, provide appropriate protections given the significant improvements in the industry over the last decades and considering technological advancements. We commend the agency for its efforts, and we reaffirm our unwavering dedication to supporting the rulemaking process and maintaining a focus on environmental stewardship and safety.

If you have any questions regarding the comments presented in this letter, please do not hesitate to contact me via e-mail at amachado@wspa.org or by phone at (360) 594-1415.

Sincerely,



cc: Jessica Spiegel, WSPA