

Washington Conservation Action

Yup, Rein Attenman Washington Conservation Action. I echo Laura's excellent remarks. Uh it just shows the vast uh, margin of profits and resources that oil industry has uh to meet a 1 billion dollar maximum liability coverage. But I thank you for the opportunity to comment on the rule and for all your hard work on this effort throughout the past year. It is critical that financial responsibility requirements are established for Washington State's onshore oil handling facilities. While there's unlimited liability for oil spills in Washington State, financial responsibility requirements are needed to ensure that these facilities won't go bankrupt before covering all of their spills response damage costs and putting uh the rest of the bill on taxpayers and communities. Washington State's class one facilities put the well-being in health of communities and cultures, wildlife, clean water, clean air, and the Salish Sea ecosystem at risk. As required by RCW 88.40.025, an onshore or offshore facility shall demonstrate financial responsibility in an amount determined by the department as necessary to compensate the state and affected federally recognized Indian tribes, counties, and cities for damages that might occur during a reasonable worst case oil spill from that facility and to navigable waters in the state. Instead of determining what financial responsibility amount would be needed to compensate the state, Tribes, counties, and cities for damages from class one facilities. Ecology's proposed rule is based primarily on just one of these 5 considerations. Quote, commercial availability and affordability of a financial responsibility quote. And we know oil industry has resources. Um yeah, the \$300 300 million dollar maximum financial responsibility that you have selected is based on California's regulations which were established 30 years ago and based on a study that was uh in 1993 that used 1992 US dollar values to identify the cost of oil spill response and the damages that could result from a spill. This 30 old study uh yeah identified costs at 12,500 to 18,900 per barrel and today's dollars based on average inflation rate of 2.52% per year. Obtaining that period it would be equivalent to about \$27,900 and \$42,000 per barrel and over 652 million maximum financial responsibility. This means that today's prices are 2 times as high as average prices since 1995 and a dollar today only buys 50% of what it would buy back then. Cost of cleaning up oil spills and financial responsibility to impacted communities have increased and will continue to increase in the future. And Enbridge energy pipeline spill of 1.8 1.28 billion dollars is a case in point. So we know that spills can exceed a billion dollars. Um I would just suggest that the rule include a section around, termination or cancellation of proof of financial responsibility that does not relieve a person subject, uh to 173-187. And a good reference would be Alaska's administrative code, 18 AAC 7 5.272. We would recommend that you adopt similar language from state of Alaska around public access to financial responsibility records. This is not much different than what Washington Ecology is required to do with quarterly crude oil movement in the state. Okay, and we like to uh thank you for including a 30 day review and comment period under section 173-187-120(3) related to alternative financial responsibility calculations. Uh so if you're able to do that and provide uh public transparency, it seems like, we should the public have access to financial responsibility records as well. Uh thank you and we'll be writing and submitting more detailed comments by the eighth of March.