



July 8, 2013

Jerry Oliver, President
Port of Vancouver Board of Commissioners
3103 N.W. Lower River Rd.
Vancouver, WA 98660

Nancy Baker, Secretary
Port of Vancouver Board of Commissioners
3103 N.W. Lower River Rd.
Vancouver, WA 98660

Brian Wolfe, Vice President
Port of Vancouver Board of Commissioners
3103 N.W. Lower River Rd.
Vancouver, WA 98660

Re: Proposed Tesoro Savage Crude Oil Terminal

Dear Commissioners Oliver, Wolfe, and Baker,

Sierra Club and Columbia Riverkeeper submit the following comments on the proposed lease to Tesoro Savage Petroleum Terminal LLC (Tesoro) for a crude oil terminal at the Port of Vancouver (Port). We urge the Port to reject Tesoro's proposal, which would mark a significant departure from the Port's stated commitment to "the health of the economy, our community and the environment."¹

Tesoro proposes shipping up to 360,000 barrels of crude oil each day along the Columbia River. This is a staggering amount of oil.² By comparison, the Tesoro project would ship:

- more crude oil per day than the TransMountain pipeline—one of the largest oil pipelines on the West Coast;
- roughly half the amount of oil proposed for transport in the controversial Keystone XL pipeline proposal;
- significantly more oil than Washington State's largest refinery, BP Cherry Point, is capable of refining.³

Tesoro's pipeline-on-wheels project requires eight, mile-and-half long trains per day—four full, four empty. Overall, the project would pose significant safety and environmental risks, including the danger of oil spills and health hazards from toxic diesel pollution from trains and

¹ Port of Vancouver Website, <http://www.portvanusa.com/about/sustainability/>.

² Sightline Institute, *The Northwest's Pipeline on Rails* (June 2013) (Exhibit 23).

³ The BP Cherry Point refinery handles 209,000 barrels of oil per day. See Wash. Dept. of Ecology, Industrial Section, http://www.ecy.wa.gov/programs/swfa/industrial/oil_bp.html.

sulfide gas from crude oil. While the project will undergo additional review before the Energy Facility Site Evaluation Council (EFSEC), the Port has an independent duty to act in the best interests of its constituents. For this reason, we urge the Port of Vancouver to reject Tesoro's proposal.

Over the weekend a horrific tragedy occurred in Canada involving trains carrying North Dakota Bakken crude oil to a refinery in Maine.⁴ According to reports, all but one of the train's 73 tanker cars were carrying oil when they somehow came loose, sped downhill nearly seven miles into the town of Lac-Megantic, near the Maine border, and derailed, with at least five of the cars exploding. About a third of the community's 6,000 residents were forced from their homes by the explosion and flames. Forty people are still missing and five are dead. The Port should learn from this tragedy and others and decide: is this the right business for our constituents?

The Tesoro Project: Inconsistent with the Port's Mission and Values

Tesoro's proposal flies in the face of the Port's stated commitment to the health of the community and environmental stewardship. The Port has stated repeatedly its commitment to sustainability, the health of the community, and environmental stewardship. The Port's website describes the Port's values, stating:

The Port of Vancouver USA is dedicated to the health of the economy, our community and the environment. As a sustainable port, we look at our operations in an all-inclusive manner, enhancing our profitability while operating responsibly within our larger community. We have created a sustainability plan with the goal to meet today's global economic, environmental and social needs without compromising the ability of future generations to meet theirs.⁵

The Port's website also states:

What's good for the environment is good for all of us.

At the Port of Vancouver USA, we measure success in many ways—none more vital than our ability to keep our air, land and water clean. In fact, we've made ecological responsibility central to how we do business. We believe that environmental stewardship and economic development can co-exist, and as community citizens, we are committed to preserving natural spaces and managing resources wisely.⁶

Handling 360,000 barrels of crude oil per day is inconsistent with the Port's stated commitment to meet today's economic, environmental and social needs without compromising the

⁴ Washington Post, *40 still missing in deadly Canada oil train derailment; police say higher death toll certain* (July 8, 2013), http://www.washingtonpost.com/world/the_americas/40-still-missing-in-deadly-canada-train-derailment-police-say-higher-death-toll-inevitable/2013/07/07/56961b80-e76a-11e2-818e-aa29e855f3ab_story.html (Exhibit 16).

⁵ Port of Vancouver Website, <http://www.portvanusa.com/about/sustainability/>.

⁶ Port of Vancouver Website, <http://www.portvanusa.com/environmental-services/stewardship/>.

ability of future generations to meet theirs. Currently, the Port is a leading shipper of wind turbine components and other cargoes. And the Port has maintained a positive working relationship with the local Sierra Club group, the Loo Wit Group. If granted, the Tesoro project would represent a massive commitment by the Port to dirty fossil fuels. Shipping crude oil adjacent to and over the Columbia River presents a number of significant risks for the City of Vancouver and other communities along the BNSF rail line, as well as the overall health of the Columbia River and endangered salmon. The combustion of this oil, alone (not counting the energy cost of producing the oil) will release over 56 million metric tons of carbon dioxide each year, *as much as almost 12 million cars worth of greenhouse gas pollution.*⁷ The Port must tread cautiously before signing off on a lease that is both inconsistent with the Port's stated values, as well as the values of many local residents.

Specific Considerations

Before agreeing to any leases or lease options with Tesoro, the Port should carefully consider potential public safety, economic, public health, and environmental impacts. Based on these considerations and many others, we urge the Port to reject Tesoro's crude oil terminal.

- **Community Engagement.** How will the Port engage with impacted businesses, neighborhoods and community members prior to reaching any agreement for a lease or lease option with Tesoro? The public deserves a meaningful opportunity to learn about the project and give input before any decisions the Port signs off on a lease. The workshops that have been held to date are not substitutes for community forums that explain what is proposed, what types of risks are associated with the Tesoro project, and how the Port will address these risks.

In response to requests, the Port scheduled an evening meeting on the Tesoro project for July 22nd. The next day the Board of Commissioners is scheduled to issue its decision to approve or deny the lease on July 23rd. While we appreciate the Port's gesture, holding a meeting on the eve of a lease decision falls short of meaningful public engagement on a project with wide-ranging impacts to local businesses, homeowners, and many others who live along the rail line and near the proposed terminal.

- **Port of Vancouver's Strategic Plan: Environmental Values.** How would a crude oil export terminal be consistent with the Port's Environmental Values? The Port of Vancouver's 2013-2022 Strategic Plan identifies four Environmental Values, including integrated decision making, sustainability, pollution prevention, and compliance. The Port prides itself on its ability to "promote a corporate culture where environmental stewardship is demonstrated by the way we do business," its commitment to "sustain our natural

⁷ 360,000/day x 365 days = 131,400,000 barrels/year.
131,400,000 barrels per year x 0.43 metric tons of CO₂/barrel = 56,502,000 metric tons of CO₂ per year
56,502,000 metric tons of CO₂ per year x 1 car/4.8 metric tons of CO₂ per year = 11,771,250 cars per year
Conversions from U.S. EPA website, <http://www.epa.gov/greenpower/pubs/calcmeth.htm#vehicles>

resources through the protection of our air shed, lands, and water,” and to “conserve energy and maximize the use of sustainable resources.”⁸ What factors will the Commission use to evaluate Tesoro as a potential tenant?

- **Tesoro’s Poor Safety and Environmental Record.** During the June 23rd public workshop, Tesoro touted its reputation for safety and environmental stewardship. Tesoro’s record indicates otherwise. Examples of Tesoro’s poor record for worker safety and pollution include:
 - In 2010, an explosion at Tesoro’s petroleum refinery in Anacortes resulted in the deaths of seven people. Following a six-month investigation, the Washington Department of Labor & Industries (L&I) cited Tesoro for 39 “willful” violations and five “serious” violations.⁹ Investigators concluded that the deadly explosion could have been prevented. A willful violation is a category of violation where an employer knowingly violates a rule and is plainly indifferent to correcting it, while a serious violation is one involving an instance where there is a substantial probability of serious injury or death.
 - Tesoro agreed to a \$1.1 million settlement to resolve over 4,000 Clean Air Act violations at refineries in Washington and three other states, the largest penalty of this type in the 40-year history of the EPA’s clean fuels program.¹⁰
 - According to data from the federal Toxics Release Inventory, Tesoro is one of the top 50 toxic air polluters in the country.¹¹
 - In 2008, Tesoro paid \$1.5 million for 77 violations at its Golden Eagle refinery in Martinez, California. And again in 2011, it paid another half a million dollars to the Bay Area Air Quality Management District for another 46 air quality violations, including “excessive emissions of carbon monoxide, particulate pollution, ammonia, sulfur dioxide and smog-forming pollutants; failure to fix leaking tanks and other equipment; failure to label and inspect equipment properly; failure to conduct required source tests; improper flare sampling; and monitoring and reporting violations.”¹² The facility’s chronic violations stem

⁸ Port of Vancouver 2013-2022 Strategic Plan, pg. 6, <http://www.portvanusa.com/assets/2022-STRATEGIC-PLAN1.pdf>

⁹ Washington Dept. of Labor & Industries, *L&I issues record fine in deadly Tesoro explosion* (Oct. 4, 2010) <http://www.lni.wa.gov/news/2010/pr101004b.asp> (Exhibit 17).

¹⁰ Seattle Times, *State declares Tesoro blast was preventable* (Oct. 4, 2010) (Exhibit 9); Sightline Daily, *One More Time: Who Is Tesoro?: 7 dead, millions in fines, millions more in campaign cash* (Oct. 25, 2010) (Exhibit 10).

¹¹ Political Economy Research Institute, *Toxic 100 Air Polluters Index* (July 25, 2012) (Exhibit 11).

¹² Claycord, *Air District settles case with Tesoro – Refinery to pay \$497,375 for violations* (July 27, 2011) (Exhibit 12).

from dangerous incidents including a ruptured boiler tube in 2007, multiple Clean Water Act violations, spilling 84 gallons of sulfuric acid in 2010, and twice in 2010 “fireballs” shooting up from flaring smokestacks, resulting in two injured employees and health warnings to the surrounding community.¹³

- Tesoro ranks second worst in health impacts among California’s major greenhouse gas-emitting facilities, according to a study by the University of Southern California.¹⁴
- A fire at Tesoro’s Salt Lake City refinery is under investigation by the Chemical Safety Board and has been described as “eerily similar” to the situation that led to the deaths of 15 workers (and the injury of scores of other workers) at BP’s Texas City refinery in 2005.

Given Tesoro’s record, why would the Port of Vancouver want to subject the community and the environment to such a high-risk tenant?

- **Oil Spill Risk.** How will the Port evaluate the increased oil spill risks resulting from a massive crude oil terminal? Oil spills have the potential to cause dramatic harm to fish habitat and nearby neighborhoods and businesses along the proposed rail route. According to a recent study by the Manhattan Institute, a conservative think tank, rail accidents occur 34 times more frequently than pipeline accidents for every ton of crude or other hazardous material shipped comparable distances. While the Association of American Railroads claims the study was flawed, the association acknowledges the likelihood of a rail accident is double or triple the chance of a pipeline problem.¹⁵
- **Risk of Catastrophic Accident.** As noted above, on July 6th a horrific tragedy occurred in Canada involving trains carrying North Dakota Bakken crude oil to a refinery in Maine.¹⁶ According to reports, all but one of the train’s 73 tanker cars were carrying oil when they somehow came loose, sped downhill nearly seven miles into the town of Lac-Megantic, near the Maine border, and derailed, with at least five of the cars exploding.¹⁷ This tragedy

¹³ Sightline Daily, *One More Time: Who Is Tesoro?: 7 dead, millions in fines, millions more in campaign cash*, (Oct. 25, 2010) (Exhibit 10); Sightline Daily, *Another Tesoro Flare-Up: One more black mark for a black hat oil company* (Nov. 11, 2010) (Exhibit 13); Sightline Daily, *What Has Tesoro Done Lately?: Tracking a Texas oil company’s record*, (Jan. 25, 2011) (Exhibit 14).

¹⁴ Pastor, Morrello-Frosch, et al., USC Program for Environmental & Regional Equity, University of California, Berkeley, *Minding the Climate Gap Report*, (April 2010) (Exhibit 15).

¹⁵ Oregonian, *Trains carrying more oil across U.S. raise concerns amid North Plains boom* (Dec. 28, 2012) http://www.oregonlive.com/environment/index.ssf/2012/12/trains_carrying_more_oil_acros.html (Exhibit 18).

¹⁶ Washington Post, *40 still missing in deadly Canada oil train derailment; police say higher death toll certain* (July 8, 2013), http://www.washingtonpost.com/world/the_americas/40-still-missing-in-deadly-canada-train-derailment-police-say-higher-death-toll-inevitable/2013/07/07/56961b80-e76a-11e2-818e-aa29e855f3ab_story.html (Exhibit 1).

¹⁷ National Geographic, *Oil train tragedy in Canada spotlights rising crude transport by rail* (July 8, 2013) <http://news.nationalgeographic.com/news/energy/2013/07/130708-oil-train-tragedy-in-canada/> (Exhibit 19).

highlights the risks associated with transporting massive volumes of crude oil by rail through communities, including the City of Vancouver. Has the Port evaluated the serious risks of a catastrophic accident at the terminal or along the rail route?

- **Toxic Fumes from Crude Oil Handling.** North Dakota Bakken crude oil is associated with high levels of hydrogen sulfide gas, a colorless, flammable and extremely hazardous gas formed by the breakdown of organic matter in the absence of oxygen. Earlier this year the discovery of perilous concentrations of hydrogen sulfide gas in a crude oil tank “sparked a furious row” between pipeline operator Enbridge and Bakken crude shippers.¹⁸ Enbridge found 1,200 ppm in one of its storage tanks at its oil-loading rail terminal. Exposure to sulfide gas vapors at levels of 100 ppm can cause death.¹⁹ The discovery led to a heated showdown between Enbridge and Bakken crude shippers after Enbridge asked the Federal Energy Regulatory Commission (FERC) to limit the amount of potentially harmful sulfide gas in crude oil shipped on its pipeline.

Chronic exposure to sulphide gas can cause lung, liver and kidney damage, infertility, immune system suppression, disruption of hormone levels, blood disorders, gene mutations, birth defects, and cancer.²⁰ According to the Occupational Safety and Health Administration, hydrogen sulphide is immediately dangerous to life and health at concentrations above 100 parts per million (ppm). When mixed with air, hydrogen sulphide is explosive. The characteristic rotten egg smell is detectable at concentrations well under 1 ppm, and becomes sickly sweet over 30 ppm. When the concentration rises over 100 ppm, hydrogen sulfide is odorless because it paralyzes the olfactory nerves in the nose. At concentrations of as low as 50-200 ppm, hydrogen sulphide can cause shock, convulsions, and coma. Has the Port evaluated what measures Tesoro would take to prevent a dangerous build up and release of hydrogen sulfide?

Dr. Paul Goldstein, Ph.D., Professor of Toxicology warns that “Crude Oil is not readily biodegradable, and the effects of exposure to this toxin will be felt not only acutely, but from generation to generation. Children and pregnant mothers are at significant risk. All exposures, no matter how seemingly insignificant, may prove to be consequential. What may seem to be a relatively trivial exposure in a healthy individual may potentially prove catastrophic, and the consequences of both acute and chronic exposures to crude oil may

¹⁸ Reuters, *Toxic gas in Bakken pipeline points to sour well problem* (May 29, 2013)

<http://www.cnn.com/id/100773620> (Exhibit 20)

¹⁹ Reuters, *FERC approves sulphide gas limit in Bakken crude* (June 7, 2013)

<http://www.reuters.com/article/2013/06/07/us-enbridge-bakken-sulfide-idUSBRE9560V420130607?feedType=RSS&feedName=environmentNews> (Exhibit 21).

²⁰ Utah Department of Environmental Quality, *Adverse Health Effects from Exposure to Crude Oil Mixtures* (June 2010) (Exhibit 1).

take years, even decades, to fully reveal the array of disease and morbidity than will result from exposure to this substance.”²¹

- **Rail Traffic Delays & Emergency Response.** How would the Port address increased traffic congestion caused by trains carrying crude oil? The terminal would require at least four full unit trains and four empty unit trains each day to ship 360,000 barrels of oil on a daily basis. According to Tesoro, trains would be comprised of 120 cars or more and would extend 7661 feet in length (almost a mile and a half). These long, heavy trains would exacerbate traffic delays in communities along the rail lines in Washington, such as Washougal, Spokane, and Vancouver. The 2010-2030 Washington Freight Rail Plan warns that “growth in rail traffic and rail congestion issues are also affecting state communities by increasing delays for automobile and truck drivers at rail-highway crossings. Increased noise, congestion, and safety problems exist at these crossings.”²²

Earlier this year the City of Vancouver passed a resolution and submitted comments raising a number of concerns about the potential impact of coal train traffic on the city.²³ Many of these concerns apply equally to Tesoro’s proposal. For example, the City raised concerns about blocked traffic at at-grade crossing and delays in emergency response time. In emergency situations, even a few seconds of delay can be dangerous. Last year, Seattle completed a comprehensive Coal Train Traffic Impact Study.²⁴ The results of that study would hold true for crude oil trains in Vancouver, too. The study found that a 1.6 mile-long train traveling at 30mph would cause a “gate down time” delay of 3.7 minutes. At 20 mph, the delay would increase to 5.3 minutes. And at 10mph, the delay would be 10.2 minutes.

How has the Port evaluated the Tesoro project’s impact on at-grade crossings and associated impacts to the community? What kind of changes should Vancouver and other cities along the rail route make to their emergency response plans in response to increased rail traffic?

- **Toxic Diesel Pollution from Crude Oil Trains Threaten Public Health.** Considering that more rail traffic at the Port equals dirtier air for people to breathe in surrounding neighborhoods, how would the Port safeguard the health and welfare of the community? The health dangers of diesel particulate emissions from rail yards are well-

²¹ Alabama Media Group, *Health Effects of Crude Oil Exposure to Children, Adults, and Pregnant Women* (July 11, 2010) (Exhibit 2).

²² Washington State Department of Transportation, *Washington State 2010-2013 Freight Rail Plan* (Dec. 2009) (Exhibit 3).

²³ City of Vancouver, *SEPA Scoping Comments on Gateway Pacific Coal Terminal* (January 18, 2013) (Exhibit 24).

²⁴ Parametrix, *Coal Train Traffic Impact Study* (Oct. 2012) (Exhibit 4).

known. Increased incidence of cancer, asthma, and respiratory and cardiac conditions are attributed to inhaling diesel particulate matter.

- **Far-reaching Impacts of Fracking.** How would the Port assess and justify the widespread impacts of supporting the fracking industry? The proposed oil terminal is initially intended to ship shale oil from the Bakken formation in North Dakota and Montana to West Coast refineries. Oil companies extract Bakken oil through the process of hydraulic fracturing (“fracking”), a notoriously dirty method of producing fossil fuels that has polluted aquifers and damaged agricultural lands. In 2011 the oil and gas industry reported over 1,000 spills of wastewater, drilling fluids, or other materials in North Dakota, alone.²⁵ Vancouver cannot let its legacy be associated with fracking.
- **Attracting a National Controversy.** Oil pipelines have triggered massive public resistance across the nation in recent years. Proposals to ship Bakken crude oil by rail are also garnering significant public opposition. On June 27th, the same day that the Port of Vancouver held its most recent public meeting, thirty protesters blocked a Bakken crude oil train in Maine for several hours. The protest resulted in six arrests and a swarm of media attention.²⁶ By granting this lease, the Port of Vancouver would put itself in the crosshairs of the national movement against fracking. Is the Port willing to put itself at the center of one of the nation’s most controversial environmental issues?
- **Paving the Way for Tar Sands Export.** How would the Port address concerns that in the future, the proposed oil terminal could be used to ship Canadian tar sands oil to overseas markets, much like the controversial Keystone XL pipeline? Tar sands oil is one of the dirtiest fossil fuels on the planet. Paving the way for tar sands export is not the best way for the Port to honor its commitment to the public and the environment.
- **Vancouver’s Vision of Dirty Energy or Clean Energy Future.** At a time when our nation is at an energy crossroads, will the Port choose to support unsustainable and outdated energy model, or will it become a leader for a clean energy future? The proposed oil terminal will increase access to and consumption of dirty oil. At 360,000 barrels of oil per day, the terminal will ship over 131 million barrels of crude oil per year. As noted above, the combustion of this oil, alone (not counting the energy cost of producing the oil)

²⁵ ProPublica, *North Dakota’s Oil Boom Brings Damage Along with Prosperity* (June 7, 2012) <http://www.propublica.org/article/the-other-fracking-north-dakotas-oil-boom-brings-damage-along-with-prosperity> (Exhibit 22).

²⁶ Popular Resistance, *Fearless Summer: Two Trains Carrying Fracked Gas Blocked in Maine* (June 28, 2013) (Exhibit 5); WABI-TV5 News Desk, *Six Arrested in Fairfield Demonstration* (June 28, 2013) (Exhibit 6); Bangor Daily News, *6 Arrested after blocking Fairfield train tracks during protest of fracked oil* (June 26, 2013) (Exhibit 7); Common Dreams, *‘Bound for Gory’: Climate Activists Arrested in Maine for Blocking ‘Dirty Oil’ Train Part of national ‘Fearless Summer’ direct action campaign to take on fossil fuel industry* (June 28, 2013) (Exhibit 8).

will release over 56 million metric tons of carbon dioxide each year, as much as almost 12 million cars worth of greenhouse gas pollution.

- **Learning from Past Environmental Catastrophes.** Having invested time, money, and effort in cleaning up Alcoa's old aluminum site, how does committing Terminal 5 to crude oil operations square with the Port's stated values? The Port has vowed to "prevent new sources of contamination on port property."²⁷

Conclusion

Sierra Club and Columbia Riverkeeper request that the Port consider carefully all of the implications of Tesoro's proposed oil terminal and reject Tesoro's proposal. Today the Port is in an opportune position to bolster its legacy of environmental stewardship and collaboration with the community. A crude oil terminal at the Port of Vancouver is not in the best interest of the health of the community and the protection of the environment. Thank you for your attention to the concerns of Sierra Club, Columbia Riverkeeper, and our members. Please direct any correspondence to Lauren Goldberg at lauren@columbiariverkeeper.org or 541-965-0985.

Sincerely,



Devorah Ancel
Attorney
Sierra Club Beyond Oil Campaign



Lauren Goldberg
Staff Attorney
Columbia Riverkeeper

Enc.

cc:

Governor Jay Inslee
Ted Sturdevant, Office of the Governor

²⁷ Port of Vancouver 2013-2022 Strategic Plan, pg. 6, <http://www.portvanusa.com/assets/2022-STRATEGIC-PLAN1.pdf>.

Maia Bellon, Director, Washington Department of Ecology

Alan Bogner, Office of Regulatory Assistance

Todd Coleman, Executive Director, Port of Vancouver