



NEW YORK STATE SENATOR

Tony Avella

Times Union- Bill to make oil shippers, terminals prove cleanup cash heads to the wire at Capitol

TONY AVELLA June 9, 2015

A state lawmaker from Albany is making another bid to require companies that ship or store Bakken crude oil or tar sands oil — like the railroads and two terminals at the Port of Albany — to put up financial guarantees to cover the multimillion-dollar costs of dealing with spills, fires or explosions.

A similar measure died in the GOP-controlled Senate last year, but Assembly member Pat Fahy, an Albany Democrat, said she hopes that the ranking Democrat on the Senate Environmental Conservation Committee, co-sponsor Tony Avella of Queens, can shepherd the bill through this time.

Existing state law does not require rail companies or terminal owners to demonstrate financial guarantees to pay for cleanups and decontaminations. In Albany, two oil terminal operators — Massachusetts-based Global Partners, and Buckeye Partners of Houston — are handling millions of gallons of oil arriving daily on massive oil trains from the Bakken oil fields of North Dakota.

On Wednesday, Avella said he remained hopeful that he could get the measure out of Senate rules committee and up for vote during the final week of the legislative session, which is tentatively set to end on June 19. The measure has no GOP sponsor at this time.

"Since I introduced this legislation just one year ago, the growth of crude oil transportation has continued to climb. With storage facilities right here at the Port of Albany, cities like Albany are at a convergence upon two major oil freight lines," Fahy said. "This bill ensures that crude oil operators and storage facilities are responsible for their actions, not taxpayers or the public at large."

The bill would require such companies prove the financial backing to handle cleanups through evidence of insurance, a letter of credit, or guaranteed bond to meet "all responsibilities for cleanup and decontamination costs associated with the release of such oil."

In Canada, where a oil train explosion in July 2013 killed 47 people and caused more than \$1 billion in damage to the small town of Lac-Megantic, Quebec, federal lawmakers are debating a law that would require railroads to have up to \$1 billion in insurance to deal with the aftermath of any disaster.

In the Capital Region, Fahy's measure is also co-sponsored by Assembly members John McDonald of Cohoes, whose district includes the port, and Phil Steck of Colonie, both Democrats. It is also supported by Albany Mayor Kathy Sheehan and County Executive Dan McCoy.

An official with the environmental group Riverkeeper also backed the measure. "Crude oil transportation is putting the people and the environment of New York at risk daily," said Kate Hudson, director of cross-watershed initiatives for Riverkeeper. "This critical legislation will ensure that should a crude-oil accident happen, it will not be the state and local taxpayers who would bear the burden of the costs. Instead, that burden will fall where it belongs, on those responsible for moving this dangerous product."

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