

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Resolution No. 391 Supporting the Prohibition of the Transportation of Crude Oil via Rail Through the City of Shoreline
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Alex Herzog, Management Analyst
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Proclamation

PROBLEM/ISSUE STATEMENT:

Mayor Roberts and Councilmember McConnell have requested Council consider proposed Resolution No. 391, which urges the United States Department of Transportation and the United States Congress to prohibit the transportation of crude oil via rail through the City of Shoreline and all other populated areas (Attachment A).

Trains carrying oil present health and safety risks to the people and areas near these rail lines. The US Energy Information Administration expects U.S. crude oil production to decrease from an average of 9.4 million barrels per day (b/d) in 2015 to 8.1 million b/d in the third quarter of 2017. The recent crash in oil prices has slowed activity in oil patches across the US and reduced the amount of petroleum transported by rail. Though production has and is expected to decrease, 2015 was one of the worst years in history for crude train disasters. And, over the last five years, oil transport through Washington has increased significantly. Trains carrying crude oil through the City of Shoreline carries potential risks to the health and safety of our residents.

RESOURCE/FINANCIAL IMPACT:

There is no immediate or significant resource or financial impact of proposed Resolution No. 391.

RECOMMENDATION

Staff recommends Council adopt proposed Resolution No. 391 based on Council's January 2013 adoption of Resolution No. 339, Opposing Facilities That Will Increase Transporting Coal Across Washington State and Through the City of Shoreline. Proposed Resolution No. 391 is potentially similar in intent to Resolution No. 339.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

Over the last few years, a number of citizens and local governments have been concerned about the impacts of increased oil transport via rail through their communities and the impacts of oil facilities in Washington. Most cities and counties, other than those where oil facilities are located, have limited roles in the permitting of oil terminals and refineries. Yet the impacts of the rail transport of oil can have direct impacts on local communities. These impacts include health and pollution issues associated with railroad and tanker accidents, traffic congestion at rail crossings, air quality concerns, and the indirect impacts of increased greenhouse gases on the environment. Although a number of local governments are concerned about health and safety risks associated with coal and oil and its transport via rail, regulation of freight and passenger transport by railroads and is primarily a federal issue.

Federal regulation of railroads is primarily through the United States Department of Transportation, especially the Federal Railroad Administration which regulates safety, and the Surface Transportation Board which regulates rates, service, the construction, acquisition and abandonment of rail lines, carrier mergers and interchange of traffic among carriers. Individual states may only exercise limited control over some aspects of railroads and their operation. For example, the Utilities and Transportation Commission (UTC) in Washington state generally has the authority to set speed limits at all grade crossings in unincorporated areas and in all cities, except those where populations are greater than 100,000 (RCW 81.48.030).

A Washington Department of Ecology study, published in March 2015, found that in 2013 an estimated 11.8 billion to 12.7 billion gallons of oil was moved by railroad through the U.S. That equates to a 42-fold increase in oil transported by rail nationally since 2008. In Washington, a significant portion of oil transported through the state comes from North Dakota, home to the Bakken formation, where oil production has risen from about 200,000 b/d in 2009 to more than 1 million b/d in 2015. In early 2015, production in North Dakota accounted for almost 80% of all oil train traffic in the U.S.

Washington State increased from zero shipments of oil in 2011 to 700 million gallons in 2013. As of March 2015, the state received approximately 19 unit trains a week, each carrying as much as 3 million gallons of Bakken crude, mostly destined for refineries in Washington and California. King County, as of June 2014, the last year for which County data is available, saw an average of 11 trains with approximately 100 cars each pass through King County every week.

Some of these trains may be off-loaded at the four (4) refineries currently operating in Washington that receive oil by rail (the fifth, a Shell Oil facility in Anacortes, does not receive oil by rail). The refineries noted below are the five refineries located in Washington listed in order of greatest b/d capacity:

- BP at Cherry Point (near Blaine, WA) – 225,000 b/d
- Shell Oil in Anacortes, WA – 145,000 b/d
- Tesoro in Anacortes, WA – 120,000 b/d
- Phillips 66 in Ferndale, WA – 101,000 b/d
- US Oil in Tacoma, WA – 40,700 b/d

There are no known plans to build any new refineries in Washington or Oregon.

DISCUSSION

There are a number of health and safety risks associated with train transport of oil. First, trains are powered by diesel engines which release diesel particulates via exhaust. The health effects from diesel engine particulate matter were the reason that in 2008 the Environmental Protection Agency (EPA) began implementing emissions standards for diesel locomotive engines manufactured and used in the United States. As stated in a 2008 EPA Regulatory Announcement: "Locomotive and marine diesel engines contribute significantly to air pollution in many of the nation's cities and towns." And, an increase in the number of trains traveling through Shoreline will increase the level of diesel engine particulate matter released in the environment surrounding the City of Shoreline.

Oil itself, and transporting it via rail, is also hazardous. When oil is extracted from the ground, oil contains 'natural gas liquids' including methane, butane, and propane. If the oil is not processed properly, natural gas liquids can make their way into the railcars. During the journey to the refinery, sometimes thousands of miles, the gases can separate from the liquid, and a blanket of flammable gas can build on top of the oil. If there is a breach of the railcar, perhaps in a derailment, and the gas comes in contact with the outside air and an ignition source, the result can be a large explosion. If the mixture does not ignite but spills, this too can have devastating effects on the surrounding area.

Recent Train Derailments and Accidents and Local Jurisdiction Actions

An analysis by the Associated Press in June 2016 found that at least 26 oil trains have been involved in major fires or derailments during the past decade in the U.S. and Canada. The worst was a 2013 derailment that killed 47 people in Lac-Megantic, Quebec. Damage from that accident has been estimated at \$1.2 billion or higher. At least 12 of the oil trains that derailed were carrying crude from the Northern Plains' Bakken region — fuel that is known for being highly volatile. Of those, eight resulted in fires. Most recently, a train carrying Bakken crude derailed on June 3, 2016 near Mosier, Oregon in the Columbia River Gorge: http://www.oregonlive.com/pacific-northwest-news/index.ssf/2016/06/oil_train_derails_near_hood_ri.html.

Over the last five or so years, a number of northwest cities, including, Edmonds, Spokane, and Seattle, have passed legislation expressing concerns about and opposition to potential environmental risks of transporting oil via rail, increased rail traffic, and/or environmental impacts of the use of fossil fuels. Some cities, such as Portland and Vancouver have taken additional actions to ban new oil, coal and gas projects within their limits. Proposed Resolution No. 391 is potentially similar to Resolution No. 339 adopted by Council in January 2013. Resolution No. 339 opposes facilities that will increase transportation of coal across Washington and through the City of Shoreline. Resolution No. 339 and the accompanying staff report can be found here: http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2013/staff_report012813-7h.pdf.

In April 2015, the state House of Representatives passed Gov. Jay Inslee's proposal to improve the safety oversight of oil transported in Washington and to strengthen the state's ability to prevent and respond to oil spills. This legislation addressed increased risk resulting from a rapid spike in oil train shipments and is based on the findings of the 2014 Marine and Rail Oil Transportation study conducted by the state Department of Ecology.

These regulations require rail operators to have a state-approved contingency plan for oil spills and expand protection requirements to all modes of oil transportation, not just commercial marine vessels. The bill also requires rail facilities to notify local responders and communities of pending oil train transfers. And, the UTC is directed to require railroad companies to provide information on the company's ability to pay for a spill or accident in their annual report to the UTC.

On June 25, 2016, Governor Inslee, in response to the Mosier train derailment, called for a halt on Union Pacific Railroad oil trains traveling through Washington until stricter safety standards were enacted. Inslee's call for curtailing Bakken oil traveling through the state focuses solely on Union Pacific and their safety standards. Oregon's Governor Kate Brown also called for a moratorium on oil transport in response to the derailment.

Proposed Resolution No. 391

Proposed Resolution No. 391 conveys that the City supports the transition of energy production away from the consumption of fossil fuels and toward the implementation of a sustainable, renewable, and environmentally friendly system of energy production. The resolution also calls upon the United States Department of Transportation and the United States Congress to prohibit the transportation of crude oil via rail through the City of Shoreline and all other populated areas. If adopted by Council, a copy of the resolution will be sent to the President of the United States, the Secretary of the United States Department of Transportation, the United States Secretary of Energy, each member of the United States Congress elected from Washington, and each member of the Washington State delegation representing the City of Shoreline.

FINANCIAL IMPACT

There is no immediate or significant resource or financial impact of proposed Resolution No 391.

RECOMMENDATION

Staff recommends Council adopt proposed Resolution No. 391 based on Council's January 2013 adoption of Resolution No. 339, Opposing Facilities That Will Increase Transporting Coal Across Washington State and Through the City of Shoreline. Proposed Resolution No. 391 is potentially similar in intent to Resolution No. 339.

ATTACHMENTS

Attachment A – Proposed Resolution No. 391 Supporting the Prohibition of the Transportation of Crude Oil via Rail Through the City of Shoreline

RESOLUTION NO. 391

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON URGING THE PROHIBITION OF THE TRANSPORTATION OF CRUDE OIL BY RAIL THROUGH THE CITY OF SHORELINE

WHEREAS, the City Council has a responsibility and a duty to protect the health and safety of its citizens; and

WHEREAS, Shoreline has committed itself to protecting the environment and natural resources of our community, the State of Washington, the United States of America, and the Earth; and

WHEREAS, the burning of fossil fuels in the production of energy is unsustainable and is in stark contradiction to the goals of Shoreline to mitigate and combat the effects of climate change; and

WHEREAS, the transport and use of large volumes of crude oil is not compatible with the City of Shoreline's role as a regional and national leader in addressing climate change; and

WHEREAS, the City of Shoreline encourages our citizens and visitors to reduce their consumption of fossil fuels in their daily lives to lessen the demand for crude oil; and

WHEREAS, trains carrying crude oil frequently traverse the rail lines that run through the City of Shoreline; and

WHEREAS, the volume of crude oil developed and transported by rail, emanating mainly from the Bakken shale formation in North Dakota, through and into the state of Washington is estimated to increase; and

WHEREAS, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration has determined that crude oil from the Bakken formation may be more volatile than traditional heavy crude oil; and

WHEREAS, rail incidents involving crude oil have increased between 2010 and 2015; and

WHEREAS, recent derailments, spills, and fires, such as the recent derailment and fire in the Columbia River Gorge area of Mosier, Oregon, as well as the multiple recent derailments, fires, and oil spills resulting in devastating destruction to both communities and the environment, including the derailment and subsequent explosion and fire in Lac-Mégantic, Québec, which caused the deaths of 47 people, the evacuation of thousands of people, and the destruction of many homes and businesses evidence the necessity to take appropriate measures to safeguard our residents and environment; and

WHEREAS, the rail lines that transport crude oil from the Bakken shale formation run through and by Shoreline' residential, natural, and commercial areas, including: parks, neighborhoods, businesses, a ferry terminal, a senior center, and along Shoreline' waterfront, marshes, and other natural areas; and

WHEREAS, a potential similar derailment, fire, evacuation, and loss of property and life would be devastating to the City of Shoreline and its residents; and

WHEREAS, the City of Shoreline is deeply concerned about the threat to life, property, and the environment resulting from derailments leading to oil spills, explosions, and fires from the transport of crude oil by rail; and

WHEREAS, a prior resolution passed by this Council, Resolution No. 339 (2013), opposing facilities that will increase transporting coal across Washington State and through the City of Shoreline, has not been adequately addressed by the State of Washington or the United States of America, has not led to a decrease in the transportation of harmful fossil fuels through our community, and did not account for the recent increases in transportation of fossil fuels via rail through Shoreline;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, HEREBY RESOLVES:

Section 1: The City of Shoreline adamantly supports and urges the transition of energy production away from the consumption of fossil fuels and toward the implementation of a sustainable, renewable, and environmentally friendly system of energy production.

Section 2: The City of Shoreline opposes the transportation of crude oil via rail through the City of Shoreline, along the Puget Sound, and other populated areas.

Section 3: The City Council of the City of Shoreline strongly urges the United States Department of Transportation and the United States Congress to prohibit the transportation of crude oil by rail through the City of Shoreline.

Section 4: Copies of this resolution shall be transmitted by the City Clerk to the President of the United States, the Secretary of the United States Department of Transportation, the United States Secretary of Energy, and each member of the United States Congress elected from this State, including: Senator Patty Murray, Senator Maria Cantwell, and Representative Jim McDermott, Governor Jay Inslee, and each member of the Washington State delegation representing the City of Shoreline, including: Senator Maralyn Chase, Representative Cindy Ryu, and Representative Ruth Kagi.

ADOPTED BY THE CITY COUNCIL ON AUGUST 1, 2016.

Mayor Christopher Roberts

ATTEST:

Jessica Simulcik Smith
City Clerk