<u>ESHB 1578</u> - S COMM AMD By Committee on Ways & Means

ADOPTED AND ENGROSSED 4/12/19

1 Strike everything after the enacting clause and insert the 2 following:

"<u>NEW SECTION.</u> Sec. 1. The legislature finds that a variety of 3 existing policies designed to reduce the risk of oil spills have 4 helped contribute to a relatively strong safety record for oil moved 5 by water, pipeline, and train in recent years in Washington state. 6 7 Nevertheless, gaps exist in our safety regimen, especially deriving from shifts in the modes of overwater transportation of oil and the 8 increased transport of oils that may submerge or sink, contributing 9 to an unacceptable threat to Washington waters, where a catastrophic 10 spill would inflict potentially irreversible damage on the endangered 11 12 southern resident killer whales. In addition to the unique marine and 13 cultural resources in Puget Sound that would be damaged by an oil 14 the geographic, bathometric, and other environmental spill, peculiarities of Puget Sound present navigational challenges that 15 heighten the risk of an oil spill incident occurring. Therefore, it 16 17 is the intent of the legislature to enact certain new safety requirements designed to reduce the current, acute risk from existing 18 infrastructure and activities of an oil spill that could eradicate 19 20 whales, violate the treaty interests and fishing rights of our 21 potentially affected federally recognized Indian tribes, damage 22 commercial fishing prospects, undercut many aspects of the economy that depend on the Salish Sea, and otherwise harm the health and 23 24 well-being of Washington residents. In enacting such measures, 25 however, it is not the intent of the legislature to mitigate, offset, 26 or otherwise encourage additional projects or activities that would 27 increase the frequency or severity of oil spills in the Salish Sea. 28 Furthermore, it is the intent of the legislature for this act to 29 assist in coordinating enhanced international discussions among federal, state, provincial, first nation, federally recognized Indian 30 31 tribe, and industry leaders in the United States and Canada to 32 develop an agreement for an additional emergency rescue tug available 1 to vessels in distress in the narrow Straits of the San Juan Islands 2 and other boundary waters, which would lessen oil spill risks to the 3 marine environment in both the United States and Canada.

4 Sec. 2. RCW 88.16.190 and 1994 c 52 s 1 are each amended to read 5 as follows:

6 (1) Any oil tanker, whether enrolled or registered, of greater 7 than one hundred ((and)) twenty-five thousand deadweight tons shall 8 be prohibited from proceeding beyond a point east of a line extending 9 from Discovery Island light south to New Dungeness light, unless 10 <u>authorized by the United States coast guard, pursuant to 33 C.F.R.</u> 11 <u>Sec. 165.1303</u>.

12 (2) ((An oil tanker, whether enrolled or registered, of forty to 13 one hundred and twenty-five thousand deadweight tons may proceed 14 beyond the points enumerated in subsection (1) if such tanker 15 possesses all of the following standard safety features:

16 (a) Shaft horsepower in the ratio of one horsepower to each two 17 and one-half deadweight tons; and

18 (b) Twin screws; and

19 (c) Double bottoms, underneath all oil and liquid cargo 20 compartments; and

21 (d) Two radars in working order and operating, one of which must
22 be collision avoidance radar; and

23 (e) Such other navigational position location systems as may be
 24 prescribed from time to time by the board of pilotage commissioners:

PROVIDED, That, if such forty to one hundred and twenty-five 25 thousand deadweight ton tanker is in ballast or is under escort of a 26 27 tug or tugs with an aggregate shaft horsepower equivalent to five percent of the deadweight tons of that tanker, subsection (2) of this 28 29 section shall not apply: PROVIDED FURTHER, That additional tug shaft 30 horsepower equivalencies may be required under certain conditions as established by rule and regulation of the Washington utilities and 31 transportation commission pursuant to chapter 34.05 RCW: PROVIDED 32 FURTHER, That)) (a) (i) An oil tanker of forty to one hundred twenty-33 five thousand deadweight tons may operate in the waters east of a 34 line extending from Discovery Island light south to New Dungeness 35 light and all points in the Puget Sound area, including but not 36 limited to the San Juan Islands and connected waterways and the 37 38 waters south of Admiralty Inlet, to the extent that these waters are within the territorial boundaries of Washington, only if the oil 39

1 <u>tanker is under the escort of a tug or tugs that have an aggregate</u>
2 <u>shaft horsepower equivalent to at least five percent of the</u>
3 <u>deadweight tons of the escorted oil tanker.</u>

(ii) Effective September 1, 2020, the following may operate in 4 Rosario Strait and connected waterways to the east only if under the 5 6 escort of a tug or tugs that have an aggregate shaft horsepower 7 equivalent to at least five percent of the deadweight tons of a forty thousand deadweight ton oil tanker: (A) Oil tankers of between five 8 thousand and forty thousand deadweight tons; and (B) both articulated 9 10 tug barges and towed waterborne vessels or barges that are: (I) Designed to transport oil in bulk internal to the hull; and (II) 11 12 greater than five thousand deadweight tons.

13 (iii) The requirements of (a)(ii) of this subsection: (A) Do not 14 apply to vessels providing bunkering or refueling services; (B) do 15 not apply to a towed general cargo deck barge; and (C) may be 16 adjusted or suspended by rule by the board of pilotage commissioners, 17 consistent with section 3(1)(c) of this act.

18 (b) An oil tanker, articulated tug barge, or towed waterborne 19 vessel or barge in ballast or when unladen is not required to be 20 under the escort of a tug.

21 (c) A tanker assigned a deadweight of less than forty thousand 22 deadweight tons at the time of construction or reconstruction as 23 reported in Lloyd's Register of Ships is not subject to the 24 provisions of RCW 88.16.170 ((through 88.16.190)) and 88.16.180.

25 (3) The definitions in this subsection apply throughout this
 26 section unless the context clearly requires otherwise.

27 (a) "Articulated tug barge" means a tank barge and a towing
 28 vessel joined by hinged or articulated fixed mechanical equipment
 29 affixed or connecting to the stern of the tank barge.

30 <u>(b) "Oil tanker" means a self-propelled deep draft tank vessel</u> 31 <u>designed to transport oil in bulk. "Oil tanker" does not include an</u> 32 <u>articulated tug barge tank vessel.</u>

33 (c) "Towed general cargo deck barge" means a waterborne vessel or 34 barge designed to carry cargo on deck.

35 <u>(d) "Waterborne vessel or barge" means any ship, barge, or other</u> 36 <u>watercraft capable of traveling on the navigable waters of this state</u> 37 <u>and capable of transporting any crude oil or petroleum product in</u> 38 <u>quantities of ten thousand gallons or more for purposes other than</u> 39 <u>providing fuel for its motor or engine.</u> <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 88.16
 RCW to read as follows:

3 (1)(a) By December 31, 2025, the board of pilotage commissioners, 4 in consultation with the department of ecology, must adopt rules 5 regarding tug escorts to address the peculiarities of Puget Sound for 6 the following:

7 (i) Oil tankers of between five thousand and forty thousand 8 deadweight tons; and

9 (ii) Both articulated tug barges and towed waterborne vessels or 10 barges that are: (A) Designed to transport oil in bulk internal to 11 the hull; and (B) greater than five thousand deadweight tons.

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(b) The requirements of this section do not apply to:

13 (i) A towed general cargo deck barge; or

14 (ii) A vessel providing bunkering or refueling services.

(c) The rule making pursuant to (a) of this subsection must be 15 16 for operating in the waters east of the line extending from Discovery 17 Island light south to New Dungeness light and all points in the Puget Sound area. This rule making must address the tug escort requirements 18 applicable to Rosario Strait and connected waterways to the east 19 established in RCW 88.16.190(2)(a)(ii), and may adjust or suspend 20 21 those requirements based on expertise developed under subsection (5) 22 of this section.

(d) To achieve the rule adoption deadline in (a) of this subsection, the board of pilotage commissioners must adhere to the following interim milestones:

(i) By September 1, 2020, identify and define the zones,
specified in subsection (3)(a) of this section, to inform the
analysis required under subsection (5) of this section;

(ii) By December 31, 2021, complete a synopsis of changing vessel traffic trends; and

31 (iii) By September 1, 2023, consult with potentially affected federally recognized Indian treaty fishing tribes, other federally 32 recognized treaty tribes with potentially affected interests, and 33 stakeholders as required under subsection (6) of this section and 34 complete the analysis required under subsection (5) of this section. 35 By September 1, 2023, the department of ecology must submit a summary 36 of the results of the analysis required under subsection (5) of this 37 section to the legislature consistent with RCW 43.01.036. 38

39 (2) When developing rules, the board of pilotage commissioners 40 must consider recommendations from potentially affected federally Official Print - 4 1578-S.E AMS ENGR S3929.E recognized Indian treaty fishing tribes, other federally recognized
 treaty tribes with potentially affected interests, and:

3 (a) The results of the most recently completed vessel traffic4 risk assessments;

5 (b) The report developed by the department of ecology as required 6 under section 206, chapter 262, Laws of 2018;

7 (c) The recommendations included in the southern resident orca 8 task force report, November 2018, and any subsequent research or 9 reports on related topics;

10 (d) Changing vessel traffic trends, including the synopsis 11 required under subsection (1)(d)(ii) of this section; and

(e) For any formally proposed draft rules or adopted rules,identified estimates of expected costs and benefits of the rule to:

14 (i) State government agencies to administer and enforce the rule; 15 and

16 (ii) Private persons or businesses, by category of type of person 17 or business affected.

18 (3) In the rules adopted under this section, the board of 19 pilotage commissioners must:

(a) Base decisions for risk protection on geographic zones in the waters specified in subsection (1)(c) of this section. As the initial foci of the rules, the board of pilotage commissioners must equally prioritize geographic zones encompassing: (i) Rosario Strait and connected waterways to the east; and (ii) Haro Strait and Boundary Pass;

26 (b) Specify operational requirements, such as tethering, for tug 27 escorts;

(c) Include functionality requirements for tug escorts, such as aggregate shaft horsepower for tethered tug escorts;

30 (d) Be designed to achieve best achievable protection, as defined 31 in RCW 88.46.010, as informed by consideration of:

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(i) Accident records in British Columbia and Washington waters;

33 (ii) Existing propulsion and design standards for covered tank 34 vessels; and

35 (iii) The characteristics of the waterways; and

36 (e) Publish a document that identifies the sources of information 37 that it relied upon in developing the rules, including any sources of 38 peer-reviewed science and information submitted by tribes.

39 (4) The rules adopted under this section may not require oil 40 tankers, articulated tug barges, or towed waterborne vessels or 0fficial Print - 5 1578-S.E AMS ENGR S3929.E 1 barges to be under the escort of a tug when these vessels are in 2 ballast or are unladen.

3 (5) To inform rule making, the board of pilotage commissioners 4 must conduct an analysis of tug escorts using the model developed by 5 the department of ecology under section 4 of this act. The board of 6 pilotage commissioners may:

7 (a) Develop scenarios and subsets of oil tankers, articulated tug 8 barges, and towed waterborne vessels or barges that could preclude 9 requirements from being imposed under the rule making for a given 10 zone or vessel;

11 (b) Consider the benefits of vessel safety measures that are 12 newly in effect on or after July 1, 2019, and prior to the adoption 13 of rules under this section; and

14 (c) Enter into an interagency agreement with the department of 15 ecology to assist with conducting the analysis and developing the 16 rules, subject to each of the requirements of this section.

17 (6) The board of pilotage commissioners must consult with the 18 United States coast guard, the Puget Sound harbor safety committee, potentially affected federally recognized Indian treaty fishing 19 tribes, other federally recognized treaty tribes with potentially 20 affected interests, ports, local governments, state agencies, and 21 escort rules 22 other appropriate entities before adopting tug applicable to any portion of Puget Sound. Considering relevant 23 information elicited during the consultations required under this 24 25 subsection, the board of pilotage commissioners must also design the rules with a goal of avoiding or minimizing additional underwater 26 noise from vessels in the Salish Sea, focusing vessel traffic into 27 established shipping lanes, protecting and minimizing vessel traffic 28 29 impacts to established treaty fishing areas, and respecting and preserving the treaty-protected interests and fishing rights of 30 potentially affected federally recognized Indian tribes. 31

32 (7) Rules adopted under this section must be periodically updated33 consistent with section 5 of this act.

34 (8) The definitions in this subsection apply throughout this35 section unless the context clearly requires otherwise.

(a) "Articulated tug barge" means a tank barge and a towing
 vessel joined by hinged or articulated fixed mechanical equipment
 affixed or connecting to the stern of the tank barge.

1 (b) "Oil tanker" means a self-propelled deep draft tank vessel designed to transport oil in bulk. "Oil tanker" does not include an 2 articulated tug barge tank vessel. 3

(c) "Towed general cargo deck barge" means a waterborne vessel or 4 barge designed to carry cargo on deck. 5

(d) "Waterborne vessels or barges" means any ship, barge, or 6 7 other watercraft capable of traveling on the navigable waters of this state and capable of transporting any crude oil or petroleum product 8 in quantities of ten thousand gallons or more for purposes other than 9 providing fuel for its motor or engine. 10

11 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 88.46 12 RCW to read as follows:

13 The department must develop and maintain a model to (1) quantitatively assess current and potential future risks of oil 14 15 spills from covered vessels in Washington waters, as it conducts ongoing oil spill risk assessments. The department must consult with 16 17 the United States coast guard, potentially affected federally recognized Indian treaty fishing tribes, other federally recognized 18 treaty tribes with potentially affected interests, and stakeholders 19 to: Determine model assumptions; develop scenarios to show the likely 20 impacts of changes to model assumptions, including potential changes 21 in vessel traffic, commodities transported, and vessel safety and 22 risk reduction measures; and update the model periodically. 23

24 (2) Utilizing the model pursuant to subsection (1) of this 25 section, the department must quantitatively assess whether an emergency response towing vessel serving Haro Strait, Boundary Pass, 26 27 Rosario Strait, and connected navigable waterways will reduce oil spill risk. The department must report its findings to the 28 legislature by September 1, 2023. 29

NEW SECTION. Sec. 5. A new section is added to chapter 88.46 30 RCW to read as follows: 31

(1) By October 1, 2028, and no less often than every ten years 32 thereafter, the board of pilotage commissioners and the department 33 34 must together consider:

(a) The effects of rules established under RCW 88.16.190 and 35 section 3 of this act on vessel traffic patterns and oil spill risks 36 in the Salish Sea. Factors considered must include modeling developed 37 by the department under section 4 of this act and may include: (i) 38

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Vessel traffic data; (ii) vessel accident and incident data, such as incidents where tug escorts or an emergency response towing vessel acted to reduce spill risks; and (iii) consultation with the United States coast guard, potentially affected federally recognized Indian treaty fishing tribes, other federally recognized treaty tribes with potentially affected interests, and stakeholders; and

7 (b) Whether experienced or forecasted changes to vessel traffic 8 patterns or oil spill risk in the Salish Sea necessitate an update to 9 the tug escort rules adopted under section 3 of this act.

10 (2) In the event that the board of pilotage commissioners 11 determines that updates are merited to the rules, the board must 12 notify the appropriate standing committees of the house of 13 representatives and the senate, and must thereafter adopt rules 14 consistent with the requirements of section 3 of this act, including 15 the consultation process outlined in section 3(6) of this act.

16 Sec. 6. RCW 88.46.240 and 2018 c 262 s 204 are each amended to 17 read as follows:

(1) The department must establish the Salish Sea shared waters forum to address common issues in the cross-boundary waterways between Washington state and British Columbia such as: Enhancing efforts to reduce oil spill risk; addressing navigational safety; and promoting data sharing.

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(2) The department must:

(a) Coordinate with provincial and federal Canadian agencies whenestablishing the Salish Sea shared waters forum; and

(b) Seek participation from <u>each potentially affected federally</u> <u>recognized Indian treaty fishing tribe, other federally recognized</u> <u>treaty tribes with potentially affected interests, first nations, and</u> stakeholders that, at minimum, includes representatives of the following: State, provincial, and federal governmental entities, regulated entities, <u>and</u> environmental organizations((, tribes, and first nations)).

33 (3) The Salish Sea shared waters forum must meet at least once 34 per year to consider the following:

35 (a) Gaps and conflicts in oil spill policies, regulations, and 36 laws;

(b) Opportunities to reduce oil spill risk, including requiring tug escorts for oil tankers, articulated tug barges, and ((other)) <u>towed</u> waterborne vessels or barges;

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1 (c) Enhancing oil spill prevention, preparedness, and response
2 capacity; ((and))

(d) <u>Beginning in 2019</u>, whether an emergency response system in 3 Haro Strait, Boundary Pass, and Rosario Strait((, similar to the 4 system implemented by the maritime industry pursuant to RCW 5 6 88.46.130,) will decrease oil spill risk ((and how to fund such a shared system)). In advance of the 2019 meeting, the department must 7 discuss the options of an emergency response system with all 8 potentially affected federally recognized Indian treaty tribes and, 9 as relevant, with organizations such as, but not limited to, the 10 coast Salish gathering, which provides a transboundary natural 11 resource <u>policy dialogue</u> of elected officials representing federal, 12 state, provincial, first nations, and tribal governments within the 13 14 Salish Sea; and

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(e) The impacts of vessel traffic on treaty-protected fishing.

16 (4) The definitions in this subsection apply throughout this 17 section unless the context clearly requires otherwise.

(a) "Articulated tug barge" means a tank barge and a towing
 vessel joined by hinged or articulated fixed mechanical equipment
 affixed or connecting to the stern of the tank barge.

(b) "Waterborne vessel or barge" means any ship, barge, or other watercraft capable of traveling on the navigable waters of this state and capable of transporting any crude oil or petroleum product in quantities of ten thousand gallons or more for purposes other than providing fuel for its motor or engine.

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(5) This section expires July 1, 2021.

27 Sec. 7. RCW 90.56.565 and 2015 c 274 s 8 are each amended to 28 read as follows:

(1) (a) A facility that receives crude oil from a railroad car 29 30 must provide advance notice to the department that the facility will 31 receive crude oil from a railroad car, as provided in this section. The advance notice must include the route taken to the facility 32 within the state, if known, and the scheduled time, location, volume, 33 region per bill of lading, type, and gravity as measured by standards 34 developed by the American petroleum institute, of crude oil received. 35 Each week, a facility that provides advance notice under this section 36 must provide the required information regarding the scheduled arrival 37 of railroad cars carrying crude oil to be received by the facility in 38 the succeeding seven-day period. A facility is not required to 39 Official Print - 9 1578-S.E AMS ENGR S3929.E

1 provide advance notice when there is no receipt of crude oil from a 2 railroad car scheduled for a seven-day period.

3 (b) Twice per year, pipelines that transport crude oil must report to the department the following information about the crude 4 oil transported by the pipeline through the state: The volume of 5 6 crude oil, gravity of the crude oil as measured by standards developed by the American petroleum institute, type of crude oil, and 7 the state or province of origin of the crude oil. This report must be 8 submitted each year by July 31st for the period January 1st through 9 June 30th and by January 31st for the period July 1st through 10 December 31st. 11

12 (2) The department may share information provided by a facility 13 through the advance notice system established in this section with 14 the state emergency management division and any county, city, tribal, 15 port, or local government emergency response agency upon request.

16 (3) The department must publish information collected under this 17 section on a quarterly basis on the department's internet web site. With respect to the information reported under subsection (1)(a) of 18 this section, the information published by the department must be 19 aggregated on a statewide basis by route through the state, by week, 20 21 and by type of crude oil. The report may also include other 22 information available to the department including, but not limited to, place of origin, modes of transport, number of railroad cars 23 delivering crude oil, and number and volume of spills during 24 25 transport and delivery.

(4) A facility providing advance notice under this section is not responsible for meeting advance notice time frame requirements under subsection (1) of this section in the event that the schedule of arrivals of railroad cars carrying crude oil changes during a sevenday period.

31 (5) Consistent with the requirements of chapter 42.56 RCW, the department and any state, local, tribal, or public agency that 32 receives information provided under this section may not disclose any 33 such information to the public or to nongovernmental entities that 34 contains proprietary, commercial, or financial information unless 35 that information is aggregated. The requirement for aggregating 36 information does not apply when information is shared by the 37 department with emergency response agencies as provided in subsection 38 39 (2) of this section.

1 (6) The department shall adopt rules to implement this section. 2 The advance notice system required in this section must be consistent 3 with the oil transfer reporting system adopted by the department 4 pursuant to RCW 88.46.165.

5 **Sec. 8.** RCW 88.46.165 and 2006 c 316 s 1 are each amended to 6 read as follows:

7 (1) The department's rules authorized under RCW 88.46.160 and 8 this section shall be scaled to the risk posed to people and to the 9 environment, and be categorized by type of transfer, volume of oil, 10 frequency of transfers, and such other risk factors as identified by 11 the department.

(2) The rules may require prior notice be provided before an oil 12 13 transfer, regulated under this chapter, occurs in situations defined by the department as posing a higher risk. The notice may include the 14 15 time, location, and volume of the oil transfer, as well as the region 16 per bill of lading, gravity as measured by standards developed by the American <u>petroleum institute</u>, and type of crude oil. The rules may 17 not require prior notice when marine fuel outlets are transferring 18 less than three thousand gallons of oil in a single transaction to a 19 20 ship that is not a covered vessel and the transfers are scheduled less than four hours in advance. 21

(3) The department may require semiannual reporting of volumes ofoil transferred to ships by a marine fuel outlet.

(4) The rules may require additional measures to be taken in conjunction with the deployment of containment equipment or with the alternatives to deploying containment equipment. However, these measures must be scaled appropriately to the risks posed by the oil transfer.

(5) The rules shall include regulations to enhance the safety of
 oil transfers over water originating from vehicles transporting oil
 over private roads or highways of the state.

32 <u>NEW SECTION.</u> Sec. 9. If any provision of this act or its 33 application to any person or circumstance is held invalid, the 34 remainder of the act or the application of the provision to other 35 persons or circumstances is not affected."

ADOPTED 4/12/19

On page 1, line 2 of the title, after "transportation;" strike the remainder of the title and insert "amending RCW 88.16.190, 88.46.240, 90.56.565, and 88.46.165; adding a new section to chapter 88.16 RCW; adding new sections to chapter 88.46 RCW; and creating a new section."

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