

Environmental

Advocates

NY

# EANY SUPPORTS

## Cover Your Crude Act



Memo #40

S8703 (Hinchey)

A.9213 (Fahy)

### Explanation:

This legislation requires companies operating facilities that handle crude to demonstrate to the Department of Environmental Conservation (DEC) that they possess adequate financial security to cover **all** cleanup and decontamination costs associated with any spill or accident. The DEC shall not allow the storage of crude oil until it has approved surety. The legislation also requires that railroads submit to the DEC information pertaining to the railroad's ability to pay for the cleanup of spills including those associated with "worst case" scenarios. The DEC is required to post information gathered from railroads on its website.

On December 22, 2020, a train carrying petroleum crude oil derailed in the Washington state town of Cluster, resulting in 120 people being evacuated surrounding the site, three train cars igniting, and releasing approximately [225,612 liquid-pounds of crude oil](#) into the environment. This most recent event is among a string of similar accidents over the past decade that occurred close to a major population center, and the Federal Railroad Administration (FRA) has [recorded 43 derailment incidents](#) as of April 2024, one of which occurring in New York State. Crude oil spills pose a major risk to public safety, as we saw with the Lac-Mégantic disaster which killed 47 people, spilled 35,000 barrels of oil, and accrued an estimated cost of [\\$2.9 billion](#) for rebuilding and decontamination.

In New York, there has been a history of crude oil moving on the rail lines of the state and along the Hudson River. These crude oil shipments flowing through the state put communities at risk. This legislation takes the necessary step of requiring companies storing crude oil to ensure that they have the surety of equal to all cleanup and decontamination costs.

### Summary:

This bill amends the Navigation Law to require all crude oil storage facilities to demonstrate the financial security sufficient to meet all responsibilities for the cleanup and decontamination costs associated with the release of such oil for the duration of the facility's operations in New York State. It also requires railroads to provide surety information to the DEC.