



New Jersey

Work Environment Council

Safe, secure jobs and a healthy, sustainable environment

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Legislative Brief

A3783/S1883 requires an owner or operator of certain high hazard trains to have discharge response, cleanup, and contingency plans to transport certain hazardous materials by rail.

The bill requires owners/operators of high hazard trains to make information available to the public on their website. It also requires NJ Office of Emergency Management (OEM) to provide each county office of emergency management and emergency services provider having jurisdiction along the travel route of a high hazard train with any information that NJ OEM receives from an owner or operator of a high hazard train as a result of a federal Department of Transportation emergency order, rule, or regulation.

The bill defines “high hazard train” as any railroad locomotive propelling a railroad tank car or connection of railroad tank cars transporting **200,000 gallons (roughly 7 tank cars) or more of petroleum or petroleum products or 20,000 gallons (roughly 1 tank car) or more of hazardous substances.**

Details of the bill include:

- ✓ Owner or operator of a high hazard train must submit to the Department of Environmental Protection (DEP) within six months of the effective date of the bill, **a discharge response, cleanup, and contingency plan**, renewed every five years, unless DEP requires more frequent submissions. Amendments must be filed within 30 days. The bill requires DEP to review plans within six months of filing and plan amendments within 60 days of filing, and issue civil administrative penalties for violations.
- ✓ The owner/operator is required to retain on file with NJDEP **evidence of financial responsibility** for cleaning up and removing a discharge or release of a hazardous substance, and for the removal of any damaged or disabled train.
- ✓ A copy of the plan is to be filed by the owner or operator of a high hazard train with NJ OEM.
- ✓ The owner/operator is **required to make available the following information to the public on its website:**
 - a) The routes and volumes of cargoes, updated on a monthly basis;
 - b) An analysis of the consequences of maximum discharges;
 - c) A copy of the most current discharge response, cleanup, and contingency plan submitted to the department;
 - d) Railroad routing analysis and any accompanying documentation that impacted the owner/operators’ routing decision.
- ✓ Owner/operator is required to offer training to the emergency services personnel of every local unit having jurisdiction along the travel route. The **initial training is to be offered within one year** and renewal training offered at least once every three years thereafter.
- ✓ The bill requires the owner/operator that has experienced a discharge that requires emergency response action to deliver and deploy sufficient emergency response, recovery, and containment equipment and trained personnel to contain and recover the discharged materials and protect the public within a certain timeframe.

The Cost of Oil Train Derailments

It is difficult to capture the full cost of a derailment. The US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHSMA) has estimated damages for an oil train derailment causing a “higher consequence event” in an area of *average population density* along a train route to be \$1 billion for lives lost, property ruined, and the cleanup. If the event takes place in an area five times as dense, as in an urban center, PHSMA said the event would produce roughly \$5 billion in total damages.

Below are some examples of the costs of recent train derailments with the best data available, which historically has been under reported. Costs do not always include the full picture. Often lacking in the cost estimates are the full cost of the clean-up because figures can be reported while the clean-up is ongoing, lost future revenue due to decreased property value, and the loss of life and irreversible damage to the environment.

Paulsboro, NJ Vinyl Chloride Train Derailment Cost

On November 30, 2012, a Conrail train derailed while traveling over a bridge in Paulsboro, NJ. One tank car breached, releasing 20,000 gallons of vinyl chloride. Damage estimates were \$451,000 for equipment and about \$30 million for emergency response and remediation¹. The cost to close the schools for six days was estimated at \$865,000².

Lynchburg, VA Crude Oil Train Derailment Cost

On April 30, 2014, at 1:54 p.m. eastern daylight time, a CSX Transportation train carrying petroleum crude oil derailed in Lynchburg, Virginia. Three of the derailed cars were partially submerged in the James River and one was breached and released about 30,000 gallons of crude oil into the river, some of which caught fire. The emergency response and clean-up costs for that incident were reported to the FRA by CSX as \$8.99 million; \$5 million due to environmental damages³.

Lac-Mégantic, Quebec, Canada Crude Oil Train Derailment Cost

On July 6, 2013, a 74-car freight train carrying Bakken Formation crude oil rolled down a hill and derailed in downtown, Lac-Mégantic resulting in a fire and explosion of multiple tank cars, decimating the town. Forty-seven people died.

[The Star](#) reported on June 16, 2014, the Quebec government has submitted a claim against the rail company saying the estimated total costs of the cleanup and reconstruction will be more than \$400 million.

The provincial government said it has already spent \$126 million nearly one year after the July 6 derailment and explosions that killed 47 people and wiped out a large part of the city’s downtown. It expects to spend at least another \$283 million to complete the work, which includes clearing the wrecked buildings and decontaminating the soil, which was soaked with millions of litres of combustible crude oil.

*The railroad, Montreal, Maine and Atlantic railway, had an insurance policy that would cover damages only **up to \$25 million**.*

¹ National Transportation Safety Board Railroad Accident Report, Conrail Freight Train Derailment with Vinyl Chloride Release, Paulsboro, NJ, November 30, 2012. Page viii.

² Philly.com, [Paulsboro, schools sue over closings related to derailment](#), December 6, 2014.

³ Department of Transportation Pipeline and Hazardous Materials Safety Administration Draft Regulatory Impact Analysis [Docket No. PHMSA-2012-0082] (HM-251) , July 2014. Page 29.