

Crude Oil: “Virtual Pipeline”—Real Risks

NYS Near Misses

February 2014: A train carrying empty oil tankers derailed in Kingston.

December 2012: The first Hudson River tanker loaded with crude oil ran aground just six miles out of the Port of Albany.

December 2013: A train carrying empty oil tankers collided with a truck at an at-grade crossing in Rockland County.

December 2013: A train carrying crude oil derailed in Cheektowaga, near Buffalo.

Communities at Risk

Western/Central NY: Dunkirk, Buffalo, Rochester and Syracuse

Upper Hudson: Plattsburgh, Whitehall, Saratoga, Mechanicville and Watervliet.

Hudson Valley: Albany, Ravena, Catskill, Lake Katrine, Kingston, Newburgh, West Point, Stony Point, Valley Cottage, West Nyack, Orangeburg and Tappan

Environment at Risk

Drinking water for Poughkeepsie, Highland, Rhinebeck, Port Ewen, Rockland County and Northern New Jersey

The Hudson River, including many state-designated critical habitats deemed “irreplaceable”

Hudson River tributaries, including the Mohawk River and the Catskill, Coxsackie, Esopus and Rondout creeks

Lake Champlain, the Great Lakes, and their tributaries

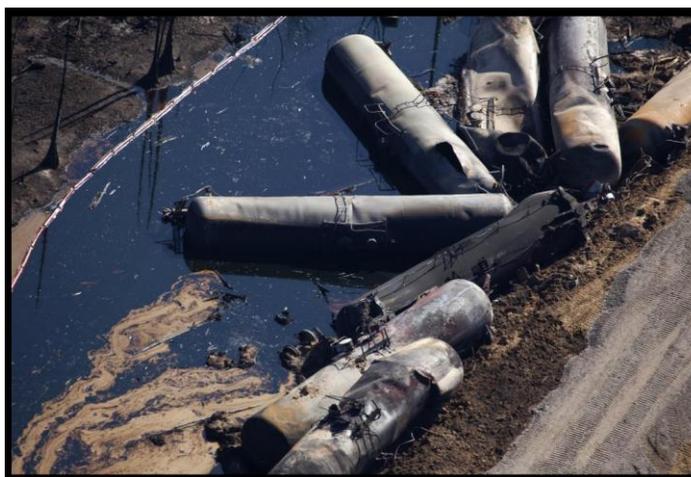
More oil was spilled from rail in 2013—over 2.6 million gallons—than in the prior 40 years combined.

* **Lac-Megantic, Quebec**, July 2013: Forty-seven people were killed and many downtown buildings utterly destroyed by fire.

* **Aliceville, Ala.**, November 2013: More than 750,000 gallons of Bakken crude spilled into fragile wetlands.

* **Casselton, N.D.**, December 2013: People within 5 miles were evacuated due to caustic smoke from a Bakken oil train crash.

* **Plaster Rock**, New Brunswick, January 2014: An explosive fire resulted from a Bakken oil train derailment.



Aliceville, Ala., November 2013 (Photo: John Wathen, Hurricane Creekkeeper.)

Bakken crude oil is particularly volatile and the DOT-111 train cars that carry crude oil are unsafe.

The U.S. National Transportation Safety Board, Canada’s Transportation Safety Board, the U.S. Pipeline and Hazardous Materials Administration and the Association of American Railroads have all highlighted these risks.

Heavy crude oil poses catastrophic spill risks

A second type of oil—heavy, tar-like crude, possibly from the Alberta tar sands—also may be transported through New York State. A spill of heavy crude would be particularly devastating to the environment because it could sink, rather than float. The cleanup of a 2010 tar sands oil spill in Michigan’s Kalamazoo River remains incomplete.

Building the NYS Crude Oil "Virtual Pipeline"

A "virtual pipeline" has been created to transport crude oil through New York State by rail car, barge and ship without critical studies or any meaningful public input.

Global Partners LP

Massachusetts-based Global Partners is one of the nation's largest petroleum distributors.

- 2007:** Purchases Albany and Newburgh terminals from ExxonMobil .
- 2009:** DEC grants permit modification to accept ethanol rail shipments to Albany
- 2010:** Purchases Newburgh terminal from Warex Terminals.
- 2011:** DEC grants permit modification to authorize crude oil storage in Albany.
- 2012:** DEC grants permit modification to increase annual crude oil throughput in Albany to 1.8 billion gallons.
- 2013:** Signs five-year contract to deliver 2.1 million gallons of Bakken crude oil a day to Phillips 66 refinery in Bayway, NJ.
- 2013:** Applies to expand Newburgh terminal to accept rail shipments of crude oil, and to build boilers in Albany to heat rail cars to facilitate the transfer of heavy crude oil to barge.*

Buckeye Partners LP

Texas-based Buckeye Partners owns one of the world's largest crude oil storage facilities in the world.

- 2008:** Purchases Albany terminal.
- 2011:** DEC grants permit modification to expand types of petroleum products handled in Albany.
- 2012:** DEC grants permit modification to allow transfer of crude oil to river vessel in Albany. First unit train delivery of Bakken crude, November, for delivery by ship to Irving Oil Limited refinery in New Brunswick, Canada.
- 2013:** DEC grants permit modification to increase annual crude oil throughput in Albany to 1 billion gallons.
- 2013:** Signs contracts to accept Bakken and Canadian crudes in its Chicago rail facility, begins expansion of Bahamas facility to handle heavy crude oil, and indicates Albany is a key point in heavy crude transport plans.

Rail

Crude oil is delivered to Albany on Canadian Pacific and CSX rail lines. Trains also bypass Albany to reach refineries in the Philadelphia area on CSX lines, and New Brunswick, Canada, on Pan Am Railways lines.

CSX has moved 7-9 oil trains per week since at least 2012, and expects about a 50% increase in 2014. It isn't clear how much of that train traffic is moving through New York, but CSX has been expanding its Hudson Line.

Philadelphia-area refineries are expanding to accept crude oil rail shipments, though it isn't known how much of this crude first passes through NYS. Philadelphia Energy Solutions expected to take as much as 5.7 million gallons per day of Bakken crude by rail by the end of 2013, and PBF Paulsboro was set to expand its capacity to 4.7 million gallons per day, including 2.5 million gallons of heavy Canadian crude.

*The DEC is accepting public comment on the Global Companies LLC (a subsidiary of Global Partners LP) permit application to build seven boilers in the Port of Albany to facilitate the transfer of heavy crude oil to Hudson River barge. The deadline for comment is April. 2.

This is the first meaningful opportunity the public has had to comment on the creation of the New York State "virtual pipeline."

What the NYS Department of Environmental Conservation Can Do Now

- * Conduct full environmental reviews of Global Partners' current applications to expand Albany and New Windsor oil terminal operations.
- * Reassess all previous permit modifications granted to Global Partners and Buckeye Partners that allow these companies to transport billions of gallons of crude oil into the Port of Albany without any comprehensive environmental review or public input.