ANDREW M. CUOMO
GOVERNOR

JOE MARTENS
COMMISSIONER

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
ALBANY, NEW YORK 12233-1010

March 6, 2014

DEC Responses to Community Questions & Requests Regarding Global Companies Plan to Heat Crude Oil at the Port of Albany

The state Department of Environmental Conservation is considering a permit application by Global Companies to modify its air permit under the DEC Title V air program. This permit modification would allow the company to heat petroleum products (crude oil, residual fuel and bio-fuels) with seven new boilers.

As part of that process, DEC is committed to engaging in a dialogue with the community in the vicinity of Global's operations. On Feb. 12, DEC met with community leaders and held a public meeting to listen to the community's concerns with Global's proposal. DEC is requiring Global to implement an enhanced public outreach plan consistent with our agency's Environmental Justice policy. No final decisions will be made until we complete this enhanced community involvement process, and all matters pertaining to Global's operations in New York State are under review.

Community leaders wrote Commissioner Martens on Feb. 5 requesting the Department to provide answers to the following questions. We look forward to continuing the dialogue with the community, including providing additional information going forward.

Executive Order 125

On Jan. 28, Governor Cuomo issued an Executive Order directing several State agencies to do a top-to-bottom review of safety procedures and emergency response preparedness related to rail and water shipments of crude oil. Governor Cuomo's Executive Order 125 directs DEC, the Department of Transportation, the Division of Homeland Security and Emergency Services, the Department of Health, and the New York State Energy Research and Development Authority to take action to strengthen the State's oversight of shipments of petroleum products.

In response, these agency commissioners sent a letter to several federal agencies urging new federal regulations regarding rail transportation to help protect New York communities.

By April 30, DEC and the other State agencies must send the Governor a report

summarizing the State's existing capacity to prevent and respond to accidents involving the transportation of crude oil and other petroleum products by rail, ship, and barge.

On March 4, Governor Cuomo also sent a letter to U.S. Transportation Secretary Foxx and Homeland Security Secretary Johnson urging federal officials to expedite and strengthen rail safety standards, require reporting by railroad companies of derailments, increase inspections and require railroads to more clearly identify and track rail cars carrying crude oil.

Oil Heating Facility & Oil Transport

1. What city agency is responsible for this issue (Global Companies' proposal to build a heating facility)?
The City of Albany has indicated that the proposed boiler facility will require a building permit from the City's Department of Buildings & Regulatory Compliance and may also require Site Plan Approval from the City of Albany Planning Board, depending on the size of the proposed building. Please reach out to the City of Albany for further clarification.

2. How are tanks labeled?
All train cars are labeled in accordance with U.S. Department of Transportation (USDOT) labeling requirements, with specific numbers and symbols that indicate what substance is onboard and its characteristics so first responders know if the material is flammable or possesses some other hazardous characteristics. In addition, each train carries documentation of the contents of the material in each tank car.
In order to improve labeling, Governor Cuomo wrote the Secretary of the U.S. Department of Transportation on March 4th, urging him to require all railroads to add additional identifiers to tank car placards so that local first responders understand the type of crude oil being transported.

Storage tanks within the Global facility are labeled to indicate their contents and the hazards presented by the material stored.

3. How do you increase the amount of oil transported without an increase in train cars?
This question is apparently about the accuracy of information Global provided DEC in 2012. The company correctly indicated at that time that rail traffic under its proposal would be unchanged from 2011 when CP Rail still operated its intermodal facility at the Port of Albany. Compared to 2011, there was in fact not a significant increase in train cars, as the company indicated.

In addition, Global indicated truck traffic would decrease by 25,000 trucks per year.

Because DEC does not regulate the transport of crude oil or other materials, DEC does not ask for information regarding the proposed number of rail tanker cars that may be used. DEC does consider the "throughput" of crude oil that passes through a facility as

one factor in determining whether air quality will be impaired by a proposed change in operations.

4. What type of "train cars" will be heated?
Some rail tanker cars are equipped with coils that allow the contents to be heated. Some petroleum products are thick, which is described as having "high viscosity", and need to be heated for handling purposes. Those products are transported in heated tanker cars.

Products that need heating in order to be removed from the cars must also be stored in heated tanks at the terminal.

5. Where are the trains originating?
Trains can originate in a number of western states (North Dakota, South Dakota, Wyoming, Colorado and Utah) or Canada.

6. What is the proposed route in/out of Albany?
The two primary rail companies that deliver crude to the Port of Albany are Canadian Pacific Railroad and CSX rail. CSX rail cars originate in the Midwestern U.S. or Canada, traveling east and entering New York State south of Buffalo, and then travel along the NYS Thruway corridor to the Port of Albany.

For information about specific CSX rail routes please see the following website:
http://www.csxcrudebyrail.com/index.cfm/resources/crude-oil-network-map/

Canadian Pacific (CP) rail cars originate in the Midwestern U.S. or Canada and travel through Canada, and then enter New York State near Lake Champlain and travel south to the Port of Albany.

For information about specific CP rail routes, please see the following websites:
http://www.cpr.ca/en/our-network-and-facilities/Pages/default.aspx and
http://www.cpr.ca/en/ship-with-cp/where-you-can-ship/bakken-shale/Pages/default.aspx

7. What is "tar sands"?
Tar sands, sometimes called oil sands, are loose sand or partially consolidated sandstone containing naturally occurring mixtures of sand, clay and water, saturated with a dense and extremely thick form of petroleum technically referred to as bitumen. Tar sands crude oil is petroleum that is extracted from this type of sand or rock.

We are not aware of tar sands crude oil being shipped through the Port of Albany or elsewhere in the State.

8. What is in crude oil?
Crude oil is unrefined petroleum, in the form of a naturally occurring, yellow-to-black liquid found in geologic formations beneath the Earth's surface. Crude oil is commonly refined into various types of fuels such as gasoline and fuel oil. Compounds found in

crude oil typically include: Benzene, Hydrogen sulfide, Ethyl benzene, Toluene, Xylene, Naphthalene, Methylnaphthalene, and Generic alkanes (including octane, hexane, nonane).

For more information about these compounds see:
http://www.bt.cdc.gov/gulfoilspill2010/pdf/chemical_constituents_table.pdf

9. Is "tar sands" the reason this facility is being built?
The application is to allow Global to install boilers so it can heat petroleum products (crude, residual fuel and biofuels). Several forms of petroleum must be heated to make them less viscous and enable them to be pumped. Examples include No. 6 fuel oil (used in large buildings), heavy crude oils (including but not limited to tar sands crude oil), some biofuels (e.g., pure biodiesel), and asphalt. Because tar sands oil is one of the products whose handling properties are improved by heating, the installation of the boilers would facilitate Global's processing of tar sands oil. What is important is the nature of the material, not where it came from..

10. Why is this process being planned here? Why do we have to take the risk?
The Port of Albany has long been a major port for the shipment of materials by barge, ship and rail, including petroleum. The Port of Albany has been at its current location since the 1930s, before most of the surrounding residences were built.

There are large facilities in place in the Port for the storage of petroleum, and refined products have been received for years at the port by barge, ship and rail for distribution throughout the Northeast. The truck terminals at these facilities are some of the busiest in this region.

Global acquired the Port of Albany facility in 2007 from Exxon/Mobil. Historically, the facility received fuel deliveries by barges operating on the Hudson River. Gasoline, kerosene, diesel and fuel oil were all distributed by truck locally. The facility also loaded railroad tank cars bound for another facility in Burlington, Vermont.

The rail access in Albany led Global to enter the ethanol business, which is mainly manufactured in Iowa. The ethanol arrives by rail tank car and is stored in tanks at the facility. The ethanol is blended with gasoline and loaded into trucks for local delivery, into rail cars bound for Burlington, and, more recently, onto barges for shipment down the Hudson River. Global entered the crude oil business in 2011.

The capacity of the railroads to ship crude oil is limited, so the ability to ship by other means is important to the industry. Because the petroleum infrastructure exists in the Port of Albany, along with a major rail freight facility, the port was identified by shippers as an area that could be used to receive crude oil from the Midwest. The crude could then be shipped from the existing rail facility to the storage facilities and then to ships.

As an inland port accessible to ocean-going vessels, there is a great deal of flexibility as to where the crude can be shipped from Albany. Currently, the crude travels by ship to

refineries in New Brunswick, Canada, Northern New Jersey and along the Delaware River. The use of barges and ships allows the crude to be shipped in large quantities anywhere on the east coast where there is refinery capacity.

11. Why are banned chemicals being used in this process?
DEC is not aware of any substances being used illegally or banned chemicals at the port.

12. What is the comprehensive plan of Global at the Port 2-5 years out?
Global is not required by regulations to provide a comprehensive plan covering that period of time. If Global files additional applications with DEC, the agency will inform the public through a public participation and comment process, and will be expected to utilize procedures that comply with the Commissioner's Policy on environmental justice.. We would invite you to reach out to Global for more information on the company's future plans.

13. Are there currently heating facilities at the port and elsewhere in the city?
The Port of Albany does not currently have any boilers used to heat crude oil. The Buckeye facility at the Port of Albany has a boiler to heat asphalt. Similar boilers are very commonplace throughout the Capital Region and are used in commercial and industrial establishments, such as hospitals and schools.

14. Who is responsible for the cleanup in the event of a spill?
DEC, together with the U.S. Coast Guard and EPA, oversees all cleanups, in cooperation with local agencies. The Coast Guard's responsibility is for spills in the river. However, the responsible party is legally obligated to clean up spills and to pay for any DEC cleanup costs. DEC will ensure a prompt cleanup in the event a responsible party cannot be immediately determined. Subsequent legal actions to recover the clean-up costs would also include an assessment for any natural resource damages and any associated penalties deemed appropriate.

The safety of all New Yorkers is DEC's highest priority and state and local responders train vigorously for hazmat-related emergencies, including railcar incidents involving crude oil and ethanol. Global has developed a Facility Response Plan, an Emergency Response Plan and a Spill Prevention, Control and Countermeasure Plan, all of which must be approved by federal agencies. Typically, emergency response plans detail specific procedures to be followed in the event of an emergency, such as notification procedures, evacuation procedures and the identification of available resources to address different types of emergencies. The public would be notified of major releases by first responders, if warranted, or through local media.

15. Have there been any oil spills in our area?
Every year, DEC receives thousands of spill reports throughout the state, including in the Capital Region, which by law must be reported to DEC within two hours. About 90 percent of these releases involve petroleum products. Many of these reports are releases of small quantities, typically a few gallons, which are contained and cleaned up

quickly with little damage to the environment. Both immediate response and continued cleanup vary depending on the type of material spilled and the damage caused.

The last significant spill at the Global facility in the Port of Albany was in November 2011, when an estimated 28,000 gallons of kerosene spilled from a tank due to a weld failure on a tank sump. The spilled material impacted the groundwater, but all contamination was contained on site. Global continues to monitor the groundwater and collect contaminants from several recovery wells that were installed as a result of this spill.

Community

1. Where is the public participation plan?
Global is currently developing the plan. However, many aspects of the enhanced public outreach are already being implemented, including a public meeting and the placement of supplemental facility information on DEC's website and at two local document repositories at the following locations:

John A. Howe Branch Library, 105 Schuyler St, Albany, 518-472-9485

NYS Department of Environmental Conservation Office, 625 Broadway, Albany, 518-402-8044.

2. Why didn't the port/NTSB contact the community?
This question should be directed to the port and/or the NTSB.

3. Why the lack of transparency and "sneak attack" on the community?
DEC followed the public notice and comment requirements as established under the State Environmental Quality Review Act (SEQR) and the Uniform Procedures Act for this type of air permit modification for both the current proposal and the 2012 air permit modification. DEC welcomes the public's feedback on the pending draft permit, and all comments will be carefully considered before making a final determination on the permit modification.

DEC has now acted under its Environmental Justice Policy to require an enhanced public participation process to inform the Department as we review the negative declaration of significance.

4. Why wasn't the community involved in safety discussions?
The number and type of rail tanker cars that move through the facility is not subject to DEC regulation. Rail traffic levels and rail car design are solely regulated by the federal government, and rail safety does not fall under DEC's permitting jurisdiction.

DEC's permit jurisdiction is limited by state and Federal law and regulations to regulating the emissions from rail, truck and marine transfer facilities and to regulating

storage tanks. The approval of safety plans for storage facilities like Global's is the responsibility of the U.S. Environmental Protection Agency and the U.S. Coast Guard.

DEC determined that both the current proposed air permit modification and the 2012 air permit modification would not have significant negative air quality impacts or other environmental impacts under state law. DEC followed the public notice and comment requirements as established under the State Environmental Quality Review Act (SEQR) and the Uniform Procedures Act for both the current boiler proposal and the 2012 permit modification.

However, as a result of comments received during the public comment period on the current boiler application, the following actions have been taken to improve communication:

- The public comment period was extended.
- A public meeting was held to receive public comment and answer questions on a variety of federal, state and local issues.
- Global is preparing an enhanced public participation plan which will further facilitate a public dialogue.

5. Will DEC/Global Companies invest in sustainable communities?
DEC will work with Global and the community in developing ideas for sustainability programs. Global should be contacted directly for information regarding sustainability programs it may have.

6. What is the size of the "impacted" community (# of residences, businesses, and students attending local universities)?

The rail lines in the State span approximately 3,500 miles, and any community located along or in close proximity to those lines could be potentially impacted by an accident involving a train. The extent of the impact from such an accident would be dependent on a number of factors. Federal agencies are responsible for regulating the transport of materials by rail and ensuring safety of rail transport.
To address the increased concern about the transport of crude oil by train throughout New York State, the NYS Department of Transportation recently undertook a joint inspection effort with its federal counterparts at the Federal Railroad Administration. Upon announcing the results of those inspections, the Administration committed to a sustained inspection effort and has reached out to federal authorities seeking additional federal inspectors for New York State.

DEC regulates major oil storage facilities, which are defined as petroleum storage facilities with a total capacity of 400,000 gallons or greater. DEC issues licenses to facilities that meet DEC and EPA requirements. If an accident occurred in the Global facility in the Port of Albany, the number of residences, businesses, and students (if any) that might be affected would depend on many factors.

DEC's regulations of facilities like Global's are intended to minimize hazards and protect the public and the environment. This applies to the storage of a variety of materials, including gasoline, which has been stored at the Global facility for years. Gasoline is highly flammable. In that respect, it is similar to crude oil originating in the Bakken area. The technical measure of the likelihood of an explosion or combustion is flash point and explosive range. The flash point is the temperature at which a material gives off enough vapor to ignite if there is a spark. The lower explosive limit and upper explosive limit indicate the range of air mixed with a material that will allow combustion. As a comparison, when an engine is flooded, the percentage of gasoline present is too rich to allow ignition. For combustion to occur, there must be an air mixture within the LEL to UEL range, the air temperature must reach the flash point temperature and there must be a spark.

A chart comparing various relevant materials in these terms follows:

Relative Fire Hazards

	Flash Point		Explosive Range
	Celsius	Fahrenheit	LEL - UEL*
Gasoline	-65°C	- 50° F	1.2 - 7.1 %
Ethanol	16.6°C	62° F	3.3 - 19.0 %
#2 fuel oil/Diesel	38°C	100° F	0.6 - 7.5 %
Bakken Crude	-35°C	-31° F	0.8 - 8 %
#4/6 Fuel Oil	51 - 115° C	142 - 240° F	N/A
Tar Sands Oil	166°C	331° F	2 - 7 %

* LEL is the lower explosive limit; UEL is the upper explosive limit.

The storage capacity of these different products at the Global facility has varied over time, as indicated below. However, gasoline has been stored in large volumes for many years.

2014 Total Capacities By Product In Gallons							
Gasoline	Ethanol	Used oil	Diesel	#2 oil	Crude Oil	Kerosene	All Products
16,331,949	7,492,834	1,512,696	8,154,946	8,257,200	11,944,941	4,137,643	57,832,209

2010 Total Capacities By Product In Gallons							
Gasoline	Ethanol	Used oil	Diesel	#2 oil	Crude Oil	Kerosene	All Products
12,444,044	1,640,922	1,512,696	3,887,905	18,138,489	0	4,137,643	41,761,699

1991 Total Capacities By Product In Gallons							
Gasoline	Ethanol	Used oil	Diesel	#2 oil	Crude Oil	Kerosene	All Products
20,630,400				67,456,200			88,086,600

1988 Total Capacities By Product In Gallons							
Gasoline	Ethanol	Used oil	Diesel	#2 oil	Crude Oil	Kerosene	All Products
16,197,006		688,800	83,160	62,164,200		4,166,400	83,299,566

1986 Total Capacities By Product In Gallons							
Gasoline	Ethanol	Used oil	Diesel	#2 oil	Crude Oil	Kerosene	All Products
16,191,000		688,800	1,586,592	64,972,278		5,927,670	89,366,340

7. Will Bethlehem/Selkirk communities be impacted?
The permit modification before DEC is not expected to have any negative environmental impacts on these two communities.

8. How are we protecting historic resources (Cherry Hill, Schuyler Mansion, etc.)?
The permit modification before DEC is not expected to have any negative environmental impacts on local historic resources.

9. What about the children?
DEC is concerned about the health and well being of children and all other New Yorkers. As such, every permit that DEC issues considers public health as well as the environment in all areas over which the agency has jurisdiction. In addition, response plans must address protection of all members of the public, including children.

10. Are the hospitals at risk?
Local hospitals are not at risk from actions being proposed under Global's current draft air permit modification.

Environment

1. Why has no environmental impact statement been conducted (EIS)?
DEC determined that the air emissions from the proposed boilers would be minimal. In fact, the amount of crude oil allowed to pass through the facility would be reduced by 50 million gallons per year if Global's application is approved. However, DEC is reviewing the determination that an EIS was not required.

One factor considered in reaching that conclusion was that DEC has no jurisdiction to regulate rail transport. Therefore, DEC could not conduct an environmental review of that aspect of the Global plans. In addition, the negative declaration initially concluded that other aspects of the proposed changes in the operation of the Global facility did not pose a significant adverse impact on the environment or public health, that there would not be an adverse environmental impact from approving the air permit modification and that no EIS was required. However, that decision is under review, and no final decision regarding the negative declaration or the application for a permit modification will be made until the community outreach process has been completed.

2. How does this proposal impact other communities up/down the river?
Global's current draft air permit modification will not impact other communities on the river. However, there are rail transport issues which do affect many other communities. Executive Order 125 addresses some of the important rail transport issues by calling upon the federal agencies with authority to make rail transport safer to do everything in their power to avoid those potential impacts. Please note that the pending permit applications relates strictly to operations at the Port of Albany as it relates to air emissions from proposed boilers.

3. Why is this not considered an Environmental Justice issue?
Although DEC determined that there would not be a significant impact on the community, as indicated above, DEC is requiring Global to implement an enhanced Public Outreach plan consistent with DEC's Environmental Justice policy. We received a first draft of an outreach plan from Global, but we expect them to make significant improvements in the plan.

4. What is the impact of an oil spill on land, drinking water and the Hudson River?
The impact of any particular spill is highly dependent on several factors, including the volume of material spilled, the type of environmental resources involved and the physical properties of the material spilled. Therefore, it is not possible to identify in advance the particular land or river resources that could be affected by a spill. If river resources are affected, the U.S. Coast Guard would play a key role in any response. Groundwater at or near the Global facility is not used for drinking water.

DEC's goal is always to prevent and to mitigate potential impacts to human health and the environment regardless of the type of spill or its volume.

The Global facility at the Port of Albany operates under numerous air, water and petroleum storage regulations designed to protect public health and the environment. Under state and federal requirements, the facility must have a spill containment, control and countermeasures plan, which covers all rail, truck and marine barge/tanker transfer operations and product storage. Storage tanks must also meet bulk tank storage standards that govern tank strength and integrity, and which require periodic leak testing using water. Secondary containment for storage tanks is also required at the facility.

Recently, DEC, the U.S. Coast Guard and local responders conducted a drill in the Hudson River to add to the effectiveness of future responses to oil spills.

5. How has existing oil stored at Albany's port impacted the environment?
Large industrial facilities occasionally have spills, usually small, and Port of Albany facilities are not an exception. As mentioned above, the Global facility experienced a spill of kerosene in 2011 that impacted groundwater but was contained onsite. Air emissions from the Global facility have been in compliance with the company's permit and have not had any significant adverse impacts on the environment.

Public Health

1. What is DEC doing to address health concerns?
Every permit that DEC issues takes into consideration the impacts to public health and the environment in all areas over which the agency has jurisdiction. Potential health concerns from air emissions were therefore considered in evaluating the proposed air permit modification. However, the prior decisions regarding the facility are under continuing review.

2. How has existing oil stored at Albany's port impacted the current health of residents?
When petroleum is properly contained in storage tanks, as has been the case at the Global facility, there is little chance for people to be exposed from the storage of oil.

3. How do emissions impact the health of the community?
The region is in attainment of the National Ambient Air Quality Standards (NAAQS), which are developed by the U.S. EPA to protect human health and the environment. In addition, emissions of other pollutants will be controlled to low levels, and, therefore, people will be protected from developing chronic health problems related to breathing petroleum chemicals. However, they may notice odors, and when exposed to these odors may experience some short-term effects.

Global utilizes a system of monitoring equipment to ensure correct operation of emission control equipment. The facility measures throughput of crude oil and other materials to ensure compliance with permit limits on throughput.

DEC will undertake a short-term air monitoring program at various locations near the Albany Port in order to evaluate the level of volatile organic compounds attributable to the combined operations of various sources of air pollution, including Global and other facilities at the port.

Emergency Preparedness

1. Have first responders been trained to handle an oil leakage or explosion?
Yes, local hazardous materials teams train for a wide variety of incidents, and DEC responds to petroleum spills, in cooperation with federal and local agencies. State and local responders train vigorously for hazmat-related emergencies, including railcar incidents involving crude oil and ethanol. Global has developed a Facility Response Plan, an Emergency Response Plan and a Spill Prevention, Control and Countermeasure Plan, all of which must be approved by federal agencies. Typically, emergency response plans detail specific procedures to be followed in the event of an emergency, such as notification procedures, evacuation procedures and the identification of available resources to address different types of emergencies. An emergency response drill is being planned now for the Port of Albany.

In addition, the U.S. Department of Transportation (US DOT), which regulates rail transport, recently announced enhanced safety initiatives that reflect some concerns raised by New York.

On Feb. 25, the US DOT issued an Emergency Order that requires all shippers of Bakken crude oil to test and classify the product before it can be transported by rail, and also mandates that crude oil only be transported in certain, more robust tank cars. While this step is an improvement, the federal government has not yet gone far enough in requiring the best design available for tank cars.

US DOT has also recently entered into voluntary agreements with rail companies on crude oil transport to enhance track and mechanical inspections, assess the safest and most secure routes for crude oil transport, improve train brake systems, and establish speed restrictions. Just yesterday, Governor Cuomo called on our federal counterparts to expedite efforts to make the terms of the voluntary agreement mandatory and enforceable.

2. Where is the city's emergency preparedness plan?
The Albany Fire Department has the plan. To view and/or obtain a copy of the city's plan, you may contact the Albany Fire Department at 447-7879. They may require a Freedom of Information Law request.

3. How will residents be informed of an emergency evacuations plan?
The public would be notified of major releases by first responders, if warranted, or through local media. For additional information about emergency notifications, please contact the Albany Fire Department at 447-7879 as evacuation planning is handled at the local level.

4. In the event of an explosion or oil leakage, does the state or city have a financial plan in place?
Under state and federal law the parties responsible for a spill would be held liable for the cleanup and restoration costs, as well as any natural resource damages associated with a spill. If the responsible party is unwilling or unable to perform the necessary cleanup, the state and federal governments will cooperatively work to arrange for an expeditious cleanup using the state's Oil Spill Fund, which was set up to provide funding for this type of cleanup response. Subsequent legal actions would be brought to recover the cleanup costs and could include an assessment for any natural resource damages and any associated penalties deemed appropriate.

Requests

1. Global Companies should pay for flyers to inform community residents about the upcoming forum on February 12, 2014.
DEC issued a press release regarding the meeting and personally contacted numerous local and state elected representatives, as well as community leaders and environmental groups, which reached out to their constituencies. The meeting was well attended by the public.

An enhanced community participation plan is being developed now and will be expanded to include more effective measures to implement community outreach.
2. Can DEC partner with the Health Department to conduct a public health study?
The State and County Health Departments are responsible for public health studies, but if one of them decides to conduct such a study, DEC would cooperate in any way we can, including providing data we have.