

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1073

(Delegate Lam, *et al.*)

Environment and Transportation

Finance

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**Environment - Crude Oil Rail Transport - Risk Assessment and Accident Prevention Study**

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This bill requires the Maryland Department of the Environment (MDE) to study the potential risks and impacts to the State of a crude oil spill during rail transport in the State. As part of the study, MDE must establish accident prevention plans, emergency response plans, and contingency plans. MDE must report the study findings and plans to the Governor and the General Assembly by December 1, 2015. In the report, MDE must disclose the amount of crude oil transported by rail in the State.

The bill takes effect July 1, 2015, and terminates June 30, 2016.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State finances. MDE can conduct the study with existing resources.

**Local Effect:** The bill is not anticipated to materially affect local operations or finances.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** There is no State law requiring the study of rail transportation of crude oil. However, several State and federal transportation and environmental statutes, regulations, and agencies provide a framework of regulation for the transportation of hazardous materials by truck, rail, pipeline, and other methods, as well as emergency response and the mitigation of hazardous releases.

Additionally, the Department of Health and Mental Hygiene advises that the Office of Preparedness and Response within the Prevention and Health Promotion Administration is responsible for the Emergency Support Function 8: Health and Medical response. Such “ESF-8” responses are initiated when an emergency exceeds local capacities to manage or mitigate, and are coordinated with several local and State agencies under the direction of the Maryland Emergency Management Agency. These existing emergency response procedures would be followed in the event of an oil spill during rail transport.

**Background:** According to the U.S. Energy Information Administration, the transport of oil and petroleum products by rail increased by 13.4% in the first 10 months of 2014, compared with the same period in 2013, primarily as a result of the recent oil production boom in the Bakken Shale play. Data from the Incident Reports Database of the Office of Hazardous Materials Safety within the U.S. Pipeline Hazardous Material Safety Administration indicates that there were 25 rail incidents in Maryland in the four-year period between January 1, 2011 and December 31, 2014. Of these, only two incidents involved the spillage of trace amounts (less than one gallon) of liquid crude oil. However, several large accidents involving train cars carrying crude oil have occurred in the past several years in the United States and Canada, including one explosion in West Virginia in February 2015, and a catastrophic derailment and explosion in Quebec in July 2013 that killed 47 people.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of the Environment, Department of Health and Mental Hygiene, U.S. Energy Information Administration, U.S. Pipeline Hazardous Material Safety Administration, *Reuters*, *the Globe and Mail*, Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2015  
md/lgc Revised - House Third Reader - April 2, 2015

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