



Global Partners Lease Amendment Request FAQs

Q. What is API gravity? What change in API gravity has Global Partners requested?

A. The American Petroleum Institute (API) gravity is a measure of how dense petroleum is—the higher the number, the lighter the product. An API gravity of 10 and below will sink in water (referred to by some as “sinking oils” or “tar sands” oil), while an API above 10 will float on the surface.¹ The Port’s current lease with Global Partners restricts them to an API gravity of 30-44 (light to medium crude oil).

Global Partners requested to amend their lease at Port Westward to remove the API gravity limit. At the Nov. 28, 2018 Port meeting, Commissioners were unanimous in their decision that they will not consider an API gravity of 17 or below. Global Partners has said that an API gravity limit of 17 would be satisfactory.

Q. What are the benefits if the Port approves the lease amendment for a lower API gravity?

A. According to Global Partners, if the API gravity limit is lowered, it could result in:

- 150 construction jobs for 12-18 months
- 20-25 full-time jobs at Port Westward
- An increase in Port revenues of \$3-6 million per year
- An approximately \$75 million-dollar investment at Port Westward (over \$20 million has already been invested in public infrastructure at Port Westward, including upgrades to the dock and Hermo Road).

Q. Are there any benefits for South County?

A. Yes. The Port reinvests any profits to foster additional economic growth throughout the Port district. Possible examples of how the additional revenue may be used include:

- Construction of flexible space manufacturing buildings in St. Helens to attract new businesses to the county.
- Construction of speculative buildings at the Scappoose Industrial Airpark to assist in the growth of OMIC and related industry.
- Support of regular operations at Scappoose Bay Marina and at the Scappoose Industrial Airpark (which are subsidized by the Port’s general fund), including additional improvements.

¹ https://en.wikipedia.org/wiki/API_gravity

Q. Approximately how much tax revenue does Global Partners contribute to Columbia County?

A. In 2018, Global Partners (also known as Cascade Kelly Holding LLC) paid \$491,357 in taxes and was the seventh largest taxpayer in Columbia County². Global Partners has also contributed up to \$200,000 to local non-profit and charity organizations in the county.

Q. What is Global Partners' inspection and safety record?

A. Global Partners has received 168 inspections with a 100% pass rate³:

- 97 Federal Railroad Administration / ODOT inspections
- 20 EPA / Oregon DEQ / Washington Department of Ecology inspections
- 30 US Coast Guard inspections
- 16 Third Party / Oregon State Fire Marshal inspections
- 5 US Customs and Immigration inspections
- 100% of the unit trains received on site have been properly marked
- 100% of the rail cars are inspected prior to release back to the railroads

Global has also gone 6 years without a lost time accident.

Q. How will this amendment affect the current limits on rail traffic?

A. The lease amendment will have no effect on the current rail restrictions that are already in place. Port Resolution 2013-81 currently restricts Global Partners to 24 unit trains per month (one trip in and out per train)⁴. Upon the completion of rail improvements in Columbia County, and with Port approval, this unit train cap may be moved to 38 unit trains per month. These restrictions were put in place based on safety improvements to the rail and are unrelated to Global's current API gravity request.

In 2018, unit trains to Global Partners represented only 2% of the total train trips through Columbia County. At 24 trains per month, this would still be less than 15% of the total train trips through the county⁵.

Q. Will this request increase the length of the trains?

A. No. Unit trains are currently restricted to a maximum limit of 110 cars per train. The lease amendment will have no effect on the rail car restrictions already in place.

² http://www.co.columbia.or.us/files/assessor/2018_Data/2018_Top_Taxpayers_by_District.pdf

³ Global July 11, 2018 report to the Port Commission

⁴ Cap is in rail cars per year, converted to number of trains per month assuming 108-110 cars per train

⁵ Per Portland & Western Railroad

Q. What are the rail safety procedures?

A. For increased safety, Portland & Western (P&W) Railroad procedures include:

- Limit the speed of oil unit trains to 10 mph throughout Columbia County.
- Notify first responders county-wide within 24 hours of the arrival of a unit train.
- Local tracks are inspected weekly and semi-annual inspections are completed quarterly.
- The entire track is inspected within 4 hours of an oil unit train coming through, and nothing moves on the rail line until after the oil train goes by.
- Full authorized use means 24 additional track inspections per month.

Q. What types of tank cars does Global use?

A. Global Partners only uses CPC-1232 and DOT 117 tank cars. The number of DOT 117 cars, which are designed for zero product loss from derailment at up to 9 mph, are increasing⁶. Global does not use the DOT 111 tank cars.

Q. What safety updates have been made to the railroad tracks?

A. Since 2000, P&W has made over \$25 million in improvements to the rail line. These improvements include:

- Upgrade to heavier rails,
- A continuously welded rail (track sections are not bolted together),
- Safety sensors in the track,
- Upgrade of safety equipment at public rail crossings,
- Upgrade of bridges and switches, and
- Improvements to A Street in Rainier.

Q. Approximately how long will it take for an oil train to cross an intersection?

A. A unit train consisting of 110 train cars traveling at 10 mph will take approximately 8 minutes⁷ to clear an intersection.

Q. Why am I stopped at rail crossings for longer than 8 minutes?

A. The trains that stop while blocking intersections are called “manifest trains,” which are assembled from many different cargos going to a variety of destinations. Manifest trains can block intersections for a longer time when they are switching rail cars at sidings. The trains hauling oil to Port Westward however are always “unit trains,” which consist of one cargo traveling non-stop to a destination (stopping only for train crew changes or emergencies).

⁶ <https://www.supplychaindive.com/news/bnsf-bans-retrofitted-tank-cars-from-crude-oil-service/529162/>

⁷ Citation from Lower Columbia River rail study