

Railroads sue California over new crude oil rules

By [Tony Bizjak](#)
tbizjak@sacbee.com

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California's two major railroad companies have filed suit in federal court challenging a state law requiring railroads to come up with an oil spill prevention and response plan.

The lawsuit, filed Tuesday in the U.S. District Court in Sacramento, contends federal laws largely prohibit states from imposing [safety rules](#) on railroads such as the ones California began imposing July 1 of this year. The plaintiffs in the matter are the [Union Pacific Railroad](#), the BNSF and the Association of American Railroads.

The lawsuit targets sections of a law, SB 861, that require railroads transporting crude oil to participate in a state program that assures [financing to clean up crude oil spills](#). It also requires the railroads to obtain a "certificate of financial responsibility" from the state as proof they have enough money to cover oil spill damages.

"Federal law exempts this entire regime," the railroads wrote in the lawsuit. The lawsuit argues the federal government already has numerous [safety measures](#) in place governing hazardous materials transport.

The main portion of the bill imposes a 6.5-cent fee on [oil companies](#) for every barrel of crude that arrives in California on rail, or that is piped to refineries from inside the state. The resulting funds, estimated at \$11 million in the first full year, will be allocated for oil spill prevention and preparation work, and for emergency cleanup costs. The efforts will be focused on spills that threaten waterways and will allow officials to conduct response drills.

The railroads do not appear to be challenging the fee, which is directed at oil companies, not railroads. Attorneys for the railroads could not immediately be reached for comment.

Officials with the state Office of Spill Prevention and Response, the state agency listed as defendant, could not immediately be reached for comment.

Call The Bee's Tony Bizjak, (916) 321-1059.

Read more here: <http://www.sacbee.com/2014/10/08/6770151/railroads-sue-california-over.html#storylink=cpy>