

1
2
3
4 **BEFORE THE STATE OF WASHINGTON**
5 **ENERGY FACILITY SITE EVALUATION COUNCIL**

6 In the Matter of:
7 Application No. 2013-01

8 TESORO SAVAGE, LLC

9 VANCOUVER ENERGY DISTRIBUTION
10 TERMINAL

CASE NO. 15-001

**PREFILED TESTIMONY OF ROBERT
J. BLACKBURN FILED BY THE CITY
OF VANCOUVER**

11 Q: Please state your name, place of employment and title, and address.

12 A: Robert J. Blackburn, CPCU, Managing Principal
13 Blackburn Group, Inc.
14 1173 Pittsford Victor Road, Ste. 250
15 Pittsford, New York, 14534

16 Q: What does Blackburn Group do?

17 A: I founded Blackburn Group, Inc. in 1991 as a company specializing in marketing
18 products and services for the risk, insurance, and claim management fields.

19 The company provides enterprise risk management and claim settlement solutions. We
20 assist companies in identifying risks and insuring against those risks. The company
21 maintains and manages over 8,100,000 claims valued at over \$550 billion in our
22 proprietary databases.

23 Q: What types of businesses have you worked with?

A: Energy production and distribution, manufacturing, retail, real estate, construction,
etc.

TESTIMONY OF ROBERT J. BLACKBURN - 1

CITY ATTORNEY'S OFFICE
PO BOX 1995
VANCOUVER, WA 98668
Tel: (360) 487-8500
Fax: (360) 487-8501

1 Q: Can you briefly describe your work at Blackburn Group, Inc.?

2 A: Enterprise risk management, claim management and settlement solutions.

3 Q: What other positions have you held?

4 A: Prior to founding Blackburn Group, Inc., I established and managed a risk management
5 and retention company for Jamesport Associates. As Vice President and Chief Operating
6 Officer, I developed and managed the strategies for the combined company assets of over
7 \$2.5 billion and \$500 million in annual sales in the aviation and real estate industries. I
8 have also held senior management positions at Home Properties, Inc., Deloitte and
9 Touche, LLP, Wilmorite, Inc., Citibank, N.A., Page Avjet Corporation, and Harris
10 Corporation. Additionally, I have served as an advisor and consultant to FM Global
11 Insurance Company and other insurance companies.

12 Q: What is your educational background?

13 A: I graduated from St. John Fisher College in Pittsford, NY in 1978 with a BS in
14 Management, Finance, and Economics, and have completed graduate studies at the
15 University of Rochester Simon Business School. I have served as a risk management
16 guest lecturer at both institutions and as a guest speaker at numerous risk and claim
17 management industry events. I am a Chartered Property Casualty Underwriter, Certified
18 Adjuster, Property and Casualty Insurance Broker (NY Resident License; reciprocal
19 ability in all 50 states); Independent General Adjuster (NY Resident License; reciprocal
20 ability in all 50 states); Life and Health Insurance Broker (NY Resident License;
21 reciprocal ability in all 50 states).

22 Q: What organizations are you a member of related to insurance/risk management?
23

- 1 • Association for Cooperative Operations Research and Development (ACORD),
2 Member, 1985-2001.
- 3 • Chartered Property and Casualty Underwriters (CPCU) Society Member, 2011-
4 present.
- 5 • Diocese of Rochester, NY, Stewardship Council and Risk Management Committee
6 Chairperson, 2010 - present.
- 7 • Hillside Children's Center, Insurance Committee Member, 1992-2004.
- 8 • Institute of Management Accountants, Member, 1980-2001.
- 9 • Insurance Accounting and Systems Association, Member, 1991-2001.
- 10 • New York Self Insurers Association, Member, 2012 - present.
- 11 • New York State Center for Advanced Technology in Electronic Imaging Systems,
12 Member, 1996-2001.
- 13 • Risk and Insurance Management Society, Member, 1996-2010.
- 14 • Risk and Insurance Management Society, Society Director and Officer, 1988-1996.

15 Q: Have you written on the topic of insurance?

16 A: Yes. Papers and reports have included:

- 17 • Claim and Litigation Management Processes, January 1995.
- 18 • Enterprise Risk Management Development, February 1995.
- 19 • The Risk Management Program Development Methodology, April 1996.
- 20 • The Benefits of Establishing a Captive Insurer or Other Alternative Risk Finance
21 Vehicles, June 1996.
- 22 • The Limitations of the Traditional Approach to Risk and Insurance Management,
23 May 1997.
- The Benefits of N-tier Applications in Managing Risk, February 1998.
- The Need for Reduced Risk Costs and Improved Quality, July 1998.

- 1 • The RiskPro Manual for the Enterprise, February 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2007.
- 2
- 3 • Management of Risks for the New Millennium, January 2000.
- 4
- 5 • The New Insurance Distribution Model, June 2001.
- 6
- 7 • Global Risk in Today's Business Environment, July 2001.
- 8
- 9 • The Risk Management Network - Straight through Processing for an Interconnected World, July 2001.
- 10
- 11 • Biometrics – How they are Changing the World of Operational Risk Management, October 2001.
- 12
- 13 • September 11th has Changed Everything in the World of Risk Management, November 2001.
- 14
- 15 • Security Risks – How Organizations are Responding to New Vulnerabilities, November 2001.
- 16
- 17 • Risk Management for Real Estate and Retail Businesses, December 2001.
- 18
- 19 • Confronting the Risks – The New Utility Organization, January 2002, September 2003.
- 20
- 21 • The Risk Report, Home Properties, 2002-2008.
- 22
- 23 • Six Key Risk Management Strategies for 2009, Various National Newsletters, January 2009.
- The RiskPro Monthly Newsletter, January 2009 to present.
- Various Articles and Presentations for Enterprise Risk Management and Claim Settlement Solutions, January 2010 to present.

Q: What is a Maximum Foreseeable Loss (MFL) estimate?

A: An MFL or Maximum Foreseeable Loss is an estimate of a worst case operational risk scenario. In other words, the financial risk or total dollar amount associated with a worst case incident. An MFL is not limited to one type of cost, but includes costs associated

1 with loss of life, injury to persons, destruction of property, loss of use of property, first
2 responder costs, and cleanup expenses.

3 Q: Did the City of Vancouver ask you to consider: (1) the financial risks; and (2) whether
4 insurance or other financial assurances are available to address those risks, associated
5 with a proposal to transport and handle Bakken crude oil and diluted bitumen, within the
6 City of Vancouver, WA?

7 A: Yes.

8 Q: In assessing risk levels, what types of considerations are useful?

9 A: Well, first the commodity itself. I am not a petrochemical engineer. However, I look at
10 what is being handled and whether catastrophic accidents have occurred elsewhere for
11 similar risk profiles. For purposes of estimating a maximum foreseeable loss, or MFL, the
12 analyst attempts to measure the worst loss that is likely to occur because of a single
13 event. In this case, I was told that the proposal involved the transport and handling of 15
14 million gallons of Bakken crude oil and diluted bitumen per day or four HHFTs per day.
15 I have been told that "HHFT" stands for "High-Hazard Flammable Train" and is the term
16 used by the federal government (USDOT-PHMSA) to describe freight trains carrying 20
17 or more tank cars of crude oil in a block.¹ This is a highly volatile compound which has
18 been involved in a number of catastrophic accidents. Another consideration is where the
19 commodity is located. In this instance, the proposal is within the City of Vancouver,
20 which has a population base of about 170,000, making it the fourth largest city in
21 Washington. Another factor is the presence of environmentally sensitive features. That

22 ¹ 49 CFR § 171.8.

1 informs estimates of environmental clean-up and infrastructure replacement costs. Here,
2 it is my understanding that the proposal is located proximate to the Columbia River.

3 Q: What do you believe is a reasonable MFL to remedy damages flowing from a
4 catastrophic accident?

5 A: It is reasonable to estimate an expected MFL for a catastrophic accident in the region at
6 approximately \$5-6 billion. That is a rough figure.

7 Q: What is the basis for a \$5-6 billion rough estimate?

8 A: This estimate is derived from considering costs associated with other major accidents and
9 insurance reports. As an example, the Lac Megantic incident, involving a small town of
10 roughly 6,000 in Quebec Province, Canada, was a catastrophic accident. It occurred in
11 2013, killed 47 people, and destroyed the downtown. Damage estimates are now at about
12 \$3 billion according to recent media reports. Compensation has been a major issue with
13 that incident. The short-line railroad hauling the crude oil filed for bankruptcy because it
14 didn't have enough insurance to pay the claims.

15 That the total risk values are into the billions is not surprising. BNSF has been up
16 front that even available railroad liability insurance (apart from the applicant) tops out at
17 "about \$1.0 Billion" and "[i]nsurance is not commercially available to sufficiently protect
18 us against catastrophic loss."² In a U.S. Dept. of Transportation Report, titled "The
19 Transportation of Hazardous Materials: Insurance, Security, and Safety Costs"
20 (December 2009), this level of insurance was documented as:

21
22
23

² Attached is a true and correct copy of excerpts from a BNSF Power Point (Attachment 1).

1 well short of the \$5-\$6 billion that Class I railroads estimate would be
2 necessary in a 'nightmare scenario,' e.g., an accidental release of TIH gas
3 in close proximity to a large number of people. Once their primary
insurance has been exhausted, carriers would be held liable for the
balance, forcing even the largest railroad into bankruptcy.³

4 The City of Vancouver, with its considerably larger population, has higher risks for loss
5 of human life and physical injury, along with considerably higher infrastructure values.

6 Q: Are you aware of other high profile rail accidents involving the release of flammable
7 materials?

8 A: Of course. The City has retained experts to address those incidents, but they have
9 garnered considerable media attention. True and correct copies of photos of such
10 incidents pulled from media coverage are at Attachment 3.

11 Q: Could the MFL be calculated with greater precision?

12 A: Yes. The \$5-6 billion figure is, as I have mentioned, a rough estimate. To have greater
13 certainty requires more data on actual investments made within the area, what it would
14 take to reconstruct those investments, along with calculated blast zones and their
15 locations relative to infrastructure and people. To obtain a more precise number is a fact
16 intensive exercise. Of course, even with those factors, insurance risks cannot be
17 quantified with absolute precision for any single event. The costs of any incident would
18 vary, depending on the severity of the incident, number of lives lost, proximity to areas
19 with environmental sensitivity, etc. So, we have to also look at other events which have
20 in fact happened.

21
22
23

³ Attached is a true and correct copy of report excerpts (Attachment 2), p. 21.

1 Q: Based on what you have reviewed so far, assuming an MFL of \$5-6 billion, can the
2 applicant look to the commercial markets to provide that insurance, whether through
3 traditional or non-traditional insurance instruments, to cover that risk?

4 A: No. There is no market to cover that entire risk at present. Further, based on what I have
5 been provided from the application, Draft EIS excerpts, and lease requirements, the
6 proposed financial security is minimal in terms of covering worst case scenarios. It
7 certainly would not cover an MFL event. The lease with the property owner requires the
8 tenant to have \$10 million per occurrence and \$15 million aggregate liability insurance,
9 coupled with \$25 million in environmental pollution coverage. Very little is documented
10 at this point confirming what the applicant is assuming and would pay over to injured
11 parties, in the event of a catastrophic accident. That analysis has been postponed.

12 Q: What insurance could the applicant obtain?

13 A: It would be expected that the applicant could, in theory, purchase insurance of up to \$1
14 billion. Thus, a shortfall of \$4-5 billion toward the estimated MFL is anticipated. (Of
15 course, how the injured parties would access the funds which may be available is an
16 entirely separate question.)

17 Q: So, does the proponent have the capability - from a dollars perspective and through the
18 commercial markets - to fully remedy impacts resulting in injury and casualties, natural
19 resource and property damage, emergency responder resource impacts, and infrastructure
20 damage?

21 A: No. Given how high the MFL is, those products are not commercially available.
22
23

1 Q: OK. Let's turn to the application and the types of insurance the applicant states will be
2 provided. Can you read from the application at Section 1.3, Assurances, p. 1-7,
3 subsection 1.3.1 - Commercial General Liability Insurance, last paragraph?

4 A: Yes. "Tesoro Savage Petroleum Terminal LLC will purchase insurance policies to cover
5 liabilities arising from environmental, casualty, and other major incidents. The insurance
6 industry views facilities such as the Tesoro Savage Vancouver Energy Distribution
7 Terminal as low to moderate risk. Therefore, high coverage limits are available at
8 reasonable cost."

9 Q: Is that an accurate assessment?

10 A: Only if one assumes there are caps/exclusions on insurance so there is no MFL pay-out
11 exposure. There are various insurance companies with diverse opinions about current risk
12 taking and transfer. With the above assumption in mind, this statement may be true for
13 certain insurers, but untrue for others. An appropriate way to approach the subject would
14 be to complete applications for insurance to multiple insurers to determine the insurers
15 current underwriting appetite for risk taking and premium quotation.

16 Q: Ok. What about property insurance? Can you read from Section 1.3, Assurances from
17 the application, subsection 1.3.3 - Property Insurance?

18 A: "Tesoro Savage Petroleum Terminal LLC will obtain and maintain at all times during the
19 term of construction and operation of the Facility, physical damage insurance on the
20 buildings and improvements that are to be erected on the premises on an "all risk" basis,
21 including coverage against damage or loss caused by earth movement and flood in an
22 amount sufficient to cover any expected loss or damages. Upon completion of project
23

1 design, insurance underwriters will evaluate the design and estimate maximum potential
2 damage due to failure. In some cases, design changes may be implemented to reduce the
3 damages. Insurance would then be purchased to cover the maximum expected damages."

4 Q: What does that language mean?

5 A: That statement means that insurers will underwrite the facility considering the potential
6 damages. They would take into consideration loss control and safety factors built into the
7 facility. However, there are no "all risk" policies sold for this type of risk at this time.
8 Commercial property insurance in the United States is written in one of two ways: on a
9 "Named Peril" basis or on a "Special Peril" basis. If the risks are covered by a "Named
10 Peril" policy, it will only cover those perils named in the policy. A typical broad form
11 named peril policy would cover fire, windstorm, hail, aircraft, riot, vandalism, explosion
12 and smoke. When coverage is written on a named peril basis, it is up to the insured to
13 prove that one of the named perils caused the loss. Otherwise, if the risks are covered by
14 a "Special Peril" Policy, then the insurance company must prove that the peril causing the
15 damage is not excluded.

16 Q: Let's turn to Environmental Impairment Liability Insurance, subsection 1.3.5.1 on p. 1-8.
17 Can you read that section?

18 A: "Tesoro Savage Petroleum Terminal LLC and its operator(s) will be responsible, as
19 required by law, for acts of environmental impairment related to the ownership and
20 operation of the Tesoro Savage Vancouver Energy Distribution Terminal. Such losses
21 may, in some circumstances, be covered by general liability insurance, which Tesoro
22 Savage Petroleum Terminal LLC and the construction contractor will carry. In addition,
23

1 Tesoro Savage Petroleum Terminal LLC and/or its contracted operator(s) will obtain
2 environmental impairment liability insurance to the extent such coverage is available on a
3 commercially viable basis. This insurance will cover the acts of Tesoro Savage
4 Petroleum Terminal LLC and its operator(s) at the site, consistent with or in excess of
5 then-prevailing industry standards for such insurance in the petroleum transportation
6 industry. Commercial viability will be determined by reference to the norm of the
7 industry."

8 Q: Are there some caveats here? What does it mean to say that the applicant - a Delaware
9 LLC - will obtain "environmental impairment liability insurance" but only to the extent
10 "such coverage is available on a commercially viable basis?" And, what does it mean to
11 determine such viability "by reference to the norm of the industry?"

12 A: At the time of commencement of the project, Tesoro and its contractors will complete
13 several applications for environmental impairment and other commercially available
14 liability insurance. They will access the worldwide insurance markets through brokers to
15 obtain the most advantageous terms, conditions, and premiums for transferring risks to
16 insurers during a specified period of time, most likely for one year. Thereafter, they will
17 assemble all quotations to determine what is available to them for all liability risks.
18 Similar facilities with a responsibility to maintain insurance for their operations would
19 have previously gone through the same process and obtained the most advantageous
20 terms, conditions, and premiums. Their industry-experienced brokers will be able to
21 report the state of the insurance market at that time for reasonableness of the terms,
22 conditions, and premiums.

1 Q: Is the applicant in effect admitting it cannot obtain insurance against an MFL event?

2 A: At the current time, yes. Presumably for a similar operation, they may be able to obtain
3 \$1 billion of coverage. If the MFL is \$5-6 billion, then there will be a \$4-5 billion
4 insurance shortfall.

5 Q: Let's turn to subsection 1.3.5.2, p. 1-8 of the application. Can you read that paragraph
6 starting with "In accordance....?"

7 A: "In accordance with RCW 88.40.025, the Applicant will demonstrate financial
8 responsibility in an amount determined by the Washington State Energy Facility Site
9 Evaluation Council (EFSEC) as necessary to compensate the state and affected local
10 governments for damages that might occur during a reasonable worst-case spill of oil
11 from the Facility into the navigable waters of the state. The amount of financial
12 responsibility will consider such matters as the amount of oil that could be spilled into the
13 navigable waters from the Facility, the cost of cleaning up the spilled oil, the frequency
14 of operations at the Facility, the damages that could result from the spill, and the
15 commercial availability and affordability of financial responsibility. In accordance with
16 RCW 88.40.030, the financial responsibility required may be established by any one of,
17 or a combination of, the following methods acceptable to EFSEC: (1) evidence of
18 insurance; (2) surety bonds; (3) qualification as a self-insurer; or (4) other evidence of
19 financial responsibility."

20 Q: So, what are we looking at here as a dollar amount for clean up and is there an insurance
21 market to cover that?

22
23

1 A: It would appear at this time that perhaps Tesoro could obtain \$1 billion of insurance.
2 Otherwise, surety bonds, self-insurance, or other financial responsibilities would be
3 required to cover the presumed MFL shortfall of \$4-5 billion.

4 Q: One last question about the application. Can you read the first sentence of subsection
5 1.3.6, Site Closure Bond (Ch. 463-72 WAC)?

6 A: "No set-aside from operating funds is anticipated for site abandonment, but Tesoro
7 Savage Petroleum Terminal LLC will obtain a site closure bond in an amount to be
8 determined by EFSEC upon approval of an initial site restoration plan."

9 Q: Do you have a comment on that?

10 A: It would appear that the applicant does not intend to fund a site abandonment, but instead
11 provide a site closure bond after a site restoration plan is submitted and approved. The
12 two should be clearly linked, meaning whether abandoned or closed, adequate bonding is
13 provided. I would recommend that their engineer submit a "deconstruction" plan so that
14 the measurement of all known risks and compliances is determined for evaluation. That
15 way at least an engineer would have to consider all of the issues to mitigate risks of
16 adverse events and final compliances back to a pre-operations condition. The idea is to
17 secure sufficient funding guarantees at each step the risk profile changes (i.e., from
18 "existing conditions," through "operation," back to "existing conditions").

19 Q: Turning now to the applicant's lease with the Port, can you summarize insurance levels
20 identified in summary form on pgs. 5-6?

21 A: Yes. The document provides for: (1) property insurance (\$1 million and five percent of
22 values per location); (2) liability insurance (\$10 million per occurrence/\$15 million
23

1 aggregate, with specific requirements for employer liability and automobile liability of \$1
2 million each); and (3) pollution legal liability insurance (\$25 million as an extension of
3 the commercial general liability insurance or a separate policy).

4 Q: Would these insurance amounts be adequate to cover an MFL event?

5 A: No, the figures proposed are well short of that. And, as I have explained, such insurance
6 is not available at this time.

7 Q: Would it be expected, for the type of insurance policies we have been discussing, that
8 there would be exclusions for intentional sabotage or acts of terrorism?

9 A: Absolutely.

10 Q: So, for an intentionally caused MFL it is probable that for most, if not all, of the
11 insurance policies the applicant holds there would be no pay-out?

12 A: Correct.

13 Q: Turning to Section 1.1, p. 1-3 of the Proponent's Application, can you read: (1) paragraph
14 1, sentence 2; (2) subsection 1.1.2; (3) subsection 1.1.3, first sentence; (4) subsection
15 1.1.3, last sentence; and, (5) subsection 1.1.4, first sentence?

16 A: Yes.

17 1. The Applicant is Tesoro Savage Petroleum Terminal LLC (Applicant).

18 2. Tesoro Savage Petroleum Terminal LLC is a Delaware limited liability company
19 that is qualified to do business in the state of Washington. Its members are Savage
20 Companies and Tesoro Refining & Marketing Company LLC.

21 3. Tesoro Corporation, a Fortune 150 company, is an independent refiner and
22 marketer of petroleum products.

1 4. Tesoro Refining and Marketing Company LLC is a subsidiary of Tesoro
2 Corporation.

3 5. Savage Companies is a privately held operator that provides supply chain
4 management solutions.....

5 Q: So, in summary, the applicant is a Delaware LLC which includes as members a second
6 LLC and a "privately held operator?"

7 A: That is what the application states.

8 Q: What type of financial information is publicly available for this Delaware LLC, the
9 second LLC, and the "privately held operator?"

10 A: For the applicant, the Delaware LLC, I am not aware of any publicly available
11 information regarding its financial standing. That is the same for Tesoro Refining and
12 Marketing Company, LLC. And, since Savage Companies is a private company, it may
13 have financial statements to verify its income and assets, but that is not publicly
14 available. However, Tesoro Corporation financial information is available from the U.S.
15 Securities and Exchange Commission (SEC) EDGAR System. The information is
16 required to be filed periodically with the SEC depending upon the types of transactions
17 for public corporations. For example, Tesoro Corporation filed its most recent 10K on
18 February 25, 2016.

19 Q: So, we do not know the assets and liabilities of this Delaware LLC - which is the
20 applicant - or even the location of such assets, assuming they exist?

21 A: Correct regarding the Delaware LLC, and its two members, a second Delaware LLC and
22 Savage Companies, the private corporation. The Tesoro Corporation assets and liabilities
23

1 are enumerated in its 10K and other reports found at
2 <https://www.sec.gov/Archives/edgar/data/50104/000005010416000055/0000050104-16->
3 [000055-index.htm](https://www.sec.gov/Archives/edgar/data/50104/000005010416000055/0000050104-16-000055-index.htm).

4 Q: OK. So if an MFL event occurs, is compensation from what one presumes is the parent
5 company a possibility?

6 A: I did look at the Tesoro Corporation 2015 10K Financial Statement Risk Factors and
7 Capitalization. The Risk Factors section acknowledges insufficient insurance to cover
8 known risks of their operation. They did report maintenance of \$20 million in marine
9 terminal operator's liability coverage, subject to a \$150,000 deductible, and an additional
10 \$650 million in umbrella coverage for a total of \$670 million in coverage for sudden and
11 accidental pollution events and liability arising from marine terminal operations. Copies
12 of insurance policies would verify coverage. As of December 31, 2015, the total equity
13 of the organization is \$7,740,000,000, total debt is \$4,073,000,000, with combined total
14 capitalization of \$11,813,000,000. (This is based on a February 25, 2016 filing, which
15 updated the earlier December 31, 2015 10K Report.)

16 However, by utilizing the Delaware LLC structure, and without evidence of
17 contractual indemnifications, I do have a question as to whether the applicant can shield
18 the parent company from liability exposure from this project, including an MFL event. I
19 presume they would be required to provide a contractual indemnity for this project,
20 effectively providing their combined capitalization for uninsured obligations.

21 Q: Are you familiar with the term "black swan event?"

22 A: Yes.

1 Q: How do you interpret that phrase?

2 A: A black swan event is a large-scale occurrence that is difficult to predict; however it has a
3 huge impact on the region or world. It presents itself when seemingly disparate expected
4 events occur in the same place at essentially the same time. The single black swan event
5 is not within the insurance industry's historical loss experience, nor was it anticipated.

6 Q: While the insurance markets base risks on average daily events, do they also limit their
7 exposure to what some might refer to as black swan events?

8 A: They attempt to, certainly. But the MFL outlined in this testimony is not representative
9 of a black swan event, as the insurance markets are already aware of this type of risk. As
10 addressed above, oil train accidents have been covered in the media, with video footage
11 widely available.⁴ As the insurance industry is aware of the risks, it has to account for
12 them.

13 Q: So is it a fair assessment that given the insurance market has to account for the MFL risk
14 by not insuring against it, and the applicant is using a Delaware LLC to also avoid that
15 same risk, that the applicant is effectively asking local citizens here in Washington to
16 shoulder their MFL risks?

17 A: Yes.

18

19

20

21

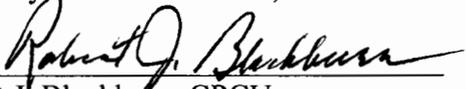
22

23

⁴ For example, footage from the derailment in Casselton, North Dakota on December 30, 2013, is posted at <https://www.youtube.com/watch?v=CxkUhVswF5U>; footage from the derailment in Lac Megantic, Quebec, July 6, 2013, is posted at <http://youtube.com/watch?v=tVI6r7tQVeo>; and, footage from the derailment in Lynchburg, Virginia, April 30, 2014, is posted at <http://youtube.com/watch?v=c15d1JJSFQPg>.

1 I declare under penalty of perjury of the laws of the State of Washington that the
2 foregoing is true and correct to the best of my knowledge.

3 DATED this 10 th day of May, 2016 at Pittsford, New York.

4 
5 Robert J. Blackburn, CPCU
6 Managing Principal, Blackburn Group, Inc.
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23