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May 15, 2014

Mr. William Clarke
Regional Permit Administrator
NYS Department of Environmental Conservation
1130 North Westcott Road
Schenectady, NY 12306-2014

RE: Global Companies LLC

Dear Mr. Clarke:

Global Companies LLC ("Global") is in receipt of your March 24, 2014 correspondence in which the Department of Environmental Conservation ("Department") indicated that it was continuing its review of the State Environmental Quality Review Act ("SEQRA") Negative Declaration that was issued by the Department in November 2013 with regard to an air permit modification application submitted by Global. Set forth below are responses to the Department's request for information relative to the 2013 permit modification; a request that is part of a multi-year process during which the Department has made other requests for additional information concerning the 2013 permit modification during telephone calls, meetings and e-mail communications.

The administrative record should make clear that the March 24, 2014 request for information is not the only request made by the Department for additional information relative to the 2013 permit modification application, and that Global, throughout this process, has continuously been responding to the Department and providing additional information, both in writing and in meetings and calls by and between technical staff.

It is important to note, and it has been generally acknowledged by Department representatives, that the issuance of the Negative Declaration in November 2013 was not interim

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in nature, that there is no such thing as an "Interim Negative Declaration" under SEQRA, and that the reference to an "Interim Negative Declaration" in your letter has no legal meaning or effect. This is mentioned solely to make clear that the rule of law, not political considerations, must prevail in this process and to avoid any ambiguity that the Department's issuance of the November 2013 Negative Declaration was, without qualification, final and binding.

As you know, many of the questions asked in your March 24, 2014 letter have little direct connection with the 2013 air permit modification (herein referred to as the boiler project) now being reviewed by the Department; as such, the company appreciates the Department's patience in the timing of this response since information had to be gathered well outside of the context of the permit modification application. Although it seems clear from the nature of the questions that the Department is very focused on what could be considered collateral issues concerning the logistics of rail transportation of crude oil, we expect that the Department's evaluation of the emissions associated with the boiler project will once again confirm that such emissions have no significant adverse impact on the environment or the community and that the Department will stay within its jurisdiction when evaluating the pending application.

As noted below, the federal Department of Transportation and the Federal Railroad Administration have been taking measures related to the shipment by rail of crude oil, and Global itself has implemented a program resulting in the phased elimination of older DOT-111 rail cars and replacing them with the use of DOT rail cars that meet the most recent CPC1232 standard.

In any event, it is respectfully submitted that the administrative record to date does not provide a legal or factual basis for the Department to rescind its SEQRA Negative Declaration because the Department's Negative Declaration fully assessed potential impacts on the environment and the community from the boiler project. The SEQRA process was robust and involved an iterative process of follow-up questions and numerous responsive submissions.

The public comment period on the Department's issuance of the draft air permit was initially scheduled for closure on December 27, 2013. Given that the air emissions associated with the air permit modification do not have the potential for a significant adverse impact on the environment or public health, nor has the technical staff at the Department suggested to, or advised, Global otherwise, the extensions of the public comment period to January 31, 2014, and then to April 2, 2014 and then to June 2, 2014, have provided the Department and the public with a sufficient opportunity to present comments on the air permit or present a technically sound substantive basis to rescind the 2013 Negative Declaration as required under 6 NYCRR §617.7(f).

Moreover, for process accuracy and administrative record integrity purposes, the administrative record should reflect that staff members in the Department have conducted a

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comprehensive review of permit application files in Region 4 and have previously suggested that Global has provided necessary and responsive information to the Department, including responses to subsequent information gathering efforts of the Department. There is no legal or technical basis to consider rescinding the Negative Declaration as to this boiler project.

Contrary to disparaging and inaccurate allegations that some opponents of the boiler project have submitted to the Department, the technical submissions by Global have been comprehensive and consistent with air emission evaluation practices of the Department. Submissions were generally made after discussions with DEC staff and each submission underwent Department review. To the extent that some in an advocacy role with an "opposition agenda" have suggested that DEC Region 4 Air Staff failed to fully assess and evaluate all of the information submitted, the record should reflect that Regional Technical Staff are highly trained and experienced, reviewed submissions consistent with Department practices, and have consistently found that the proposed air permit modification would have no significant adverse impact on the environment consistent with the standards set forth in SEQRA.

Global wishes to express its appreciation as to the professionalism of Regional Air Staff and their ability to separate their review of facts relating to air emissions associated with the 2013 permit modification, relating to the boiler project, from the general critical opinions and concerns expressed in opposition to the rail transportation of crude oil into New York. The concerns over rail transportation should not be used to serve as an indirect attempt to regulate activities outside the jurisdiction of the Department. The concerns over rail transportation should not be confused with a scientific evaluation of the 2013 air permit modification request. The modification involving the placement of boilers in an existing on-site building to be repaired and restored and the emissions therefrom should not be transformed into a regulatory initiative or enforcement effort that intrudes upon the extensive regulatory and administrative restrictions and orders implemented by federal agencies, most recently as set forth in the Emergency Restriction/Prohibition Order of the US Department of Transportation.

Although Global always has cooperated, and will continue to cooperate, with the Department in relation to its review of the boiler project application, it is respectfully noted that the alleged permit review that you reference in the March 24, 2014 letter is often directed to what appears to be a collateral agenda associated with the rail transportation of crude oil and has nothing to do with a technical assessment of the permit modification application. Global has been engaged with the Department throughout the process. Global's technical representatives have continuously answered questions from the Department and have been asked to provide follow up answers to questions, and the questions have been answered, with additional written submissions. Those follow up submissions must be part of the administrative record.

Global fully understands that the Department is concerned about the rail transportation of crude oil, and Global shares the Department's commitment to safety; and Global looks forward

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to meeting with the Department to discuss any remaining issues of concern. But Global should not be singled out and have a permit modification application treated as the foundation for an effort to initiate regulatory control over the broader crude oil transportation controversy. Global voluntarily announced its CPC 1232 standard rail car initiative and continues to support initiatives aimed at increased safety and emergency response activities with regard to the rail transport of crude oil; but it is respectfully requested that the evaluation of the 2013 permit modification application should not be confused with the evaluation of the rail transportation concerns expressed by critics of the permit modification based upon rail transportation concerns.

Most recently, Global's engineering consultants have answered more inquiries from the Department's Air Division Staff, making additional submissions as to the air emission analysis earlier submitted to the Department. These follow-up submissions again confirm that the air permit modification will not adversely impact air quality. As stated in recent press announcements, the Department will conduct air quality sampling in the Port of Albany area, a heavily industrialized part of Albany that is adjacent to the Interstate Highway. Global acknowledges this effort; however, as noted in the Air Sampling Protocol issued by the Department, the air sampling will be performed to provide an understanding of the concentrations of air toxics in the Albany South End Community. The protocol appropriately points out that there are industrial sources and a major highway throughout the area and that the data is unlikely to provide enough, or the type of, information to determine specific source attribution. Given the heavy industrial operations and petroleum and other industrial facilities on both the east and west side of the Hudson River, Global is uncertain of the conclusions to be drawn from a regional air survey but notes that such data will provide no scientifically valid data as to Global's Terminal operations.

To the extent that the Department seeks to regulate rail transportation, it is respectfully suggested that the Department remain within the bounds of its jurisdiction as it evaluates the pending 2013 permit modification application. Global is confident that the Department legal staff has devoted substantial time evaluating the permit modification application and will be consulted prior to any action that alters the Department's previously issued Negative Declaration. The Department must respect the limit of its jurisdiction, particularly with respect to the identification of potential impacts under SEQRA, because, as previously noted, straying from the rule of law has, among other things, due process implications. Moreover, it is worthwhile to keep in mind that Global is not the only entity handling and storing crude oil in this State; the Department must be vigilant in not treating Global differently than the Department is treating other regulated entities. A FOIL request has been sent to the Department seeking information in this regard and other crude oil related matters and we are awaiting responsive documents.

Notwithstanding the above, and with reservation of all rights in that regard, Global is hereby providing responses to the questions raised in your letter as to the 2013 permit

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modification matter with a strict adherence to certain factors that you acknowledged in your letter:

- Evaluation to confirm that the Department took the requisite “hard look” under SEQRA;
- The Department is conducting a technical evaluation with respect to the 2013 permit modification application;
- The Department will restrict itself to its jurisdiction to regulate activities under the permit;
- The responses are limited specifically to the “role of Global” as the “Applicant”;
- Other entities, including rail carriers, are responsible for their own operations and to the extent that the Department desires information from other entities, the Department will reach out to such entities.

The Global Albany Terminal is a stationary bulk petroleum storage and transfer terminal which consists primarily of petroleum product storage tanks and truck, rail and marine loading facilities, for storage and distribution of various petroleum products. The Global Terminal Facility property is located adjacent to the Kenwood Yard rail facility which is situated on property owned by Canadian Pacific. Previously, Kenwood Yard was used as an intermodal tractor trailer truck shipping and transfer facility. In 2009, Global proposed to modify the use of the rail facility. The Department and the City of Albany were fully involved in the conversion of Kenwood Yard to its current existing use.

On June 1, 2013, Global submitted an application to the Department for a Title V Air Permit Modification applicable to the Terminal that included authorization for the heating of certain petroleum products (crude, residual fuel and bio-fuels) at the Terminal. The changes included: 1) reconfiguration of the existing intermodal rail yard to allow offloading of heated petroleum products; 2) installation of emission controls in one tank (Tank 33) to allow storage of crude oil in that tank; and 3) installation of boilers to heat products contained in rail cars and storage tanks. The proposed boilers and modifications to Tank 33 required a modification to the existing air permit. On July 25, 2013, the Department requested additional information regarding the application, including a lengthy request for information pertinent to its SEQRA review regarding potential impacts associated with the addition of the boilers and heated product at the terminal. On September 6, 2013, Global’s consultant provided the Department a comprehensive submission responding to Department questions regarding potential SEQRA impacts, including a Full EAF.

At the time the application and Full EAF was submitted to Department, the structure housing the boilers did not trigger local site plan approval and therefore, there were no other “involved agencies” for purposes of the project. The Department proceeded to conduct the

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SEQRA review. The SEQRA analysis and the EAF submitted and reviewed by the Department focused on potential changes at the Terminal as a result of the proposed modification of the permit. Therefore, the SEQRA review evaluated potential impacts related to the installation of the boilers and to heating of petroleum products. Global continued to closely coordinate with the Department Permit Administrator and Air Division during the review process, culminating in a meeting with the Air Division and Permit Administrator on October 22, 2013.

Global submitted a revised Title V Permit Modification Application dated November 8, 2013 based on the October 22 meeting and included changes to the sizing of the steam boilers. These changes necessitated a larger structure than initially proposed, but since that time, Global has decided to install the boilers in an existing building on the Terminal property which building will be repaired and restored to use. As such, insofar as the Department is concerned, under SEQRA no other state or local agency with discretionary approval is involved in approving the project/air permit modification.

The Department issued a Notice of Complete Application dated November 21, 2013. The SEQRA determination identified the project as an Unlisted Action that would not have a significant impact on the environment, and a Negative Declaration was issued. The Department's Negative Declaration includes a 22 page "Expanded Narrative" providing in detail, with citations to the materials provided in the application, the Department's reasons supporting the Negative Declaration.

According to the Negative Declaration, the Department Staff:

"carefully assessed the impacts that reasonably may be expected from the proposed action, and has compared these impacts to the threshold criteria presented in 6 NYCRR 617.7(c) in order to assess whether or not the proposed action will have a significant adverse impact on the environment. Based on the following comparison, and with consideration given to the project and site-specific aspects related to the proposed action, the Department has determined that the proposed action will not have a significant effect on the environment". (Emphasis added).

The Negative Declaration thoroughly examined each potential impact and provides a detailed characterization of the potential impact along with an assessment of the likelihood of the project, if any, to result in a significant adverse impact on the environment. Among other areas, the Negative Declaration examines in detail specific potential impacts associated with air quality, noise, impacts to species, and impacts on historic or archeological resources, and concludes, in each instance, after review of the submissions for the Project, that the Project will not result in a significant adverse impact. Moreover, the Negative Declaration identified the potential Environmental Justice Area and specifically determined and found that the Project "will not

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result in an appreciable change in noise levels, traffic levels, air quality impacts [and] will not result in any significant adverse impacts to the surrounding residential community.” This assessment was robust and fully consistent with SEQRA.

The Department’s Negative Declaration finding that the 2013 permit modification project would not result in a significant adverse environmental impact was published with the notice of the application the following week in the Albany Times Union, commencing the public comment period. The public comment period has continued to be extended by the Department. Since that time, Global voluntarily implemented an enhanced public participation plan, consistent with environmental justice guidance, that had first been submitted to the Department prior to implementation and which was thereafter praised by the Department for its thoroughness. Global implemented the plan and has submitted an Interim Report documenting its public outreach efforts to date. In addition, the Department has held public meetings and conducted private meetings with environmental groups and elected officials, many of whom have sponsored additional public forums and discussions about the project. Moreover, at the request of the Department, additional information has been provided informally during telephone discussions by and between technical staff and the Department’s Request for Information process will further add to the administrative record. And, of course, Global has announced its CPC 1232 standard rail car initiative.

During all of these public participation activities, the USEPA and the Department have conducted multiple inspections of the Global Terminal in Albany, and Global has consistently consented to any sampling that the USEPA has sought to conduct. At last count, the governments have conducted more than 34 program related inspections of the Terminal during 2014.

The following responds to your questions about Global and the 2013 air permit modification application.

1. Who solicits the producer of the oil, and where does the solicitation occur?

Global and its third party customers solicit oil from producers, marketers and other suppliers of crude oil. Solicitations by Global occur from Global’s offices in Waltham, MA and Calgary, AB. Solicitations by third party customers generally occur from such customer’s offices.

2. Who signs the rail carrier agreements for oil shipments to the terminal?

For crude oil shipments to the Albany terminal shipped by Global, Global signs rail transportation agreements with the transporting railroad(s). For crude oil shipments to the Albany terminal shipped by third party customers, marketers or other suppliers of crude oil, the third party customers, marketers or suppliers, as

applicable, are responsible for signing rail transportation agreements with the transporting railroad(s).

3. What entities own, lease, operate, or control the operation of the tank cars used to transport crude to the Global facility?

Global leases rail cars for the transportation of crude oil to the Albany terminal for itself and certain third party customers. These cars are typically owned by leasing companies. Rail cars are controlled or managed by various entities throughout the supply chain. Where Global is the responsible shipper, Global controls load origin of the rail car. Global submits, to the transporting railroad, orders for the movement of empty rail cars to various loading facilities. The transporting railroad then moves the cars to the nominated loading facility.

Upon arrival, the loading facility receives the rail cars and provides loading, certification and inspection of the rail cars. Global then provides the loading facility with disposition information for the destination of loaded rail cars. Upon receipt of this request, the transporting railroad picks up the cars and delivers them to Albany, where they are received, inspected, and offloaded by Global terminal personnel.

In short, once the rail cars are released to the transporting railroad for shipment to the Albany terminal, the transporting railroad is responsible for the operation of the rail cars until the rail cars are delivered to the Albany terminal and released to Global. Global is then responsible for the offloading of the rail cars.

Certain third party customers may also own and/or lease their own rail cars for the transportation of crude oil to the Albany terminal. These customers control the operation of these tank cars during loading operation, working with the operators of the rail loading facilities who are responsible for loading the rail cars with crude oil. Once the rail cars are released to the transporting railroad for shipment to the Albany terminal, the transporting railroad is responsible for the operation of the rail cars until the rail cars are delivered to the Albany terminal and released to Global. Global is responsible for the offloading of the rail cars.

Third party marketers and other suppliers of crude oil which is purchased by Global or its third party customers on a delivered basis also own and/or lease rail cars for the transportation of crude oil to the Albany terminal. These marketers and suppliers control the operation of these tank cars during loading operation, working with the operators of the rail loading facilities who are responsible for loading the rail cars with crude oil. Once the rail cars are released to the

transporting railroad for shipment to the Albany terminal, the transporting railroad is responsible for the operation of the rail cars until the rail cars are delivered to the Albany terminal and released to Global. Global is responsible for the offloading of the rail cars.

4. Who designates the route of the rail cars?

Pursuant to the terms of the applicable rail transportation agreements between Global or third party customers, marketers or suppliers and applicable federal laws, the transporting railroad(s) are responsible for determining the route of the rail cars.

5. How, when and where is the size of the trains arriving at the terminal determined?

There are a number of responses required by this question, but as a preliminary matter it is respectfully suggested that the Department reach out to authorities on railroad operation, management, transportation and regulation given that the Department's principal concern appears to be the operations associated with railroad transportation, management and procedures. Global, however, can provide the following understandings that are responsive to the applicable questions:

a. How is the size of the trains arriving at the terminal determined?

The size of the trains arriving at the terminal are determined in conjunction with the railroad at the point of origin, although the size of the trains can range from manifest cars (single rail cars in smaller quantities, shipped with other commodities) to unit trains (trains carrying one commodity, that is unbroken from origin to destination, and for the most part, using the same power (locomotives) from origination to destination). Most unit trains range from 80-120 cars. The size of the train is determined by a number of factors including the size and weight of the cars so as to ensure that the tracks that the train travels on are sufficiently strong to handle the weight of the cars. The size of the trains can also be limited by the physical and/or operational constraints of the origination or destination facilities. Train size may also be determined by rail restrictions en-route to the terminal. For example, if a railroad only had passing tracks that could hold a certain number of cars (ex. 100 cars), then the railroad would not allow a train to have more than 100 cars in a unit train.

b. When is the size of the train arriving at the terminal determined?

The size of the trains is determined prior to arrival at the origination facility by the companies that are shipping the product, whether that is Global or a third party customer. The factors involved can be as simple as a train that is traveling back and forth from origination to destination facilities and the factors involved with the individual cars that comprise that unit train. The size of the train can also be determined by the number of cars available to load at a site. The railroad industry is highly regulated and each train receives numerous inspections both prior to departure from the originating facility by on-site personnel to ensure packaging and safety compliance, as well as a review by the railroad personnel who inspect for a wide variety of safety issues. If any cars are found not to be in compliance, then these cars are required to be removed from the train and that could affect the number of cars in the train. As they are repaired, cars can be added on to other unit trains that still have available capacity. A normal unit train can be comprised of 80-120 rail cars, including buffer cars, which are cars filled with sand that protect the crew and locomotives from direct contact with cars carrying transported materials.

c. Where is the size of the trains arriving at the terminal determined?

The size of the trains is generally determined by personnel from the companies that are instructing the railroads where to ship the cars. When making the decision on the size of the trains, these personnel are considering the factors discussed in the two previous questions.

6. What contractual rights, if any, does Global have concerning the timing of or frequency of deliveries and concerning the type of rail cars or size of trains?

Global has rail transportation agreements with the transporting railroad(s) to transport designated commodities (including crude oil) from origination locations to destination locations as mutually agreed from time to time. These agreements also establish rate structures for the transportation of such commodities to such destination locations, which may be based on Global transporting a minimum number of rail cars.

Pursuant to the terms of its rail transportation agreements, Global nominates to the transporting railroad the specific number of trains which Global desires to have transported from various origination locations to the Albany terminal during a specific period of time, generally monthly. The transporting railroad may accept all or some of the nominated trains, which determines the actual number of trains to be transported to the Albany terminal by Global. The desired specific timing and frequency of deliveries of these trains to the Albany terminal is

coordinated between Global, the origination locations loading the rail cars and the transporting railroad. However, the actual timing and frequency of deliveries of trains to the Albany terminal is dependent on the transporting railroad's ability to provide transportation services as requested, which may be impacted by a variety of factors outside of Global's control, including but not limited to adverse weather conditions, crew and equipment availability and competing rail traffic.

Pursuant to the terms of their rail transportation agreements, third party customers, marketers and/or suppliers nominate to Global and the transporting railroad the specific number of trains which they desire to have transported from various origination locations to the Albany terminal during a specific period of time, generally monthly. Global and the transporting railroad may accept all or some of the nominated trains, which determines the actual number of trains to be transported to the Albany terminal by these customers, marketers and/or suppliers. The desired specific timing and frequency of deliveries of these trains to the Albany terminal is coordinated between Global, such third party customers, marketers and/or suppliers, the origination locations loading the rail cars on behalf of such third party customers, marketers and/or suppliers and the transporting railroad. However, the actual timing and frequency of deliveries of trains to the Albany terminal is dependent on the transporting railroad's ability to provide transportation services as requested, which may be impacted by a variety of factors outside of Global's control, including but not limited to adverse weather conditions, crew and equipment availability and competing rail traffic.

The type of rail cars delivered to the Albany terminal are determined by the operational needs of Global or its third party customers or suppliers, as applicable, and in all instances are subject to compliance with applicable federal laws and the rules, policies and procedures of (a) the origination location which loads the railcars, (b) the transporting railroad and (c) Global as the operator of the Albany terminal. On April 30, 2014 Global announced that it will voluntarily begin requiring, on a phased basis starting June 1, 2014, compliance with CPC-1232 rail car design standards for all crude oil unit trains arriving at its Albany NY Terminal. The CPC-1232 standards, which address transportation of hazardous materials including crude, were developed by the American Railroads Tank Car Committee for rail cars ordered since October 2011. The standards include safety features for leak prevention, puncture resistance and rollover protection, including a thicker, more puncture-resistant shell or jacket; extra protective head shields at both ends of the tank car; and additional protection for the top fittings.

Regarding the size of trains arriving at the Albany terminal, please see answers to Question 5, above.

7. Does Canadian Pacific (or any other railroad) own or control any portion of the Global facility or hold a significant interest in Global?

Canadian Pacific owns Kenwood Yard in Albany. Global leases the portion of Kenwood Yard containing Global's offloading tracks and offloading equipment. The infrastructure that Global uses to offload rail cars at Kenwood Yard was constructed by Global and is owned and maintained by Global.

Global, the owner and operator of the Albany Terminal, is a wholly owned subsidiary of Global Operating LLC, a wholly-owned subsidiary of Global Partners LP, a publicly-traded master limited partnership (NYSE "GLP"). As a master limited partnership, Global Partners LP is governed by the Board of Directors of Global GP LLC, its general partner. CP does not have any ownership interest in Global GP LLC, Global Operating LLC or Global. Based on a review of K-1 documents of Global Partners LP, CP does not appear to be a holder of any publicly traded limited partnership units of Global Partners LP.

8. Does Global have any contracts with Canadian Pacific which require Global to accept material at the facility?

As set forth in #6, above, Global has rail transportation agreements with the transporting railroads such as Canadian Pacific Railroad to transport designated commodities (including crude oil) from origination locations to destination locations as mutually agreed from time to time. These agreements also establish rate structures for the transportation of such commodities to such destination locations. These agreements do not require Global to accept specific material at the Albany Terminal.

9. Who signs the agreements for oil shipments out of the terminals using barges? How, when and where is the size of the barges serving the terminal determined?

Global has agreements in place with various barging companies for the marine transportation of products out of its Albany terminal. These agreements are both for time charter agreements (extended periods of time), or spot charter agreements (either one trip or a limited amount of trips in a short period of time). The negotiations of these agreements are conducted in Global's corporate offices in Waltham, MA.

The size of the barges varies but generally is determined by a variety of factors including without limitation the specific marine equipment available for charter,

the docking limitations of the Albany terminal, the docking limitations of the ultimate delivery location, the navigation limitations of the Hudson River as established by the U.S. Coast Guard and Global's marine vessel vetting and approval requirements.

10. Please identify whether Global, the rail carrier, the producer of the crude oil, or any other entity has any process to sample and analyze the contents of oil tank cars? Does any party provide Global with information about any chemical constituents added to the oil in a tank car to reduce its viscosity?

Yes, per USDOT requirement under Amended and Restated Emergency Restriction/Prohibition Order on Docket No. DOT-OST-2014-0025 enacted February 25, 2014, "This Amended Order constitutes an Emergency Restriction/Prohibition Order by the United States Department of Transportation (DOT) pursuant to 49 U.S.C. § 5121(d). The Amended Order is issued to all persons who offer for transportation, in tank cars by rail, in commerce to, from, and within the United States, UN 1267, Petroleum crude oil, Class 3, PG I, II, or III, as described by 49 CFR § 172.101 of the Hazardous Materials Regulations (HMR; 49 CFR Parts 171 to 180).

By this Amended Order, USDOT is:

- requiring persons who offer bulk quantities of petroleum crude oil for transportation in commerce by rail in rail tank cars to ensure that the material is properly tested (conducted with sufficient frequency and quality) and classed in accordance with this Amended Order and the HMR;
- requiring persons who offer bulk quantities of petroleum crude oil for transportation in commerce by rail in rail tank cars to treat Class 3 petroleum crude oil as a Packing Group (PG) I or PG II hazardous material only; and
- prohibiting persons who ordinarily offer petroleum crude oil for shipment as UN 1267, petroleum crude oil, Class 3, PG I, II, or III from reclassifying such crude oil with the intent to circumvent the requirements of this Amended Order (pg. 1)."

This order requires testing of crude oil prior to being offered into transportation for the purpose of classifying the product so that it is properly packaged as UN 1267, petroleum crude oil, Class 3, PG I or II on the bill of lading. Furthermore,

as stated in the above mentioned order: "...testing must have been conducted within the reasonable, recent past to determine flash point and boiling point in order to assign a proper PG (pg.16)."

To reduce viscosity and improve the flow characteristics, lighter end petroleum hydrocarbons are blended into certain crude oils. These include lighter crude oils and natural gas liquids. Natural gas liquids are commonly used in gasoline blending. This is a common practice used by producers to meet viscosity specifications to ship products on pipelines. The blending is typically conducted by the producer prior to being loaded. The light end products used to reduce viscosity are referred to as diluents and are ubiquitous in the petroleum industry, typically consisting of petroleum condensates or light crude oils. Assays of diluents are publically available and have previously been provided to the Department. In addition, the characteristics of the final blended product are incorporated in the assays and analyses for the individual products.

11. What information will Global share with the community and any City, County or State agencies regarding the types and volume of materials transported to the Global facility?

Global is seeking approval from the Department to modify an existing air permit to install and operate four steam-generating boilers and three heaters at its Albany terminal (DEC Permit Application #4-0101-00112/00029). The Department has made the permit application information available to the public. To support its application, the Department, after the issuance of a SEQRA negative declaration determination, requested that Global develop a Public Participation Plan (PPP) aimed at enhancing communications with neighbors in the vicinity of Global's Albany facility. Global voluntarily agreed to develop such a plan and submitted the plan to the Department on February 26, 2014. The plan was subsequently revised, based on feedback received by the community, and re-submitted to the Department on March 10, 2014. Global has implemented the plan and has held public meetings, developed a comprehensive website for the project and has been providing information, on an on-going basis, to local, state and federal representatives.

For additional information, please review the PPP plan, together with Global's progress report on PPP activities submitted to the Department on April 28, 2014. Global expects to submit a final report to the Department in the near future.

Because the Global Major Oil Storage Facility (MOSF) permit for the Albany terminal is highly regulated, it is Global's understanding that extensive facility

and permit information is also available by the nature of broad disclosure under the Freedom of Information Law and Global is aware of disclosure of extensive documents to involved groups and community representatives. The United States Environmental Protection Agency also has applicable permit related information as to the air permits held by Global. It is Global's understanding that such information has been made available under the Freedom of Information Act or otherwise.

Global has provided comprehensive information pursuant to the permit process, including a series of submissions in response to multiple requests for information from the Department. Global has reported information under applicable federal and state regulatory requirements as to emission data. Global has a web site with information about the Albany Terminal and the permit modification application. The web site information clearly describes that:

At the Albany terminal, Global is permitted to receive, store and distribute a wide variety of petroleum products, including gasoline, diesel fuel, home-heating oil, kerosene, crude oil, and renewable fuels such as ethanol. Global is seeking to add handling of biodiesel at the Albany terminal. Global is also seeking to heat certain grades of products that are already permitted to be received, stored and distributed. The proposed Project does not seek to expand the permitted storage capacity or total volume of petroleum products received at the facility and transported from the facility (commonly referred to as "throughput.")

Global is currently permitted to receive crude oil at the terminal. The decision on what type of crude oil is transported and stored at the Licensed MOSF is based on economic market forces such as availability, price, supply and demand, and other issues relevant to the energy needs of the country.

- 12. What actions does Global plan to implement to address any unique qualities associated with bitumen crude oil with respect to fires, explosivity, spill prevention and response and describe how these potential impacts to the community can be successfully avoided? Please include a comparable analysis for the other types of hazardous materials received and stored at the Global facility for these impacts.**

Generally, the products associated with the boiler project application are less volatile, pose less of a fire risk, and emit less VOCs and Criteria Pollutants than many of the products currently handled by Global. Bitumen crude oil is typically characterized as a combustible material and has a higher flashpoint than the other

products currently stored by Global. Bitumen is often blended with lighter petroleum products to facilitate shipping which will tend to lower the flashpoint into the flammable liquids category. There are also other characteristics of bitumen which require additional spill planning and response efforts. A more detailed discussion related to emergency response, fire response and planning, and oil spill prevention and response is included in the responses to questions 16, 20 and 23.

Global constructs and operates its facilities based on extensive federal, state and local regulation; applicable codes, and Global's own operating standards. Any significant change in the method of operation or change in product requires a permitting and suitability evaluation to identify applicable regulatory obligations, construction standards and operational procedures. Training requirements, as well as engineering and operational controls are reviewed prior to facility or product changes to identify any potential impacts. Controls are modified, as necessary, to maintain compliance and maintain an appropriate level of safety, protection of personnel and the community.

Global, as noted below, has a system for training our employees on safe operation and emergency response, spill prevention and response and other environmental requirements. This training is based on applicable requirements for the industry. The primary training related to fire safety and emergency response is described below.

Hazard Communication

Employees are trained regarding the hazards of the products they handle through Hazard Communication training. This training incorporates the hazards of the products and specific controls used to prevent exposure including systems at the terminal and personal protection. Refresher training is provided on a scheduled basis or as needed depending on changes in operations or products handled (whenever a new hazard is introduced).

Fire Prevention

Employees are provided with training on fire prevention practices on a regular basis. The training includes the controls used at the terminal to prevent the occurrence of fires through systems used at the terminal as well as work practices. Routine inspections are conducted at the terminal to identify and correct abnormal conditions consistent with this training. Refresher training is provided on a

scheduled basis or as needed depending on changes in operations or products handled (whenever a new hazard is introduced).

Fire Response / Extinguisher

To address the unlikely event of a fire, employees are trained on emergency notification and response practices in order to summon appropriate responders. These response practices are addressed through regular spill response training, reinforced during safety meetings, and addressed during emergency response drills. Training, meetings and drills address responses specific to potential fire scenarios at the terminal, response equipment and local response capabilities.

Employees are also provided with initial (incipient) stage fire extinguisher training which addresses the appropriate responses to small fires that can be extinguished quickly using available equipment on-site. Employees are trained to assess the risk of fire response and take appropriate action to mitigate using a fire extinguisher if this can be done quickly and safely. In addition, fire response training is conducted on a regular basis (typically annually) in conjunction with the Albany Fire Department to coordinate response.

Fire extinguishers are provided at each transfer location for employee use. These extinguishers are distributed pursuant to applicable OSHA and NFPA requirements. They are subject to regular visual inspection and training.

HAZWOPER

Employees are provided with substantial training on spill response procedures pursuant to OSHA Hazardous Waste Operations and Emergency Response (HAZWOPER) requirements. Employees are provided with at least 24-hours of initial training and 8-hours of annual refresher training provided by a qualified and experienced instructor. This training provides employees with knowledge on the hazards and strategies to be employed in the event of a product spill to minimize risk to on-site personnel, the public, the environment, and property.

This training is consistent with the facility's Emergency Response Action Plan and Facility Response Plan which documents specific response measures depending on the type, quantity and location of a product spill. This plan is reviewed with employees on a regular basis.

Spill Equipment Deployment

The terminal maintains emergency equipment for spill response including spills over land and water. The terminal has spill control equipment that can be deployed by facility personnel to rapidly contain or divert a product spill over

water. Terminal employees are provided with training on the use of this equipment including associated watercraft needed to deploy over-water spill controls. Refresher training is provided on an as-needed basis, typically correlating with boom deployment exercises.

Employees conduct boom deployment exercises on a semi-annual basis using the facility's equipment. In addition, personnel may deploy this equipment as part of unannounced drills initiated internally or by government agencies (government initiated unannounced exercises).

PIC Training for Dock-watch

Consistent with US Coast Guard requirements, all employees assigned to the marine dock during product transfers are provided with Person In Charge (PIC) training consisting of 48 hours of initial training. This training includes a number of elements related to spill prevention and response including pollution prevention, operational controls, Coast Guard regulations, vessel inspections, and security.

Employees are trained to constantly monitor marine transfer operations to identify conditions that could lead to equipment failures, spills or leaks. Communication mechanisms are in place to coordinate personnel actions between Global employees and barge transportation company employees to allow for a quick and orderly shutdown of transfer operations and safe isolation where needed. Employees follow documented emergency response procedures to identify, isolate and respond to product spills. These procedures include required notifications to authorized personnel, spill response organizations, local response agencies, and appropriate regulatory agencies when required depending on the nature of response.

Operations Training

Employees are provided with an appropriate level of operational training in order to safely perform their work while minimizing the potential threats of spill or fire. This training includes a combination of formalized classroom training, review of operating procedures, and on the job training.

On the job training is conducted by experienced operators or other third-party trainers as needed. Employees must be able to demonstrate competency in product transfer activities and related safety measures prior to working independently.

Safety Meetings

Routine safety meetings are conducted at the Albany terminal. These safety meetings address operational safety considerations reinforcing safe work habits and operational guidance at all times. These meetings cover a wide variety of safety topics that include exposure, fire, and spill prevention. The safety meetings provide operators with a forum to address any questions or concerns they may have in a collaborative environment. Valid safety concerns or observations are evaluated and addressed to improve overall safety performance. Drills and exercises may also be conducted as part of these safety meetings to enhance and evaluate the operators' competency and capabilities.

Operating Procedures

Operating procedures have been developed for product transfer and storage activities at the facility. These procedures include safety measures to prevent product spills or fire and provide a safe working environment. These procedures are referenced during operator training. Procedures are reviewed on a regular basis to verify that they reflect current operations and to make appropriate improvements.

Drills

Regular emergency preparedness and response drills are conducted involving facility personnel as well as Global's contracted Oil Spill Response Organization (OSRO). These drills are conducted in accordance with USCG Preparedness for Response Exercise Program ("PREP") guidelines. The Facility Response Plan documents the drill schedule as well as forms used to record the drill events. These drills include emergency responder notification, tabletop exercises, and equipment deployment exercises. These drills can be announced and unannounced.

Following each drill, an after action review is conducted to evaluate drill performance and to initiate any recommendations to improve performance of the team.

In addition to the drills documented in the Facility Response Plan, Global participates in any area exercises initiated by government agencies (announced). Global will also participate in any government initiated unannounced exercises upon request.

- 13. In the Kenwood Yard, drainage runs to a series of retention ponds. Do all parts of the unloading area drain into the catchment basins leading to the ponds? Specify the drainage path in the yard and the capacity of the retention ponds to handle any spill from this area. What additional best practices or other steps does Global**

consider potentially available to enhance its capacity to effectively avoid these impacts?

Secondary containment is provided within Kenwood Yard using a combination of containment berms, catch basins and/or drainage swales. The infiltration basins that are also present are not meant for primary containment; they are utilized for storm-water control. However, they do serve as a back-up containment system if necessary and have a capacity of 180,000 gallons.

The containment system for the unloading areas at Kenwood Yard is required to meet the General Secondary Containment Requirements under USEPA Oil Spill Prevention regulation 40 CFR 112.7 - General Requirements for Spill Prevention, Control and Countermeasure (SPCC) Plans. The regulation requires that appropriate containment and/or diversionary structures or equipment be present to prevent a discharge. In determining the method, design, and capacity for secondary containment, the regulation specifies that the containment system needs to address the "typical failure mode", and the "most likely quantity of oil that would be discharged", and that secondary containment may be achieved through the use of "(i) Dikes, berms, or retaining walls sufficiently impervious to contain oil; (ii) Curbing or drip pans; (iii) Sumps and collection systems; (iv) culverting, gutters, or other drainage systems; (v) Weirs, booms, or other barriers; (vi) Spill diversion ponds; (vii) Retention ponds; or (viii) Sorbent materials. Global complies with the regulatory requirements.

Secondary containment in the west unloading track area drains to the north end of the offloading area to a series of three catch basins. The catch basins are equipped with valves to stop flow in the event that oil enters the catch basins. These valves are maintained in the closed position unless actively being drained. The east tracks use a one foot containment berm to provide containment around the individual rails. Drainage in this area discharges to a series of two trenches, which provide additional containment outside the berms. The containment in the unloading areas far exceeds the General Secondary Containment requirements.

As part of the boiler project, two new rail spurs will be installed to accommodate heated product cars. The new rail spurs will be constructed to provide similar General Secondary Containment and tie into the existing drainage system.

Global employs additional stormwater management practices with respect to oil spill prevention and response including training in spill response, daily monitoring of conditions within Kenwood Yard, and maintaining contracts with experienced spill response contractors in the local area. Discharge of stormwater

from the aforementioned structures is conducted following visual inspection of the stormwater by trained operators.

14. What type of oversight and control will be put in place to determine if an oil spill has occurred during the loading and offloading of transport cars? Does Global have any type of warning device which will alert workers and residents that a spill, fire or explosion is may be imminent?

The oversight and control to determine if an oil spill has occurred is incorporated into the existing operating procedures in place at the terminal. All Terminal operators are equipped with two way communications and are in contact with the person in charge. These are used to communicate any incident. Prior to arrival of trains, shore tanks are gauged to verify that there is sufficient capacity for receipt of rail cargo. In addition, all tanks are equipped with monitoring systems and audible and visual multi stage high level alarms. The tank levels are monitored via displays in Kenwood Yard, the terminal operations building and the marine dock and manually monitored via gauges at the tanks. There are numerous emergency stops located throughout the terminal and rail sidings that are designed to stop the flow of products in the event of an incident. In the event of an emergency, Global follows the procedures established in the terminal emergency response plans and makes proper notifications to State, Local and Federal agencies. Additional information regarding community notifications is included in the answer to question #16.

Prior to arrival of a train, the offloading area is checked to ensure the tracks are clear and the high level alarms on the receiving tanks(s) are checked. Prior to offloading products the offloading area is secured, the tracks are secured to prevent unintended movement of the railcars, wheel chocks are deployed, grounding cables are secured to the railcars, hand brakes are checked and a general car inspection checklist is completed.

During offloading of rail cars, product handling and transfer operations are monitored continuously by trained terminal personnel (note that there is no loading of transport cars related to the current permit application). This includes regular inspection of railcar connections, piping, pumping systems, pump pressures and product levels in the receiving tanks.

Once the offloading is complete, the railcars are prepared for rail shipment. This includes disconnecting product lines and grounding cables, ensuring all manway bolts, plugs and caps are tool-tight, and the dome covers and bottom outlet valves are sealed.

In addition, the entire rail yard is illuminated and fenced and equipped with closed circuit cameras (pan/tilt/zoom cameras) for monitoring operations.

15. What types of studies have been done regarding the potential for a spill, fire or explosion during the processing and transport, including the loading and offloading, of heated crude oil? Please provide any studies or reports regarding such studies.

Global is not aware of any studies related to the potential for a spill, fire, or explosion during the processing and transport, including the loading and offloading, of heated crude oil. As previously mentioned, Global constructs and operates its facilities based on extensive federal state and local regulations; applicable codes; and internal operating standards. The characteristics and fire potential of the products handled at the terminal, and crude oils in general, are incorporated into construction standards, operational requirements and fire safety standards. Additional information regarding fire response and planning is included in the response to question #20.

With respect to the potential for a spill, the types of heated oil associated with the pending permit application do not have any impact on the potential for a spill to occur. However, the heating process will require that the steam condensate lines be monitored for oil and that the thermal oil lines associated with the heated tanks be visually inspected as part of the normal terminal inspections. The characteristics of some heated oils do require additional evaluations to be performed for spill planning and response. These requirements and the outcomes of our evaluations are included in the response to question #23.

In preparation for the boiler project approval, Global has met with National Response Corporation who has extensive knowledge and experience with spill response related to heated oils. NRC is Global's oil spill response organization. In addition, the following are some of the documents Global has reviewed as part of the overall evaluation related to heavy oil characteristics and spill response.

NOAA, USCG, USEPA, API. (2010). *Characteristics of Response Strategies: A Guide for Spill Response Planning in Marine Environments*

Environment Canada, Fish & Oceans Canada, Natural Resources Canada. (2013). *Federal Government Technical Report: Properties, Composition and Marine Spill Behaviors, Fate and Transport of two Diluted Bitumen Products from the Canadian Oil Sands* (Cat. No. En84-96 2013E-PDF)

NOAA. (2013). *Transporting Alberta Oil Sands Products. Defining the Issues and Assessing Risks* (NOAA Technical Memorandum Nos OR&R 44

16. Does Global have an emergency evacuation plan or emergency preparedness plan in the event of a large-scale disaster? How will Global communicate and coordinate with first responders and the people of the City of Albany in the event of an explosion or other type of incident?

Yes, Global has an emergency evacuation plan for the terminal included in the Emergency Response Action Plan. The primary purpose of the evacuation plan is to provide instruction for evacuation of the terminal and procedures to account for employees, contractors and visitors at the site. The Emergency Response Action Plan contains procedures for notification of Federal, State and local authorities. Any additional evacuation that may be implemented beyond the facility would be directed by the Albany Fire Department as incident commander. Global would coordinate and cooperate with the Fire Department as needed. Global routinely communicates and trains with the local Fire Department and officials are provided access to the terminal to understand its operations and train.

Emergency events that have a potential impact to the community need to be managed and communicated in a coordinated manner. Depending on the nature of the incident, Global would follow procedures and training consistent with the Incident Command System to involve local emergency services which would include the local fire, police and the Local Emergency Planning Commission.

17. The community is understandably concerned that tank cars are located in close proximity to the Ezra Prentice Homes. What evaluation has Global undertaken of the options for relocating rail car staging and unloading operations away from residential areas including the Ezra Prentice Homes?

The cars located in close proximity to the Ezra Prentice Homes are not under Global's operational control, as they are still in transport by the transporting railroad at that location. The rail cars are not returned to Global's control until they are delivered to Global's offloading area and released by the transporting railroad. The locations of where to stage rail cars that are in transportation to and from the Albany terminal, other locations in the Port of Albany, or other destinations is under the control of the transporting railroad. The transporting railroad determines where to stage all rail cars for all commodities based on their own logistics and operational requirements.

Global has implemented a public participation plan and has shared concerns raised by members of the public about the railroad with railroad officials. As part of the Public Participation Plan process, community meetings were held which Canadian Pacific attended. Canadian Pacific informed the public that the tracks closest to the Ezra Prentice Homes are generally used to stage outgoing trains and that the railcars on those tracks are usually empty.

Global supports the initiative of Governor Cuomo to have state and federal agencies work with the railroads to increase safety. In support of this initiative, Global recently announced that it will voluntarily begin, on a phased basis as of June 1, 2014, requiring compliance with CPC-1232 rail car design standards for all crude oil unit trains arriving at the Albany Terminal. The CPC-1232 rail cars have several design features that make these safer during storage and transit. While adoption of this design criterion is not required in the United States, Global has made an operational decision to adopt this design standard in the interest of safety.

18. In view of Global's recent decision to reconfigure the placement of the proposed boilers for heating crude oil, please provide a new drawing and description of the revised configuration.

Revised Site Plan with the boilers located in the existing building is attached. The proposed boiler location is in an existing structure on the west side of the terminal. This building is currently in disrepair but will be restored and developed to be a useful part of the MOSF terminal operation. Reuse of the building is fully consistent with green redevelopment policies of the State with regard to pre-existing industrial facilities.

19. Members of the public have expressed concern about emissions of volatile organic compounds and other pollutants that result from Global's current or proposed operations, including the proposed process of heating oil in the tank cars. In order to address that concern, please describe the process of heating oil in the tank cars. Specifically identify when, in the process, the valves are opened to drain the oil and the vents are opened on the top of each car to allow external air to flow into the tankcar as the oil is drained. What safeguards exist to prevent overheating or the heating of oil that does not require heating? In addition, identify all procedures and tools that Global utilizes, or plans to utilize, to detect and repair leaks of air pollutants or other fugitive emissions from any aspect of its operations, regardless of whether those efforts are required by any applicable State or federal regulations.

Once the railcars arrive at the Kenwood Yard offloading area, the shipping papers are checked against the individual car identification numbers to confirm the cars received and the point of origin. Through this process, Global confirms the type of product contained in the railcars and that the cars received contain viscous oil that requires heating rather than light sweet crude oil. Analytical data representing the shipped oil will then be used to determine what temperature the oil needs to be heated to in order for it to flow efficiently.

The railcars will be heated with steam generated from four boilers. The heating system is a closed loop system. The railcars which require heating are specially designed with internal or external jacketed heating coils. As the steam circulates through the heating coils, it indirectly heats the oil in the car. Steam lines will carry the steam from the boilers to the designated offloading areas. Once the railcars are received, the steam lines will be connected. Temperature will be monitored during off-loading.

Once the designated temperature is reached, (approximately 120 degrees Fahrenheit), pumping will be initiated to begin emptying the railcar. The offloading procedures require that the vents on the railcars only be opened following initial offloading of the product such that a negative pressure is present when the valves are opened. As the oil drains from the car, a vacuum is created and outside air enters the car.

With respect to the emissions associated with the project, detailed emissions calculations have been conducted and the emissions have been modeled and compared to applicable state and federal limits. The Department has reviewed these emission calculations and confirmed that they are below the applicable limits. The application proposes to heat petroleum products and biodiesel to approximately 120 degrees Fahrenheit. The purpose of heating oil is to reduce viscosity such that they can be pumped efficiently. The oil is not directly heated; rather it is a heat transfer from the steam coils.

The purpose of the closed loop heating system is not to drive volatile organic compounds out of the oil. Oils which can be pumped at ambient temperature, such as Bakken Crude Oil, will not be heated. The products to be heated are of lower volatility than the products currently stored at the terminal and have lower VOC and Criteria Pollutant air emissions than the current products stored even when heated to 120 degrees.

Global conducts daily inspections of the terminal for spill prevention purposes and to evaluate any additional maintenance that may be required outside of our

standard preventative maintenance program. This documented daily inspection includes inspection of equipment for unanticipated liquid and vapor leaks. Numerous additional facility inspections are conducted during transfer operations and at the beginning of each shift. In addition, a comprehensive documented inspection of the entire terminal is conducted monthly.

- 20. Please describe the potential fire risks associated with handling and storing bitumen crude oil and describe how Global would address a fire in the Kenwood Yard if one broke out in the railcar off-loading area? What specific fire suppression equipment is on hand at the facility and what are the additional resources, if any, that should be available to responders. In describing Global 's response capacity, please include a description and assessment of the capacity of local first responders to engage in effective and immediate specific fire suppression efforts including a description of existing equipment and its location and ownership.**

The National Fire Protection Association (NFPA) sets forth standards and codes intended to minimize the possibility and effects of fire and other risks. NFPA Code 30: Flammable and Combustible Liquids Code provides safeguards to reduce the hazards associated with the storage, handling, and use of flammable and combustible liquids. Topics covered within NFPA 30 include fire and explosion prevention and risk control, storage of liquids in containers, storage of liquids in tanks, piping systems, processing facilities, bulk loading and unloading, and marine docks. The construction and installation of equipment associated with the pending permit application will be in accordance with applicable sections NFPA 30.

NFPA 30 categorizes liquids into three Classes based upon the liquids' initial boiling point and flashpoint. Flammable Liquids (liquids with a flashpoint below 100 degrees Fahrenheit) are categorized as Class I Liquids while Combustible Liquids (liquids with a flashpoint above 100 degrees Fahrenheit) are categorized as Class II or Class III liquids. The crude oils and refined products handled at the terminal currently consist of Class I, Class II and Class III Liquids. The products to be handled at the terminal will also fall under the same classifications.

If a fire were to break out in Kenwood Yard, Global would follow the procedures set forth in its Emergency Response Action Plan (ERAP). The key components of the fire response procedure include dialing 911 and conducting the following actions: stop product transfer operations, shutdown equipment that may be a source of ignition; secure the incident area and terminal; conduct other internal and external notifications; prepare firefighting equipment (fire hydrants, foam

trailers and fire suppression systems) for use by the fire department; follow the terminal evacuation plan and account for employees, visitors and contractors.

Global would interface with the Albany Fire Department upon arrival to identify the type of incident – (i.e. fire, spill, etc), and communicate the products involved, the hazards of those products, areas and equipment to avoid, other potential problems and recommended response actions based on our knowledge of the terminal. During the response, Global would provide support to the fire department by monitoring terminal operations and equipment.

All crude oil tanks are equipped with a fixed foam fire suppression system. In addition two self-contained mobile foam trailers equipped with hoses, nozzles, and monitors are available for fire response within Kenwood Yard. One is at the terminal and the other is housed at the South Pearl Street Fire House for rapid deployment if required. The terminal has an additional 6400 gallons of foam stored and available. Global also has 3 additional self-contained mobile foam trailers located in Newburgh, N.Y., available for immediate deployment with an additional 1500 gallons of foam. The rail facility has a newly installed 8” looped fire main with associated hydrants.

Fire training is conducted with the Albany Fire Department on an annual basis. In the event of a power outage during an emergency, the Albany Terminal is equipped with automated generators to power 100% of the terminal.

21. Please describe the nature and frequency of drills in which fire suppression capabilities are practiced and tested, including both Global's on-site capabilities and coordination with local fire Departments.

Fire training is conducted with the Albany Fire Department on an annual basis. The fire department training includes familiarization with each of the fire suppression systems including the portable foam trailers stored at the terminal and at the South Pearl Street Fire Station, the truck loading area foam suppression system and the dock/east tank farm foam suppression system and the west tank farm foam suppression system.

All terminal fire systems are operated and tested annually by an outside contractor in accordance with NFPA 25 “Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems”. The foam concentrate (AR-FFF) stored at the terminal is tested annually under the terminals preventative maintenance program.

- 22. Please describe secondary containment for all aspects of the facility including those ancillary to the main portion of the facility. Please include an assessment of secondary containment for the several piping runs that exist outside the secondary containment areas at your facility. What is Global's assessment of the feasibility of adding containment or automatic leak detection to these areas?**

There are five types of operational areas at the terminal 1) Tank Dike areas 2) Loading and Unloading Racks 3) Oil transfer areas (not defined as Racks under EPA Regulations) 4) the Marine Dock area and 5) other areas where the potential exists for an oil spill (piping runs etc). The tanks at the terminal are surrounded by secondary containment dikes and equipped with ClayMax liners. The dikes are designed to hold 110% of the capacity of the largest tank within each dike area. There are two loading racks at the terminal. These loading racks are equipped with spill containment tanks and transfer systems which provide containment for the largest cargo compartment being located at each rack. There are various unloading areas and other oil transfer areas within the terminal which are required to meet EPAs General Secondary Containment Requirements. These include the Kenwood Yard offloading area, a secondary rail offloading area and areas for offloading additives. These areas meet the General Secondary Containment Requirements via containment areas, terminal drainage, drip pans and/or readily available spill response materials. The marine dock is equipped with a spill pan and integrated spill containment tank.

The majority of piping at the non-transportation related (EPA regulated) portion of the terminal is contained within tank secondary containment dikes or areas equipped with other Secondary Containment (i.e the truck loading rack and Kenwood Yard). Piping runs outside these areas are limited in scope and rely on facility drainage to contain a spill.

The piping associated with the transportation related (USCG regulated) portion of the terminal runs from the first valve within secondary containment to the marine dock. It is recognized under the regulations that containment for marine dock piping is not generally feasible, and therefore, the regulations require annual hydrostatic testing of the piping at 150% of its operating pressure. Global conducts this annual testing in conformance with the regulation.

- 23. Please describe the nature of the crude oil that would be handled at the facility if the permit modification were issued and specify the volumes and types of crude oil that would be handled. Please include an assessment of whether any changes/modifications would be required in your emergency response plans to address a potential release, especially one to the Hudson River?**

Spill response planning is regulated by the EPA under 40 CFR Part 112 (Oil Pollution Prevention) and the USCG under 33 CFR Part 154 (Facilities Transferring Oil or Hazardous Material in Bulk), as well as by the NYSDEC under the Petroleum Bulk Storage regulations. The EPA and USCG categorize oil as Persistent or Non-Persistent based on the oil's boiling point characteristics, flashpoint and/or specific gravity.

The EPA regulation also classifies oil into Groups. Group 1 oils are considered Non-Persistent and are defined as a petroleum-based oil that, at the time of shipment, consists of hydrocarbon fractions: (A) At least 50 percent of which by volume, distill at a temperature of 340 degrees C (645 degrees F); and (B) At least 95 percent of which by volume, distill at a temperature of 370 degrees C (700 degrees F). The remaining oil Groups are considered Persistent and are defined as follows:

A petroleum based oil that does not meet the distillation criteria for a non-persistent oil. Persistent oils are further classified based on specific gravity as follows:

Group 2—specific gravity less than 0.85;

Group 3—specific gravity equal to or greater than 0.85 and less than 0.95;

Group 4—specific gravity equal to or greater than 0.95 and less than 1.0;

or

Group 5—specific gravity equal to or greater than 1.0.

The type of crude oil shipped at the terminal will consist of Group 1, Group 2, Group 3 and Group 4 oils. Although the terminal is permitted to store any type of crude oil, to ship Group 5 oils Global would need to conduct additional spill plan amendments and engineering analyses consistent with MOSF and API requirements.¹ The quantities of crude oils will vary based on economic market forces such as availability, price, supply and demand, and other issues relevant to the energy needs of the country. Regardless of the classification of crude oil, the volume of crude oil will meet the terms and conditions of the Title V Air Permit.

¹ While the press often makes reference to "Bakken Crude" and/or "Tar Sands", it should be understood that those are very generic terms that refer to geographic and/or geological origins of certain crude oils. Both terms include oils in various oil groups and can originate from a variety of sources throughout North America. What is often referred to as "Bakken" would not be classified as a group 5 oil. As noted, the terminal currently is permitted to accept the full range of crude oils.

The Facility Response Plan for the Terminal includes spill planning and response for both Non Persistent Group 1 oils and Persistent Group 2 oils. The FRP will need to be updated to include spill response for Group 3 and Group 4 oils. Global has completed a Worst Case Discharge analysis in conformance with the Oil Pollution Prevention regulations. The analysis identified that the on water recovery spill recovery capacity during a Tier I Response will need to be increased by 1,473 barrels per day, which is approximately a 10% increase over what was required prior to the proposed modification. We have contacted our primary Oil Spill Response Organization (OSRO) National Response Corporation and providing the additional spill resources within the required timeframe is well within their capability.

If different products are brought and stored at the Terminal that require different spill response requirements, Global would modify its plan and facilities accordingly and, pursuant to the MOSF License, such modifications would be submitted to the DEC. Our OSRO is qualified and registered with the USCG for response to all oil groups.

24. What are the best practices for containment while product is being pumped on to barges (e.g., booms)? Will Global be implementing them?

Industry practice is not to boom flammable liquids and the Coast Guard does not encourage such a practice. The dock is manned during all barge loadings and deliveries in order to rapidly detect and respond to any spills that may occur during transfer operations. This practice minimizes the volume of oil that could potentially be discharged in a failure during transfer operations and initiates rapid response to an oil release. Global is in compliance with USCG regulations and transfer operations. Emergency shut downs are located at the dock and throughout the terminal. Global is prepared to discuss best practices with the Department; but the implementation of any suggested additional measures would have to be reviewed, approved by and coordinated with the Coast Guard.

Secondary containment systems are provided at the dock and on barges to contain small operational spills that may occur during transfer activities.

25. Who designates the route of the barges?

The captain of the tugboat that is towing or pushing the barge determines the route of the barge based on a variety of factors including weather conditions,

navigational restrictions of the Hudson River and the capabilities of the applicable marine equipment.

26. Who has liability for damages during transport of the oil, and does Global maintain any insurance covering oil while it is in transit in rail cars?

Liability for damages during transport of the oil is established by both statutory and common law and the terms of the applicable rail transportation agreements.

With respect to crude oil being transported by Global for itself or for its 3rd party customers, and with respect to crude oil for which Global has otherwise taken title to prior to transport, Global maintains insurance of various types with varying levels of coverage that it considers adequate under the circumstances to cover its operations and properties. The insurance policies are subject to deductibles that Global considers reasonable and not excessive.

With respect to crude oil being transported by 3rd party customers or suppliers for their own account, or being transported by such parties for Global prior to Global taking title to such oil, any insurance will be maintained by such customers or suppliers.

Global also maintains financial assurance as required by the State Navigation Law as part of its MOSF License.

27. Please describe the scope and extent of any liability insurance that Global maintains for environmental harm?

Global maintains insurance of various types with varying levels of coverage that it considers adequate under the circumstances to cover its operations and properties. The insurance policies are subject to deductibles that Global considers reasonable and not excessive. Global also must maintain the insurance/financial assurance required by the State Navigation Law.

28. Is any other financial assurance mechanism in place covering damages from oil spills for which Global may be responsible?

Please see the above discussion with regard to Global's maintenance of insurance policies.

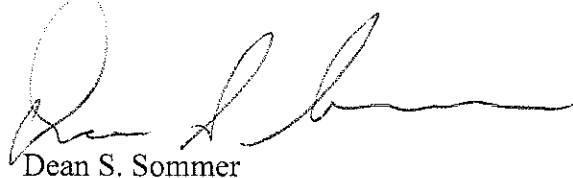
Mr. William Clarke
Regional Permit Administrator
May 15, 2014
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29. What additional financial assurance mechanism does Global consider potentially available to enable it to cover damages from oil spills?

Please see the above comments on the maintenance of insurance by Global and note that other parties against whom liability may be assessed are likely to have their own financial assurance mechanisms, including insurance, in place.

Thank you for your patience in allowing Global to provide this information in response to your March 24, 2014 request and, as noted above, Global is available to meet with the Department to discuss any remaining questions that you may have.

Yours truly,

A handwritten signature in black ink, appearing to read "Dean S. Sommer", written over a faint circular stamp.

Dean S. Sommer

cc: Ed McTiernan, Esq.
Richard Ostrov, Esq.