March 24, 2025

To: The Trump Administration and Members of the 119th Congress

Re: Advancing U.S. Energy and Supply Chain Infrastructure: ILTA's 2025 Policy Priorities

Introduction to ILTA

Founded in 1974, the International Liquid Terminals Association (ILTA) represents over 70 bulk liquid terminal companies that provide critical infrastructure, storage, and transportation logistics for 1.2 billion barrels of liquid products annually across 2,000 facilities and in all 50 states. Our members form a crucial link in supply chain logistics for a wide range of liquid commodities central to the U.S. economy, including crude oil, gasoline, diesel, industrial chemicals, jet fuel, biofuels like ethanol, asphalt, fertilizers, and food products like olive oil and molasses. ILTA advocates on behalf of the liquid terminal industry in Congress and at federal agencies.

Liquid terminals and above-ground storage tank facilities (tank farms) are a vital component of our nation's supply chain, providing services that spur trade within the United States and connect the U.S. economy with overseas markets. Importers, exporters, and producers of liquid commodities need terminals to connect them to their customers. Terminal operators likewise provide the essential logistics needed to transfer bulk liquids between transportation modes, whether from terminal to truck, ship, barge, pipeline, or rail, and vice versa. For example, refined petroleum products such as gasoline are transported in bulk by pipeline to a distribution terminal, where they are stored, loaded into tank trucks at the terminal's loading rack, and ultimately delivered to retail gasoline stations to supply consumers.

President Donald Trump clearly stated the importance of energy to our nation's prosperity through several executive orders, including Executive Order 14154 (Unleashing American Energy) and Executive Order 14156 (Declaring a National Energy Emergency). Liquid terminals in the United States are *exactly* the type of infrastructure that will help deliver American energy (and other critical materials) to the marketplace and support the goal articulated in EO 14154 of restoring American prosperity.

The following are a few examples of how ILTA members' operations can support the vision for energy security and economic growth.

- *EO 14154 – "It is the policy of the United States to protect the United States' economic and national security and military preparedness by ensuring that an abundant supply of reliable energy is readily accessible in every State and territory of the Nation."*

    - *ILTA Perspective:* ILTA members operate over 2,000 terminals across all 50 states, providing critical infrastructure for transporting energy, agricultural goods, chemicals, and more. These materials can be raw inputs essential for U.S. manufacturing or finished goods destined for domestic consumption or export. Simply put, you cannot make an abundant supply of reliable energy available in all 50 states without a robust terminal network.
- *EO 14156 – "The integrity and expansion of our Nation's energy infrastructure—from coast to coast—is an immediate and pressing priority for the protection of the United States' national and economic security."*
    - *ILTA Perspective:* ILTA members can help support the integrity and expansion of the nation's energy infrastructure by providing more capacity to store and distribute liquid commodities in more locations. We look forward to working with the Trump administration to ensure that regulatory requirements imposed on terminals are aligned with the integrity and expansion of the nation's energy infrastructure that is envisioned.
- *EO 14156 – "The United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."*
    - *ILTA Perspective:* Liquid terminals form an integral part of the "circulatory system" of America's economy, without which producers and consumers cannot efficiently be connected. The United States needs a resilient terminal industry to ensure there is an unencumbered flow of liquid commodities, including crude oil to refineries, finished gasoline to the market, and petrochemicals to countless American manufacturers. We believe our nation's terminals play a pivotal role in alleviating threats to the nation's economy, national security, and foreign policy, consistent with the President's EO 14156.

ILTA recognizes that terminals are heavily regulated, and our members have made significant investments to protect the health, safety, and security of their workforce and the communities surrounding their facilities. The following highlights the government agencies with jurisdiction over the issues concerning the industry.

- U.S. Environmental Protection Agency (EPA) - All terminals are subject to regulation and oversight by the EPA, including its 10 regional offices. EPA regulates air and water quality around facilities and the proper handling and disposal of waste. Some of these programs are delegated to and enforced at the state level. EPA administers other programs that impact terminal operations, including several related to spill prevention, mitigation, and risk management if a terminal handles certain chemicals or hazardous substances.
- Occupational Safety and Health Administration (OSHA) - OSHA requires that tank and terminal operators follow numerous general and industry-specific regulations on everything from walking and working surfaces, stairways, personal protective equipment, emergency exits, and fire alarms. OSHA also conducts enforcement inspections and provides specific regulatory requirements when companies handle hazardous chemicals.
- U.S. Army Corps of Engineers (USACE) - USACE regulates some aspects of terminal construction and maintenance, including dredging permits.

- Department of Homeland Security (DHS) Cybersecurity & Infrastructure Security Agency (CISA) - The Cybersecurity & Infrastructure Security Agency (CISA) administers the DHS's Chemical Facility Anti-Terrorism Standards (CFATS) program, which sets security requirements to prevent terrorist threats against high-risk chemicals facilities, including bulk liquid terminals. However, since 2023, CFATS has been allowed to lapse, putting thousands of facilities at risk nationwide and potentially impacting millions of Americans if not reinstated. Additionally, CISA provides valuable cybersecurity resources terminals use to bolster their digital protection.
- U.S. Coast Guard - The Coast Guard regulates the security and safety of ports and harbors as well as maritime facilities, like marine terminals. Coast Guard rules include limiting access to certain terminal facilities, requirements for transferring oil or hazardous materials, and development of emergency response plans.
- DOT Pipeline and Hazardous Materials Safety Administration (PHMSA) - PHMSA regulates the design, construction, and inspection of certain aboveground storage tanks, under 49 CFR Part 195. The agency also regulates the pipelines that often connect to facilities. In addition, PHMSA regulates the safe and secure transportation of hazardous materials via other modes of surface transportation, like rail and truck.
- Food and Drug Administration (FDA) - Liquid terminals that store food are subject to FDA regulations on food storage and handling. The FDA also has regulations in place to prevent "intentional adulteration," or food tampering.

Executive Order 14154 on Unleashing American Energy calls for the heads of all agencies to review all existing regulations, orders, guidance documents, policies, settlements, consent orders, and any other agency actions to identify those agency actions that impose an undue burden on the identification, development, or use of domestic energy resources. Given the large number of regulations that govern the terminal industry, there will be many federal departments and agencies reviewing regulations affecting our industry. We look forward to serving as a resource as the administration evaluates the impacts of regulations on the industry and on our ability to safely and reliably manage the distribution of key products across the country and the globe.

In the attachment to this letter, ILTA has identified programs and policies of considerable importance to the terminal industry and the necessary actions that could be taken by policymakers to ensure the benefits of terminal facilities are realized to their fullest extent. Those key issues include:

- Reauthorizing the Chemical Facility Anti-Terrorism Standards (CFATS) program
- Finalizing the Coast Guard's "Cybersecurity in the Maritime Transportation System" rule
- Designating bulk liquid terminals as "passive receivers" of PFAS to protect them from CERCLA liability due to the use of fire-fighting foam for testing, training, and fire prevention purposes
- Advancing permitting reform
- Reconsideration of EPA's gasoline distribution rule

We welcome the opportunity to answer any questions about the priorities discussed herein and would be happy to serve as a resource to this administration and all federal agencies that have responsibility for overseeing the terminal industry.

Sincerely,

Leakhena Swett

Leakhena Swett
President
International Liquid Terminals Association

Appendix A – Detailed Policy Recommendations of ILTA

Gasoline Distribution Rule

Background: In May 2024, the Environmental Protection Agency (EPA) finalized amendments to its rule titled "National Emissions Standards for Hazardous Air Pollutants for Gasoline Distribution Facilities and New Source Performance Standards for Bulk Gasoline Terminals." In its finalized amendments, EPA revised the requirements for storage vessels, loading operations, and equipment to reflect cost-effective developments in practices, processes, or controls, as well as to reflect the best system of emission reduction for loading operations and equipment leaks.

However, EPA's final rule also introduced additional requirements that were not included in the proposed rule. These additions include the requirement to use gasoline load rate and ratio as a monitored parameter, along with alternative monitoring provisions for continuous emission monitoring systems. As a result, bulk liquid terminals and other affected entities were not provided the required opportunity for public comment on these key provisions within the final rule, despite their significant implications and feasibility concerns to their businesses.

Actions Requested:

- Ensure EPA convenes a proceeding to reconsider its final Gasoline Distribution Rule and afford the public their statutorily guaranteed right to comment on it.
- Address the concerns outlined in ILTA's petition on both the proposed Gasoline Distribution Rule and the additional provisions included in the final rule.
    - These comments regard the adequacy of EPA's economic analysis for several provisions of the rule based on the potential impact of incorrect assumptions. Additionally, they touch on the final rule's significant costs and the infeasibility to implement the rule as adopted.

PFAS

Background: Per- and polyfluoroalkyl substances, also known as PFAS, are key ingredients in liquid terminal firefighting foams, specifically aqueous film-forming foams (AFFF). ILTA member facilities, long required by Occupational Safety and Health Administration (OSHA) standards, must store and use AFFF to address any potential fire event that could jeopardize the health and safety of workers, the surrounding community, and the environment. Moreover, terminals are designed with extensive fire suppression systems specifically designed for AFFF and often test these systems to ensure emergency preparedness.

However, AFFF contains two PFAS chemicals, perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS), that the Environmental Protection Agency (EPA) recently designated as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Under CERCLA, EPA can now identify Potentially Responsible Parties (PRPs) and hold them accountable for the release of PFAS by either requiring them to conduct cleanup efforts of their sites or recoup any

expenses incurred by the government during the cleanup process. The CERCLA designation of PFOA and PFOS places the risk of legal and financial liability on "passive receivers" of PFAS, such as bulk liquid terminals, who were acting in accordance with legally required safety standards.

Actions Requested:

- Exempt bulk liquid terminals from CERCLA liability for any presence of PFAS on terminal property due to the use of AFFF for testing, training, and fire prevention purposes.
- Designate bulk liquid terminals as "passive receivers" of PFAS to protect them from CERCLA liability due to the use of AFFF for testing, training, and fire prevention purposes.
- Support Senator Cynthia Lummis' (R-WY) 118th Congress bill, "Water System PFAS Liability Protection Act," and any similar future legislation once introduced in the 119th Congress that supports the exemption of specified water management entities from liability under CERCLA if the entity transports, treats, and disposes of PFAS.
- Accelerate the development and deployment of fluorine-free foam (F3) alternatives, utilizing the purchasing power of the federal government, to ensure non-governmental entities have access to competitively priced and accessible F3 alternatives.
- Support bulk liquid terminals and other critical entities in the industrial, commercial, and energy supply chains through the AFFF transition.

Permitting Reform

Background: In 2024, Senator Joe Manchin III, Chairman of the Senate Energy & Natural Resources Committee at the time, introduced and led an effort to implement significant federal permitting reform under the Energy Permitting Reform Act of 2024. The bill proposed numerous reforms pertinent to liquid terminals, including reforming the National Environmental Policy Act (NEPA), differentiating between large significant projects and lesser regionally significant projects, limiting litigation for select significant projects, creating a national list of differing types of energy infrastructure projects, and adjusting the Federal Energy Regulatory Commission (FERC), among other objectives. Moreover, in his executive order, "Unleashing American Energy," President Trump called for efforts at the federal agency level to help eliminate delays and streamline the efficiency of the permitting process. The permitting process greatly impacts ILTA and its membership, especially as they undertake new projects or investments to increase capacity or replace infrastructure.

Actions Requested:

- Work with Congress to introduce, advance, and pass permitting reform to promote the timely deployment of new industrial, commercial, and energy infrastructure.
- Support federal agencies in taking action to eliminate delays and improve the efficiency of the permitting process.

Coast Guard Regulations

Background: The Department of Homeland Security's (DHS) U.S. Coast Guard (Coast Guard) is responsible for ensuring the safety and security of ships and port facilities under

multiple authorizing laws. As the primary federal response agency for chemical releases into U.S. waters, the Coast Guard also oversees the safety and security of facilities engaged in maritime transportation, including bulk liquid terminals.

On January 17, the Coast Guard published an awaited final rulemaking into the *Federal Register*, "Cybersecurity in the Maritime Transportation System," which seeks to address current and emerging cybersecurity threats in the marine transportation system (MTS). This final rule will help protect bulk liquid terminals and other entities in the MTS by detecting risks and responding to and recovering from cybersecurity incidents. However, President Trump's Presential Memorandum, "Regulatory Freeze Pending Review," potentially extends compliance deadlines for rules that have not yet taken effect for 60 days, opening this rulemaking to parties that may provide comments about issues of fact, law, and policy, which could lead to considerations of reevaluating pending petitions involving the rule.

Actions Requested:

- Ensure the timely closure of the compliance period and unfreeze the final rulemaking, "Cybersecurity in the Maritime Transportation System," by working with Coast Guard authorities and Secretary Kristi Noem, the newly appointed secretary of the DHS.
- Engage with ILTA to continue improving the relationships of the terminal industry and other MTS entities with the Coast Guard and the DHS.

Chemical Facility Anti-Terrorist Standard (CFATS)

Background: The Chemical Facility Anti-Terrorism Standards (CFATS) program, established in 2007 by the Department of Homeland Security (DHS), sets security requirements to prevent terrorist threats against high-risk chemical facilities, including bulk liquid terminals. Administered by the Cybersecurity & Infrastructure Security Agency (CISA), the program required facilities to report chemicals of interest (COI) through an online survey called Top-Screen and develop Security Vulnerability Assessments and Site Security Plans.

However, in 2023, Congress was unable to reauthorize the CFATS program, stripping DHS of its authority to enforce security standards. This lapse has led to regulatory uncertainty, potentially jeopardizing the safety of bulk liquid terminals and more than thousands of high-risk facilities that are critical to national infrastructure and local communities, including key economic sectors such as energy, utilities, and agriculture.

Actions Requested:

- Coordinate with Congress to promptly reauthorize CFATS at the earliest opportunity.
  Work with new champions in Congress to enact a long-term, muti-year reauthorization of CFATS to provide necessary certainty to the bulk liquid terminal and other high-risk chemical industries.