UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Hearing on
Yellowstone River Oil Spill Oversight
Yellowstone County, Montana

Before the
Committee on Environment and Public Works
Subcommittee on Transportation and Infrastructure
United States Senate

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WRITTEN STATEMENT
OF
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ADMINISTRATOR
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES SENATE
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Chairman Baucus, Ranking Member Vitter, and distinguished Members of the subcommittee, thank you for the opportunity to discuss the Pipeline and Hazardous Materials Safety Administration (PHMSA)'s response to the July 1, 2011 ExxonMobil Pipeline Company (ExxonMobil) oil spill in Laurel, Montana.

Safety is the number one priority of Secretary Ray LaHood, myself, and the employees of PHMSA. We are all strongly committed to reducing safety risks to the public and environment. More than 2.5 million miles of pipelines deliver energy to homes and businesses across America, and our job at PHMSA is to ensure that every mile is safe. Of these 2.5 million miles, PHMSA oversees 174,000 miles of hazardous liquid pipelines. Over the past 20 years, the traditional measures of risk exposure such as population growth and development have been rising. However, at the same time, the number of significant incidents involving onshore hazardous liquid pipelines has declined 28%, with a corresponding decrease of 57% of gross barrels spilled.

Despite those recent improvements in performance, I am certainly troubled by this recent oil spill. Secretary LaHood, myself, and the employees of PHMSA are always mindful of the substantial effects these incidents can have on a community where a spill occurs. As identified during PHMSA's preliminary failure investigation, ExxonMobil personnel reported to the National Response Center that the spill occurred on the Silvertip pipeline on Friday, July 1, at approximately 10:40 p.m. MDT. An estimated 1,000 barrels of oil were released. That initial estimate was also reported by ExxonMobil and is subject to further review once more information becomes available. At 10:47 p.m. MDT, ExxonMobil shut down the pumps at Silvertip station. At approximately 10:57 p.m., the company closed the Laurel block valve

located downstream of the failure site. Thereafter, ExxonMobil reopened the block valve at 11:07 p.m. and closed it at 11:28 p.m. MDT. ExxonMobil closed the block valve located upstream of the failure site at approximately 11:36 p.m. MDT. This valve shut down the flow of product into the Yellowstone River. These valve operations will be examined in detail during the PHMSA investigation of the incident. ExxonMobil reported the failure to the National Response Center on July 2, at approximately 12:19 a.m. MDT.

Mr. Chairman, Members of the subcommittee, I assure you that PHMSA is vigorously investigating this incident and will continue to do so. PHMSA personnel were on the scene and directly engaged in the response efforts within 12 hours of notification of the spill. As part of the on-scene Unified Command Center, PHMSA assisted various State and Federal agencies in assessing the failure's devastating affects to the Yellowstone River and its surrounding communities and overseeing clean-up activities. The Environmental Protection Agency is coordinating its response actions with the Department of the Interior, Fish and Wildlife Service and state and local agencies and will take whatever steps are necessary to ensure ExxonMobil, as the responsible party, addresses all potential impacts of this spill. In addition, PHMSA is responsible for determining the cause of the pipeline failure and has confirmed the shutdown of the Silvertip pipeline, verified the isolation of the other major water crossings, gathered information from ExxonMobil's control center in Houston, Texas, and initiated an onsite failure investigation. On July 3, PHMSA contacted all pipeline operators with pipeline crossings in the Yellowstone River to verify the condition and operational status of their crossings. We advised them to take appropriate preventive measures by patrolling their pipeline crossings, more frequently monitoring them, and coordinating their efforts with other nearby operators. On July 5, the first business day after the incident, PHMSA issued a Corrective Action Order requiring ExxonMobil to directionally drill the Yellowstone River crossing and assess the risk of other major Silvertip pipeline water crossings. We continue to have staff on scene participating in the incident command, assisting state and local agencies, and carrying out our investigation. Unfortunately, due to the high river flows, the ruptured pipe is currently inaccessible for further examination at this time. Therefore, PHMSA has been unable to complete its failure investigation. However, I can assure this subcommittee that once the failed pipe becomes accessible, PHMSA will complete this investigation as soon as possible.

Before the incident occurred, PHMSA was actively monitoring the Silvertip pipeline and the recent flooding conditions brought about by the rising river flows. In October 2010, PHMSA and the City of Laurel Public Works Department jointly reviewed rising river flow and erosion near the south bank of the Yellowstone River crossing. Both PHMSA and the City of Laurel were concerned with the risks to the Silvertip pipeline due to high runoff and possible river bottom scour and erosion of the river bank. In response to these risks, ExxonMobil performed a depth-of-cover survey that was completed on December 1, 2010. That depth-of-cover survey confirmed at least five feet of cover over the pipeline for the riverbed, which was within the 4 feet depth-of-cover requirement in the pipeline safety regulations. Due to the onset of heavy flooding, starting in May 2011, PHMSA inspectors began monitoring the flow rates in the Yellowstone River on a daily basis and visually observing the conditions of the pipeline crossing on a biweekly basis. On June 1, PHMSA requested that ExxonMobil again confirm the current depth-of-cover for the south bank. ExxonMobil reported that there was at least 12 feet of cover for the south bank. In June 2011, PHMSA also alerted pipeline operators in the vicinity of the upper Missouri River and its tributaries of the risk of high flood waters and advised those operators to take appropriate preventive measures.

Historically, PHMSA has conducted routine inspections on the Silvertip pipeline for many years. In July 2009, the agency conducted a standard inspection of the Silvertip line. PHMSA issued three enforcement actions as a result of this inspection. However, none of these alleged violations involved the Yellowstone River crossing. Two of the cases were closed after ExxonMobil completed all required actions. The third case is still open, but ExxonMobil took appropriate compliance action after the inspection occurred and before the Notice was issued. As recently as June 6-10, 2011, PHMSA personnel performed an integrity management field inspection on the Silvertip pipeline. As a part of that inspection, PHMSA reviewed ExxonMobil's 2009 internal inspection (ILI) raw data for this particular pipeline. No regulatory violations were found at that time. The ILI data did show one pipeline anomaly at the river crossing, however, that anomaly was below the required repair conditions under the pipeline safety regulations. Mr. Chairman, I assure you that PHMSA will remain vigilant in ensuring the safety, reliability and the integrity of all pipelines under its jurisdiction. We will also ensure that the Silvertip pipeline is free of safety and environmental risks before ExxonMobil is granted permission to restart the line. PHMSA will investigate this incident fully to ensure that the line

is operated safely, that the public is protected, and that any potential violations of the federal pipeline safety regulations are swiftly addressed.

Thank you and I am happy to respond to your questions.

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