U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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July 12, 2011

SUMMARY OF SUBJECT MATTER

To: Members of the Subcommittee on Railroads, Pipelines, and Hazardous Materials

From: Subcommittee on Railroads, Pipelines and Hazardous Materials Staff

Subject: Hearing on "Silvertip Pipeline Oil Spill in Yellowstone County, Montana"

PURPOSE OF HEARING

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Thursday, July 14, 2011, at 10:00 a.m., in Room 2167 of the Rayburn House Office Building to receive testimony related to the July 1, 2011, release of crude oil from the Silvertip Pipeline in Yellowstone County, Montana. The Subcommittee will hear from the Administrator of the Pipelines and Hazardous Materials Safety Administration (PHMSA), the President of the ExxonMobil Pipeline Company, and a scientist from the National Wildlife Federation.

BACKGROUND

On July 1, 2011, a reportable accident occurred on the Silvertip hazardous liquid pipeline in Yellowstone County, Montana, near Laurel, Montana. The Silvertip Pipeline is a 12-inch diameter pipeline approximately 69 miles in length that transports crude oil from the Silver pump station near Elk Basin, Wyoming, to the ExxonMobil refinery in Billings, Montana. ExxonMobil owns and operates the Silvertip Pipeline. PMHSA estimates that 750 to 1,000 barrels of crude oil were released into the Yellowstone River as a result of the accident.

PRELIMINARY ACCIDENT TIMELINE

July 1, 2011

10:41 p.m. MDT	ExxonMobil control room operators in Houston, Texas, detected a loss of pressure on the Silvertip Pipeline in Montana.
10:47 p.m. MDT	ExxonMobil shut down the pumps at the beginning of the line at the Silvertip Station near Elk Basin, Wyoming.
10:57 p.m. MDT	In attempt to isolate the location of the leak, ExxonMobil closed the pipeline block valve near Laurel, Montana, north of the Yellowstone River, reopened it at 11:07 p.m., and then closed the block valve a final time at 11:28 p.m.
11:36 p.m. MDT	ExxonMobil closed the block valve located south of the Yellowstone River.

July 2, 2011

12:19 a.m. MDT	The incident was reported to the National Response Center.

SILVERTIP PIPELINE INFORMATION

The Silvertip Pipeline is a 12-inch diameter pipeline, approximately 69 miles in length that transports crude oil from the Silvertip pump station near Elk Basin, Wyoming, to the ExxonMobil refinery in Billings, Montana. The Silvertip Pipeline was originally constructed between 1949 and 1954. However, the section of the pipeline that crosses under the Yellowstone River was constructed in 1991. PHMSA suspects that the pipeline failure occurred where the pipeline crosses under the Yellowstone River.

ExxonMobil performed an in-line inspection of the Silvertip Pipeline in 2005 and 2009. Between June 6 and June 10, 2011, PHMSA reviewed the data from the in-line inspection and found no integrity-threatening defects in pipe materials in the area of the Yellowstone River crossing.

Following a public inquiry by the City of Laurel Public Works Department in October 2010, PHMSA and the City of Laurel jointly reviewed river scour and bank erosion at the south bank of the Yellowstone River crossing. As a result of that review ExxonMobil agreed to perform a depth-of-cover survey to determine how deep the pipeline was buried. The survey was completed on December 1, 2010 and ExxonMobil determined that there was at least 5 feet of cover at all measured points.

In May 2011, following heavy flooding and in response to additional concerns by the City of Laurel, a PHMSA inspector began monitoring conditions of the pipeline crossing.

Turbulent waters and flooding conditions increase the likelihood of scour and external force damage. On June 1, 2011, PHMSA contacted ExxonMobil to confirm the current depth of cover for the river crossing and ExxonMobil reported that there was at least 12 feet of cover.

INCIDENT RESPONSE AND INVESTIGATION

Various state and federal agencies responded to the scene but the Environmental Protection Agency (EPA) is responsible for directing and overseeing cleanup activities related to the spill through the Unified Command Center. The incident did not cause any known injuries but approximately 140 people were temporarily evacuated.

According to the EPA, air monitoring instruments that look for volatile organic compounds and hydrogen sulfide continue to show no detections in ambient air along the Yellowstone River. Additionally, air sampling for benzene has been conducted between Laurel, Montana, and Billings, Montana, with no detections.

According to PHMSA and EPA, most of the oil in the Yellowstone River has been encountered within 30 miles of the spill, but oil deposits have been discovered as far downstream as 240 miles from the pipeline crossing. Water intakes for the City of Billings are located immediately downstream of the spill and these intakes were temporarily shut down. However, EPA water sampling indicates there are no petroleum hydrocarbons above drinking water level standards in the region. Preliminary tests also indicate that the Yellowstone River poses no threat to agriculture use.

As of July 7, 2011, approximately 544 personnel are involved in the incident response and over 360 are in the field conducting cleanup operations and recovering oil. Personnel continue to walk the shores of the Yellowstone and deploy absorbent boom along the river bank to absorb oil; however, some areas of the river remain inaccessible due to flooding.

ExxonMobil has been directed to take a number of clean up and restoration activities including supplying personnel and contractors to assist in the cleanup and recovery efforts. As of July 9, 2011, ExxonMobil has responded to approximately 100 claims related to property, agriculture or health.

PHMSA continues to investigate the cause of the spill. On July 5, 2011 PHMSA issued a corrective action order requiring ExxonMobil to take certain actions to protect the public, property, and the environment from potential hazards associated with the Silvertip Pipeline spill. At this time, the cause of the spill has not been determined. ExxonMobil must comply with twelve requirements specified in the corrective action order prior to restarting the Silvertip Pipeline.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION AUTHORITY

PHMSA is the primary federal regulatory agency responsible for ensuring the safety of America's energy pipelines. PHMSA develops and implements pipeline safety regulations at

the federal level and shares regulatory responsibility with the states, providing oversight to more than two million miles of pipeline.

PHMSA's regulations require that pipeline operators implement an integrity management plan to identify, prioritize, assess, evaluate, repair and validate the integrity of hazardous liquid pipelines that could, in the event of a leak or failure, affect High Consequence Areas (HCAs) within the United States. HCAs include: population areas; areas containing drinking water and ecological resources that are unusually sensitive to environmental damage; and commercially navigable waterways. Pipeline operators are required to comprehensively assess the structural integrity of pipeline segments that may affect an HCA and take prompt action to repair any defects that could reduce a pipeline's integrity. Integrity management assessments must be performed at least once every five years.

The area of the leak – where the Silvertip Pipeline crosses the Yellowstone River – is in an HCA and as a result this segment of the pipeline is subject to PHMSA's integrity management regulations.

WITNESS LIST

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