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News

PHMSA 11-11 Tuesday, July 5, 2011 Contact: Damon Hill Tel: 202-366-4831

## U.S. Department of Transportation Directs ExxonMobil Pipeline Company to Make Pipeline Safety Improvements to Silvertip Pipeline

WASHINGTON – The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) today issued a Corrective Action Order to ExxonMobil Pipeline Company that will require the company to make safety improvements along the Silvertip hazardous liquid pipeline. On July 2, 2011, an accident on the Silvertip Pipeline resulted in the release of approximately 750 to 1000 barrels of crude oil into the Yellowstone River. PHMSA's Corrective Action Order will require ExxonMobil to re-bury the pipeline underneath the Yellowstone river bed to protect it from external damage and conduct a risk assessment on the Silvertip pipeline where it crosses any waterway. Exxon will then need to submit a restart plan before operation can resume.

"The safety of our nation's pipelines is a priority and the investigation into this incident is ongoing," said U.S. Transportation Secretary Ray LaHood. "It is our responsibility to ensure pipelines are safely delivering energy to U.S. households and businesses, and when companies are not living up to our safety standards, we will take action. We will continue to work with the EPA, while ensuring that those responsible are held accountable."

The Silvertip Pipeline is a 12-inch pipeline approximately 69 miles in length and transports crude oil from the Silvertip station in Elk Basin, Wyoming, to an ExxonMobil Refinery in Billings, Montana. PHMSA has three inspectors on site and they are working with the U.S. Environmental Protection Agency and U.S. Coast Guard to conduct investigations and assist in oil spill response activities. The cause of the release has not yet been determined.

This spring, in the wake of several major pipeline accidents, Secretary LaHood announced a pipeline safety action plan to immediately begin addressing concerns about the state of the nation's aging pipeline infrastructure. Secretary LaHood called upon U.S. pipeline owners and operators to conduct a comprehensive review of their oil and gas pipelines to identify areas of high risk and accelerate critical repair and replacement work. Secretary LaHood has also proposed federal legislation to strengthen oversight on pipeline safety. The legislation would increase the maximum civil penalties for pipeline violations from \$100,000 per day to \$250,000 per day, and from \$1 million for a series of violations to \$2.5 million for a series of violations. The proposal would also authorize the Department to close regulatory loopholes, strengthen risk management requirements, add more inspectors, and improve data reporting to help identify potential pipeline safety risks early.

Click <u>here</u> to view a copy of the Corrective Action Order.

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