



Safe Pipelines

A Publication of the Pipeline Safety Trust

The Mission of the Pipeline Safety Trust

The Pipeline Safety Trust promotes fuel transportation safety through education and advocacy, by increasing access to information, and by building partnerships with residents, safety advocates, government, and industry, that result in safer communities and a healthier environment.

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Don't Blame Us!

Some of the articles in this newsletter are attributed to other authors. The opinions and facts presented in those articles are those of the authors, and not of the Pipeline Safety Trust. We may agree with them, we may not, but we do think it is important that all legitimate views on pipeline safety are known and discussed. If you would like to provide an article for a future issue, please contact us at: info@pipelinesafetytrust.org

More Information, Please

BY CARL WEIMER

The Pipeline Safety Trust came into being because a string of unfortunate events convinced powerful people within the U.S. Justice Department, the National Transportation Safety Board, the Washington State Governor's office, the Federal District Court, local government, and the Washington Utilities and Transportation Commission that what pipeline safety



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"Trust But Verify"

President Ronald Reagan

advocates around the country had been saying for years was true. Namely that because pipelines are, for the most part out of sight and out of mind, one valuable way to prevent pipeline regulators and pipeline operators from becoming complacent regarding pipeline safety is by creating a permanent pipeline safety advocacy group to continually push for ongoing safety improvements and demand that claimed "progress" is publicly verifiable.

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The LNG is Coming, The LNG is Coming



The fastest growing supply solution for what the government considers our current "energy crisis" is the importation of Liquefied Natural Gas (LNG). By cooling natural gas to -260 degrees Fahrenheit the volume of the gas is reduced to one 600th of its normal volume. This makes it economically possible to transport the gas from large ships (up to 1000 feet long) from far away places like Indonesia, Australia, and the Middle East.

Once these ships reach our shores the LNG needs to be warmed back up at re-gasification

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Kentucky Forms Pipeline Safety Committee

On January 27th, a 22" pipeline ruptured 50 feet from the banks of the Kentucky River and spewed crude oil for 10 minutes before pipeline operators noticed the problem and were able to shut down the pipeline. 82,000 gallons of crude oil spilled into the Kentucky River midway between Cincinnati, OH and Louisville, KY. The spill reached the Ohio River where it entered the intake valves of Louisville's water supply. Back in November, a 4" Kentucky-West Virginia Gas Company natural gas pipeline exploded in Floyd County. Five homes were damaged and nine people were injured in that blast.

Shortly after the spill into the Kentucky River the Pipeline Safety Trust provided concerned citizens and reporters in the area with information about Kentucky's pipeline safety record. Turns out that over the last five years Kentucky has averaged \$2,700 per

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A Rude Awakening in the Heartland

BY DANA & DON ELLEBRACHT

West Alton, Missouri is a very small town (pop. 573) at the confluence of the Mississippi and Missouri Rivers. Nine different pipelines run through it. Our awakening to a problem concerning pipelines occurred on Monday, May 13, 2002, during one of our wettest springs-causing the water table to rise extremely high. So high that it reached soil on our property that had been contaminated by one of the pipelines. As we approached our back porch, we smelled a strong petroleum odor. By the time we opened the back door our eyes and noses were burning. The fire department was called and they came to air our house out. A Conoco pipeline representative was brought to the house that stated that the odor was probably "sewer gas." When we questioned that statement, he then stated, "I don't smell anything." At this point, credibility as well as trust started flying out the window.

Sample after sample was taken in our surrounding area, but a lot of that sampling has been called into question because of the way it was taken. For example, the pipeline's independent testing company left soil samples setting in the summer sun, which

allows chemicals to evaporate out, before being capped and finally iced prior to being taken to the lab. Both the testing company and the Missouri Department of Natural Resources (MDNR) used groundwater testing protocols, which seem inappropriate when testing drinking water. Instead, drinking water protocols would have provided more accurate data. They also failed to test our wells for lead.

Even so, water samples from our well did indicate that the level of benzene was well above EPA allowable levels. MTBE was detected in the majority of wells tested around us in addition to our own. Heavy contamination was also found in the soil & groundwater all around the pipelines and in surrounding properties. We finally paid an independent lab ourselves, which found lead in excess of allowed levels in our well. Lead was also detected in our blood.

In the meantime, more and more questions that property owners were asking went unanswered. Some answers couldn't be verified and some seemed to be outright lies.

The MDNR wasn't much help either. The first person they sent got out of their vehicle with a map in hand, and looking skyward asked, "Where's the pipeline?" They then told us not to worry, "the petroleum by-products will help seal any leaks."

We fought for over 21 months for answers and solutions. We were threatened with a lawsuit by the MDNR to either sell the property to the pipeline company immediately or they would all walk away and this problem would be our responsibility. In the end, we sold our house and property, which had been in the



photo: Don Ellebracht

family for over fifty years, to Conoco in January. We were told that they plan to demolish our house and plant poplar trees to suck up the contamination and remediate the soil.

So our advice to any homeowner that may be unfortunate enough to have to face this, or a similar pipeline nightmare is:

- Do not trust freely, make agencies and companies earn your trust,
- Ask questions and re-ask questions,
- Verify all "facts,"
- Document and record everything.

The Trust as a Facilitator of Partnerships

BY GREG WINTER - WASHINGTON

A core component of the Pipeline Safety Trust's mission is to build "partnerships with residents, safety advocates, government, and industry." To begin exploring partnership opportunities, the Trust hired Cornerstone Strategies to survey representatives of diverse stakeholder organizations, engaging them in a discussion of pipeline safety goals and objectives.

Partnerships work best when organizations understand and respect each other's responsibilities, and when each has something unique to bring to the process. For these reasons, respondents were asked to describe their organizations' roles and responsibilities

as well as their strengths and weaknesses in terms of what they had "done well" to increase pipeline safety, and what they "could do better." Keep in mind that these 20 individuals (8 activists, 7 regulators, and 5 industry reps.) may not be representative of their respective stakeholder groups.

Analysis of respondents' self-assessed strengths and weaknesses reveals several potential opportunities for collaboration between stakeholder groups to increase pipeline safety.

First, regulators are concerned about their ability to attract or sustain public attention to pipeline safety issues, and industry considers itself weak in the area of public education. But activists believe these to be among their strengths. As a network builder and credible source of information the Trust is eager to help regulators and operators disseminate key educational messages to initiate and sustain public interest in pipeline safety.

Second, activists believe they have not done enough to engage other stakeholder groups, especially industry, in policy discussions. *Continued on page 6*

Myths, Misleading Statements, and Convoluted Statistics

Myth: Pipelines are likely targets of terrorism, so information about pipelines should be kept off the Internet.

Fact: Nearly all oil and gas transmission pipelines are very low risk terrorist targets because they are located underground (an exception is the Trans-Alaska Pipeline) and are relatively easy to repair. Additionally, the information the public is most interested in, such as the frequency, type, and results of inspections, is of no interest to terrorists.



Pipeline Safety Trust's History

The Pipeline Safety Trust came into being based on the efforts and recommendations of SAFE Bellingham and the families of Liam Wood and Stephen Tsiorvas who were killed in the 1999 Olympic Pipe Line explosion. SAFE Bellingham - a grassroots watchdog group concerned with pipeline safety - and the families fought for better pipeline oversight and accident prevention measures. These Bellingham residents made it their number one priority to organize a perpetually funded oversight organization to ensure safer pipelines nationwide. The need for the Pipeline Safety Trust gained written support from Washington Governor Gary Locke, the Washington State Utilities and Transportation Commission, the Washington State Citizens Committee on Pipeline Safety, many local governments, and pipeline safety advocates nationwide.

On June 18, 2003, U.S. District Judge Barbara Rothstein ordered that four million dollars of the criminal fines imposed as a result of the Bellingham tragedy be awarded as an endowment to fund the Pipeline Safety Trust. Judge Rothstein noted that the Trust, with only 4 million dollars, was like "Bambi taking on Godzilla," but she chided the pipeline industry to listen to and work with the Pipeline Safety Trust so tragedies like Bellingham do not happen again. ■



A Call for Transparency in Pipeline Safety Enforcement

"No government is perfect. One of the chief virtues of a democracy, however, is that its defects are always visible and under democratic processes can be pointed out and corrected."

President Harry Truman, 1947

Pipeline safety enforcement could benefit from President Truman's philosophy. This article is about how Office of Pipeline Safety (OPS) civil fine enforcement works and why OPS should make it more transparent.

How It Is

OPS enforcement procedures are complex. In simple terms, there are three stages:

- (1) Investigating — reaching a preliminary conclusion whether a company violated the law;
- (2) Proposing a fine — notifying the company of the allegation and what the fine could be;
- (3) Hearing/Assessing/Collecting — giving the company an opportunity to present its views; deciding what the fine will be; collecting it.

The time from the first to the last step may take more than a decade. Meanwhile, there is no public input and OPS denies requests under the Freedom of Information Act. According to the Government Accountability Office, from 1999 to 2003, OPS assessed less than 50 cents for every dollar of fines it proposed. And that doesn't even include the \$5+ million dollars of fines that were proposed but never collected for the Bellingham and Carlsbad accidents that killed fifteen people. Without explanation, the pipeline operator goes behind a closed door with government officials and comes out paying much less money than originally owed. What goes on behind that door? No one knows.

The Need for Transparency

In this country, after the investigatory stage, law enforcement takes place in public for good reasons. Public

scrutiny enhances credibility, accountability and fairness while preventing even the appearance of government corruption.

Credibility — seeing OPS expeditiously enforce its regulations would instill confidence that safe operation is a requirement rather than a guideline.

Accountability — if companies challenge fines because regulations are poorly crafted, the public could demand better rules.

Fairness — secret proceedings deny the public an opportunity to question fines and permit operators to make one-sided arguments without fear of rebuttal.

Prevention of corruption — while no one is suggesting that OPS is corrupt, any government agency that permits millions of dollars of fines to be whittled down to a few hundred thousand dollars behind closed doors is just asking for trouble from a suspicious public.

Without explanation, the pipeline operator goes behind a closed door with government officials and comes out paying much less money than originally owed.

How It Should Be

OPS should create an internet accessible enforcement docket, like the existing DOT rulemaking docket, where the public could view enforcement as it progresses. The docket would include the OPS Notice of Probable Violation, the company's responses, transcripts of hearings and the final decision. OPS should also permit intervention by aggrieved parties.

Conclusion

When pipeline operators violate the law, they endanger the public. Therefore, the public has an interest in seeing operators held accountable. Open and transparent enforcement procedures would enhance public confidence and permit the public to work with OPS to make pipelines safer. ■



The Smart Pig

photo: S. Pig

smartpig@pstrust.org

In pipeline parlance, a smart pig is a high-tech device designed to root around inside pipelines. These intelligent little beasts inspect every square inch of the line, calling attention to any needed repairs.

I try to do the same thing for our readers. Send me a question and I'll root through the labyrinths of modern pipeline prevarications to get you the best answer piggily possible: the straight scoop, as we say back in the sty.

Editor's Note: The views and opinions expressed by this pig do not necessarily reflect those of The Pipeline Safety Trust, or any human being

Is Information that Could Help Prevent Future Pipeline Catastrophes Hidden From the Public?

Dear Smart Pig,

In August of 2003, gasoline stations in my city of Phoenix had cars lined up into the streets waiting for gasoline because an 8-inch pipeline had ruptured. This break caused a bad release in a housing development outside of Tucson and a gasoline shortage here.

Newspaper reports revealed that pipeline safety inspectors for the State of Arizona had written up that pipeline on a number of occasions in the 1990's for numerous corrosion concerns.

Five years later, the pipeline broke. After that break, I started investigating a much more important 20-inch Kinder Morgan pipeline coming into Phoenix from Los Angeles. I wanted to know how it might fare in a highly anticipated earthquake along the southern San Andreas fault. To my surprise, I found that information about pipelines is secret company information, not public infrastructure information.

I was told that states can only inspect interstate pipelines in their state because they have permission from the federal Office of Pipeline Safety (OPS) to do so, and they can't share those results with anyone without OPS giving permission. The details of their agreement with OPS are secret too. Even though engineering techniques now exist which could lower the earthquake risk of these pipelines considerably, there's no way to publicly verify that the pipeline isn't properly engineered for its location. And the lack of public disclosure by OPS helps create this stonewall.

The only way to avoid disaster is to 1) Have enough information to see disaster coming and 2) Act on that information. How are we supposed to avoid future pipeline disasters if no one's ever allowed to know anything about how they were built and recent inspection results? With this arrangement, aren't pipelines in the U.S. inevitably headed for repeat disasters?

Marc de Celle, Founder,
The Center for Human Survival Studies
www.humansurvival.org

Dear Marc:

In this little piggy's opinion, if we can't make more information available to the public for independent review we will sooner or later have an unprecedented disaster.

Those affected by pipeline accidents or who have pipelines on their property are often committed to getting this information out. This brings to mind one of my favorite quotes:

"The difference between involvement and commitment is like ham and eggs. The chicken is involved; the pig is committed." - Martina Navratilova

Perhaps too many pipeline folks and regulators are like the chickens. Of course, some will say I'm just pigtifying.

Dear Smart Pig,

A pipeline company wants to put a gas pipeline through my property and I asked how close they were allowed to build it to my house. They said there are no regulations about how close they can put the pipeline to my house, but they will keep it at least 50 feet away. Is it true about no regulations, and is 50 feet a safe distance?

Howard Fritz, Idaho



photo: ik

Dear Howard:

Sad but true, there are no state or federal regulations that set the minimum distance that a pipeline can be built from a house. Some local jurisdictions are starting to develop "setback" zones for pipelines, but not in your area. Usually these setbacks are better than nothing, and may help prevent some people from damaging a pipeline by doing something stupid on top of it. (Can you say "Yahoo with a backhoe?") But even then, setbacks are usually not wide enough to protect a person from an explosion on a high pressure pipeline.

A "safe distance" varies from pipeline to pipeline, and also location to location. But if you want to have fun at one of the pipeline "open house" meetings that are probably going to be held in your area, get a copy of a report often referred to as the "C-FER Circle Report" (C-Fer is part of the name of the engineering company that did the study, you can get it at <http://dmses.dot.gov/docimages/p56/120467.pdf>). Most of this report is difficult for humans to understand but if you pull out the chart on page eleven and ask them to explain how their 50 foot right-of-way compares to the several-hundred-foot hazard area in the chart, they will usually squirm.

The hazard areas in that chart (C-Fer Circles) are just one factor in determining safety, so don't squeal when you see them, but they are effective at focusing the mind on the subject of pipeline safety.

*Good luck, Howard.
Pig out.*



photo: Carl Weimer

Within 2 miles of the site of the 1999 Bellingham Pipeline Tragedy, new houses are being built within 20 feet of the Olympic Pipe Line. When will we learn?

News Briefs

Pennsylvania -

On February 1st an 8" Exxon/Mobil gasoline pipeline ruptured in Whitehall Township, Pennsylvania where the leak was ignited by an unknown source. The rupture was in a section of pipe where the nearest shut off valves were 10 miles in each direction. An estimated 50,000 gallons of fuel burned for over three days. Forty-three homes were evacuated in the surrounding area. The Federal Aviation Administration restricted flights from entering airspace within a mile of the explosion.

Ironically, Carl Weimer, the Executive Director of the Pipeline Safety Trust was flying to Washington, D.C. when he saw the plume of smoke from the pipeline explosion out of the plane window. He thought it looked a lot like the plume from the Bellingham pipeline tragedy, but did not find out until hours later that it actually was a pipeline explosion.

A specially trained firefighting team was brought in from Texas to help fight the blaze. The fire was extinguished by tapping into a section of pipeline to drain the remaining gasoline that was feeding the fire.

This incident brings into question whether there is a need for stricter regulations to require closer placement of shut off valves in high consequence areas to allow for faster control of pipeline fires.

Kinder Morgan Investigation -

The federal Office of Pipeline Safety, began setting up a multi-state taskforce which will examine how Kinder Morgan inspects its pipelines, and decides whether their pipelines are in need of repair or replacement. The Kinder Morgan Hazardous Liquid Pipelines Safety Task Force, includes the Arizona Corporation Commission, the U.S. Environmental Protection Agency and representatives from California, Nevada, New Mexico, Oregon and Texas. Some of the high profile incidents that led to the creation of this task force included the April 2004 40,000 gallon diesel fuel rupture that polluted the Suisun Marsh outside of San Francisco, CA. The November 2004 rupture and explosion in Walnut Creek, CA that killed five construction workers. A 70 foot geyser of gasoline that spewed for nearly 12 hours along Interstate 15 between Los Angeles

and Las Vegas. As well as a 2003 rupture near Tucson, AZ, which led to a pipeline shutdown that caused gasoline shortages throughout much of Arizona.

API/AOPL Letter to Congress -

In March the American Petroleum Institute (API) and the Association of Oil Pipe Lines (AOPL) reported, in a letter to Congress, that the industry has met it's September 2004 regulatory deadline for inspecting 50% of the pipelines in designated High Consequence Areas (HCA). High Consequence Areas include areas that are heavily populated, could affect drinking water sources, are ecologically sensitive, as well as navigable waterways.

The Office of Pipeline Safety received voluntary certification from numerous operators that are responsible for over 80% of the nation's crude oil and refined product pipeline mileage. The percent of assessments completed for companies providing the voluntary certifications were:

- 100% have assessed 50% of HCA mileage (required by 9/30/2004)
- 59% have assessed 65% of HCA mileage
- 27% have assessed 75% of HCA mileage
- 9% have assessed 80-100% of HCA mileage

Other good news included in the letter was that while the law only requires about 65,000 (40%) of the 160,000 miles of liquid pipelines to be inspected, nearly 72,000 miles have already been inspected. The letter reports that due to the way segments of pipeline need to be inspected they expect around 130,000 miles (80%) of all liquid pipeline will be inspected as part of this initial effort.

FCC Approves Single Nationwide One Call Number -

On March 10th, 2005 the U.S. Federal Communications Commission adopted a national call-before-you-dig 3-digit telephone number- 8-1-1. The 3-digit number was mandated in the Pipeline Safety Improvement Act of 2002. It is estimated that it will take over a year to implement the 8-1-1 number across the U.S.

An estimated 400,000 incidents and 50 fatalities occur annually due to excavations around underground utilities, so CALL BEFORE YOU DIG. Until the 811 number becomes

active you can find the number in your state by calling 1-888-258-0808 or checking online at: <http://www.digsafely.com/contacts.htm> ■

Keep Informed!

Want to stay current with what's happening regarding pipeline safety or LNG facility siting? One way to stay current is to subscribe to either of the listserves below. More than 350 people are already getting this information via their email everyday.

SAFE Pipelines discussion list

To get current pipeline news join the SAFE Pipelines nationwide email discussion list. The list currently includes over 215 people nationwide, and is dedicated to sharing pipeline safety and pipeline siting information to community activists, government officials, and pipeline experts nationwide. It is our hope that through this sharing, initiatives that will make pipelines safer will be adopted, and that citizens will be given a larger role in the oversight of pipeline safety and pipeline siting nationwide.

To join either go to <http://groups.yahoo.com/group/safepipelines/> OR You can join by sending a blank email to: safepipelines-subscribe@yahoogroups.com

LNG Safety discussion list

This group is dedicated to sharing Liquefied Natural Gas (LNG) safety and siting information among community activists, local government officials, industry experts, and regulators nationwide. It is our hope that through this sharing, initiatives that will make LNG facilities safer will be adopted, and that citizens will be given a larger role in the oversight of LNG safety and siting nationwide.

With the current rush to site LNG facilities, such shared information (including the best available science, technologies, and risk assessment) is needed for communities to make well informed decisions about these potentially dangerous facilities being proposed in their midst.

To join either go to <http://groups.yahoo.com/group/LNGsafety> OR You can join by sending a blank email to: LNGsafety-subscribe@yahoogroups.com ■

Out Standing in His Field - Concerns of a Rural Landowner

BY GLENN ARCHAMBAULT - OREGON

I live on a ranch in Southwest Oregon that has a high-pressure natural gas pipeline running through it. For years I have been involved with many issues regarding the safety of this pipeline, all of which have heightened my concern for pipeline safety in general. Recently while looking out past my flock of lambs at the beautiful countryside I grew concerned how coming changes to that countryside could undermine pipeline safety.

Measure 37 was recently passed by voters here in my state of Oregon. The measure undid nearly forty years of land use planning that had been geared at protecting farm and forest land from development. Under the new statewide policy owners of farms and forestland must either be given the right to divide their land and sell it for home sites, or the government must pay them for the difference in potential property value. The demand for 1-10 acre sites is tremendous with prices running in the \$100,000 to \$300,000 range.

So what does this have to do with pipelines?

Under the old land use policy many pipelines were constructed across farm fields and forestland. The pipeline operators and government felt this was a good safety policy because Oregon had been committed to land use policy that kept development off these types of rural lands.

With no laws governing how close one can build to a pipeline, this will put more people at risk.

This meant that people were safer because few people lived near the pipelines, and because of this low population density the pipelines could be constructed more economically to the lowest standards allowed.

With passage of Measure 37 that may all change as more and more people flock to live in rural areas. Invariably, without some quick consideration from state and local government, housing will soon begin to encroach on existing pipelines. With no laws governing how close one can build to a pipeline, this will put more people at risk, increase the probability of construction damage to pipelines, and force some pipeline operators to either reduce the pressure in their pipelines or upgrade the construction because of the higher population density.

People moving closer to what were once rural pipelines is a common problem across the country. Fortunately, what makes Oregon unique is that state and local governments still have time to work with pipeline operators and the public to decide how to ensure that potential buyers are aware of the pipelines, who informs the new landowners about issues regarding living near a pipeline, and how close to allow people to build near a pipeline.

Oregon has the chance to once again be a leader in land use, by developing policies the nation could adopt. Will they? I have been calling various agencies and pipeline companies trying to find out. Stay tuned. ■

The Trust as a Facilitator of Partnerships

Continued from page 2

Regulators, however, see this as one of their strengths. Increased participation by activists in multi-stakeholder forums convened by regulators is one way for activists to improve on this record. The Trust can help to recruit activist participants in multi-stakeholder forums, thereby contributing to better understanding of each group's pipeline safety perspectives, constraints and opportunities.

Third, activists are proud of their ability to research pipeline safety issues and analyze data from a unique perspective. Industry representatives also believe they have done a good job of research and data analysis. They admit that much more needs to be done in the area of pipeline safety performance data as it relates to the integrity management. Ideally, operators and activists would work together to understand the best way to analyze and present safety performance findings. The Trust has the resources to retain the necessary expert assistance to participate in these discussions. This could help all stakeholders understand the

issues from its unique perspective as a trusted, independent advocate for public safety.

Fourth, regulators at the state and federal levels believe they have been able to achieve positive policy changes and a higher level of resources in recent years, however they worry about the long-term outlook for maintaining this

commitment. Activists are similarly concerned about their abilities to achieve policy change and develop the resources needed to conduct their activities effectively. These results emphasize the need for regulators and activists to work together to produce protective regulatory policies and support for adequate resources to ensure their success. ■

New Stakeholder Communications Website

In mid-April, the federal Office of Pipeline Safety (OPS) debuted a new Stakeholder Communications website at: <http://primis.phmsa.dot.gov/comm/>. This web site provides another method for OPS to inform and engage pipeline safety stakeholders.

Stacey Gerard, Associate Administrator for Pipeline Safety, has this to say about the web site: "Our commitment to you, our stakeholder, is to provide you with information that you will find useful. We are pleased to debut our new Stakeholder Communications website. We hope that you use this website as a resource tool when dealing with public education initiatives that your communities face on a daily basis. Because we value your input, we welcome any comments or concerns you have, as we continue to upgrade the website from time to time. Special thanks to Carl Weimer and the Pipeline Safety Trust, who provided insight on ways we could improve the content and format of the information."

The Trust believes, as more information is made available to all stakeholders from sites such as this one, understanding and trust between all will grow. Check out this great new website, and let OPS know what you think.

The Money Rolls In

BY BOB RACKLEFF - FLORIDA

Are we ever in the wrong business! We oughta be in pipelines!

They earned a 45 percent profit on revenues – that's the average of what all interstate oil pipeline companies earned in 2003 (the latest data). They earned a net income of \$3,469,996,000 on revenues of \$7,703,998,000, as reported to the Federal Energy Regulatory Commission and published in the Oil & Gas Journal's annual "Pipeline Economics" report.

Some of the notably profitable that year included: BP Pipelines (Alaska), \$424,002,000; ExxonMobil Pipeline, \$392,526,000; Kinder Morgan, \$249,194,000; Shell Pipeline, \$218,108,000; and Colonial Pipeline, \$174,617,000.

The latter, Colonial, did just fine despite its many troubles with massive spills, defective and corroded equipment, and crackdowns by regulators in the past decade. While below average for the industry, its rate of return was 25.5 percent in 2003. (You can find the complete listing of companies in the August 23, 2004 issue of OGJ.)

Natural gas pipelines did just fine, too. All interstate natural gas pipeline companies earned an average profit of 20.9 percent in 2003.

Both left their Fortune 500 counterparts in the dust. These

earned a 4.6 percent median rate of return on sales in 2003.

The breathtaking profitability of oil pipelines has been gradually building since 1981, when total profits first surpassed the \$2 billion level, for an average rate of return of 30.4 percent. The industry first blew past the \$3 billion level in 2001.

This is because the oil pipeline infrastructure is aging since its peak decades of new construction, the 1950s and 1960s, with little new investment needed, and most depreciation claimed years ago. Only 1,255 miles of new crude and product pipelines are planned for 2005, less than one percent of total mileage.

More important, the profits have come at the expense of maintenance and safety, as investors demand increasing returns and owners squeeze earnings growth by cutting safety, maintenance and staffing budgets. These earnings belie the usual statements by pipeline executives that costs of new safety requirements would be unreasonably high.

As several observers have noted, the U.S. pipeline industry today resembles the U.S. railroad industry in the 1950s, when it neglected investments in service and safety, instead choosing to maximize current earnings for its owners. We are familiar with the long-term results in both industries – a deteriorating infrastructure and increasing safety risks. ■

These earnings belie the usual statements by pipeline executives that costs of new safety requirements would be unreasonably high.

Myths, Misleading Statements, and Convoluted Statistics

Misleading Statement: The most common cause of pipeline releases is third party damage.

Fact: The biggest single cause of oil and natural gas transmission pipeline releases is corrosion (external plus internal). Third party damage, or damage caused by people who are not pipeline operators, is a serious issue but is only the most common cause of releases from natural gas distribution pipelines (the small pipelines that deliver gas to our homes). Below are the latest data available from the federal Office of Pipeline Safety so you can see for yourself the differences.

	Incidents	Gallons Spilled	Property Damage	Deaths	Injuries
Liquid Transmission Pipelines 2002-2004					
Corrosion	108	2,714,166	\$34,930,997	0	0
Third Party Excavation Damage	48	2,065,644	\$10,850,386	5	3
Gas Transmission Pipelines 2002-2004					
Corrosion	84		\$37,661,111	0	0
Third Party Excavation Damage	49		\$6,569,807	2	3
Gas Distribution Pipelines 2002-2004					
Corrosion	6		\$564,761	3	11
Third Party Excavation Damage	67		\$13,026,896	0	4

From these data, it's clear that third party damage is an important cause of releases and responsible for significant injuries and deaths, but it is not "the most common cause of pipeline releases" or spills.

Watch Out!

The Pipeline Safety Trust to Provide Panel at Industry Conference

The American Petroleum Institute and the Association of Oil Pipe Lines has invited the Pipeline Safety Trust to provide a panel for their 56th Annual Pipeline Conference in Austin Texas on April 19th and 20th. We have been given 90 minutes, with no strings attached, to discuss "What the Public Expects of Pipeline Operators."

500 representatives of pipeline companies from throughout North America regularly attend this conference, so we view this as an extremely valuable opportunity to continue to open the dialogue about how industry and citizens can work together to improve pipeline safety.

Joining the Pipeline Safety Trust's Executive Director Carl Weimer will be: Lois Epstein the Senior Engineer for the Cook Inlet Keeper in Alaska; Robert Rackleff a County Commissioner for Leon County Florida; and Gini Cooper the Chairman of the Floyd Unified Landowners' Association.

Myths, Misleading Statements, and Convoluted Statistics

Watch Out!

How safe are pipelines?

What some say: Relative to the volumes of products transported, pipelines are extremely safe when compared to other modes of energy transportation. Oil pipeline spills amount to about 1 gallon per million barrel-miles. One barrel, transported one mile, equals one barrel-mile, and there are 42 gallons in a barrel. In household terms, this is less than one teaspoon of oil spilled per thousand barrel-miles.

What we say: According to the Office of Pipeline Safety's most current five year statistics, from 1999-2003, liquid pipelines spilled 23,062,746 gallons of fuel, which amounts to 29.12 gallons for every mile of liquid pipeline in the country every year. The property damage from those spills amounted to \$375,224,917 which equals \$473.73 per mile of pipeline per year. Also, quantity is not always the most relevant factor. The Exxon Valdez spilled less than 2% of one day's U.S. oil use, yet no one claims that small loss is acceptable because of where it spilled and the damage caused.

Close Calls in Populated Areas: Why One-Call Enforcement is Important.

BY KATIE HANSEN - WASHINGTON

Every year excavators in Washington State take dangerous risks in digging without first calling the state One-Call number for utility locates. Often these excavations narrowly miss dangerous pipelines, yet excavators take these risks because they face no effective deterrent in the state law unless they actually damage a utility. While some of these near misses are discovered, most are not.

Puget Sound Energy, a large natural gas distribution company in the Seattle, area had a near miss recently. A PSE daily patrol stumbled on someone digging near a PSE eight inch high pressure natural gas line in a residential neighborhood. An investigation determined a geotechnician was obtaining soil samples within a mere 18 inches of the high pressure line. Had he hit the line, a potentially dramatic explosion could have taken place, destroying homes and killing and injuring residents.

Olympic pipeline, a hazardous liquid fuel line has experienced at least two significant near misses within the City of Bellevue. One occurred on Factoria Boulevard, in Bellevue, where the pipeline is just 27 inches below the road surface and is covered with a



concrete cap. The contractor had used One-Call and made arrangements for a specific date, but decided one night to do the excavating earlier. After uncovering the Olympic concrete cap they decided to break through it with a backhoe. They stopped when they discovered the red warning tape, and then just covered it with a steel plate - without calling Olympic. This is a heavy commercial area, directly across from Factoria Mall and could have been a disaster of monumental proportions.

Sadly, due to Washington's lax One-Call law enforcement provisions, none of these excavators were punished. The state law only comes into play when a utility has been damaged, not just when an excavator fails to call One-Call. As it stands: a maximum \$1000 civil fine is issued if a non-pipeline utility is damaged after someone fails to call One-Call. If a hazardous liquid or gas pipeline is damaged after a person fails to call One-Call, the civil penalty rises to \$10,000.

Contractors and excavators take a calculated risk when digging without making the five minute call. Under current Washington State law utilities won't be punished if they don't hit anything. If they do hit something there is a disincentive to voluntarily report it because then they will be punished. This is worse than no law: it provides the illusion of legislative protection without the deterrent.

When it comes down to whether to chance digging without calling first, why take the risk? The difference between a near miss and an incident is a matter of timing, inches and usually just plain luck.

Editor's Note - The Washington Citizen's Committee on Pipeline Safety, which Katie Hansen is the vice chair of, has testified along with the Pipeline Safety Trust and the Olympic Pipe Line Company in favor of a bill currently making its way through the Washington State Legislature.

Calling All WIMBYs

What's a WIMBY? A WIMBY is a person or local government that for one reason or another gets interested in pipelines and asks the question "What's In My Back Yard?"

Many WIMBY's call us looking for information about the transmission pipelines in their communities, and if we don't have the information easily at our fingertips the first place we usually direct them to is the fairly new Community Assistance and Technical Services (CATS) program within the Office of Pipeline Safety. The CATS folks in each region are a great resource of information, and we have found them all to be easy to work with, responsive, and knowledgeable.

So if you're a WIMBY call the CATS.

Contact Information for Regional CATS

OPS Eastern Region – Connecticut; Delaware; Maine; Maryland; Massachusetts; New Hampshire; New Jersey; New York; Pennsylvania; Rhode Island; Vermont; Virginia; D.C.; West Virginia.

Alex Dankanich - Phone: (202) 260-8518
Email: alex.dankanich@dot.gov

OPS Southern Region – Alabama; Arkansas; Florida; Georgia; Kentucky; Mississippi; N. Carolina; Puerto Rico; S. Carolina; Tennessee.

Michael Khayata - Phone: (404) 832-1155
Email: michael.khayata@dot.gov

OPS Southwest Region – Arizona; Louisiana; New Mexico; Oklahoma; Texas.

John Jacobi - Phone: (713) 272-2839
Email: john.jacobi@dot.gov

OPS Central Region – Illinois; Indiana; Iowa; Kansas; Michigan; Minnesota; Missouri; Nebraska; N. Dakota; Ohio; S. Dakota; Wisconsin.

Karen Butler - Email: karen.butler@dot.gov
Harold Winnie - Email: harold.winnie@dot.gov
Phone: (816) 329-3800

OPS Western Region – Alaska; California; Colorado; Hawaii; Idaho; Montana; Nevada; Oregon; Utah; Washington; Wyoming

Kimbra Davis - Email: kimbra.davis@dot.gov
Ross Reineke - Email: ross.reineke@dot.gov
Phone: (720) 963-3160

CATS National Coordinator

Blaine Keener - Phone: (202) 366-0970
Email: blaine.keener@dot.gov

More Information, Please

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The Trust is now the only organization we know of with paid staff and a national scope providing such pipeline safety oversight. In less than a year we have plugged into many important processes, provided information to many, and become somewhat overwhelmed by requests for assistance from those who previously did not know where to turn. We have successfully partnered with activists, regulators, industry, and elected officials to further pipeline safety. For example:

- When a pipeline company in Michigan attempted to push a self-serving bill through the state legislature that would have undermined local government's zoning efforts to control where pipelines are located, we stepped in and provided those elected officials with information that tipped the balance back in favor of local control.

- When the Secretary of Transportation proposed a well thought out reorganization of the administration that houses the Office of Pipeline Safety, we worked with the Association of Oil Pipe Lines to ensure a quick passage of that proposal through Congress.

- When 82,000 gallons of crude oil was dumped into

the Kentucky River we provided the media and activists there with data that helped push the Governor to appoint a Pipeline Safety Advisory Committee (see story on page 1).

- The Trust helped the Office of Pipeline Safety review their new "Stakeholder" website to help ensure it was valuable to the general public and pipeline safety advocates. We also assisted them by organizing a "public" panel at their recent LNG Community Awareness Workshop to ensure that affected public views were included.

- When the U.S. House of Representatives held hearings on the Office of Pipeline Safety they chose the Trust to testify about still needed improvements in pipeline safety laws.

As you read the articles in this newsletter you will see that the Trust tries to provide accurate information to help further pipeline safety. Unfortunately much of the information needed to independently verify industry

and agency accomplishments and pipeline safety claims is still not available to groups like the Trust or the public. We will continue to partner with all those who can move pipeline safety forward, but we will also continue to request that our partners provide information so progress on pipeline safety can be verified. ■



photo: Chris Coffin

Kentucky Forms Pipeline Safety Committee

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year of property damage per mile of liquid pipeline. That's five and a half times the national average. Kentucky also averaged 530 gallons spilled per mile of liquid pipeline, three and a half times the national average, and during that same five-year period natural gas pipelines in Kentucky caused nearly \$13,000,000 dollars of property damage, killed two people, and injured four others. The Trust's Op-Ed in the Lexington Herald Leader can be found at: http://pstrust.org/newsroom/kentucky_oped.htm. Armed with this information citizens called upon the Governor to act to improve pipeline safety in Kentucky.

On March 18th the Governor of Kentucky, Ernie Fletcher, formed the 10 person Kentucky Pipeline Safety Advisory Committee to examine how pipeline incidents affect public health and safety, as well as natural resources. Kentucky is the second state in the union to form such a committee. It's duty is to hold public meetings, gather recommendations, and suggest improvements to the federal government which oversees interstate pipelines. Of the Committee Governor Fletcher said "I expect the committee to be diligent in its efforts to evaluate and identify opportunities to improve pipeline safety and help prevent future tragedies that could take innocent life or degrade the Commonwealth's natural resources."

We are glad the Trust could play a part in the establishment of such a Committee. ■

The LNG is Coming, The LNG is Coming

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facilities, allowing it to move through pipelines to the end users (power plants, industry, homes). These end users of natural gas constitute the demand that is creating the "need" for LNG imports. That demand has grown in the past decade as industrial users (chief among them chemical and fertilizer producers) and power generators have switched to natural gas because it was less expensive.

This all sounds well and good until communities, where these LNG receiving facilities are proposed to be located, start reading about possible safety, security and environmental damage. For example the highly respected Rocky Mountain Institute wrote in a document prepared for the Pentagon "The energy content of a single standard LNG tanker (one hundred twenty-five thousand cubic meters) is equivalent to seven-tenths of a megaton of TNT, or about fifty-five Hiroshima bombs." When the public sees information like this, and couples it with the constant terrorist warnings, they become rightfully concerned when such a facility is planned for a populated area. Congress has emphasized the need for such facilities to be placed in remote locations, but that does not seem to be one of the pertinent siting criteria at this time.

At a LNG Community Awareness meeting in early February government energy experts stated that 7-9 new or expanded LNG receiving facilities could meet this country's energy needs for at least the next 20 years. As of early March more than 56 proposed LNG facilities were known to the Federal Energy Regulatory Commission (FERC), and 10 of them have already gained regulatory approval. Unfortunately FERC has no strategic plan for the safe and sane siting of these facilities, and plans to approve construction of as many of these facilities as are brought their way and meet their criteria.

What is needed now is swift Congressional action, not to stop LNG development, but to ensure that that development takes place in a safe and strategic way. The FERC gold rush mentality should end, and a plan should be drafted of where to strategically place the 7-9 facilities needed to meet our energy needs, while at the same time ensuring public and environmental safety. How is it that the profit of private enterprise has become a higher priority of FERC then public safety? ■



photo: Chris Coffin

Siting Shock: A Need for Change

BY GINI COOPER - VIRGINIA

One of the more profound experiences of my life has been that of being in the proposed path of a transmission pipeline. It turned my life upside down, propelled me on an incredibly steep learning curve, and challenged many of my assumptions about property rights and "the way things are." After an initial period of shock, I experienced a number of emotions ranging from rage to grief, as did most of the landowners I worked with. For all the stress this introduced, the experience also taught me a great deal about conflict and the way society deals with it – or doesn't.

Throughout the process personnel from industry and FERC have expressed surprise at the anger and conflict that arises with siting. It would seem evident that a situation in which landowners are placed in a position where they have no choice about exposure to a perceived risk and where property rights may be taken by eminent domain would be a source of anger and conflict. Some may use denial to avoid dealing with uncomfortable emotions, yet I have also

The fear and the anger that accompanies the shock of siting is then dismissed as irrational, unreasonable, or NIMBY.

seen company people who seem genuinely puzzled that the public would be upset about safety or property devaluation. The fear and the anger that accompanies the shock of siting is then dismissed as irrational, unreasonable, or NIMBY. Even without such overt labeling, the belief that landowners are not entitled to these emotions is subtly conveyed to landowners through responses that lay the foundation for

polarization and position-based conflict. Pretending there is no conflict or that conflict is not warranted is the best way to feed and inflame conflict. Much of

the stress and harm that I have observed with siting comes from this fundamental avoidance, which seems to be repeated in the processes that are established by companies and FERC to gather public input.

There is a perception that the conflict that arises in siting is the fault of the landowner, that delays are due to their use of safety or environmental concerns as a means of stopping a project. What I have observed is that the real source of the conflict is the lack of opportunity for meaningful participation and the manner in which landowners are treated when they *Continued on page 11*

Time After Time – Can We Learn From the Past?

BY MIKE HOLMSTROM - CALIFORNIA

Two of the deadliest pipeline accidents in U.S. history happened in California, and in both cases government agencies were using a contractor for construction work. In both cases, the pipeline companies were informed about the work that was being done near their pipelines, but lack of clearly locating the pipeline was a factor in the accident

The first accident was in Los Angeles in June of 1976. The California Department of Transportation (Caltrans), had contracted for the widening of Venice Boulevard. Caltrans conducted two preconstruction meetings the previous fall on the project, including discussions of existing utilities and pipelines. The pipeline company, SOCAL (now Chevron-Texaco) did not attend either of these meetings, but it did submit a drawing of the location of its pipeline, with an estimated depth of 42 inches below the existing surface of Venice Boulevard. SOCAL did send crews to inspect their line during this construction, but the last formal



Texas State Library and Archives Commission

(EBMUD) was building a 60 inch water pipeline through an area parallel to the KM line. Disputes with an earlier contractor arose over claimed inaccurate information about the location of the KM line. Later, EBMUD fired this first contractor for building too slow. A new contractor was hired just as the project was approaching a known

How many more preventable accidents will cause death and destruction before we learn these lessons from the past?

contact they had with Caltrans was 4 months before the accident. Test holes were dug to locate the actual pipeline placement, but the nearest test holes to the eventual rupture site were 328 feet in one direction and 300 feet in other direction. An equipment operator did not know exactly where the pipeline was, but he thought it had enough cover that he would not hit it. He ruptured this 8 inch line, spraying the area with gasoline. Ninety seconds later it ignited killing 9 people, injuring 14 others, and causing extensive property damage.

The second accident was the more recent Kinder Morgan (KM) accident at Walnut Creek, CA on November 9, 2004. The East Bay Municipal Utilities District

bend in the KM line. A backhoe hit the KM line in the bend area, spraying the area with jet fuel. It ignited in a few seconds, killing 5 workers and seriously burning several others. While both KM and EBMUD knew of the pipeline's bend, the survivors claim not to have known of the pipeline. Many agencies are looking into this accident at this time.

Both of these accidents could have been prevented by having the pipeline clearly located, and by having an inspector from the pipeline company onsite when excavation near the pipelines was in progress. How many more preventable accidents will cause death and destruction before we learn these lessons from the past? ■

Siting Shock

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attempt to get information or become involved in order to learn how best to steward their land.

Conflict is perceived as negative and the efforts to avoid it only increase the destructive outcome. Conflict may be uncomfortable, but is not inherently negative or destructive. It is the manner in which it is managed that determines whether the outcome is destructive or constructive. When conflict is acknowledged and managed by means of full participation by all stakeholders, it has the potential for building trust and generating creative solutions.

The times have changed and the public now has access to almost unlimited information. This has led to not only an expectation of having access to information that was never available in the past, but also to an interest in participating in processes and decisions that impact one's life and livelihood. It is not simply the content of information that needs to change to keep up with the times, the manner in which information is conveyed and the process by which the public is involved in such activities as siting must also change to meet current needs. Ignoring the need for change is as self-defeating as ignoring conflict. It is my hope that the industry will adapt to new technology for public participation and managing conflict as well as it has adopted new technology for building safer pipelines. ■



photo: Chris Corfin

Pipeline Safety Trust Holds Summit



photo: Carl Weimer

Summit Participants - January 2005

For three days in January the Pipeline Safety Trust held its first annual pipeline safety summit in Bellingham, Washington. The purpose of the summit was to bring together a range of pipeline safety advocates to discuss with the Trust's Board and staff the direction and future of pipeline safety, and then to provide advice to the Trust on how best to move forward towards those goals. The summit helped establish the Trust's annual plan, and also provided a foundation for a nationwide network of pipeline safety advocates. The summit attendees committed themselves to providing continuing advice to the Trust, and also to serve as regional contacts that other people in their area can turn to for advice for local pipeline issues. Having such valuable connections in various parts of the country gives the Trust a leg up on local and regional issues nationwide.

One of the great ideas that came out of the summit was the concept for this newsletter. You will see that many of the contributing writers of this newsletter were summit attendees. Those attendees included:

Glenn Archambault – Oregon
David Bricklin – Washington
Arthur Caldicott – British Columbia
Gini Cooper – Virginia
Marc de Celle – Arizona

Lois Epstein – Alaska
Katherine M. Hansen – Washington
Mike Holstrom – California
Marguerite Jones – Texas
Richard Kuprewicz - Washington

Carol Parker – New Mexico
Bob Rackleff – Florida
Sarah Spence – Washington
Greg Winter – Washington

In the future the Trust hopes to expand these summits to include more citizens, along with representatives from industry and government. If you would like to attend future summits please let us know!

Want to Help?

There are many ways you can help the push for safer pipelines. Stay informed about pipelines by checking our website frequently and joining the safepipelines and/or the LNGsafety listserves. Become aware of the pipelines in your area, and find out about their safety record. If you have technical expertise, help others in your area understand pipeline safety, or contact the Trust to donate your time helping us educate others.

The current return on the investment of our initial settlement money does not generate enough funds to allow the Trust to do all that we would like to do for pipeline safety. If you would like to help us do more, through a financial donation, please cut out the form below and return it to us with your check or go to <http://pstrust.org/donate.htm> to donate through a secure server online. Donations are tax deductible!

Yes! I want to support the Pipeline Safety Trust's efforts.

Name _____ Street Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

Enclosed is my check made payable to the Pipeline Safety Trust for: \$ _____

Mail to: Pipeline Safety Trust
1155 N. State St. Suite 609
Bellingham, WA 98225

Thank You!



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