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U.S. House of Representatives
Subcommittee on Energy and Power
Hearing on the Pipeline Infrastructure and Community Protection Act
July 15, 2011*

Opening Statement

Chairman Whitfield, Ranking Member Rush, members of the subcommittee.

Yesterday, I had the opportunity to discuss with your colleagues on the Subcommittee on Railroads, Pipelines & Hazardous Materials the pipeline incident that occurred July 1 in the Yellowstone River in Montana, and to update them on the progress we have achieved to clean up the spill. I appreciate the opportunity to do so again with you today.

Before I begin, however, allow me to repeat our sincere apologies to the people of Montana. We deeply regret that this incident occurred, and are steadfastly committed to not only complete the cleanup, but also to build the learnings from this incident into our future operations.

This requires first that we understand exactly what occurred. We do not yet know the precise cause of the apparent breach in the Silvertip Pipeline – and will not likely know until our investigation is complete.

We do know that the pipeline had met all regulatory requirements, including a 2009 pipeline inspection and a December 2010 depth-of-cover survey. Additionally, as recently as last month, the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) performed a field audit of the pipeline's integrity management program.

And, of course, we do know the effects of the incident. The pipeline lost pressure the night of July 1, and within seven minutes, our employees shut down the pumps. Shortly thereafter, we began closing valves to isolate segments of the pipeline and minimize any release. We estimate that no more than 1,000 barrels of oil spilled.

We notified the National Response Center and immediately began implementing our emergency response plans, drawing upon our local resources at the ExxonMobil Billings Refinery as well as our experts from across the country. A Unified Command Center led by the Environmental Protection Agency and involving more than 750 people now directs the response.

This coordinated effort, combining the resources and expertise of government, industry, and others, is crucial to effective cleanup and recovery. I speak on behalf of our entire company in thanking the public servants at all levels of government and the volunteers from non-governmental organizations contributing to this effort.

This includes professionals from PHMSA, the Environmental Protection Agency, the U.S. Department of the Interior, the Montana Department of Environmental Quality, Montana Fish, Wildlife and Parks, Yellowstone County supervisors and commissioners, local response organizations, International Bird Rescue and many others.

As part of our cleanup strategy we have divided the area downriver of the spill into four zones. In the first two cleanup zones, covering a combined distance of about 19 miles, we have deployed approximately 46,000 feet of boom, 260,000 absorbent pads, and several vacuum trucks, boats and other equipment to capture oil. Our priority is to ensure the cleanup is safe and effective – a task made more challenging by the persistent high water levels in the Yellowstone River.

At the same time, through the Unified Command, we continue to conduct air and water quality monitoring of over 200 miles of the river, as well as wildlife assessments and recovery efforts. To date, EPA monitoring confirms there is no danger to public health, and no reported water system impacts.

We have also brought in recognized experts, such as International Bird Rescue, to actively monitor the impact on local wildlife. So far, impacts have been limited and small in number, and a list is available on our website. Monitoring and mitigating the impact of the spill on wildlife will remain a priority of ours throughout the cleanup.

The Silvertip Pipeline plays an important role in supplying energy to the Billings area, and therefore helps sustain local jobs and economic growth. We are committed to replace the damaged pipe, using horizontal directional drilling techniques, with a new section that we will lay approximately 30 feet below the river bed, consistent with PHMSA direction.

Of paramount concern to us is the impact on local communities. We established a community information line, and have received approximately 350 calls. More than 140 of these calls are claims related to property, agriculture and health, and we are actively responding to each of these. We have also sent several teams door-to-door to visit approximately 250 residents in the most impacted areas. It is our goal to respond to individual concerns within 24 hours.

I am pleased to report that these outreach efforts have mostly received a very positive response. In fact, more than 140 calls to the information line have been offers of help. This outpouring of local volunteer support is immensely helpful. It testifies to the resilience, industry and generosity of the people of Montana. We deeply appreciate their understanding and support.

To repeat, ExxonMobil Pipeline Company takes full responsibility for the incident and the cleanup, and we pledge to satisfy all legitimate claims.

But even then, our work will not be done. We are equally committed to learn from this incident and to build those learnings into our future operations. Thank you.