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BP to Pay Largest Criminal Fine Ever for Air Violations

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(Washington, D.C. - Oct. 25, 2007) Today, BP Products North America, Inc. agreed to pay a total criminal fine of more than \$60 million for violations of federal environmental regulations in Texas and Alaska. In addition to the penalty, the company will spend approximately \$400 million on safety upgrades and improvements to prevent future chemical releases and spills.

"BP committed serious environmental crimes in our two largest states, with terrible consequences for people and the environment," said Granta Nakayama, assistant administrator for EPA's Office of Enforcement and Compliance Assurance. "Today's agreement sends a message that these types of crimes will be prosecuted."

This is the largest criminal fine ever assessed against a corporation for Clean Air Act violations and the first criminal prosecution of the requirement that refineries and chemical plants take steps to prevent accidental releases. The requirement was passed in 1990 as part of the Clean Air Act following the explosion at the Union Carbide chemical plant in Bhopal, India where thousands were killed and injured.

BP will pay \$50 million for a catastrophic explosion in 2005 that killed 15 people and injured more than 170 others at its Texas City refinery. BP will also pay a \$12 million fine for spilling 200,000 gallons of crude oil onto the Alaskan tundra and onto a frozen lake in March 2006, resulting in the largest spill that ever occurred on the North Slope.

In addition to the \$50 million fine, the company pleaded guilty to a felony violation of the Clean Air Act and will serve three years of probation for the Texas City incident. BP is also required to complete a facility-wide study of its safety valves and renovate its flare system to prevent excess emissions at an estimated cost of \$265 million.

For the Alaska spill, BP pleaded guilty to one misdemeanor of the Clean Water Act and will serve three years probation, pay \$4 million to the National Fish and Wildlife Foundation to support research and activities on the North Slope, and pay \$4 million in restitution to the State of Alaska. BP is required to replace 16 miles of pipeline at an estimated cost of \$150 million.

On March 23, 2005, an explosion occurred at the Texas City refinery when hydrocarbon vapor and liquid released from a stack and ignited during the process of increasing octane levels in unleaded gasoline. Investigators learned that operators regularly failed to follow written standard operating procedures for ensuring mechanical integrity of safety equipment. The stack where the release occurred had been in poor operating condition since at least April 2003. Alarms failed to function or were ignored.

The Texas City refinery is BP's largest U.S. refinery, which covers more than 1,200 acres and can process as much as 460,000 barrels of crude oil per day. The refinery was previously owned by Amoco, which merged with BP in December 1998.

In March 2006, BP spilled more than 200,000 gallons of crude oil on the North Slope in Alaska. A second spill occurred in August 2006, but was quickly contained after leaking approximately 1,000 gallons of oil. Investigators determined the leak was caused by a build up of sediment in the pipe, and that BP failed to properly inspect or clean the pipeline, which is required by law to prevent pipeline corrosion. The investigation revealed that in 2004, the company became aware of increased corrosion in the pipeline.

[More information on EPA's Criminal Enforcement program: epa.gov/compliance/criminal/index.html](http://epa.gov/compliance/criminal/index.html)

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