



## PRESS RELEASE

# U.S. Department of Transportation Proposes \$1.7 Million in Civil Penalties for ExxonMobil for Yellowstone River Pipeline Failure

PHMSA 04-13

### **U.S. Department of Transportation Proposes \$1.7 Million in Civil Penalties for ExxonMobil for Yellowstone River Pipeline Failure**

WASHINGTON – The U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) today announced it is initiating an administrative enforcement action with a proposed fine of \$1.7 million to ExxonMobil Pipeline Company as a result of the operator’s July 2011 crude oil pipeline failure in the Yellowstone River near Laurel, Mont.

As a result of its accident investigation, PHMSA is alleging that ExxonMobil failed to properly address known seasonal flooding risks to the safety of its pipeline system, including excessive river scour and erosion, and to implement measures that would have mitigated a spill into a waterway. In addition, the agency’s Notice of Probable Violation alleges that ExxonMobil failed to establish written procedures for its staff to take prompt and effective action to protect the Silvertip pipeline from floods and other natural disasters, and to minimize the volume of oil released from any section along the pipeline’s system, similar to what occurred in the Yellowstone River.

“It is our priority to ensure that America’s transportation system is the safest in the world,” said U.S. Transportation Secretary Ray LaHood.

“This system includes the nation’s 2.6 million miles of pipelines and it is our responsibility to see that those who operate them are held accountable for adhering to federal safety standards.”

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. A failure involving the operator's Silvertip Pipeline resulted in the release of 1509 barrels of crude oil during excessive flooding and adverse weather conditions on July 1, 2011.

In addition to the proposed fine, PHMSA issued a proposed compliance order, directing the operator to implement ongoing training for supervisory and control room personnel on emergency response procedures, including reacting to abnormal conditions involving the natural environment surrounding their pipelines and the proper operation of remote control valves.

Immediately following the Silvertip Pipeline failure, PHMSA issued ExxonMobil a Corrective Action Order directing the company to take a number of measures to ensure its safe restart and continued operation. Among other things, the order required ExxonMobil to replace and re-bury the pipeline underneath the Yellowstone River, evaluate the pipeline for any existing or potential damage in all areas where it intersects with waterways, and revise its operation and emergency response procedures. All of the required actions of PHMSA's order were completed by August 2012.

The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, signed into law last year by President Obama, doubled the maximum civil penalty amount PHMSA can issue to pipeline operators for violating pipeline safety regulations from \$100,000 to \$200,000 for each violation, and from \$1,000,000 to \$2,000,000 for a related series of violations. The Act also authorized PHMSA to increase its federal pipeline inspector workforce.

For more information on the U.S. DOT's efforts to improve pipeline safety and awareness, visit:

<http://opsweb.phmsa.dot.gov/pipelineforum/>  
(<http://opsweb.phmsa.dot.gov/pipelineforum/>).

Click [here](#)

([http://phmhqnas062.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Enforcement%20Decisions%20Files/PCO\\_03252013.pdf](http://phmhqnas062.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Enforcement%20Decisions%20Files/PCO_03252013.pdf)) to view a copy of the Notice of Proposed Violation.

*The Pipeline and Hazardous Materials Safety Administration develops and enforces regulations for the safe, reliable, and environment* [\[ + \] Feedback](#)

*operation of the nation's 2.5 million mile pipeline transportation system and the nearly 1 million daily shipments of hazardous materials by land, sea, and air. PHMSA is one of ten agencies within the U.S. Department of Transportation.*

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