

IMPORTING DISASTER

The Anatomy of Enbridge's Once and Future Oil Spills

NATIONAL WILDLIFE FEDERATION 2012



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We all know the companies we buy our gas from: Exxon, BP, Shell, just to name a few. But do you know much about the companies that build, maintain, and operate the pipelines that transport oil throughout North America? Recently, corporations like Enbridge, Inc., TransCanada Corp., and Kinder Morgan, Inc. have entered into the public consciousness as part of the national energy debate. These companies are in the business of moving oil across our landscape—heavy crude oil from Canada's tar sands fields, for example—and have an obligation to operate their pipelines safely, clean up their spills, and not unduly influence lawmakers who are tasked with overseeing their operations. Our focus in this short report is on Enbridge, Inc., because of their shoddy safety record and their bold plans to expand their pipeline network in the U.S. to move dirty Canadian tar sands oil to market.

HERE ARE 3 THINGS YOU SHOULD KNOW ABOUT ENBRIDGE, INC.:

1. They are the world's biggest transporter of Canadian tar sands oil, the planet's dirtiest oil;
2. They are responsible for the biggest inland pipeline spill in American history—Over 1 million gallons near Kalamazoo, Michigan in July 2010; and
3. They have just announced a multi-billion dollar plan to expand their tar sands pipeline network in the U.S., which has serious ramifications for American energy policy.

As the biggest transporter of Canadian tar sands oil into the U.S., Enbridge has a responsibility to the American public to manage their operations in a manner that protects our communities and natural resources. But tar sands oil is a very different beast than conventional crude oil, and it is difficult to transport the former safely through pipelines that were designed for the latter. That's because tar sands oil is more corrosive (due to its chemical mixture) and abrasive (due to high-grit minerals), weakening the



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Great Blue Heron on the Kalamazoo River, covered in tar sands oil from the Enbridge spill.

pipes to the point that they are more susceptible to leaks and ruptures. Remarkably, there are no standards in place to ensure that new pipelines are built, maintained and operated with this fact in mind. As if these problems are not enough, when it spills, tar sands oil is much harder to clean up than conventional crude oil, most notably because it sinks in water, rather than floats, putting our streams and rivers at risk.

Unfortunately, dirty energy companies have such a stranglehold on our politicians that even modest initiatives, like basic safety regulations for tar sands oil, rarely see the light of day in Washington. Until we break Big Oil's grip on our policymakers, meaningful and needed reforms to protect our water, protect our communities, and improve our energy future stand little chance of being enacted. A company with Enbridge's safety record cannot be allowed to expand without strict oversight and scrutiny. Otherwise, the risk of another serious spill is too great.

Are we going to let Enbridge expand their pipeline network in the U.S. and maximize profits, without implementing strong safety standards and practices? We know tar sands pipelines are going to spill. The only remaining questions are—When? How much? Where? Will it get cleaned up? And who will pay for it?



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A Shoddy Safety History

On the evening of July 25, 2010, an Enbridge pipeline ruptured near Marshall, Michigan. Hundreds of miles across the border in the company's Edmonton, Alberta control center, alarms sounded, but operators ignored them and attempted several times to restart the pipeline—a mistake that compounded the disaster. Meanwhile, Marshall residents flooded the 911 line with alerts about a noxious petroleum smell permeating the air. Finally, a local natural gas worker alerted Enbridge to the spill that was pouring into Talmadge Creek and the Kalamazoo River.

Just ten days prior, in testimony to Congress, Enbridge Vice President Richard Adams, had vouched for his company's ability to respond quickly to emergencies. "Our response time from our control center," said Adams, "can be almost instantaneous, and our large leaks are typically detected by our control center personnel." But in Marshall, when it mattered, 17 hours passed between the initial warnings and the time the first Enbridge employee arrived on site. By the time they had managed to shut down the pipeline, more than 1.1 million gallons of crude oil had been spilled.¹ It stands as the largest inland pipeline accident in U.S. history.

The Environmental Protection Agency ordered Enbridge to clean up the mess, but after two years, workers are still struggling to remove residual crude oil that has sunk into the riverbed and wetlands. As of July 2012, approximately \$800 million has been spent on a cleanup that is still not finished. So far, the cost of the tar sands clean-up has been 18 times more expensive than conventional oil spills.² The federal government levied a record \$3.7 million fine and 24 enforcement actions against Enbridge,³ a mere drop in the bucket

for a company that files over \$2 billion in profits annually.⁴

In July 2012, the National Transportation Safety Board (NTSB) released findings from their two year investigation into the spill, and revealed that Enbridge knew that its pipeline had been damaged five years prior to the spill. The NTSB was scathing in its assessment of the company's response, comparing Enbridge to the "Keystone Kops," the pinnacle of incompetence.⁵

The Kalamazoo spill may have been a poster child for corporate negligence but it is far from the company's only black mark. According to Enbridge's own reports, between 1999 and 2010 they have been responsible for at least 800 spills that have released close to



seven million gallons of heavy crude oil into the environment—or approximately half the amount of oil that spilled from the *Exxon Valdez* in 1989.⁷ Canada has seen its own share of Enbridge heartache, including a 61,000 gallon spill earlier this summer near Elk Point, Alberta.⁸

TOTAL SPILLS ON ENBRIDGE PIPELINES (CANADA AND U.S.). 1999 - 2010⁶

Year	Number of Spills	Quantity of Gallons Spilled
1999	54	1,207,920
2000	48	315,546
2001	34	1,091,160
2002	48	616,686
2003	62	269,220
2004	69	136,584
2005	70	412,650
2006	68	240,828
2007	65	578,634
2008	92	119,364
2009	103	354,522
2010	91	1,438,836
TOTAL	804	6,781,950

Exploiting Disaster

Before the Kalamazoo disaster had even been untangled, Enbridge began a series of moves to expand their Lakehead system, the pipeline network within the U.S. shown in purple in the map below that includes the ruptured line 6B, which runs from Chicago to Sarnia, Ontario. While Enbridge moved ahead to replace the ruined pipeline, they took the opportunity to replace and enlarge a particular section of the pipe that crosses the U.S./Canada border. With this new, bigger line in place, Enbridge dodged a key step in the federal regulatory process: the need for a "Presidential permit" issued by the U.S. State Department, which would have entailed a thorough environmental review of the project as a whole.

In fact, Enbridge has continued to put forth, piece by piece, projects labeled as "maintenance and rehabilitation," when in fact, each piece is replacing a majority of the existing Line 6B line with larger pipe.

Once completed, this new line will almost triple the capacity of the old one to create a system capable of shipping 33.6 million gallons per day, nearly as much as the contentious Keystone XL pipeline.⁹ Instead of a comprehensive federal review, Enbridge has only been required to obtain approval by the Michigan Public Service Commission, an agency that does not have the resources or the mandate to examine the project's broader impacts. This leaves major concerns and gaps in the review process, including the wide range of environmental impacts locally, nationally, and globally.

What's more, Enbridge intends to send this dirty fuel *through* Canada and the U.S. to ports on the east coast: In May 2012, Enbridge publicly announced a \$3.2 billion project to move oil from western Canada to refineries near Montreal.¹⁰ The plan involves the Line 6B expansion, plus the flow reversal of an existing



pipeline (Line 9)—which, coupled with semi-secret plans to reverse the flow of the "Portland/Montreal Pipeline," adds up to an unbroken pathway from Alberta's tar sands region to Portland, Maine.¹¹

Enbridge, having learned a lesson from TransCanada, Inc.'s bruising fight over Keystone XL, won't admit that the pieces add up to a greater whole, but their plans make no sense out of this context. Their carefully-worded denials simply don't hold water.

A tar sands pipeline route through eastern Canada to New England will put at risk cherished places like Lake Ontario, the Saint Lawrence River, the Connecticut River, the Androscoggin River, Sebago Lake and Casco Bay.¹² Citizens in Vermont, New Hampshire, and Maine may be next in line for a rude awakening, Kalamazoo style.

THE PLAN TO PUMP TAR SANDS THROUGH EASTERN CANADA AND NEW ENGLAND



Marketing Tar Sands Pipelines

Normally, a company attempting a major expansion while still under the cloud of disaster has very few options to convince the public that they should be allowed to proceed. A slick marketing campaign is a logical first step, and for a company like Enbridge, it can be easier to “greenwash” their image than it is to implement strong safety protections.

While they are trying to keep their expansion plans quiet in the U.S., Canada is a different story. In April 2012, Enbridge launched a \$5 million ad campaign to promote its massive Northern Gateway pipeline, which would extend from Alberta across British Columbia to the Pacific coast.¹³ (Remember, their fine for the Kalamazoo spill was only \$3.7 million.)



After reviewing the NTSB report on the Kalamazoo spill, British Columbia Premier Christy Clark publicly warned Enbridge, Inc. saying, “I think the company should be deeply embarrassed about what unfolded.... If they think they’re going to operate like that in British Columbia – forget it.”¹⁴

The advertisement and accompanying press release claim that the pipeline would be built to “world-class safety standards” that will “respect the terrain and wildlife.” The feel-good ad ends with the anodyne slogan—“It’s more than a pipeline. It’s a path to our future.”

Slick ads are one thing; material change is another. We need to know that Enbridge has learned from its mistakes and will not make them again. In the case of Enbridge, they have a big hurdle to overcome, restoring credibility as a company to be trusted.

Recommendations

The National Wildlife Federation opposes the expansion of infrastructure in the U.S. that would increase the market for the world's dirtiest crude oil. The following recommendations are designed to ensure that public health, wildlife habitat, and drinking water are protected from Big Oil's pattern of failure. Federal and state regulators should:

1. Implement stronger pipeline safety standards that account for the increased dangers of transporting Canadian tar sands oil.
2. Ensure thorough review of all pipeline projects, requiring full disclosure by companies of the type of oil being transported, so communities aren't caught unaware and unprepared for spills.
3. Make sure oil companies are held liable when accidents happen. Communities and natural resources must be



made whole after spills and other disasters, regardless of how much it ends up costing Big Oil. The industry, not taxpayers, should bear the cost of its mistakes.

4. End corporate subsidies for oil and gas development, and instead make investments in renewable energy and energy efficient technology. We should be supporting a clean energy future and new technologies, not lining the pockets of the richest corporations in history.
5. Make our transportation system more efficient to reduce the demand for dirty tar sands oil. While we are already designing cars that go further on a gallon of gas, we should also expand our investment in public transit and promote transit-friendly policies.
6. Enact legislation that limits the ability of corporate interests to have undue influence on federal policy. Specifically, pass finance reforms to limit corporate campaign contributions, improve disclosure to shine daylight on lobbying activities, and impose other measures that ensure that Big Oil operates on a level playing field with ordinary citizens.
7. Put a price on carbon pollution. Until the fossil fuel industries are forced to account for the full costs of their products, we will face these fights again and again—over pipelines, blown-out deep sea wells, and the carbon pollution that is destroying our climate and the global environment.



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Endnotes

¹ <http://www.dot.gov/affairs/2012/phmsa1512.html> (1 barrel = 42 gallons)

² <http://blog.nwf.org/2012/05/big-oils-big-plans-for-tar-sands-in-new-england/>

³ <http://www.dot.gov/affairs/2012/phmsa1512.html>

⁴ http://www.enbridge.com/InvestorRelations/FinancialInformation/~/_media/www/Site%20Documents/Investor%20Relations/2011/2011_ENB_AnnualGAAPFS.ashx (Page 4: Revenue - Expenses)

⁵ <http://www.latimes.com/news/nation/nationnow/la-na-nn-enbridge-oil-spill-michigan-20120710,0,5755454.story>

⁶ <http://www.tarsandswatch.org/files/Updated%20Enbridge%20Profile.pdf> (Page 50)

⁷ *ibid*

⁸ <http://www.vancouversun.com/news/Alberta+Point+pipeline+spill+releases+litres+heavy+crude+Enbridge/6809014/story.html>

⁹ <http://community.nasdaq.com/News/2012-05/enbridge-plans-1b-plus-investment-analyst-blog.aspx?storyid=141059>

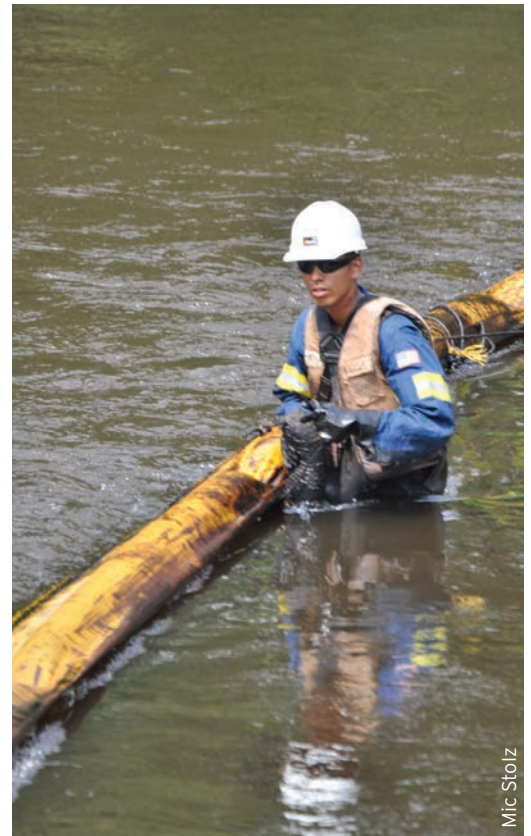
¹⁰ <http://www.reuters.com/article/2012/05/17/us-enbridge-idUSBRE84G0HE20120517>

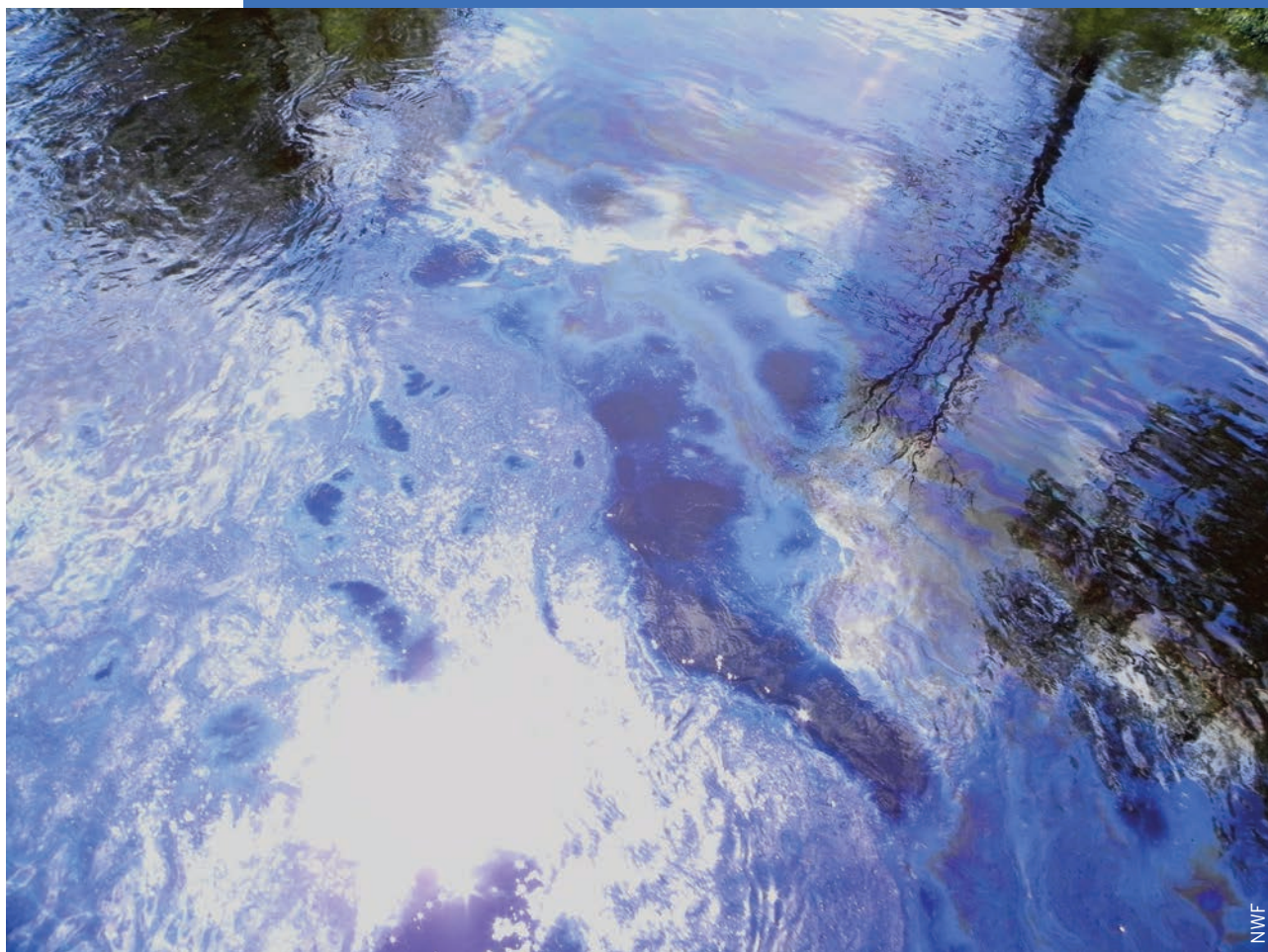
¹¹ <http://blog.nwf.org/2012/05/big-oils-big-plans-for-tar-sands-in-new-england/>

¹² <http://thinkprogress.org/climate/2012/07/07/512140/tar-sands-giants-sneaky-new-playbook-revealed/>

¹³ <http://www.northerngateway.ca/news-and-media/northern-gateway-blogs/jobs-and-benefits/it-s-a-path-to/>

¹⁴ <http://www.theglobeandmail.com/news/british-columbia/bc-premier-puts-enbridge-on-notice-over-pipeline-safety/article4409199/>





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