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MOVING HAZARDS: THE LAND

In the United States, about 3.3 million miles of pipeline transport natural gas, oil, and other hazardous liquids¹; this system is vulnerable to accidents causing explosions, fires, spills, and uncontrolled releases.²

- Since December 2020, 1,486 pipeline failures, or more than one per day, have been reported.³
- The causes of pipeline failures vary,⁴ with equipment, material, or corrosion failure being the most common reasons behind onshore natural gas transmission pipeline incidents that have resulted "in a fatality, an injury requiring hospitalization, or property damage that exceeds \$50,000 in total costs (in 1984 dollars)."⁵
- There is rampant underreporting of incidents, which not only keeps vulnerable communities in the dark but also prevents problems from being understood and remedied.⁶

The federal agencies responsible for overseeing pipeline safety – primarily the Pipeline and Hazardous Materials Safety Administration (PHMSA) and its Office of Pipeline Safety (OPS)⁷ – are not doing enough to mitigate dangers.

- PHMSA's ongoing budget shortfall has compromised safety,⁸ making it "reliant on the industry it is tasked to regulate for technical expertise on rulemaking" while it "lacks the manpower to inspect the nation's...oil and gas lines."⁹
- PHMSA's response to corporate violations of federal pipeline safety law has been wholly inadequate,¹⁰ with "civil penalties that are economically insignificant to operators."¹¹

Victims may turn to the civil courts after a crash or release. Below are some recent cases.

- Beta Offshore's pipeline ruptured and leaked nearly 25,000 pounds of crude oil into the ocean off California's Huntington Beach.¹² A class action was filed against Amplify Energy Corp., Beta Offshore's parent company, which settled the case for \$50 million while also agreeing to install and implement new safety equipment and procedures.¹³
- An Enbridge Inc. pipeline ruptured while carrying gas from the Gulf of Mexico to the Northeast, "releasing approximately 101.5 million cubic feet of natural gas that ignited"¹⁴ and led to the death of 58-year-old Lisa Derringer.¹⁵ Lisa's family sued and the company

settled for an undisclosed amount.¹⁶ Other victims, who sued after suffering physical injury or property damage from the explosion, reached confidential settlements.¹⁷

- Widespread fires and explosions caused by natural gas distribution pipeline leaks in Lawrence, Andover, and North Andover, MA killed one person, injured at least 22 others (who were transported to area hospitals), damaged 131 structures, and caused 50,000 residents to evacuate. A state emergency was declared.¹⁸ Columbia Gas of Massachusetts settled a class action for \$143 million,¹⁹ paid \$80 million to three communities for infrastructure damage,²⁰ and settled with two families – one which suffered a death, the other which had family members who were hurt or suffered permanent, severe injuries.²¹
- A corroded Plains All American pipeline transporting crude oil inland from Santa Barbara's coast – spilled 140,000 gallons, which blackened miles of beaches. Local fishermen and property owners filed a class action lawsuit against Plains All American, and in May 2022, the company settled for \$230 million. Nearly two years later, Plains All American settled with another class of landowners for \$70 million and promised new safety measures.²²
- In October 2015, the Aliso Canyon natural gas storage facility in Los Angeles County, CA experienced an uncontrolled gas leak that lasted nearly four months and ultimately released an estimated 109,000 metric tons of methane into the air, forcing over 8,000 families in Porter Ranch to flee. It was the largest natural gas leak in U.S. history. More than 35,000 individuals sued Southern California Gas Co. and its parent company, Sempra Energy. During the litigation, SoCalGas and its counsel "racked up \$5.7 million in discovery sanctions" for misconduct. In September 2021, both companies settled for a total of \$1.8 billion.²³

Notes

⁴ See National Transportation Safety Board, "Most Wanted List Archive" (2021-2023 chart),

¹ Specifically, "[o]f the nation's approximately half-million miles of long-distance transmission pipeline, roughly 230,000 miles carry hazardous liquids – over 80% of the nation's crude oil and refined products – along with other products. It also contains some 47,000 miles of crude oil gathering pipelines.... The U.S. natural gas pipeline network consists of around 302,000 miles of transmission and 434,000 miles of gathering lines. The natural gas transmission pipelines feed around 2.3 million miles of regional pipeline mains in some 1,500 local distribution networks serving over 70 million customers." Congressional Research Service, *DOT's Federal Pipeline Safety Program: Background and Issues for Congress*, March 31, 2023, <u>https://sgp.fas.org/crs/misc/R44201.pdf</u> ² Ibid.

³ Testimony from Bill Caram, Executive Director, Pipeline Safety Trust, hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure" before the U.S. House Energy, Climate, and Grid Security Subcommittee of the Committee on Energy and Commerce, January 18, 2024, <u>https://pstrust.org/wp-content/uploads/2024/01/Caram-Pipeline-Safety-Trust-House-EC-Testimony-1-18-24docx19.pdf</u>

https://www.ntsb.gov/Advocacy/mwl/Pages/mwl_archive.aspx (viewed March 26, 2024); Testimony from Bill Caram, Executive Director, Pipeline Safety Trust, hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure" before the U.S. House Subcommittee on Energy, Climate, and Grid Security of the Committee on Energy and Commerce, January 18, 2024, https://pstrust.org/wp-content/uploads/2024/01/Caram-Pipeline-Safety-Trust-House-EC-Testimony-1-18-24docx19.pdf; Congressional Research Service, DOT's Federal Pipeline Safety Program: Background and Issues for Congress, March 31, 2023,

https://sgp.fas.org/crs/misc/R44201.pdf; National Transportation Safety Board, 2021–2022 NTSB Most Wanted List of Transportation Safety Improvements, https://www.ntsb.gov/Advocacy/mwl/Documents/2021-2022/2021-22-MWL-Brochure.pdf

⁵ A U.S. Government Accountability Office (GAO) April 2024 report found an average of 61 significant onshore gas transmission pipeline incidents per year from 2010-2022, *i.e.*, 61 incidents resulting "in a fatality, an injury requiring hospitalization, or property damage that exceeds \$50,000 in total costs (in 1984 dollars)." According to GAO, "From 2010-2022, PHMSA data show that nearly half (43 percent) of significant onshore gas transmission pipeline incidents were caused by equipment or material failure, followed by corrosion failure (16 percent)." Regarding significant pipeline incidents in high consequence areas, approximately 37 percent "were caused by equipment or material failure.... According to PHMSA, pipeline equipment and materials can fail due to malfunction of equipment like valves or compressors or design defects." U.S. Government Accountability Office, *Gas Pipeline Safety: Better Data and Planning Would Improve Implementation of Regulatory Changes*, GAO-24-106690, April 3, 2024, https://www.gao.gov/assets/d24106690.pdf

⁶ PHMSA's current incident reporting regulations "keep it in the dark because its regulations only require reporting if certain thresholds are met. Additionally, impacts to the public are often underrepresented due to vague definitions of reportable injuries." As a result, "many large and potentially dangerous incidents are not reported to the administration. This means that PHMSA's safety data likely underrepresents incident prevalence and that the opportunity to use these incidents as a learning opportunity is lost." Testimony from Bill Caram, Executive Director, Pipeline Safety Trust, hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure" before the U.S. House Subcommittee on Energy, Climate, and Grid Security of the Committee on Energy and Commerce, January 18, 2024, <u>https://pstrust.org/wp-content/uploads/2024/01/Caram-Pipeline-Safety-Trust-House-EC-Testimony-1-18-24docx19.pdf</u>. Moreover, per an April 2024 GAO report, when it comes to gas pipeline safety, "there are gaps in the safety agency's evaluation of impact zones and a lack of detailed data required from pipeline operators after a pipeline incident." Appalachian Voices, "Appalachian Voices statement on Government Accountability Office report on pipeline safety deficiencies," April 9, 2024, <u>https://appvoices.org/2024/04/09/phmsa-gao/</u>, discussing U.S. Government Accountability Office, *Gas Pipeline Safety: Better Data and Planning Would Improve Implementation of Regulatory Changes*, GAO-24-106690, April 3, 2024, <u>https://www.gao.gov/assets/d24106690.pdf</u>

⁷ Congressional Research Service, DOT's Federal Pipeline Safety Program: Background and Issues for Congress, March 31, 2023, <u>https://sgp.fas.org/crs/misc/R44201.pdf</u>

⁸ In January 2024, PHMSA Deputy Administrator Tristan Brown told a congressional panel, "PHMSA's budget, excluding the Infrastructure Investment and Jobs Act's gas distribution grant program, does not grow at a rate commensurate with its responsibilities. Consequently, PHMSA has had to continuously operate relatively leaner as compared to our expanded universe of regulated facilities." Testimony from Tristan Brown, Deputy Administrator, Pipeline and Hazardous Materials Safety Administration, hearing on "Pipeline Safety, Modernization, and Expansion Act of 2023" before the U.S. House Subcommittee on Energy, Climate, and Grid Security of the Committee on Energy and Commerce, January 18, 2024, <u>https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2024-01/Written%20Testimony%20for%20Tristan%20Brown%20House%20EC%20Hearing.pdf</u>

⁹ Testimony from Bill Caram, Executive Director, Pipeline Safety Trust, hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure" before the U.S. House Subcommittee on Energy, Climate, and Grid Security of the Committee on Energy and Commerce, January 18, 2024, https://pstrust.org/wp-content/uploads/2024/01/Caram-Pipeline-Safety-Trust-House-EC-Testimony-1-18-24docx19.pdf

¹⁰ A March 2023 Congressional Research Service report found that from 2018 through 2022, PHMSA initiated 1,108 enforcement actions against pipeline operators, yet less than one-third resulted in notices of probable violation, "which allege specific regulatory violations, and only 16 resulted in corrective action orders, which 'usually address urgent situations arising out of an accident, spill, or other significant, immediate, or imminent safety or environmental concern." Congressional Research Service, *DOT's Federal Pipeline Safety Program: Background and Issues for Congress*, March 31, 2023, <u>https://sgp.fas.org/crs/misc/R44201.pdf</u>

¹¹ Testimony from Bill Caram, Executive Director, Pipeline Safety Trust, hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure" before the U.S. House Subcommittee on Energy, Climate, and Grid Security of the Committee on Energy and Commerce, January 18, 2024,

https://pstrust.org/wp-content/uploads/2024/01/Caram-Pipeline-Safety-Trust-House-EC-Testimony-1-18-24docx19.pdf ¹² Anastassia Olmos, "NTSB determines official cause of 25,000-pound oil spill off Huntington Beach in 2021," *NBC Los Angeles*, December 6, 2023, <u>https://www.nbclosangeles.com/news/local/ntsb-huntington-beach-oil-spill-</u>

<u>cause/3284594/</u>; Clark Mindock, "Pipeline co agrees to pay \$50 mln to settle California oil spill class action," *Reuters*, October 18, 2022, <u>https://www.reuters.com/legal/litigation/pipeline-co-agrees-pay-50-mln-settle-california-oil-spill-class-action-2022-10-18/</u>

¹³ National Transportation Safety Board, "Anchor Strike of Underwater Pipeline and Eventual Crude Oil Release," December 5, 2023, <u>https://www.ntsb.gov/investigations/Pages/DCA22FM001.aspx</u>; Samantha Hawkins, "Amplify to Pay \$50 Million to Resolve Suit Over Oil Spill," *Bloomberg Law*, April 25, 2023,

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18/; *Gutierrez, Jr., v. Amplify Energy Corporation*, Case No. 8:21-cv-01628 (C.D. Cal.) (complaint, October 4, 2021). ¹⁴ National Transportation Safety Board, *Enbridge Inc. Natural Gas Transmission Pipeline Rupture and Fire*, Pipeline Investigation Report: NTSB/PIR-22/02, August 15, 2022,

https://www.ntsb.gov/investigations/AccidentReports/Reports/PIR22002.pdf

¹⁵ Bill Estep, "Safety agency says defect, inadequate protection caused deadly pipeline blast in Kentucky," *Lexington Herald-Leader*, September 14, 2022, <u>https://www.kentucky.com/news/state/kentucky/article265801541.html</u>

¹⁶ *Coulter v. Tex. E. Transmission*, 2021 Tex. Dist. LEXIS 9499 (joint notice of non-suit with prejudice, November 4, 2021); Michelle Casady, "Kentucky Pipeline Explosion Suit Settles Before July Trial," *Law360*, July 1, 2021, https://www.law360.com/articles/1399552/kentucky-pipeline-explosion-suit-settles-before-july-trial

¹⁷ "NTSB releases report on deadly Ky. pipeline explosion," WKYT, September 14, 2022,

https://www.wkyt.com/2022/09/14/ntsb-releases-report-deadly-ky-pipeline-explosion/. See also, Coulter v. Tex. E. *Transmission*, 2021 Tex. Dist. LEXIS 9499 (joint notice of non-suit with prejudice, November 4, 2021); Michelle Casady, "Kentucky Pipeline Explosion Suit Settles Before July Trial," *Law360*, July 1, 2021,

https://www.law360.com/articles/1399552/kentucky-pipeline-explosion-suit-settles-before-july-trial

¹⁸ Laura Ly, "Merrimack Valley gas explosions were caused by weak management, poor oversight, NTSB says," *CNN*, September 24, 2019, https://www.cnn.com/2019/09/24/us/ma-gas-explosions-cause/index.html

¹⁹ Callum Borchers, "\$143 Million Columbia Gas Settlement Gets Final Approval From Judge," *WBUR* (Boston, MA), March 12, 2020, <u>https://www.wbur.org/news/2020/03/12/143-million-columbia-gas-settlement-gets-final-approval-</u> from-judge; Columbia Gas Settlement Agreement, September 25, 2019,

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²⁰ Jacey Fortin, "After Gas Explosions in Massachusetts, Gas Company Settles for \$80 Million," *New York Times*, May 7, 2019, <u>https://www.nytimes.com/2019/05/07/us/massachusetts-gas-explosion-settlement.html</u>

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