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Yellowstone River Spill Shows the Risks of Keystone to Public Health and Natural Resources

by Amanda Frank

On Jan. 17, an oil pipeline leaked an estimated 50,000 gallons of crude oil along the Yellowstone River near Glendive, Montana. The incident contaminated the town's municipal water system, highlighting the risk of building pipelines near water sources and elevating concerns about the proposed Keystone XL pipeline.

The Poplar Spill

The Poplar Pipeline system that leaked carries Bakken crude oil from the Canadian border to southern Montana. The pipeline crosses beneath the Yellowstone River, one of the major tributaries of the Upper Missouri River. Saturday’s leak occurred in the segment that crosses beneath the river, spewing crude directly into the Yellowstone.

Crude oil from the leak was detected as far away as Sidney, Montana, 60 miles downstream. On Sunday, Glendive residents reported smelling gasoline in their tap water. Testing confirmed contamination of

Glendive's water supply, and the city issued a drinking water advisory. Trucks are now shipping water to the town's residents.

Bridger Pipeline LLC owns the Poplar Pipeline system and is currently investigating the incident. Icy river conditions are complicating cleanup, as crews must drill holes into the ice in order to suction out oil.

A Leaky History

This isn't the only pipeline leak in Montana's recent history. In 2011, a pipeline ruptured underneath the Yellowstone River near Billings, Montana, polluting its waters with 63,000 gallons of crude oil. It cost $135 million to clean up the river, and operator ExxonMobil paid $1.6 million in state fines.

Oil and gas pipeline leaks are not rare. In fact, they happen nearly every day in the United States. The U.S. Pipeline and Hazardous Materials Safety Administration reported 620 incidents in 2013, resulting in 10 fatalities and costing over $336 million in damages.

Why are accidents so frequent? Some may be caused by aging infrastructure. Almost half of the crude oil pipelines in the U.S. are more than 50 years old, meaning they are more susceptible to leaks and failures. But that doesn't mean new pipelines are risk-free; the Keystone I pipeline connecting Canada to Illinois reported 14 leaks during its first year of operation.

Another issue is oversight: the U.S. has 2.6 million miles of oil and gas pipelines but only 135 federal pipeline inspectors. State partners contribute an additional 375 inspectors, but that's nowhere near enough to detect issues and prevent pipeline spills. The Poplar Pipeline had not been inspected since 2012.

Oil industry apologists point to new leak detectors and other pipeline technologies that are supposed to alert officials to potential problems. However, fewer than 20 percent of incidents are first detected by this technology. Instead, nearby residents and workers are three times more likely to notice problems first, often after leaks are well underway.

Given aging pipelines, scarce inspectors, and technology that fails to detect problems, transporting oil by pipeline is a risky business. And disasters pollute our rivers and threaten farmland and wildlife habitat.

Keystone XL

Despite the frequency of pipeline incidents, Congress is expected to pass a bill to try to force the Obama administration to approve the Keystone XL pipeline, a project that connects Canadian tar sands crude with refineries along the Gulf of Mexico. That oil is destined for the export market, so it will not increase U.S. oil supplies, but it will threaten U.S. farmland, wildlife habitat, rivers, and groundwater sources adjacent to its 1,179 miles of piping.

The Keystone XL pipeline is three times wider than the Poplar pipeline, meaning it carries more oil and poses an even greater threat to surrounding areas in the event of a spill. Keystone XL will run directly above Nebraska's Ogallala Aquifer, a shallow aquifer that provides drinking water to two million Americans. A Keystone pipeline spill could easily seep into the water table and pollute the aquifer. Keystone XL would also cross under both the Yellowstone River and the Missouri River, risking contamination of wildlife habitat and numerous municipal water supplies.

Saturday's oil spill is a stark reminder that pipelines pose a significant, immediate risk to public health and our natural resources. We can find other, safer sources of energy that do not threaten American water supplies. Let us hope the Obama administration understands this and does not allow the Keystone XL project to advance.

Keystone Pipeline: Foreign Profits, American Risk

by Katherine McFate

This op-ed previously appeared in The Hill.

Media coverage of the Keystone XL pipeline is coalescing around a single narrative. It goes like this: environmentalists oppose the pipeline because of climate change concerns, and U.S. construction companies support the pipeline because it creates jobs. Environmentalists warn that tar sands crude oil has three times the global warming potential of conventional crude. Oil industry interests shrug and say Canadian companies will continue to extract tar sands, with or without the pipeline. Pipeline opponents then counter: fewer than 50 permanent jobs will be needed to staff the pipeline, a few thousand temporary construction jobs to build it. But this rendering of the debate misses the larger picture.

Americans have been told for the past several years by the petroleum industry and members of Congress that Keystone is "key to America's energy independence" and will help ensure America has the energy it needs in the future. This is hogwash.

TransCanada wants to build a pipeline through the farmland and ranches of the United States in order to send its oil to refineries in the Gulf Coast *for the export market*. This crude is not meant to supply the U.S. market. We have a glut of oil and gas in the U.S. because of largely unregulated fracking going on in 31 states. Between our growing natural gas supply and OPEC's effort to quash the U.S. energy boom, gas prices are so low that American producers may slow their drilling. The Keystone pipeline will not reduce the cost of gasoline or home heating oil for American consumers.

The Ogallala is a shallow aquifer, meaning a pipeline spill could easily pollute this drinking water source for two million Americans.

What a TransCanada pipeline *will* do is put a major underground water supply at risk. Keystone XL would be built directly above the Ogallala Aquifer, located beneath most of Nebraska and extending to seven other states. The Ogallala is a shallow aquifer, meaning *a pipeline spill could easily pollute this drinking water source for two million Americans.*

The pipeline would cross thousands of acres of farmland in the Great Plains; a spill could make this land unusable for years. In 2013, an oil pipeline spilled 840,000 gallons of crude near Tioga, North

Dakota, and crews are still working to clean it up. Keystone I, which runs from Canada through Illinois, had 14 reported leaks during its first year of operation.

TransCanada has been criticized for failing to comply with Canadian safety regulations, and the company does not intend to use the latest safety technology to detect spills along the Keystone XL route. With the pipeline travelling through miles of grassland, leaks could go undetected and unaddressed until water and soil are irreparably damaged. In Texas, where pipeline construction has already begun, landowners have reported issues to the U.S. Pipeline and Hazardous Materials Safety Administration and been told that there are not enough inspectors to investigate their claims.

An additional concern is the impact on the Gulf. The pipeline would carry Canadian crude to refineries on the U.S. Gulf Coast, to communities like Port Arthur, Texas where residents are already burdened with disproportionally high levels of pollution. These communities would bear the brunt of increased emissions from refining dirty tar sands crude and the Gulf Coast – still not recovered from the 2010 BP oil spill – would take on the risk of further spills from increased export traffic.

The Keystone decision is being reviewed by the State Department because it is a critical issue for the nation. This project asks American farmers, ranchers, and residents in the path of the pipeline and those in port communities along the Gulf Coast to put crucial parts of our nation's water supply, grasslands, and habitats at risk so that Canadian oil producers – and some U.S. oil refineries – can benefit. This is a bad deal.

We can find alternative energy sources, but American water supplies are precious and under pressure. Just ask agriculturalists and consumers in the West. Instead of responding to the narrow interests of a few oil companies, we need our elected officials to steward the natural resources that have allowed our country to prosper and feed the world.

Methane Causes Climate Change. Here's How the President Plans to Cut Emissions by 40-45 Percent.

by Amanda Frank

On Jan. 14, the Obama administration announced its strategy to reduce oil and gas industry methane emissions by 40-45 percent over the next decade. This is a key element of the administration's Climate Action Plan for reducing greenhouse gases and curbing climate change.

Methane (i.e., natural gas) is a greenhouse gas with several times the global warming potential of carbon dioxide. The oil and gas industry contributes nearly 30 percent of all U.S. methane emissions, second only to agriculture (36 percent). Reducing methane emissions from this and all industries is crucial to addressing climate change. And a recent poll found that an overwhelming majority of American voters support stricter limits on methane emissions from oil and gas development.

The President's Plan

To achieve its methane emissions reduction goal, the administration outlined specific steps that target the production, processing, and transmission of oil and gas:

- The U.S. Environmental Protection Agency (EPA) will propose standards to reduce methane emissions from new and modified oil and gas sources. (Modified means upgrades to existing drilling and processing infrastructure or when wells are re-fracked.) The agency will issue proposed rules this spring and finalize them in 2016.

- The Bureau of Land Management (BLM) will also propose standards this spring to reduce flaring, venting, and leaks from wells on public land. "Flaring" burns excess methane onsite, which converts it to carbon dioxide and other air pollutants; "venting" simply releases methane into the air. Both practices contribute to climate change and waste this non-renewable resource.

- EPA will improve its Greenhouse Gas Reporting Program by requiring the oil and gas industry to report methane emissions during each stage of oil and gas production. The Greenhouse Gas Reporting Program tracks emissions across industry sectors and provides this information to the public.

- The administration will provide the Department of Energy with $15 million to develop technologies that reduce methane leaks during oil and gas distribution. It will provide an additional $10 million for a program that better tracks methane losses, which will improve the accuracy of EPA's Greenhouse Gas Reporting Program.

- Finally, the administration will continue to work with the oil and gas industry to promote voluntary efforts to reduce methane emissions from *existing* oil and gas infrastructure.

The strategy also includes steps to reduce other byproducts of oil and gas development that contribute to ground-level ozone, a dangerous pollutant that contributes to smog and causes asthma attacks and other respiratory problems.

Is the Plan Bold Enough?

Cutting methane emissions by 40-45 percent is an ambitious goal. Without any intervention, methane emissions from the oil and gas industry are projected to *increase* by more than 25 percent over the next decade.

Environmental and public interest groups largely support the proposed rules and have highlighted their benefits, but some organizations believe the proposal doesn't go far enough. For instance, the proposed rules will not affect existing oil and gas infrastructure (wells, pipelines, refineries, storage facilities, and more), which contributes 90 percent of methane emissions from the entire industry. Voluntary guidance may not be enough to convince the industry to adopt best practices for reducing emissions.

Environmental groups have also noted that no amount of regulations will make fossil fuels climate-friendly. Reducing methane emissions is important, but we need to shift to renewable energy sources.

Corporate representatives are already grumbling over the strategy, saying that the proposed rules are "redundant" because methane emissions are already on the decline. But this ignores existing policies that incentivize natural gas flaring and cost the public millions in lost revenue. New rules would ensure the decline in methane emissions is steeper and sharper.

What about the economics of the proposed regulations? According to the BlueGreen Alliance, the standards would create new jobs in the industry, upgrading our country's aging pipelines while reducing methane emissions – a win-win for everyone.

Message to Big Oil and Gas: Protect Natural Resources, Public Health, and Our Economy

We welcome this advance in limiting methane emissions, which includes important provisions, from investments in new technologies to requirements for the disclosure of greenhouse gas emissions to restricting practices that undermine air quality.

However, stronger actions are needed, given the pace of greenhouse gas emissions growth. EPA should use its authority under the Clean Air Act to regulate methane and other greenhouse gases emitted from *all* oil and gas extraction, production, and storage facilities, not just new ones.

Lawmakers Push to Stop Tax Haven Abuse

by Jessica Schieder

On Jan. 13, Rep. Lloyd Doggett (D-TX) and Sen. Sheldon Whitehouse (D-RI) introduced the Stop Tax Haven Abuse Act. The bill would eliminate incentives for U.S. companies to shift jobs overseas, close offshore loopholes to ensure corporations are paying their fair share in taxes, and change rules on corporate inversions.

Doggett, a longtime supporter of eliminating offshore tax loopholes exploited by large multinational corporations, said in a press statement, “While most Americans contribute their fair share to our national security and vital public services, some large corporations still are not [...] This bill is a step toward righting some of these inequities and ensuring that taxpaying small businesses are provided a more level playing field.”

Whitehouse introduced the bill in the Senate, saying “Big corporations shouldn’t be allowed to play games with the tax code and benefit from shipping jobs overseas.” He took up the mantle previously carried by former Sen. Carl Levin (D-MI), who retired in December. Levin leaves an impressive 36-year legacy of strong and reliable support for tax fairness initiatives, a dedication to social justice, and a deep commitment to transparency.

"This bill is a step toward righting some of these inequities and ensuring that taxpaying small businesses are provided a more level playing field."

The legislation would raise more than $278 billion for public investments over the course of a decade by cracking down on corporate tax avoidance schemes. The bill's provisions would:

- Ensure corporations that are managed and controlled in the U.S. are counted as domestic corporations for tax reasons (saving $6.6 billion over ten years)
- Repeal rules that allow companies to strategically filter their profits through foreign subsidiaries to reduce their tax bills (saving $78 billion over ten years)
- Require multinational corporations to provide information about their revenues, profits, and employees by country, which would help stop international tax avoidance

By ensuring corporations pay their fair share toward in the cost of our shared national priorities, we will be in a better position to address our nation's unmet needs, including investments that would strengthen our transportation networks, ensure clean air and water, and improve access to education.

New Legislation Aims to End High-Frequency Trading but Misses Opportunity to Invest in Critical, Underfunded Public Needs

by Katherine McFate

Earlier this week, Maryland Congressman Chris Van Hollen introduced a much-needed sales tax on Wall Street transactions. The legislation would largely put an end to high-frequency trading by firms seeking to game the market.

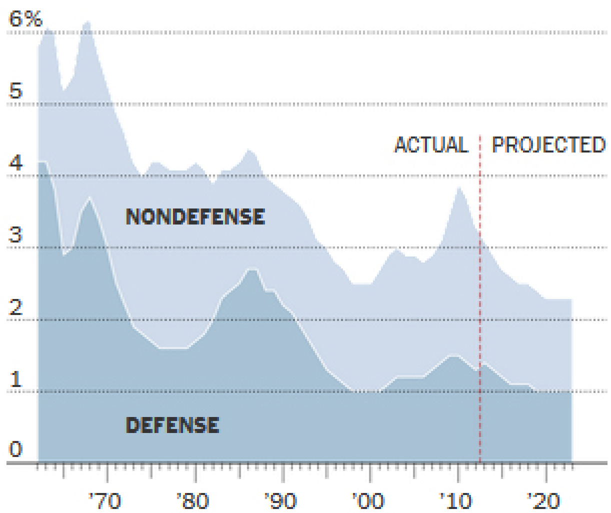
High-frequency trading, which accounts for half of all market trades, serves no productive economic purpose. Profits from high-frequency trades are like winnings from a rigged slot machine – those with the skills and high-end technology are almost guaranteed to get to the "front of the line" for winnings while other traders are waiting their turn. These traders aren't investing their money in new ideas and the business plans of firms; their activities have very little to do with growing the economy for average Americans. High-frequency traders generally hold the stocks they purchase for milliseconds, making the stock market more volatile for ordinary investors and pension fund managers.

Van Hollen's legislation would impose a 0.1 percent tax on stock trades, eliminating the windfall profits of high-frequency traders. Because the tax creates such a powerful incentive to lower the otherwise unproductive churning of investments by money managers and thereby reduce trading costs, the sales tax on Wall Street is expected to have little net impact on ordinary investors.

Van Hollen's proposal is expected to raise more than $1 trillion over the next decade – money that he proposes be used for broad-based tax cuts on families earning up to $200,000. Under the Van Hollen plan, each worker would receive a $1,000 tax credit ($2,000 for a working couple), with an additional $250 "savers credit" for those who added more than $500 to their retirement plans during the year. The plan also boosts the child care credit and further reduces the marriage penalty that can occur when both spouses work.

While we appreciate the fact that the legislation would redistribute income from Wall Street to families across America, we are concerned that it feeds a conservative theme that government programs don't need funding, supporting the narratives of those intent on reducing the size and functions of government. In fact, a new Congressional Budget Office report shows that federal public investments as a proportion of the economy have dropped from about six percent in the 1970s to little more than two percent today.

Federal Investment as a Share of Gross Domestic Product



Source: Congressional Budget Office, New York Times

If we took the revenue from a Wall Street sales tax and invested in infrastructure repair, we could create millions of new jobs and bring our roads, bridges, water systems, and school buildings into the 21st century. Investing that money in education would create better teacher-student ratios and expand opportunities for kids, improving our potential for innovation, creativity, and citizenship in the future. And we need to strengthen Social Security now, as millions of baby boomers are retiring with little equity in their homes or savings in their retirement accounts. Each of these investments would do more to help middle-class families and to grow the economy than the tax cuts in the bill.

We applaud Van Hollen's attempt to change Wall Street investment behavior and his courage in proposing a law that would redistribute American wealth. But we have underinvested in our public infrastructure, education, and retirement security for decades – and it's time for us to channel our nation's economic resources back into areas of the economy that will create lasting value to middle-class families and future generations.

Scott Klinger contributed to this post.

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