



Texas Office ★ 1303 San Antonio St., Austin, TX 78701 ★ 512/477-1155 ★ [www.citizen.org](http://www.citizen.org)

Honorable Jim Keffer  
Chairman  
Energy Resources Committee  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768

June 25, 2012

Dear Chairman Keffer,

In 2013 the Texas Legislature will be faced with a new set of opportunities and challenges regarding the transportation of fossil fuels through our state. Increased mining in Alberta's bitumen deposits and the desire by investors and government officials in Canada to move that bitumen and refined products into global markets has put Texas squarely in the middle of an emerging set of controversies.

For Texas, the primary questions come down to whether we wish to have new and old pipelines used to transport mined bitumen across the state, and if so, what protections are needed to ensure the health and safety of our communities.

Bitumen transportation is a very new and, to date, very small industry by most standards. Nevertheless, the industry is already responsible for the most expensive pipeline spill in US history. On July 26, 2010 an Enbridge Inc. pipeline known as Lakehead Line 6B ruptured and began spilling into a tributary of the Kalamazoo River in Michigan. The pipe ultimately lost over 1,000,000 gallons of diluted bitumen into the river. Residents living along the 35 miles of river which was contaminated by the spill reported illnesses and hospitalizations, and the river remained closed for 23 months while crews worked to clean up the spill. Most of the river was opened up for recreational use only days ago, and cleanup crews continue to work. So far more than \$720 million has been spent on the effort – more than any other pipeline spill in US history.

At roughly the same time, the Keystone I pipeline was in its first year of operation. Although officials at TransCanada, the pipeline operator, had estimated that the pipeline would average only one spill every five years or so, in that first year the pipeline spilled 14 times. One of the spills sent a geyser of diluted bitumen 6 stories into the air and was discovered, not by the monitoring equipment, but by a local rancher.

Recognizing the threat new diluted bitumen pipelines could pose to drinking and irrigation water in his state, in 2011 Gov. Dave Heineman of Nebraska led his government in a special session aimed at protecting the people and businesses of his state. While the decision to force a re-route of the Keystone XL pipeline was not universally popular, Gov. Heineman and Nebraska legislators from both parties stood firm in protecting their state's right to exercise siting authority with specific purpose of protecting Nebraska's dwindling water resources.

The Texas office of Public Citizen has operated to protect the people of Texas and advocated for smart economic development for over 25 years. Our office has developed expertise in the area of bitumen transportation and the economic opportunities and risks associated with it.

This letter requests that the Energy Resources Committee of the Texas House of Representatives take up legislation in 2013 to accomplish several goals:

- Distinguish between crude petroleum, bitumen, and diluted bitumen for regulatory purposes
- Compel disclosure of all chemical constituents used for the transportation of bitumen in pipelines in Texas, whether interstate or intrastate
- Provide the Railroad Commission of Texas with authority to oversee pipeline siting for all pipelines which will transport bitumen or diluted bitumen and to deny routes which may endanger the environment, public health, or existing or planned economic activities
- Compel inspection of existing pipelines which are repurposed or converted for use transporting bitumen or diluted bitumen to ensure such pipelines can safely transport the new material
- Create new safety standards for pipelines transporting bitumen or diluted bitumen within or across the state

Despite the enormous problems posed by the Enbridge spill on the Kalamazoo River, along with numerous other diluted bitumen spills in Alberta and the US over the short lifespan of this nascent industry, the federal government has failed to act. In testimony before Congress, Pipeline and Hazardous Material Safety Administrator Cynthia Quarterman acknowledged that despite the bitumen industry's poor track record her agency has not devised any rules to protect local communities. The response from Congress was out-of-touch – they ordered a study.

We look forward to a more in depth discussion of this issue at the hearing on Tuesday, June 26<sup>th</sup>. We have invited a resident of Battle Creek, MI named Michelle Barlund-Smith to share testimony with your committee regarding the Enbridge spill of 2010. We will also be joined by other experts and witnesses who will contribute answers to the following questions:

- How Bitumen and Crude Petroleum Differ Physically and Chemically
- Why Diluted Bitumen is More Dangerous than Crude Petroleum

- Why Diluted Bitumen Pipelines are More Likely to Spill than Crude Petroleum Pipelines
- Why Bitumen is More Expensive to Clean Up than Crude Petroleum
- Why Repurposing Existing Crude Pipelines to Transport Diluted Bitumen is Unsafe
- Why Texas Does Not Have an Economic Interest in Transporting Diluted Bitumen

Local officials in Nebraska took their destiny into their own hands last year, asserting local control. It is time for Texas legislators to do the same. We look forward to a robust discussion of this issue over the coming months, and to decisive action from our elected leaders.

Sincerely,



Tom "Smitty" Smith  
Director  
Texas Office of Public Citizen



Trevor Lovell  
Environmental Program Coordinator  
Texas Office of Public Citizen

cc:

Rep. Myra Crownover, Vice Chair  
Rep. Stefani Carter  
Rep. Tom Craddick  
Rep. John Davis  
Rep. Charlie F. Howard  
Rep. J. M. Lozano  
Rep. Ralph Sheffield  
Rep. Mark Strama