

# Enbridge Reaches \$176M Agreement for 2010 Michigan Oil Spill

- By John Flesher, AP environmental writer

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**Western has a 16 inch crude oil pipeline flowing 4.2 million gallons per day through Placitas.**

FILE - In this July 29, 2010 file photo, a worker monitors the water in Talmadge Creek in Marshall Township, Mich., near the Kalamazoo River as oil from a ruptured pipeline, owned by Enbridge Inc, is vacuumed out the water. Enbridge Energy Partners will pay a \$61 million penalty for the costliest inland oil spill in U.S. history under an agreement with federal officials. The U.S. Environmental Protection Agency and the Department of Justice announced the settlement Wednesday, July 20, 2016. It involves a 2010 pipeline rupture near Marshall that released an estimated 843,000 gallons of crude oil. A nearly 40-mile stretch of the Kalamazoo River was polluted as shoreline residents fled their homes.(AP Photo/Paul Sancya, File)

Enbridge Energy Partners has reached a \$176 million settlement for the costliest inland oil spill in U.S. history — a pipeline rupture in southwestern Michigan that polluted a nearly 40-mile stretch of the Kalamazoo River, federal officials said Wednesday.

The agreement between U.S. government agencies and the Canadian company concluded years of negotiations following the release of at least 843,000 gallons of heavy crude in July 2010. In



addition to a \$61 million penalty, the deal requires spending on measures to prevent future spills, detect leaks and prepare for emergencies across Enbridge's Lakehead network, a web of 14 pipelines extending more than 2,000 miles across seven states.

Particular scrutiny was required for twin underwater pipelines that cross the Straits of Mackinac, the waterway linking Lakes Huron and Michigan in northern Michigan. The agreement does not call for shutting down those lines, as demanded by environmental activists who described the settlement as a wrist slap. Officials with the U.S. Department of Justice and the Environmental Protection Agency who negotiated the deal said they didn't have the authority to require that.

Additionally, Enbridge pledged to replace 300 miles of a pipeline, pay \$1 million for a separate 2010 spill in Romeoville, Illinois, and hire an independent auditor to make sure the company complies with the deal.

The penalty is the largest ever assessed for violations of the federal Clean Water Act except those stemming from the Deepwater Horizon spill in the Gulf of Mexico six years ago, said John Cruden, assistant attorney general for the Justice Department's environment and natural resources division.

"We think these very strong measures will go a long way to make sure this kind of disaster will not happen again," said Cynthia Giles, the EPA's assistant administrator for enforcement.

The settlement adds to the expenses Enbridge has incurred for the spill near Marshall, Michigan, which oozed into Talmadge Creek and then the Kalamazoo River. It damaged shorelines and wetlands, prompted an evacuation warning for some riverfront residents and harmed thousands of animals, birds and fish.

The company, based in Calgary, Alberta, has paid \$1.2 billion for cleanup and environmental restoration, which was completed in 2014. It reached a \$75 million deal with the state last year and bought 154 residences in the affected area. Company officials said the stepped-up inspections and spill prevention action under the federal settlement will cost an additional \$110 million. A \$5.4 million payment will reimburse federal costs and resolve Enbridge's liability under the Oil Pollution Act.

Enbridge's reputation also suffered. An investigation by the National Transportation Safety Board found that instrument tests had signaled the pipeline's degraded condition five years before the spill, but no one dug up the line for a closer look.

As oil oozed into the waterways, control center personnel in Canada misinterpreted alarms and made things worse by pumping even more oil into the line, investigators said. It took 17 hours for the company to realize what was happening.

"The experience, which has been very humbling, has made us a better organization today, and we're more focused than ever on ensuring the safety and reliability of our systems," said Brad Shamla, Enbridge's vice president for U.S. operations.

The volume of oil released is in dispute. Enbridge puts the total at 843,000 gallons, while EPA contends it exceeded 1 million gallons, EPA spokesman Peter Cassell said.

Enbridge has replaced the ruptured line, known as 6B, which begins in Griffith, Indiana, crosses southern Michigan and ends in Sarnia, Ontario. Under the settlement, it also will replace nearly 300 miles of Line 3 between Neche, North Dakota, and Superior, Wisconsin.

The company agreed to continue mechanical inspections of pipeline interiors and abide by prescribed timelines for excavations and repairs. Measures for the Straits of Mackinac pipelines include quarterly inspections using an acoustic leak detection tool, installation of pipeline supports and a study of whether the lines have moved since their 1953 installation. A study will consider adding an alternative leak detection system there.

Fourteen remotely controlled oil-flow valves will be replaced across the Lakehead network and new leak-spotting equipment added. Enbridge will undergo four training exercises to prepare for a major inland spill, plus smaller-scale sessions with first responders elsewhere, while keeping emergency equipment on hand.

Shamla said Enbridge has spent \$5 billion on maintenance, inspection and leak detection since the Michigan spill. The company has added control center staff and conducted nearly 1,600 in-house exercises, drills and deployment simulations.

"Most importantly, our safety culture has changed," Shamla said, acknowledging earlier shortcomings that Giles of EPA described as "an incredibly serious problem, as I think the size of this agreement and the stringency of the provisions make clear."

"Enbridge is appropriately paying a heavy penalty for those failures," Giles said.

The agreement was filed with the U.S. District Court for Michigan's Western District. After a 30-day public comment period, a judge will decide whether to accept it.

Environmental groups said they weren't reassured by the Line 5 protections in the deal and noted that it levied no criminal charges for the Kalamazoo River spill.

"Woefully insufficient," said Collin O'Mara, president of the National Wildlife Federation. For a company that reported a \$937 million profit in the first quarter of this year, the financial penalty and pledges to do "basic inspections and maintenance could be merely considered a cost of doing business, rather than a true deterrent to prevent negligent oil disasters that devastate our communities, contaminate our drinking water and threaten America's fish and wildlife," he said.

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Flesher reported from Traverse City, Michigan.