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Pipeline company indicted in 2015 Santa Barbara County oil spill

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The company that operates a pipeline that ruptured last year near Santa Barbara, sending up to 143,000 gallons of crude oil flowing into the coast, was indicted on dozens of criminal charges and could face fines of nearly \$3 million.

A Santa Barbara County grand jury indicted Plains All American Pipeline on 46 criminal counts, including four felony charges of knowingly discharging a pollutant into state waters, prosecutors announced Tuesday. A 41-year-old company employee who worked as an environmental and regulatory compliance specialist faces three charges.

The action by state and local prosecutors comes amid revelations of what critics considered a slow response by the company in identifying the leak and notifying authorities.



Al Seib / Los Angeles Times - With boats offshore, cleanup efforts continue at Refugio State Beach on Thursday morning June 4, 2015.

The Houston-based company owns the 10.6-mile pipeline running alongside U.S. 101 that ruptured last May, sending the crude oil onto Refugio State Beach. Some of the oil got into the Pacific Ocean, and tar balls from the leak were found as far away as Manhattan Beach.

At the time, experts described the spill as moderate in size but cautioned that it could have a dramatic effect on a region visited by rare seabirds, migrating whales, sea lions and dolphins. During the cleanup, which involved scientists, government officials and industrial crews, fish and marine animals were found cloaked in petroleum. At one point, a juvenile seal lion, its belly stained with oil, washed up on the beach and collapsed not far from the site of the pipeline break.

California Atty. Gen. Kamala D. Harris said the company had been uncooperative during the criminal investigation and that her office was “committed to putting all the resources that are necessary into seeing this case through.”

“We value our pristine coastal communities, we value the precious wildlife and the oceans that we are proud to call a big part of California,” she said. “Anyone that violates the law ... is going to be held accountable.”

In a statement released Tuesday, Plains said it “sincerely regrets” the leak and its effect on the community. “We have worked tirelessly and relentlessly to do the right thing and do it as quickly and effectively as possible by cleaning up the beaches and other affected areas.”

The company — which reported \$43 billion in revenue and \$878 million in profit the year before the leak — called the charges “unwarranted” and “an inappropriate attempt to criminalize an unfortunate accident.” It has spent more than \$150 million on the response effort, cleanup and related matters, the statement said.

According to federal records, the subsidiary responsible for the burst pipeline has a history of safety and maintenance infractions.

Since 2006, Plains Pipeline’s rate of incidents per mile of pipe is more than three times the national average, a Times analysis of data from the federal Pipeline and Hazardous Materials Safety Administration last year showed.

The company’s 175 violations involved pipeline corrosion, operator error, pump failure and equipment malfunction. The incidents caused more than \$23 million in property damage and spilled more than 688,000 gallons of hazardous liquid, according to federal records. Only four companies in a database of more than 1,700 pipeline operators reported more infractions.

Plains Pipeline transports and stores crude oil and is part of Plains All American Pipeline, which owns and operates nearly 18,000 miles of pipe networks in several states.

After the rupture, it was learned that operators had shut down what is known as Line 901 at 11:30 a.m. on May 19 after seeing “abnormalities.”

According to a timeline released by company officials, workers near Refugio State Beach didn’t know about the leak until they received reports of oil in the water from state parks staff about noon. Initially, company employees struggled to spot oil leaking from the underground pipeline.

By 1:30 p.m., they realized oil was reaching the ocean via a storm culvert near where the corroded pipe had broken.

Meanwhile, company officials in Bakersfield, who were responsible for alerting federal regulators, were unable to contact employees near the breach.

In a letter to lawmakers, the company said workers in the field were “busy dealing with the immediate demands and distractions.”

Federal regulators were not alerted until nearly 3 p.m.

In October, Gov. Jerry Brown signed three bills overhauling pipeline laws, aiming to improve prevention efforts and response to future spills.

A month later, federal regulators ordered Plains to empty crude oil from a 115-mile pipeline with similar corrosion issues that runs from the Pacific Ocean to Kern County, fearing another spill.

The charges against Plains are under seal, but prosecutors said the company and its employee James Buchanan failed to provide timely notice of the leak. Other misdemeanor charges involved the effect on birds and mammals.

According to UC Davis' Oiled Wildlife Care Network, which was involved in recovery efforts, 204 birds and 106 marine mammals died as a result of the spill.

Area residents too were affected and are still haunted by the vivid memories of that time, said state Sen. Hannah-Beth Jackson (D-Santa Barbara).

"We will never forget what we experienced in the days following that spill: a half-mile slick of crude oil along our coast, the stench of petroleum, oil-drenched birds, holiday visitors sent home and a beach transformed into a toxic cleanup site," Jackson said in a statement.

The arraignment is scheduled for June 2 in Santa Barbara. The company could face additional fines and penalties, prosecutors said.

Environmental advocates said they were pleased to hear of the indictments.

"We're happy that the agencies seem to be taking this seriously and that the parties who are liable will be held accountable," said Linda Krop, chief counsel for the Santa Barbara-based Environmental Defense Center.

Krop said she reached out to the district attorney's office about a week ago because she knew the one-year statute of limitations for a criminal filing was approaching.

The director of Sierra Club California said the indictments were gratifying.

"There's some satisfaction in knowing that the legal authorities are pursuing this," said Kathryn Phillips. "We hope it will result in some penalties that can be used to help restore some of the damage."