

*The Good Life  
Means Wildlife!*



February 9, 2011

**Statement of Duane Hovorka, Nebraska Wildlife Federation, in Support of LB 629, the Hazardous Liquid Pipeline Reclamation and Recovery Act**

The recent proposal to build a large pipeline through the heart of the Nebraska Sandhills, through Rainwater Basin wetlands and over (and in some cases through) the Ogallala Aquifer has raised important issues about the appropriate role of the State of Nebraska in ensuring that interstate pipelines that will carry a mixture of oil and other hazardous chemicals bear responsibility for the potential costs to our state, including the cost of any spill or leak.

We believe the State of Nebraska has a responsibility to its citizens to protect the interests of Nebraska citizens. The State also has an obligation to protect the Public Trust resources entrusted to it, including our State's water and wildlife.

**Liability for Spills or Leaks**

AM238 to LB 629 – like the original LB 629 -- would hold an oil pipeline carrier liable for damages that arise out of the discharge or leaking of hazardous liquid from the pipeline (Section 4(1)). The bill would also make a pipeline carrier responsible for reclamation needed due to the construction or operation of the pipeline, or due to the cleanup needed to respond to a discharge or leak.

We believe these are very important provisions that will help ensure that a pipeline carrier is held responsible for potential leaks. Last July, more than 1 million gallons of oil leaked from an Enbridge company pipeline into the Kalamazoo River and a tributary. The pipeline had promised to be a good corporate citizen, and the company's CEO even made assurances right after the leak that the company would "clean up the river and the shorelines and to compensate people for damages associated with the spill."

Now, just months later, Enbridge is trying to avoid responsibility, saying that it should not be held liable because it was in compliance with federal and state laws.

Keep in mind that under the law, the first and primary allegiance of a corporation is to its shareholders, not to our state or even our nation. Legislation like this is needed to ensure that promises to be good citizens don't ring hollow when the bills come due.

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We note that the bill does not ensure that the funds will actually be available; it only ensures that the liability falls squarely on the pipeline carrier. As we learned with the Asarco lead plant near Omaha, getting cleanup funds from a bankrupt company is very difficult. That is why we also support LB 578, which would provide for the proof of financial responsibility needed to ensure the funds would be in place to cover these responsibilities.

As we note in separate testimony, we also support LB 340, which would provide a state role for permitting pipeline applications. We believe that, taken together, these three bills would provide a comprehensive approach to these important issues.

Yours in Conservation

Duane Hovorka  
Executive Director