

Frequently Asked Questions about The Pilgrim Pipeline

What is the Pilgrim Pipeline proposal?

Pilgrim Pipeline Holdings has proposed building two parallel pipelines connecting oil terminals in Albany, New York to a refinery in Linden, New Jersey. Bakken shale oil would be sent south; refined products (including kerosene) would be sent north. Their proposed route crosses 5 counties and 30 municipalities in NJ and 5 counties and 25 municipalities in NY.

Why does the Coalition oppose the Pilgrim pipeline?

Pilgrim's proposal creates unacceptable risks to public health, safety and the local NY and NJ economy while offering little to no benefits. Our primary concerns are...

- The proposed pipeline route travels through densely populated residential areas, near schools, hospitals and businesses, and would cut through environmentally sensitive and protected areas, including the Highlands region in NJ, which provides drinking water to more than 5 million people.
- Pilgrim's proposal cuts across 3 major drinking water rivers and two EPA designated sole source aquifers, the Ramapo Aquifer and the Buried Valley Aquifer. A major pipeline spill could contaminate the drinking water for the several million people and dozens of municipalities who rely on these irreplaceable water sources.
- Pilgrim's pipeline will be able to transport 400,000 barrels of Bakken crude oil and refined products per day, virtually every day, for the next 30 to 40 years. During that time the risk to NJ's drinking water will be based on their ability and resources to perform proper maintenance, monitoring, training and management of operators, not to mention external factors beyond their control, which account for 44% of all pipeline incidents. Is this a risk we are willing to just accept and bequeath to our children?
- Major pipelines regularly reduce local property values and pose serious health and safety risks to nearby residents and first responders alike. These risks include toxic fumes, forced evacuation of homes for prolonged periods of time, and permanently polluted drinking water. The absence of a strong public benefit makes Pilgrim a bad deal for New Jersey and New York.
- If this pipeline is approved by the DEP, Highlands Council and Army Corps of Engineers it will set a precedent for future oil and gas development through our watersheds and densely populated NJ communities.

Aren't pipelines a safer alternative for shipping oil through New Jersey and New York than on rail cars and barges?

All modes of transportation for oil leak and have accidents. Each transportation mode can be dangerous and each presents inherent risks to the communities through which they pass. Stating that a pipeline is "safer" than another form of oil transportation depends on how the word "safer" is defined i.e., number of deaths, number of injuries, air and water contamination, property damage, amount of oil spilled, etc. Pilgrim executives have stated that oil pipelines are the "safest mode of transportation," yet the amount of oil spilled from pipelines is far greater than all other modes of oil transport combined. A report from Environmental Research Consulting (an industry-supported report) shows that between 1998-2007, nearly 80% of the annual average oil spilled came from pipelines. Rail and barge combined for only 7% of the annual average spillage over the same period. Further, according to the Congressional Research Service, the most recent data available indicates that pipelines spill more crude oil per ton-mile transported than either rail or barge.

Will Pilgrim remove the barges and rail cars that are currently transporting oil through New York and New Jersey today?

Representatives from Pilgrim Pipeline have repeatedly stated the pipeline would replace oil barge traffic. However, Pilgrim's proposal is unlikely to reduce the number of dangerous oil trains rolling through New Jersey and New York or oil barges on the Hudson River. Over two thirds of all Bakken Crude is shipped by rail. And Phillips 66, the owner of the state's largest refinery, is investing heavily in rail transportation to haul oil across the country to its Linden plant, ensuring that more trains carrying millions of gallons of volatile Bakken Crude will be traveling through New Jersey. At the end of the day, Pilgrim's pipeline proposal would not increase the amount of oil coming into the region nor would it create increased energy resiliency or independence. It is simply a financial opportunity for Pilgrim.

How would the pipeline impact local property values?

Pipeline spills (shown via a number of case studies in MD, TX, OH, the Gulf of Mexico region, etc.) – or even the possibility of pipeline spills – have been shown time and again to adversely impact property values. In several documented cases, directly impacted properties lost between 10 and 40% of their value. The reputational impacts alone are significant - properties near spills will usually see a 5-8% reduction in value. Groundwater contamination will lead to more permanent value losses, particularly where homes rely on well water. Even if houses aren't directly damaged, the stigma and perception that the next incident could affect them is significant. Another analysis from Western Washington University notes that a home's value is negatively and significantly affected by proximity to a petroleum pipeline.

Who's responsible for reviewing / approving the Pilgrim Pipeline proposal?

The Federal government does not have exclusive jurisdiction over interstate oil pipeline construction, so large portions of the permitting process fall to state and local agencies. In New Jersey, the Department of Environmental Protection (NJDEP) is the agency responsible for wetlands, flood hazard area and water discharge permits. Highlands applicability determination is also needed. Additionally, US Army Corps of Engineers permits are needed for water crossings. New Jersey, unlike neighboring New York, has no law or regulations in place to assess the cumulative environmental impacts of an oil pipeline. In both states local governments are planning how to best protect their residents and critical resources by filling the regulatory void left by the broad state and federal oversight.

What's Pilgrim's project timeline?

After numerous delays, Pilgrim has recently indicated they will submit their permit applications by the end of March 2015. From there it will likely take at least 12-18 months for all permit reviews to be completed and final determinations made.

Won't homes, business or other assets be indemnified in the event of damage caused by a pipeline spill?

No. In [a recent public forum held in Kinnelon, New Jersey](#), Pilgrim representatives stated that property owners (private and public alike) would not be indemnified.

Would Pilgrim Pipeline alleviate periodic gasoline shortages and long lines at the pump like the ones New Jersey and New York experienced in the wake of Super Storm Sandy?

The short answer is no. According to Pilgrim, their pipeline will carry unrefined Bakken Crude to refineries in NJ and then refined products back to Albany. Pilgrim's proposal would also do nothing to alleviate the mass power outages that were the real reason for the fuel shortages and long lines at the pump in the wake of Sandy.

What does the Pilgrim pipeline have to do with fracking?

Pilgrim executives have stated that the pipeline would carry Bakken Crude oil from North Dakota and possibly Canada. The North Dakota oil is all extracted via fracking, a method of extraction which involves huge amounts of water, sand and chemicals which are pumped thousands of feet underground under high pressure to break apart shale deposits to release oil and gas. Although fracking for shale oil is not occurring in New Jersey or New York, residents of these highly

populated states, and the natural resources upon which they rely, are still subject to spills and explosions as Bakken oil currently enters the region by train and barge, and Bakken oil is considered highly volatile and more combustible than other forms of oil. The risk of disaster will only increase if the proposed Pilgrim Pipeline is allowed.

Won't the modern pipeline safety technology used by Pilgrim greatly reduce any risk of a spill or leak?

Despite Pilgrim's rosy promises, most pipeline leaks and ruptures aren't attributed to outdated technology. According to data from the Pipeline Hazardous Materials and Safety Administration, 44% of pipeline leaks are due to non-technical issues such as excavation, operation error and forces of nature.

There is no industry standard for how quickly pipeline leaks must be identified. A Wall Street Journal Report in January 2014 found that since 2010 pipeline monitoring controls discovered less than 20% of oil spills. One of the worst and most expensive oil spills in U.S. history has been attributed to human failure. It occurred in July 2010 when a pipeline ruptured near a tributary of Michigan's Kalamazoo River, spilling as much as 1 million gallons of oil. Local health problems forced relocations and a \$1 billion dollar cleanup effort is still ongoing. A two-year investigation by the National Transportation Safety Board in July 2014 found that a "complete breakdown of safety" led to the spill. And even the best-case industry response is still not good enough. During a 2013 pipeline spill in Mayflower, Arkansas the operator turned off the pipeline in 16 minutes, but by that time it had already leaked at least 200,000 gallons of oil into a residential community. And in January 2015 a Bridger pipeline spill in Montana leaked more than 50,000 gallons of Bakken crude into the iconic Yellowstone River. These are just a few of the hundreds of significant pipeline incidents reported annually by federal safety regulators, raising fresh concerns about the ability of pipeline companies to detect problems before it's too late. Furthermore, according to the PHMSA, the federal agency responsible for pipeline safety, the single greatest cause of pipeline incidents and leaks doesn't come from technology failures but from outside excavation and construction activities.

Will an oil pipeline reduce the cost of gasoline and other petroleum products?

According to Pilgrim's own website, crude oil would be shipped to New Jersey refineries in one pipeline and the resulting refined products would be shipped northbound to Albany in a second pipeline. The market for the oil and refined products is open and it will be sold to the highest bidder. There is no guarantee that any of it will go to New York or NJ. The fact that it is being shipped back to Albany makes it less likely that it would be appealing for NJ oil distributors since they would first have to truck it back to NJ as opposed to trying to buy oil directly from in-state refineries. The residents of our two states are being asked to take

on all the risks and public costs of this major oil pipeline with little, if any, benefits.

Isn't Pilgrim's proposed route almost entirely on existing Rights of Way, creating little, if any, impact to nearby residents and property owners?

Pilgrim will need to lease or condemn all, or part of, several hundred privately owned parcels along its proposed route. Thousands more property owners located just off the Right of Way would face secondary impacts including threats to their property values, health and safety risks, and loud noise and heavy traffic delays from a long and disruptive construction process. There's also the risk that heavy excavation activities including blasting in some areas could damage existing high pressure gas lines that lie in close proximity to multiple locations where Pilgrim proposes to trench their two pipelines.

If pipelines are regularly inspected, how is it that spills—including such big ones—happen every year? And if operators are monitoring and controlling pipelines 24/7, how can major leaks go undetected for days?

First, "smart pigging", the modern technology touted by Pilgrim as state of the art, typically only occurs every five years, which may not be frequent enough. Second, the terabytes of data transmitted by smart pigs are not analyzed in real time—indeed, data analysis can take up to nine months. Third, smart pigs have a detection rate of only about 90%, so they clearly miss indications of problems. Fourth, the pipeline owner/operator has to *act* on inspection test results in a timely manner, which doesn't always happen as demonstrated in the recent high profile pipeline spills in Michigan and Arkansas.

The oil business is cyclical as we can see with today's price of oil. In times of low prices pipeline owners look to cut costs, which can include maintenance. Also, Pilgrim Pipeline has stated they are only obligated to have their outsourced spill remediation team show up within 24 hours of a spill. This isn't the time frame in which they promise to stop the spill or clean up anything, just the time in which they promise to have emergency crews on the scene. Even with a best case scenario for shut off valve locations, there would still be 1.25M gallons of crude and oil products in any ten mile section that could leak out of a pipeline rupture or break even after the emergency valves have been shut.

How will this oil actually damage the water supply if the leak occurs in a pipeline miles away from my town?

If a pipeline spill were to contaminate the Ramapo River or Buried Valley Aquifers in NJ, irreplaceable water sources beneath the anticipated route of the Pilgrim Pipeline, it could take decades before the water for millions of New Jersey residents would be safe to consume. Despite efforts to clean up an oil spill that polluted a Minnesota aquifer in 1979, the water still wasn't safe to drink 17 years later because levels of benzene, toluene, ethylbenzene and xylenes still exceeded safety limits established by the U.S. Environmental Protection Agency.

This is an issue that affects much of our region as water from the Highlands is used by communities as far away as Newark.

Why is it such a big deal when we have fuel pipelines all over the state?

Most of the pipeline network in New Jersey is for natural gas transport, which does not contaminate water when it leaks. This would be the first major oil pipeline to cut through the protected and environmentally sensitive Highlands Region, which provides drinking water for half of New Jersey residents. If a pipeline spill were to contaminate the Ramapo River or Buried Valley Aquifers, irreplaceable water sources beneath the anticipated route of the Pilgrim Pipeline, it could take decades before the water for millions of New Jersey residents is safe to consume.

If the Coalition doesn't want the pipeline, what alternatives do you suggest?

Since we have made the point above that this pipeline would bring no new oil to the region and is only a financial play, there is no need for alternatives in this specific instance. When looking at oil infrastructure in general, some of the world's largest economies, including Germany and Brazil, are already on their way to transitioning to clean, renewable sources of energy. And as the cost to bring online renewables continues to drop dramatically, new oil pipelines would only lock us into a more polluting and expensive source of energy for decades to come. New York state is aggressively pursuing adding renewable energy options into its power mix, and NJ, as the third leading supplier of solar in the country, continues to integrate renewable energy into the grid.

Is CAPP fighting this pipeline because of climate change as is being done with the Keystone XL?

No, we are not fighting it because of climate change. We are fighting it because of the risk to our water, health and property values. Regarding climate change - the impacts of which are already being felt across our region - there is a recognized urgency across the world and in our country and our region that we must quickly move away from our dependence on all fossil fuels. Especially after Hurricane Sandy, New Jersey and New York should facilitate the advancement of clean energy alternatives that do not put our communities at risk or pollute our environment - such as solar, wind, and energy efficiency. If the money being spent on this pipeline (which has no benefits for NY and NJ) were instead invested in renewable energy for NY and NJ this would have significant long-term beneficial effects.

Are they planning on exporting this oil?

According to Pilgrim the oil would be refined in New Jersey and finished products

would be sent Northbound to Albany. Pilgrim is supplying a mode of transportation for the oil and has no control over the companies that contract for the oil itself. Currently, regulations prohibit the export of US oil. However, this does not apply to oil from Canada that is refined in the United States.

Does CAPP advocate one type of oil transport as better/safer than others?

No, all forms of oil transport have serious problems and risks. We believe that transporting Bakken Crude is inherently dangerous. We should consider the long term costs and benefits for any major energy infrastructure project. As the costs to bring online clean, renewable sources of energy continue to drop dramatically, new oil pipelines would only lock us into a more polluting and expensive source of energy for decades to come.

If the pipeline could be made leak-proof would CAPP still be opposed to it?

Credible people in the oil industry have not claimed that pipelines could be absolutely leak proof, so this is not a useful discussion. Even Pilgrim knows this is not possible. At a recent public appearance in Kinnelon, Pilgrim officials claimed that the pipeline would not leak while simultaneously refusing to indemnify any property owners for damages from a potential spill. If the pipeline could be perfectly leak-proof they would be smart to offer indemnification. At the end of the day I'm not here to address hypotheticals. My job as a (parent, citizen, advocate, etc.) is to deal with the very real and serious risks associated with Pilgrim's proposal.

What are the major causes of pipeline leaks?

Excavation and construction activities near pipelines are the single greatest cause of pipeline ruptures and leaks. 44% of pipeline leaks are due to external causes not under the control of pipeline operators.

Does CAPP believe this pipeline will ultimately carry tar sands oil?

That's not our concern. Our concern is the very real and serious risks associated with Pilgrim's proposal, regardless of the type of oil it would carry.

What will happen if the pipeline is not built - will it affect our supply of gasoline?

The pipeline isn't built today and we have a steady supply of oil and gas products in our region and even Pilgrim has said there is no need for additional oil in this area as the market can only consume so much.

Will NJ residents and businesses see any benefits from this pipeline?

The refined products will be sent Northbound to Albany and any minor tax revenue or temporary jobs will be far outweighed by the long term costs including destruction of local property values, wear and tear on public infrastructure, risks and expenses to first responders, etc. Residents of New Jersey and New York carry all the risks with little to no benefits.

Is CAPP against all forms of oil transportation?

No. While no one can deny our current reliance on fossil fuels, we shouldn't accept any major oil and gas infrastructure project as wise or inevitable. We should weight the merits of each project on their benefits, risks and costs. The Pilgrim pipeline fails to stand up to a risk benefit analysis for NJ and NY.

If CAPP is successful in preventing all oil transport, how would we live without oil products?

Our goal is not to prevent all forms of oil transport. It's to stop Pilgrim's dangerous and dirty pipeline proposal. Our local needs are more than adequately addressed by current pipelines and as we become more efficient with our energy uses and more renewables come into our energy mix, it is highly likely that we will need less, not more oil.

How can a company be allowed to build a pipeline and not be completely responsible for any and all adverse affects?

That's a good question we should require our elected officials at all levels of government to address.