

Statement of John R. Hall
Chairman and Chief Executive Officer
Ashland Oil, Inc.
Before the U.S. Senate Environmental Protection Subcommittee
Washington, D.C.
February 4, 1988

Chairman Mitchell, Senators, I appreciate the opportunity to represent Ashland Oil, Inc., before your Committee.

Ashland is the nation's largest independent refiner and a leading marketer of petroleum products to other independent marketers. We have been in business for 64 years. In the past 20 years, Ashland has diversified into a variety of businesses related to our primary energy and chemical operations. However, refining and marketing petroleum products remains our core business, from which, in a normal year, we derive substantial sales and profits. The supply and distribution of petroleum products requires the operation of 28 light oil product terminals within our marketing areas. These terminals, fifteen of which are river terminals, receive products from our refineries and store them until they can be moved out through the distribution chain. My statement describes our response to the recent spill at our Floreffe, Pa., river terminal. Ashland has operated this terminal safely since 1940, and it serves as a vital supply point for consumers of petroleum products in the Pittsburgh area.

Shortly after 5 p.m. on Saturday, January 2, 1988, a storage tank at the terminal ruptured suddenly and completely, releasing approximately 3.9 million gallons of diesel fuel. The sudden

collapse sent a tidal-like wave of diesel fuel surging over the terminal's containment dike, and the Environmental Protection Agency has estimated that approximately 750,000 gallons of the fuel crossed our property line and escaped through nearby storm sewers into the Monongahela River. The fuel subsequently flowed down 25 miles of the Monongahela and then entered the Ohio River. The path of the spill ultimately affected the water supply of suburban Pittsburgh and several communities downstream.

From the time of the tank's collapse, Ashland's first priority has been to spare no effort or expense to mitigate the effects of the spill. In this regard, the actions of Ashland's employees and contractors have included:

(1) Immediate compliance with Ashland's emergency response plan.

As provided in the plan, this included notification of appropriate federal, state and local agencies and organizations. Specifically, the Ashland employee on duty at the terminal at the time of the collapse immediately called in the following order: (1) the terminal manager, (2) the National Response Center, as required by the Clean Water Act, and (3) Ashland's Safety Department representative on duty at the time. Upon his arrival at the scene a short time later, Ashland's terminal manager also called the National Response Center and was informed that the U.S. Coast Guard and U.S. EPA had already been notified of the incident. By the time the second phone call to the National

Response Center took place, local authorities were on the scene and had begun calling out emergency personnel.

We believe our personnel performed this notification promptly and that such prompt action allowed the participation of government agency experts at the earliest possible time.

- (2) **Containment and cleanup of the spill.** We believe the actions of our employees and contractors, working in cooperation with the various governmental authorities involved, were instrumental in containing and recovering as much oil as possible under the circumstances and conditions which were encountered. In the first three weeks after the spill, the primary cleanup phase involved as many as 200 Ashland and contractor personnel, working in conjunction with the U.S. EPA and U.S. Coast Guard. Among the initial actions to contain and cleanup the spill were:
- o Hiring of contract cleanup crews with oil spill experience;
 - o Use of the U.S. Coast Guard's oil spill strike force, brought to the scene at Ashland's expense via two U.S. Air Force C5A transport planes;
 - o Placement of some 20,000 feet of floating containment booms on both the Monongahela and Ohio rivers;
 - o Use of skimming barges to retrieve oil from the surface of the water;

- o Use of barges to deflect oil into collection areas;
- o Use of absorbent material on the water surface to soak up the oil;
- o Use of vacuum trucks to retrieve fuel which collected near the shore;
- o Frequent (more than once a day) helicopter overflights of the river to track the course of the spill and direct cleanup efforts;
- o Retrieval of oil from containment dikes and terminal area;
- o Cleanup of Pennsylvania Route 837 adjacent to the terminal.

Initial cleanup efforts were hampered by cold and windy conditions and a swift current. Also, a dam a few hundred yards downstream caused the oil and water to begin to mix, further complicating cleanup. To date we have recovered approximately 3.15 million gallons of diesel fuel from the terminal and the rivers. Of this amount, approximately 2.95 million gallons was recovered from the terminal, and approximately 204,000 gallons was retrieved from the water. Cleanup efforts have entered a secondary phase which will continue for the next three months. This phase includes weekly overflights of a 120-mile stretch of both rivers. Cleanup crews will be stationed at three points on a 60-mile stretch, ready to be dispatched as necessary.

The diesel fuel remaining in the river has dissipated to the point where it has become very difficult to track. Peak concentrations are in the very low parts per billion range.

(3) **Coordination and cooperation with government agencies.**

Cleanup efforts were undertaken in conjunction with federal, state and local authorities, with the U.S. EPA and U.S. Coast Guard being most directly involved. We also communicated directly with various other governmental authorities not directly or continuously involved in the emergency response or cleanup effort. Through face-to-face meetings and detailed discussions, Ashland and its senior officers, including President Charles Luellen, myself and others, sought to obtain advice or suggestions as to additional actions we might take. We also assured these governmental agencies and officials of our dedication to the cleanup effort.

From the beginning, we have spoken candidly to all representatives of various federal, state, county, city, township and borough governments. Our participation here today and in similar hearings by other state and federal committees is indicative of our candor and cooperation. I want to assure you that this posture will continue unabated as your committee and similar bodies review this incident and consider its implications.

(4) **Another important aspect of our response to this incident involved extensive efforts to help maintain water supplies.**

We cooperated fully with local water authorities and provided assistance to them in order to maintain normal water service or restore it as soon as possible. To assist affected communities, Ashland provided supplemental water supplies by truck and barge. We also provided supplies and equipment, such as treatment chemicals, pumps, pipes and related items to allow the use of alternate sources of supply. A more complete breakdown of our water assistance activities includes the following:

- o Offering or providing assistance to more than 17 communities from the Pittsburgh area to Louisville, Ky.
- o Rotating five barges, with a total capacity of approximately 2 million gallons, among affected communities
- o Providing more than 7.6 million gallons of fresh water to affected communities
- o Chartering towboats to ferry water barges
- o Providing 4.8 million gallons of water to Wheeling, W.Va.
- o Providing 1.6 million gallons of water to Sistersville, W.Va.
- o Providing 1.3 million gallons of water to Maysville, Ky.
- o Providing standby barges to Cincinnati, Ohio

- o Providing barges and boats to deflect oil away from water intakes
- o Reimbursing the National Guard for expenses incurred in transporting water
- o Providing approximately 160,000 gallons to Midland, Pa.
- o Providing pumps and other equipment and supplies at Ashland's expense to Robinson Township, Beck's Run and Midland in Pennsylvania; Huntington and Wheeling, W.Va.; and Chesapeake, Ohio
- o Authorizing the purchase of chemicals to treat water supplies of all affected water systems
- o Providing a towboat for use by the EPA as a mobile water quality testing laboratory
- o Using company aircraft to fly water samples for testing in Harrisburg, Pa.

(5) **Willingness to accept financial responsibility.** Within three days of the spill, Ashland communicated to the public, via a news conference in Pittsburgh, its commitment to cleanup, its acceptance of responsibility for the incident and its willingness to pay all appropriate cleanup costs. Less than a week after the incident, we delivered a \$210,000 check to Allegheny County as an advance partial payment against county expenses related to the spill. In mid-January, we delivered a \$165,000 check to the Western Pennsylvania Water Company covering similar partial advances. Furthermore, advance payments against expenses have

also been made to the Floreffe, Pa., Fire Department, the local chapter of the American Red Cross, the Salvation Army, the National Audubon Society, and a wildlife rescue group, among others.

As soon as the incident occurred, we commenced work with our insurance carrier to establish a process to handle claims from individuals, businesses and government agencies. Ten days after the incident, a claims adjuster had been engaged and had opened an office in the Pittsburgh area. In mid-January, a toll-free telephone number was established for those outside the Pittsburgh area who wished to file a claim. Subsequently, the claims adjuster opened an office in Steubenville, Ohio, to process claims from that area.

Less than two weeks after the incident, Ashland itself had opened a Pittsburgh service office, under Corporate Vice President Philip W. Block, to (1) coordinate efforts with individuals and governmental agencies engaged in cleanup and response-related activities and (2) to oversee and coordinate the processing of all claims. We have also sent letters to families which were evacuated the evening of the spill and notified them of the address and telephone number of our claims adjustor. The letter invites them to submit a claim for actual expenses incurred due to the evacuation.

Through this office, a mechanism has been established for working with the various state and federal agencies involved in processing claims from numerous federal, state, county, municipal and volunteer organizations which have participated in response and cleanup.

- (6) **Assessment of environmental impact.** Ashland also has demonstrated its concern over this incident through a \$250,000 grant to the Center for Hazardous Materials Research at the University of Pittsburgh. The grant provides funding for an independent assessment of the ecological and environmental impact of this incident. It will also provide an audit-type assessment of the response and cleanup effort with a view to applying the lessons learned.

We also have authorized a study of the long range environmental impact to be conducted by Battelle Memorial Institute and ERT, an environmental consulting firm. The study will examine any long-term effect of the spill on marine life as well as the wildlife whose natural habitat is located along the river or its wetlands.

- (7) **Investigation of the cause of the tank collapse.** Ashland is conducting an internal review of the circumstances surrounding the tank's construction and collapse. In addition, Ashland has engaged Battelle Memorial Institute of Columbus, Ohio, to conduct an independent investigation into the

collapse. As a result of its internal review, Ashland has previously announced that company employees departed from optimal procedures in permitting, constructing and testing the tank. Specifically, Ashland has announced:

- o Ashland personnel did not secure a written permit before constructing the tank. Instead, they apparently relied on a conversation where they believed "verbal" approval had been given.
- o The tank was reconstructed at the Floreffe site using steel more than 40 years old which previously had been used in a tank at an Ashland facility near Cleveland.
- o Ashland employees used an alternate testing method rather than the preferred full hydrostatic test.
- o Ashland senior management learned on January 22, 1988, that x-rays taken during the construction process revealed a number of possibly defective welds in the tank. This information was immediately delivered to Battelle, and state and federal agencies were notified of this action. Ashland has since been notified by Battelle that none of the x-rays involved welds in the area where the rupture is believed to have begun.

We do not yet know why the tank collapsed or whether any of these factors were related to the cause of the collapse. These and all other factors which may have contributed to the incident are the subject of a number of reviews currently under way.

Ashland engaged the Battelle Institute because of its pre-eminent scientific capabilities. Until Battelle's work is complete, we believe questions about the cause of the collapse would require speculation not necessarily supported by the facts.

At the request of Representative Walgren, examination of the steel and other tank components also will be conducted by Dr. Richard Wright and the staff of the National Bureau of Standards. In addition, Ashland is also cooperating with the Tank Collapse Task Force appointed by Pennsylvania Governor Casey.

Comprehensive reviews of Ashland's environmental programs are currently being conducted, or will be undertaken shortly, by the U.S. EPA, OSHA, the U.S. Coast Guard, Pennsylvania's Department of Environmental Resources and the Allegheny County Health Department. Ashland pledges to cooperate with these and any other related reviews.

In closing, let me say that Ashland Oil has operated in the Ohio River Valley for more than 60 years without an incident of this type. We are proud of this record, and we are acutely embarrassed that this incident has happened to our company.

However, we are proud of the valiant efforts our employees made to try to contain and clean up the spill and to help municipalities with water supplies. We're proud also, because we know that, despite some questionable decisions by company employees, Ashland is a responsible company. We hope you will agree that Ashland has handled this matter in a very responsible fashion, and we pledge to continue to do so.

Thank you for allowing me to make this statement.