



To: House Committee on Natural Resources Republican Members
From: Subcommittees on Energy and Minerals and Oversight and Investigations Staff; Ashley Nichols (Ashley.Nichols@mail.house.gov), Sang Yi (Sang.Yi@mail.house.gov)
Date: October 18, 2021
Subject: Field Hearing: “Southern California Oil Leak: Investigating the Immediate Effects of Communities, Businesses, and the Environment”

The Subcommittees on Oversight and Investigations and Energy and Mineral Resources will host a joint field hearing titled: “Southern California Oil Leak: Investigating the Immediate Effects of Communities, Businesses, and the Environment” on **Monday, October 18, 2021, at 9:00 a.m. PDT** in-person, at the Irvine Ranch Water District building.

I. KEY MESSAGES

- This field hearing is simply political theatre. Democrats inadequately noticed the hearing, failing to provide the location until October 13, 2021. Democrats refuse to hold in-person hearings in Washington, D.C. Yet, this hearing is in-person only, with no availability of remote participation, in a building in Irvine, California, which is closed to the public.
- The U.S. Coast Guard deemed the likely cause of the oil spill was from ships’ anchors hitting and dragging the pipeline.
- President Biden is facing a supply chain crisis caused by the backlog of cargo ships and shortage of workers as a result of his policies. The bottleneck of anchored ships created by the supply chain crisis poses a danger to underwater infrastructure and the environment.

II. WITNESSES

- Mr. Scott Breneman, commercial fishing, retail market, and restaurant owner
- Mr. Vipe Desai, Founding Member, Business Alliance for Protecting the Pacific Coast
- Dr. David L. Valentine, Norris Presidential Chair, Earth Science, Professor of Marine Science, University of California, Santa Barbara
- Dr. Michael H. Ziccardi, Director, Oiled Wildlife Care Network & Executive Director, One Health Institute, School of Veterinary Medicine, University of California, Davis



III. BACKGROUND

On Saturday, Oct. 2, 2021, Beta Operating Company, LLC, a subsidiary of Amplify Energy, reported a spill approximately 10 miles southwest of Newport Beach, California, from a pipeline which transports oil onshore from four offshore platforms in federal waters.

The maximum potential discharge of oil from the leak is approximately 131,000 gallons but the exact amount discharged is unknown.¹ As of October 14, 2021, however, the amount is believed to be closer to 25,000 gallons.² The affected pipeline has been secured, and, on October 5, 2021, divers validated Remotely Operated Vehicle (ROV) footage showing no indications of further oil release at the potential source of the leak.³ Diver reports and ROV footage show that a 4,000-foot section of the 17.7-mile-long pipeline was displaced with a lateral movement of approximately 105 feet and had a 13-inch split, running parallel to the pipe.⁴

The cause has not yet been identified, although the Administration stated in a briefing to Congressional staff on October 8, 2021, that there is a “high-likelihood” that the spill was caused by an anchor striking and dragging the pipeline. The United States Coast Guard (USCG) is leading the investigation into the cause of the incident along with support from the Bureau of Safety and Environmental Enforcement (BSEE) and the Pipeline and Hazardous Materials Safety Administration (PHMSA).

Under the National Contingency Plan, USCG serves as the Federal On-Scene Coordinator for this incident, organizing a Unified Command for the response. The Unified Command has employed skimming, booming and shoreline cleanup operations, as well as aerial overflights for plume delineation. Huntington Beach was reopened on October 11, 2021, and water testing results showed non-detectable amounts of oil-associated toxins in ocean water.⁵

According to a statement released from BSEE, the pipeline is regulated per the terms of a January 1999 Memorandum of Agreement (MOA) with responsibilities shared between BSEE, the PHMSA, the California State Lands Commission, the California State Fire Marshal, and the California Department of Conservation.⁶

Under the terms of the MOA, the operator is required to conduct an internal inspection of the pipeline every two years, with reports submitted to BSEE within 60 days upon completion.⁷ The

¹ Briefing from the White House to Congressional staff (Oct. 8, 2021).

² *Coast Guard: California Oil Spill Likely 25,000 Gallons*, FOX 5 (Oct. 14, 2021), <https://fox5sandiego.com/news/california-news/coast-guard-california-oil-spill-likely-25000-gallons/>.

³ News Release, SOUTHERN CALIFORNIA SPILL RESPONSE, *Update 4: Unified Command Continues Response to Oil Spill Off Orange County Beaches* (Oct. 5, 2021), <https://socialspillresponse.com/update-4-unified-command-continues-response-to-oil-spill-off-orange-county-beaches/>.

⁴ *Id.*

⁵ Claire Colbert, *Huntington Beach Reopens Shore After Oil Spill Shut It Down Last Week*, CNN (Oct. 11, 2021), <https://www.cnn.com/2021/10/11/us/california-oil-spill-huntington-beach/index.html>.

⁶ Email from Office of Congressional and Legislative Affairs, U.S. Dep’t of the Interior, to H. Comm. on Nat. Res. Committee Staff (Oct. 6, 2021 9:05 a.m.) (on file with Comm.) (Statement from BSEE)

⁷ *Id.*

Beta pipeline's last internal inspection occurred in October 2019.⁸ BSEE also conducts annual comprehensive inspections, and unannounced inspections of all platforms in federal waters offshore of California every two months.⁹ According to an October 5, 2021, statement released by BSEE, the agency has "no outstanding concerns from any BSEE conducted inspections" of this particular pipeline.¹⁰

On Monday, October 4, 2021, PHMSA issued a Corrective Action Order (CAO) to Beta Offshore regarding the pipeline failure, requiring the pipeline to be shut down until certain measures are completed, including comprehensive reviews of in-line inspection results for the pipeline, mechanical and metallurgical testing of the failed section of the pipe, and a Root Cause Failure Analysis facilitated by an independent third party.¹¹

IV. REPUBLICAN POSITION

Ship Anchor Likely to Blame for Spill

Democrats were quick to blame the oil industry and push a misleading narrative of the incident's causes. As more facts emerge, however, ships' anchors, not the integrity of the pipeline, appear to be the causes of the spill. Committee Republicans have called for a full investigation into the cause of the spill, which the USCG has stated was most likely due to multiple anchor drags in a marked non-anchorage area.

Biden's Supply Chain Crisis: Endangering the Environment and the Economy

Republicans have called on the Administration and Committee Democrats to investigate and address the serious backlog of ships stationed at California ports. In September 2021, a record 73 ships were queued outside California ports.¹² Both the backlog of ships and shortage of workers have contributed to President Biden's supply chain bottleneck.¹³ The supply chain crisis impacts Americans across the country and poses a serious risk to ships and offshore infrastructure as congestion increases. This risk increases the likelihood of similar accidents occurring, forcing coastal communities to face the environmental consequences of President Biden's mismanagement of the supply chain.

Not only are communities facing the threat of paying an environmental price due to President Biden's supply chain crisis, they are paying the economic price. Although the White House

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Corrective Action Order from Mr. Alan Mayberry, Associate Administrator for Pipeline Safety, U.S. Dep't of Transportation to Mr. Martyn Willsher, President and CEO, Amplify Energy Corp. (Oct. 4, 2021), <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2021-10/Beta%20Offshore%20CAO.10.04.2021.pdf>.

¹² Daniel Thomas, *LA Port to Open Round the Clock to Tackle Shipping Queues*, BBC News (Oct. 14, 2021), <https://www.bbc.com/news/business-58901777>.

¹³ Sylvan Lane & Karl Evers-Hillstrom, *What You Need to Know About the Supply Chain Bottlenecks*, The Hill (Oct. 14, 2021), <https://thehill.com/policy/finance/576670-what-you-need-to-know-about-the-supply-chain-bottlenecks>.

deems inflation and the supply chain crisis a “high class problem,”¹⁴ the rising cost of goods impacts all Americans. For example, inflation under the Biden Administration resulted in the cost of gasoline increasing 42.1 percent, the cost of used cars increasing 24.4 percent, and the cost of bacon increasing 19.3 percent.¹⁵

Democrats Deem In-Person Hearings Acceptable for Political Theater

For the first time in the 117th Congress, Natural Resources Committee Democrats are holding a hearing that does not include the option to participate virtually. Further hampering participation in the field hearing, Democrats failed to include the actual location of the hearing in their initial notice. The address for the venue was finally provided on October 13, 2021. Notably, the location chosen for the hearing, the Irvine Ranch Water District, is currently closed to the public.¹⁶

Rather than entertain the Democrats’ efforts to draw attention to a false narrative and vilify industry, Republicans will continue to pursue solutions to address yet another Biden crisis.

¹⁴ Edmund DeMarche, *White House Official Retweets Post Calling Inflation, Supply Chain Issues ‘High Class Problems’*, Fox News (Oct. 14, 2021), <https://www.foxnews.com/politics/top-white-house-official-retweets-post-calling-inflation-supply-chain-issues-high-class-problems>.

¹⁵ *Key Inflation Index Accelerated at the Fastest Pace in 13 Years Last Month*, HOUSE GOP (Oct. 13, 2021), <https://www.gop.gov/key-inflation-index-accelerated-at-the-fastest-pace-in-13-years-last-month/>.

¹⁶ See IRVINE RANCHER WATER DISTRICT, <https://www.irwd.com/> (last visited on Oct. 15, 2021).