STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE: )
) Docket No. HLP-2014-0001
DAKOTA ACCESS LLC }

DIRECT TESTIMONY OF

JONAS MAGRAM

ON BEHALF OF

NO BAKKEN HERE

OCTOBER 12, 2015

EXHIBIT NO BAKKEN HERE--JM--1
Q. Please state your name and where you live.

A. My name is Jonas Magram and I live in Fairfield, Iowa.

Q. In public meetings last winter, Dakota Access made assurances that the pipeline would meet all federal and state requirements. Why does your group persist in believing that the pipeline will leak?

A. As far as we can tell, virtually every oil pipeline that has ever been built in the United States has been constructed and operated according to federal agency specifications. But that hasn’t prevented these pipelines from pouring oil into countless streams and rivers and polluting innumerable acres of land. Even with the government’s recently announced “new and improved” regulations and oversight, it is virtually certain that the Dakota Access pipeline will spill in Iowa. The only question is exactly where and when.

Q. Why do you discount the impact new government regulations could have on preventing the Dakota Access pipeline from spilling?
A. Well, first, as I said, regulations have not prevented major spills in the past, so why should we expect them to be more effective going forward? And, second, as long as human beings are involved in the construction, inspection, and operation of the pipeline, there is certain to be human error. For example, in 2010, an Enbridge oil pipeline spilled 20,080 barrels of crude - that's 850,000 gallons - near Marshall, Michigan, into a nearby river after workers misinterpreted several warning alarms. But reducing reliance on humans will not solve the problem. A study published in the Wall Street Journal last year found that landowners, not pipeline monitoring equipment, had discovered the great majority of more than 1,400 spills. The truth is that it will never be economically viable for Dakota Access to provide the kind of constant, onsite inspection that would be required to discover and stop spills quickly.

Q. Those opposed to the project frequently refer to the extensive history of oil pipeline spills. Can you give some examples?

A. If time allowed, I could cite dozens of examples of these spills, so let me mention just a few. Earlier this year in Montana, the Bridger Pipeline, a third of the size of the Dakota Access pipeline, leaked for 56 minutes. In that time, between 40,000 and 50,000 gallons
of oil poured into the pristine Yellowstone River. The spill followed a 63,000 gallon spill into the same river in 2011. Cleanup efforts for this year’s spill were seriously hampered and delayed by the fact that a considerable portion of the river was covered with ice, much as many Iowa waterways are covered during winter months. Government officials warned residents not to drink or cook with their water because the spill created dangerous levels of cancer causing benzene. I seriously doubt that executives of Dakota Access would want their families to drink this water, even 11 months later.

On May 19 of this year, the Plains All American pipeline spilled over 100,000 gallons of crude oil that affected 100 miles of California beaches, endangered fish and wildlife, and cost $3,000,000 a day to cleanup. By the way, that $3,000,000 equates to 12 times the $250,000 surety bond Iowa law would require of Dakota Access.

In 2013, Exxon Mobile’s Pegasus underground pipeline ruptured in Mayflower, Arkansas. By the time the pipeline was shut down nearly two hours later, over 250,000 gallons of crude oil had spilled. Many residents were forced to evacuate their homes with oil literally pouring into the streets. The Pegasus carries less than 20% of the volume of oil the Dakota Access pipeline would carry.
And then there’s the most famous spill so far. In 2010, in Michigan, the Enbridge Pipeline leaked for 18 hours after monitoring alarms went off. Over a million gallons of crude oil polluted the Kalamazoo River. Thirty five miles of the river were closed and nearly 50 homes were evacuated. Original damage estimates were $5 million. However, to date, over a billion dollars have been spent on the cleanup – that’s 4,000 times the amount of the surety bond Iowa law would require of Dakota Access.

And, as if this deplorable history was not enough to reject the pipeline application, we understand that the Dakota Access pipeline would present two additional risk factors that would make spills even more likely. First, according to multiple news sources, Bakken oil is significantly more corrosive and more volatile than conventional crude. Second, the Dakota Access pipeline would transport its contents under high pressure. These heightened risk factors, along with the industry track record of ubiquitous breeches, means that significant pipeline spills would be virtually inevitable. There is simply no basis for us to conclude otherwise.

Q. Iowa workers need quality, well-paying jobs. Doesn’t your group support the project on that basis?
A. I, for one, and probably the great majority of our more than one thousand No Bakken Here supporters, are staunch advocates of organized labor. I have been a dues-paying member of the retail clerks union and cannery workers union. My dad was a lifelong member of the musician’s union and my brother was a union welder in the shipyards at Hunter’s Point in San Francisco. At every opportunity, I have stood with workers including those under attack by union-busting henchmen like Wisconsin governor Scott Walker.

So it is deeply regrettable that I find myself opposed to a project that could create union jobs, albeit very short-lived and meager in number. But, the truth is that not all jobs, even union jobs, are in the best interests of Iowans, regardless of whether they are completely legal. Remember that the police who assaulted marchers in Selma were paid to do their jobs, as were county clerks who legally turned away women who sought to register to vote.

The handful of temporary jobs Iowans might gain from building the pipeline, would be gained on the backs of Iowa landowners, would place our soil and water at perpetual risk, and would contribute to the potentially devastating impact of climate change. No Bakken Here supports the creation of permanent, high-paying jobs that would be generated from investment in Iowa’s clean, renewable, and sustainable energy
infrastructure. Such jobs would not only support thousands of
Iowa workers and their families today and far into the future,
but they would serve the best interests of all Iowans, now
and for generations to come.

For us, justifying approval of the Dakota Access
pipeline on the basis of the handful of temporary jobs it
might create for Iowa workers would be shortsighted, and
clearly contrary to the public convenience and necessity.

Q. Some claim that transporting Bakken oil via pipeline is
safer than transporting it by rail and that building the
pipeline will result in greater public safety. What do you
say to them?

A. First of all, the risks associated with transporting oil
by rail are the result of our government’s extremely weak
rail safety standards. These risks could be substantially if
not completely mitigated simply by the creation and
enforcement of long-overdue increased safety requirements.

But, even if one were to assume the pipeline would be a
safer way to transport Bakken crude, there is absolutely no
guarantee that building it would reduce rail shipments by
even a single drop. Dakota Access vice-president, Chuck Frey,
made this clear at meetings last December when he acknowledged
that his company did not own any Bakken reserves and had
absolutely no control over how those reserves were shipped.
And, with producers suffering reduced revenues resulting from the precipitous fall of oil prices, Bakken producers are under greater pressure than ever to extract and ship their reserves as fast as possible. This means, rather than reducing oil shipments, the Dakota Access pipeline is likely to simply facilitate the extraction of an ADDITIONAL 500,000 barrels of oil a day and do nothing to mitigate the risks of current rail shipments.

And, if this isn’t enough to discredit the rail vs pipeline argument, Warren Buffett, one of the world’s most successful businessmen, has committed a half-billion dollars to upgrading his BNSF rail infrastructure, so it can ship more Bakken crude oil, not less. So, which are we to bet on, Warren Buffett’s half-billion dollar investment or Dakota Access’ vague, and meritless insinuations? For me, it’s a no-brainer.

Building the Dakota Access pipeline would be the worst of both worlds, leaving Iowa’s soil and water permanently at risk, trampling on landowner’s rights, and contributing to the risks climate change poses to Iowa farmers and manufacturers, all the while leaving current rail shipments unchanged.

Q. What do you say to those who claim they’ve had gas pipelines on their property for years without incident?
A. Comparing conventional natural gas pipelines to the proposed Dakota Access fracked oil pipeline is like comparing an air rifle to a double-barrel shotgun. First of all, the natural gas pipelines to which these anecdotes refer can be as small as 2 inches in diameter. The Dakota Access pipeline would be 30 inches in diameter. Second, crude oil, in general, is much more corrosive than natural gas and fracked Bakken crude is said to be more corrosive still. Third, our understanding is that the oil the Dakota Access pipeline would transport would be moved at significantly higher pressure than that found in natural gas lines. And, finally, the state of Iowa has never overseen a project the size and magnitude of the Dakota Access pipeline and is ill-equipped to do so now.

Add to these distinctions the well-documented and ubiquitous history of crude oil pipeline spills in the United States, and one can safely conclude that natural gas pipelines have zero relevance to our assessment of the certain and perpetual threats the proposed Bakken pipeline would represent.

Q. Your group also opposes the pipeline for reasons related to climate change. Why should Iowans or the Utilities Board be concerned with the impact the Dakota Access pipeline will have on the world’s climate?
A. First of all, 97% of the world’s climate scientists, who are actively engaged in publishing climate research, agree that human use of fossil fuels is rapidly warming our planet. This is a conclusion with which every major scientific body in the world agrees, despite the best efforts of Big Oil to spread doubt and confusion about this consensus.

And even though most climate models predict the world’s poorest human beings will, at least initially, be the most affected, studies predict dire consequences for Iowa farmers and manufacturers as well. One such study, reviewed in the Des Moines Register earlier this year, predicts that climate change could cost Iowa farmers and manufacturers billions of dollars. Other studies predict the spread of historically tropical diseases in Iowa, like Dengue Fever and malaria.

Based on thousands of published research papers, governments throughout the world, including the United States, have established 2° Celsius – that’s 3.6° Fahrenheit – as the maximum increase our climate can absorb without causing these and other catastrophic impacts. But, according to former NASA climate scientist, Dr. James Hansen, and others, we can avoid exceeding that maximum threshold only by keeping 80% of already discovered reserves in the ground. And the only chance we have of keeping 80% of known reserves in the ground is if we stop building additional extraction and
transportation infrastructure like the Dakota Access pipeline. Building this pipeline would only contribute to the predictable losses Iowans will suffer if climate change continues unchecked, losses that will far, far exceed the paltry economic benefits building the pipeline might provide. On this basis alone, approving the pipeline would be an unconscionable disservice to Iowans for countless generations. We ask board members Huser, Jacobs, and Wagner to set aside the Governor’s shortsighted support of Big Oil and reject this pipeline application. No doubt history will judge us all based on your decision.

Q. Does this conclude your prepared testimony?

A. It does.