

State of South Dakota

NINETY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2017

834Y0660

SENATE CONCURRENT RESOLUTION NO. 13

Introduced by: Senators Kennedy, Frerichs, Heinert, Killer, Maher, Nesiba, and Sutton and
Representatives Marty, Lesmeister, Livermont, May, and Smith

1 A CONCURRENT RESOLUTION, To require the payment into the federal oil spill liability
2 trust fund for the Keystone One Pipeline and the Keystone XL Pipeline and to recognize
3 dilbit as oil.

4 WHEREAS, the Keystone One Pipeline carries 550,000 barrels per day of tar sands oil (also
5 known as dilbit) and if completed the Keystone XL Pipeline will potentially carry 830,000
6 barrels per day of tar sands oil across the state of South Dakota; and

7 WHEREAS, in 1990, after the Exxon Valdez Oil Spill, it became clear that in order to
8 protect our country's environment, the issue of oil spill cleanups and procedures needed to be
9 addressed. The federal oil spill liability trust fund was established with the purpose of providing
10 the funding for this protection; and

11 WHEREAS, the Internal Revenue Service ruled that tar sands oil imported into the United
12 States is exempt from the federal oil spill liability trust fund tax because it is synthetic
13 petroleum and not oil; and

14 WHEREAS, in 2015 the National Academies of Sciences determined that American oil spill
15 procedures are inadequate to deal with tar sands and dilbit oil spills; and



1 WHEREAS, critics assert that pipelines carrying tar sands oil pose a special risk, compared
2 to other crude oils, because the tar sands oil operates at a higher temperature which has been
3 linked to increased corrosion; and

4 WHEREAS, these pipelines have to flow at higher pressures (1440psi) which increase the
5 risk of ruptures. The Natural Resources Defense Council notes that pipelines in the upper
6 Midwest that routinely carry oil from tar sands have spilled 3.6 times more oil per pipeline mile
7 than the United States average; and

8 WHEREAS, the owners of the Keystone One Pipeline and the potential Keystone XL
9 Pipeline have given their word that they will pay for any tar sands oil cleanup required from a
10 spill; however, there is no bond requirement to provide such assurance; and

11 WHEREAS, the United States Senate passed a Sense of the Senate resolution that stated the
12 eight cents per barrel federal oil spill liability trust fund tax should be paid by pipelines carrying
13 dilbit oil; and

14 WHEREAS, it is especially concerning to the residents of South Dakota that the potentially
15 hazardous dilbit oil is pumped across our state with no assurances as to who will pay for any
16 potential cleanups that may be necessary:

17 NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Ninety-Second Legislature
18 of the State of South Dakota, the House of Representatives concurring therein, that Congress
19 be hereby requested to preserve and protect our land by requiring the federal government to
20 recognize dilbit as oil and require payment into the federal oil spill liability trust fund for the
21 Keystone One Pipeline and the Keystone XL Pipeline, and that copies of this resolution be
22 forwarded to the South Dakota congressional delegation and to the President of the United
23 States.