

BP fined \$25 million over Alaska oil spill

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This 2006 handout picture from energy giant BP shows the pipes at the oil production facility in Prudhoe Bay, Alaska. BP has been fined \$25 million and ordered to spend an estimated \$60 million to improve pipeline safety in Alaska after a 2006 oil spill there, US authorities said Tuesday.

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The penalties, including the largest ever per-barrel fine for a US oil spill, were slapped on BP [Alaska](#) in an agreement with the US Department of Justice and the [Environmental Protection Agency](#) (EPA).

In March 2006, BP Alaska spilled over 5,000 barrels of [crude oil](#) on the North Slope in Alaska, in what investigators said was due to its failure to properly inspect and maintain the pipeline to prevent corrosion.

"This penalty should serve as a wake-up call to all pipeline operators that they will be held accountable for the safety of their operations," said Ignacia Moreno of the DoJ's Environment and Natural Resources Division.

As well as the fine, BP is required to "develop a system-wide program to manage pipeline integrity for the company's 1600 miles of pipeline on the North Slope," at an estimated cost of \$60 million over three years.

Those costs are in addition to the \$200 million BP Alaska has already spent replacing the lines that leaked on the North Slope, said the joint statement.

"Companies like BP Alaska must understand that they can no longer afford to ignore, neglect or postpone the proper monitoring and maintenance of their pipelines," said Moreno.

"This agreement will help prevent future environmental disasters and protect the fragile ecosystem of Alaska's North Slope."

BP did not immediately respond to request for comment on the Alaska penalties.

The British company said last week that the 2010 Deepwater Horizon disaster and spill, which killed 11 workers and caused millions of barrels of oil to spew into the Gulf of Mexico, would cost BP \$41.3 billion.

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