U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE

July 10, 2015

TO: Members, Subcommittee on Energy and Power

FROM: Committee Majority Staff

RE: Hearing entitled "Oversight of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 and Related Issues"

I. INTRODUCTION

On July 14, 2015, at 10:15 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled "Oversight of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 and Related Issues."

II. WITNESSES

Panel I

- Stacy Cummings, Interim Executive Director, Pipeline and Hazardous Materials Safety Administration.

Panel II

- Stan Wise, Commissioner, Georgia Public Service Commission, (on behalf of the National Association of Regulatory Utility Commissioners);
- Donald Santa, President and CEO, Interstate Natural Gas Association of America;
- Ron Bradley, Vice President of Gas Operations, PECO Energy, (on behalf of the American Gas Association);
- Andrew Black, President and CEO, Association of Oil Pipe Lines;
- Carl Weimer, Executive Director, Pipeline Safety Trust; and
- Dianne Black, Assistant Director of Planning and Development, County of Santa Barbara, California.

III. BACKGROUND

The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (P.L. 112-90)[1] (Pipeline Safety Act) reauthorized and made a number of reforms to the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program. The current authorization for PHMSA's pipeline safety program will expire on September 30, 2015.

[1] 49 U.S.C. § 60101 note.

PHMSA collects data and develops and implements Federal safety regulations for the nation's pipeline infrastructure, providing oversight to more than 2.6 million miles of natural gas and hazardous liquid pipelines.[2] PHMSA administers minimum pipeline safety standards for operations, construction, maintenance, and materials; accident and safety reporting procedures; maximum allowable pressure standards; determination of high consequence areas; pipeline integrity management; data monitoring; leak detection; and emergency response plans.

The Pipeline Safety Act included 42 congressional mandates of PHMSA regarding studies, rules, maps, and other elements of the Federal pipeline safety program. While PHMSA has fulfilled some of these mandates, 17 remain incomplete — well beyond the statutorily imposed deadlines — including several key mandates, which could significantly improve pipeline safety. According to information supplied to the Committee, PHMSA has failed to reach important decisions and issue regulations concerning pipeline damage prevention, automatic and remote-controlled shut-off valves, maximum allowable operating pressure verification, pipeline integrity management programs, public education and awareness, and accident and incident notification.

On May 19, 2015, an accident occurred on a pipeline operated by Plains All American Pipeline, L.P. resulting in the release of an estimated 2,400 barrels of crude oil along the Santa Barbara County coastline and into the Pacific Ocean. One June 25, 2015, the Committee sent two bipartisan letters related to pipeline safety. The first letter was sent to PHMSA and the Office of Management and Budget requesting an update of key pipeline safety reforms.[3] The second letter was sent to Plains All American Pipeline requesting documents on the company's maintenance and integrity operations.[4] As part of its ongoing oversight of PHMSA's pipeline safety program, and in light of the recent accident in California, the Committee will continue to examine PHMSA's progress implementing the reforms established under the Pipeline Safety Act, including the most significant of the incomplete mandates described below.

Automatic and Remote-Controlled Shutoff Valves

Section 4 of the Pipeline Safety Act required PHMSA to issue regulations requiring the use of automatic or remote-control shut-off valves on transmission pipelines constructed or entirely replaced after the date of the rule, if appropriate. This provision relates to the ability of pipeline operators to stop quickly the uncontrolled flow of crude oil or natural gas in the event of an accidental pipeline release. Operator delay in shutting down pipeline flow has been identified as an exacerbating factor in a number of recent pipeline failures, but most prominently in the September 2010 natural gas pipeline release in San Bruno, CA.

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[2] Pipeline Hazardous Safety Administration. *Annual Report Mileage Summary Statistics*. Accessed on July 9, 2015.
[3] House Committee on Energy and Commerce. Letter from Chairman Upton and Ranking Member Pallone to Pipeline Hazardous Materials Safety Administration Interim Executive Director Cummings and Office of Management and Budget Director Donovan. June 25, 2015.
[4] House Committee on Energy and Commerce. Letter from Chairman Upton and Ranking Member Pallone to Mr. Greg Armstrong, Chairman and CEO, Plains Pipeline, L.P. June 25, 2015.

While not required, PHMSA commissioned the study entitled "Studies for the Requirements of Automatic and Remotely Controlled Shutoff Valves on Hazardous Liquids and Natural Gas Pipelines with Respect to Public and Environmental Safety,"[5] but it has yet to determine whether regulations addressing the use of these technologies are appropriate. The statutory January 3, 2014, deadline has passed and PHMSA has not implemented this mandate.

Integrity Management and Class Location Replacement

Section 5 of the Pipeline Safety Act required PHMSA to submit a report to Congress containing an analysis regarding whether or not integrity management programs — including the use of the latest inspection technologies — should be expanded beyond high consequence areas and whether or not gas integrity management programs should replace the class location system. PHMSA was directed to consider issuing regulations, based on those findings included in its report to Congress.

PHMSA issued a Notice of Proposed Rulemaking in August 2013 asking for comment on whether integrity management programs should be expanded beyond high-consequence areas and whether gas integrity management programs should replace the class location system. The comment period ended November 1, 2013. The statutory July 3, 2013, deadline has passed, and PHMSA has not implemented this mandate.

Public Education and Awareness

Section 6 contained several requirements to increase the amount of information available to the public regarding the nation's pipeline infrastructure. One mandate required PHMSA to maintain a map of all High Consequence Areas as a part of its National Pipeline Mapping System, and another mandate required PHMSA to update the map biennially. PHMSA has not implemented these mandates.

Leak Detection

Section 8 required PHMSA, if appropriate, to issue regulations, as soon as practicable following a one-year review period, that would require leak detection systems on hazardous liquid pipelines and establish leak detections standards. PHMSA has linked its leak detection rulemaking to its automatic and remote-controlled shutoff valve rulemaking under Section 4 of the Pipeline Safety Act. PHMSA has not implemented this mandate.

Accident and Incident Notification

Section 9 required PHMSA to revise its regulations to establish specific time periods for telephonic or electronic notice of accidents or incidents. Timely notification of emergency responders is a key factor in minimizing the impacts of an accidental pipeline release.

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[5] Oak Ridge National Laboratory. *Studies for the Requirements of Automatic and Remotely Controlled Shutoff Valves on Hazardous Liquids and Natural Gas Pipelines with Respect to Public and Environmental Safety*. October 31, 2012.

On July 1, 2015, PHMSA issued a Notice of Proposed Rulemaking that would reduce the amount of time a pipeline operator will have to notify response agencies of releases involving natural gas and hazardous liquid pipelines. The statutory July 3, 2013, deadline has passed, and PHMSA has not implemented this mandate.

Excess Flow Valves

Section 22 required PHMSA to consider issuing regulations requiring the use of excess flow valves on new or entirely replaced distribution branch services, multi-family facilities, and small commercial facilities. Excess flow valves are used in natural gas distribution pipelines to restrict the flow of gas if a line is broken or damaged, limiting the impact of a leak or explosion.

On July 8, 2015, PHMSA issued a Notice of Proposed Rulemaking to expand requirements for the use of excess flow valves beyond single-family homes to include additional homes and small commercial natural gas customers. The statutory January 3, 2014, deadline has passed, and PHMSA has not implemented this mandate.

Maximum Allowable Operating Pressure

Section 23 directed PHMSA to require each pipeline owner or operator to verify that the records accurately reflect the physical and operational characteristics of the pipeline and confirm the established maximum allowable operating pressure of the pipelines. Inadequate records for older pipelines have been a long-standing concern among pipeline safety advocates.

This section includes several mandates, some elements of which PMSA has successfully implemented. The requirement to test and confirm the material strength of previously untested gas transmission pipelines in high consequence areas and the requirement for operators to report any exceedance of maximum allowable operating pressure within five days is being incorporated into the Gas Transmission Notice of Proposed Rulemaking, currently under review by the Office of Management and Budget since April 27, 2015. The statutory July 3, 2013, deadline has passed, and PHMSA has not implemented these mandates.

IV. ISSUES

The following issues may be examined at the hearing:

- PHMSA's implementation of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011;
- PHMSA's regulatory initiatives and reauthorization priorities; and
- Pipeline safety issues raised by recent pipeline failures.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Brandon Mooney or Tom Hassenboehler of the Committee staff at (202) 225-2927.