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March 16, 2016

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**Statement of Ranking Member Frank Pallone, Jr., as prepared for delivery  
House Committee on Energy and Commerce  
Subcommittee on Energy and Power  
Markup of H.R. \_\_, the “Pipeline Safety Act of 2016”**

The vast network of energy pipelines in this country are essentially “out of sight, out of mind” for most Americans. But when something goes wrong, these facilities can make themselves known in devastating and sometimes deadly ways. Over the last year, we’ve witnessed both a 100,000 gallon crude oil spill onto pristine coastline in Rep. Capps’ district in California and a massive gas storage facility leak in Los Angeles. The leak forced thousands of people from their homes for long periods of time and released nearly 100,000 metric tons of methane into the atmosphere.

At our legislative hearing two weeks ago on the earlier draft of this legislation, I said that the discussion draft released by the committee could and should be much stronger, but that I was optimistic because it included Rep. Green’s direct hire authority language and some important provisions on underground gas storage, pipeline safety technical assistance grants and mandamus.

Unfortunately, we have lost ground since that hearing. The discussion draft before us moved one step forward and two steps back from where we were just two weeks ago.

Gone from the legislation is a provision that would have restored the ability of the public to compel PHMSA to perform its non-discretionary obligations, or simply to do its job when it has yet to act. This provision – which was the top priority for the safety community -- is necessary to address an incorrect reading of the 2002 reauthorization by the Ninth Circuit. I believe that the law always contemplated mandamus-type suits to ensure PHMSA does its job. We should make that clear in the statute. At our hearing last year, we all voiced frustration at PHMSA’s inaction on a number of fronts, which is why it is still important for the public – and industry – to have the ability to access the courts to ensure PHMSA is keeping our pipeline system safe and secure.

While the legislation we are marking up today retains language from the previous discussion draft to provide a backstop to ensure some level of funding for PHMSA’s technical assistance grant (TAG) program, it also contains language that would place additional, stringent

restrictions on the use of grant funds and limit the universe of non-governmental organizations eligible to receive funds under the program. The new language also directs the Government Accountability Office (GAO) to audit the grant program. Additional bracketed language would delay the use of any funds derived from user fees to support the TAG program until after GAO has completed its report.

Unfortunately, industry successfully stopped the TAG grant program from being funded from general revenues in fiscal year 2016. And now the legislation before us places so many unreasonable restrictions on the grants that, even if the Secretary uses his discretionary authority to provide the program with some funding, they're not worth applying for. To date, industry has opposed efforts for non-profits to have access to these funds, and they now say they are concerned that non-profit organizations will be using the user fee to lobby against pipelines. This is an outrageous claim.

I would note that there has been at least some progress in one area in the latest draft: we now have language conferring emergency order authority on PHMSA. Amazingly, PHMSA currently lacks comprehensive emergency order authority to address imminent, industry-wide safety hazards, situations that result in unsafe conditions that pose a threat to life or significant harm to property or the environment. The Pipeline Safety Act provides PHMSA with authority to issue a Corrective Action Order to a single operator; however, an emergency order would apply to all pipeline operators or systems that face a common imminent hazard.

We will be offering a number of amendments on our side that would address these matters and greatly improve the bill. Since I became Ranking Member, the Republican majority on this Committee has spent a great deal of time trying to find ways to build more pipelines, more quickly, and often at the expense of private property owners and the environment. I don't agree with these efforts, but if this is going to be the approach that this current majority takes, we should at least assure those people who suddenly have a pipeline running through their backyard that it will operate safely and pose no real danger to their property, well-being or lives. We should protect all areas of the country from hazardous pipelines, not just a select few areas, a select few pipelines or even just one running under the Great Lakes. If people don't have confidence in the safety of our pipelines, then the resistance to new pipeline projects will grow exponentially over the next few years.

Mr. Chairman, we want to work with you on this reauthorization. I believe that we can work together on pipeline safety, and I hope that throughout today's markup we will see concrete evidence that you are willing to work with us, as full partners, to produce a balanced bill that moves us forward on safety.

Thank you.

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