



June 19, 2019

The Honorable Bobby Rush
Chairman
House Energy & Commerce Committee
Subcommittee on Energy
2188 Rayburn House Office Building
Washington, DC 20515

The Honorable Fred Upton
Ranking Member
House Energy & Commerce Committee
Subcommittee on Energy
2183 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Rush and Ranking Member Upton:

As Chief Executive Officer of NACE International, the Worldwide Authority on Corrosion, I'm writing with respect to an upcoming hearing on pipeline safety. On June 19, the House Energy and Commerce Subcommittee on Energy will review the Leonel Rondon Pipeline Safety Act and a discussion draft on the reauthorization of the Pipeline and Hazardous Materials Safety Administration (PHMSA). NACE is concerned with provisions in each proposal and is submitting this letter to be included in the record.

Corrosion is a major concern for all pipelines. Pipelines face challenges both from external corrosion, which can cause issues such as abnormal operating pressures, and internal corrosion, which can degrade the pipe's overall strength and lead to leaks.

Despite advances in technology and training, corrosion remains a major factor in pipeline failures. According to a study from the Government Accountability Office (GAO), corrosion caused "22% of all significant pipeline incidents from 2010 to 2015" and was the largest cause of significant incidents in that period. When there is a corrosion failure, the results are often catastrophic – Merrimack Valley, the Kalamazoo River, and San Bruno.

NACE is a not-for-profit technical society with the mission to equip society for the protection of people, assets and the environment from the adverse effects of corrosion. We develop standards, provide training and certification programs, sponsor research and host conferences to move this mission forward. Our members are committed to working with lawmakers to improve policies that lead to the increased knowledge and expertise required to protect our pipeline system from this silent menace.

The Leonel Rondon Pipeline Safety Act & Operator Qualification

As introduced, the bill requires regulations to improve gas pipeline operators' risk management plans, institutes best industry practices for holistic safety management, and mandates the use of accurate and reliable maps and records. The legislation requires changes to the Operator Qualification (OQ) Rule and increased involvement from professional engineers. Specifically, the language requires "covered tasks to be approved by a professional engineer licensed to practice in the State in which it is to be carried out."

NACE remains concerned with the credibility of the current OQ rule and applauds policy makers for providing options to increase safety. The current OQ rule promotes a minimum level of training, and companies comply with the rule via training and assessment methodologies that largely are well below basic standards for adult learning or accurate/verified content. Stories have become commonplace relative to OQ program material/exam that won't help avoid failures – poor training and lack of assessment of comprehension will eventually lead to a catastrophic failure. The proposed legislation includes new involvement in OQ from professional engineers and may be a good start but may miss the mark. We must bring to your attention that PEs regularly lack knowledge or experience in corrosion science and technology – corrosion is absent from most university engineering programs and PE examinations -- the PE requirement will not be effective in combatting the cause of up to 22% of pipeline

failures. Legislation should emphasize technical experts in other areas, including corrosion prevention. Corrosion prevention is a highly technical and niche skill that requires years of training and knowledge to fully develop and implement complex solutions, such as cathodic protection systems.

PHMSA Reauthorization & Direct Assessment

This year, Congress will consider a reauthorization of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Among other things, the PHMSA reauthorization will focus on funding challenges, personnel, regulatory mandates, and other important policy options. A current House Energy and Commerce Committee discussion draft outlines several proposals, including “the phaseout of direct assessment” as a method of assessing pipelines.

NACE is very concerned with this language and its unintended consequences on pipeline safety. Direct assessment is a valuable resource in the pipeline safety toolbox and when properly applied by qualified professionals, it enables operators to successfully identify potential threats and issues before an incident occurs. When ensuring the integrity of a pipeline system, operators should use all available resources to gather data and establish adequate protection. Additionally, not all pipelines (especially older ones) can be examined through other means and banning direct assessment would be problematic to implement.

Any change in policy should encourage several examination methods and not limit options or protective measures. Increasing public safety shouldn't limit examination methods. Additionally, policies should require the highest levels of operator knowledge, training, and experience so that potential threats are not only identified, but successfully averted.

Conclusion

NACE looks forward to working with members of this subcommittee, the overall committee, and Congress to improve overall safety. We're readily available to be a resource to policy makers and welcome the opportunity to connect you with experts, including pipeline inspectors and auditors.

For more information, please contact NACE's Manager of Government Relations Adam Christopher – adam.christopher@nace.org

Thank you for your time and consideration.

Sincerely,



Robert H. Chalker
Chief Executive Officer
NACE International