

Opening Statement of Republican Leader Fred Upton
Subcommittee on Energy
“Legislative Solutions to Make Our Nation’s Pipelines Safer”
June 19, 2019

As Prepared for Delivery

Thank you, Mr. Chairman for holding this hearing to continue our work on pipeline safety reauthorization. Pipeline safety is one of my highest priorities this Congress, and I had hoped we could work on this bill together. Unfortunately, up until now, Republicans have been left out of the drafting process.

The Discussion Draft before us today reflects this. In many respects, it appears to be more of a messaging bill than one that will truly advance safety practices and make it through the process and onto the President’s desk. To be frank, this bill does not have a chance of passing the Senate and getting signed by the President.

Mr. Chairman, I believe we all share many of the same priorities when it comes to pipeline safety. This is demonstrated by the strong bi-partisan work this Committee produced the last time we reauthorized PHMSA and enacted pipeline safety reforms. We should continue to build on those bi-partisan practices this time around.

I urge you to hit reset. Let’s open this process up and work together across the aisle. Rather than rushing this draft through the Subcommittee, let’s give PHMSA an opportunity to testify on their

reauthorization proposal and provide us with technical assistance on the drafting. We owe it to our constituents to have a more open and transparent process, where all the relevant stakeholders have an opportunity to present their views and reform proposals. I have three main goals for reauthorization:

First, I believe that we need to make sure that PHMSA and the States have the resources and the tools they need to perform their pipeline safety responsibilities.

Second, we need to hold PHMSA accountable for completing the outstanding Congressional mandates and finishing the pending rulemakings leftover from prior reauthorizations.

Third, we need to ensure that PHMSA, State regulators, and pipeline operators are incorporating lessons-learned from prior accidents, integrating new technologies, and continuing to improve safety.

I am afraid the Discussion Draft before us today falls short in several critical areas. For one, it appears that the Draft could slow the pace of PHMSA's rulemakings by encouraging frivolous lawsuits that result in sue and settle agreements, potentially diverting agency resources from developing important safety regulations. It could also lengthen the interagency review process by having PHMSA send OMB

incomplete rulemakings that fail to consider the full range of costs and benefits.

The Discussion Draft may also have the unintended effect of weakening pipeline safety. I am particularly concerned that the Draft would arbitrarily mandate certain technologies, such as automatic valves on liquid pipelines, which could lead to accidental pipeline ruptures. The Draft would also prohibit direct assessment of pipelines, which is a valuable method for evaluating and managing corrosion threats. The Discussion Draft may also divert PHMSA's limited resources by expanding its jurisdiction to include regulation of gathering lines, which are effectively managed at the State level today.

Finally, I am concerned the Draft does nothing to encourage innovation or the adoption of new pipeline safety technologies or safety processes. It also fails to incentivize pipeline operators to voluntarily exceed minimum safety requirements. I also don't think the Draft goes far enough to prevent cyber-attacks and discourage bad actors from damaging pipeline facilities.

As we move ahead, I plan to keep an open mind, especially given our history with pipeline safety, and our good working relationship. I hope that after today we can hit "reset" and take our time on this, rather than speeding ahead to a subcommittee markup next week. This is such an important issue and it has historically been a fully bipartisan process.

With that, I look forward to the testimony of our witnesses and working closely with you in the weeks ahead. Thank you, I yield back.