

Subcommittee on Energy
Hearing on
“Legislative Solutions to Make Our Nation's Pipelines Safer”
June 19, 2019

Mr. Andrew J. Black
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The Honorable Robert E. Latta (R-OH):

1. As you know, the States oversee more than 80 percent of the nation’s pipeline infrastructure—especially the gas distribution pipelines that connect our homes and businesses to the main transmission system.
 - a. Can you talk a little bit about state programs and the relationships that your member companies have with State and local pipeline safety regulators?

RESPONSE: The pipeline safety statutes allow for States to assume safety authority over intrastate gas pipelines, hazardous liquid pipelines, and underground natural gas storage through Certifications and Agreements with PHMSA under 49 U.S.C. §§ 60105- 60106.

Pipeline operators work with state pipeline safety regulators approved by PHMSA to carry out safety programs. To participate in PHMSA's pipeline safety and underground natural gas storage programs States must adopt the minimum federal pipeline safety regulations; however, States may pass more stringent state regulations for pipeline and underground natural gas storage safety through their State Legislatures. If States did not participate in the pipeline safety or underground natural gas storage programs, the inspection and enforcement of these intrastate pipeline and underground natural gas storage facilities would be PHMSA's responsibility.

- b. What are the main elements of good quality state programs and what is the industry doing to provide technical training and support?

RESPONSE: Good state programs employ a risk-based approach combining minimum safety standards and performance based expectations, recognizing the great variety in pipeline materials, construction techniques, delivered products, operating conditions and operating environments, and not applying single one-sized fits all requirements. To support States participating in the pipeline safety and underground natural gas storage programs PHMSA provides grants to States to reimburse up to 80 percent of the total cost of the personnel, equipment, and activities reasonably required by the State agency for conducting its pipeline safety or underground natural gas storage program during a given calendar year. State pipeline safety and

underground natural gas storage programs provide a local presence for protecting the public from pipeline and underground natural gas storage incidents. PHMSA works closely with State pipeline and underground natural gas storage programs to improve safety across the Nation.

- c. Is there anything that Congress, or PHMSA, could do to support cooperation and collaboration among State regulators and the industry?

RESPONSE: Industry welcomes efforts to coordinate state and federal pipeline oversight efforts. A provision under consideration in pipeline safety reauthorization legislation would direct PHMSA within 18 months to amend the auditing program for its drug and alcohol regulations to minimize duplicative audits of the same operators by federal and state agencies.

Industry also encourages PHMSA to work with states to encourage robust damage prevention programs at the local level. Damage from third parties striking pipelines and other utilities is a serious source of personal injury and pipeline incidents. State programs to prevent damage to pipelines can sometimes provide waivers to call-before-you dig requirements on agricultural or government activities that pose a threat to pipeline safety. Limiting these state damage prevention exceptions will improve pipeline safety.

The Honorable Cathy McMorris Rodgers (R-WA):

1. As you know, PHMSA is currently undertaking significant rulemakings for both gas and liquid pipelines.
 - a. I would like for you to put these rulemakings in context for us. How significant of a change are you expecting from the current regulatory framework?

RESPONSE: The current statutory and regulatory framework for pipeline safety oversight is sound. Federal law and PHMSA regulation employ a risk-based approach combining minimum safety standards and performance based expectations. This system recognizes the great variety in pipeline materials, construction techniques, delivered products, operating conditions and operating environments. No single one-sized fits all regulatory requirement would address all pipelines or conditions.

Within the current successful framework, Congress, PHMSA and safety agencies do identify emerging threats, incident causes requiring response or other gaps in regulations requiring further attention. In attempting to address these needs, PHMSA regulatory proposals historically have run into delay or opposition when they proposed overly broad scopes beyond the core issues at hand or requirements where the costs exceeded the expected benefits.

Industry generally encourages PHMSA to tailor its proposals within the current regulatory framework in ways that reflect the risk presented, avoid one-size fits all requirements, and harness the capabilities of current technology and knowledge.

- b. Given the pending regulations at PHMSA, what are your member's priorities for pipeline safety reauthorization?

RESPONSE: Pipeline safety reauthorization legislation offers us an opportunity to continue improvements in pipeline safety. Reauthorization should be a place where we can collaborate, work on proposals that bring stakeholders together, and protect each other from harm. The liquid pipeline industry asks that we move forward with positive solutions to harness the benefits of innovation and technology to improve pipeline safety, bring stakeholders together to improve PHMSA programs and regulations, and protect the public from harm.

Technology and innovation offer opportunities to move pipeline safety forward. Hi-tech inspection tools can now scan pipelines like an MRI or ultrasound at the doctor's office. And yet crucial sections of PHMSA's inspection and maintenance regulations are nearly 20 years old and have gaps that fail to address problems like cracking in pipelines. AOPL recommends Congress authorize a pilot program to provide PHMSA the data it needs to modernize and fill gaps in its regulations.

2. I know your pipeline companies are serious about improving their safety records and incorporating lessons-learned from prior accidents.

- a. Can you provide some recent examples of lessons-learned, or recommendations made by PHMSA or NTSB that have been implemented?

RESPONSE: Pipeline company safety records are improving. Over the last 5 years, pipeline operators have reduced the number of liquids pipeline incidents impacting people or the environment by 20%. This is government data publicly available from the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA data also shows pipeline incidents impacting people or the environment caused by incorrect operation are down 38% over the last 5 years, and pipeline incidents impacting people or the environment caused by corrosion, cracking or weld failures are down 35% over the last 5 years.

The improved pipeline safety record is due in large part to industry and AOPL member companies working hard to improve pipeline safety. We are transparent about where we are doing well and where we can do better. The statistics above come from the performance report we develop jointly each year with the American Petroleum Institute (API) analyzing pipeline safety data. We use this analysis to guide our industry-wide safety programs focusing on key pipeline safety issues.

Through this strategic effort the pipeline industry has addressed key safety

recommendations from Congress, the U.S. National Transportation Safety Board (NTSB), PHMSA. NTSB recommendations after a major pipeline incident in Marshall, MI in 2010 led to pipeline operators working together through AOPL and API to develop new industry-wide recommended practices (RP) to help operators find and fix cracking in pipelines (API RP 1176), manage leak detection programs (API RP 1175), respond to pipeline emergencies (API 1174) and apply safety management systems to pipelines (API 1173). Industry's work to apply holistic safety management programs found successful in the aviation, nuclear and chemical industry to the pipelines industry earned the pipeline industry a rare commendation from NTSB that our response to their recommendation "exceeded their expectations."

The pipeline industry is also diligent in taking PHMSA advisory bulletins to heart. A lesson learned from the Marshall, MI incident was the need to integrate inspection results and safety factors from multiple sources to determine if their additive factor separately was insufficient to indicate a serious safety threat, but when combined pointed to a potential issue requiring attention. PHMSA issued an advisory bulletin on this issue and industry responded by developing a technical report on pipeline integrity data management and integration. Industry has also incorporated lessons learned from PHMSA bulletins on extreme weather by expanding its recommended practice for assessing river crossings to guard against river scouring or bank washouts.

That said, the pipeline industry is not waiting to respond to recommendations from other safety stakeholders. This spring, the pipeline industry issued an updated recommended practice for its core integrity management inspection and maintenance program and is driving to complete a new recommended practice for assessing dents in pipelines accompanied by cracking or corrosion. Both industry documents contain recommended best practices that go beyond PHMSA's regulations in areas where PHMSA requirements are out of date or contain gaps. For these reasons, industry continues to support tools to help modernize PHMSA's requirements, such as the proposed technology demonstration pilot program, the Voluntary Information Sharing program, and incorporating the latest safety recommendations by reference into PHMSA regulations.