

MEMORANDUM January 16, 2024

TO: Members of the Subcommittee on Energy, Climate, and Grid Security

FROM: Committee Majority Staff

RE: Hearing entitled "Fueling America's Economy: Legislation to Improve Safety and

Expand U.S. Pipeline Infrastructure"

I. INTRODUCTION

On Thursday, January 18, 2024, at 10:00 a.m. (ET) in 2322 Rayburn House Office Building, the Subcommittee on Energy, Climate, and Grid Security will hold a hearing entitled "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure." The hearing will examine a draft bill to reauthorize the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program for 5 years, and update policies to construct and operate pipelines.

II. WITNESSES

Panel I

• **Mr. Tristan Brown**, Deputy Administrator, Pipeline and Hazardous Materials Safety Administration (PHMSA).

Panel II

- Andrew Black, President and CEO, Liquid Energy Pipeline Association (LEPA);
- Robin Rorick, Vice President of Midstream Policy, American Petroleum Institute (API);
- Dave Schryver, President and CEO, American Public Gas Association (APGA); and
- Bill Caram, Executive Director, Pipeline Safety Trust.

III. BACKGROUND

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is a U.S. Department of Transportation (DOT) agency that develops and enforces federal safety regulations for the nation's pipeline infrastructure and the transportation of hazardous materials. PHMSA provides oversight of nearly 3.4 million miles of pipelines and nearly 1 million daily shipments of hazardous materials by land, sea, and air.

PHMSA has nearly 500 employees based both in Washington, D.C., and regional offices around the country. PHMSA is headed by a Presidentially-appointed and Senate-confirmed administrator who is supported by a senior leadership team. Because the Biden administration

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has declined to nominate an administrator for more than three years, a record long vacancy remains atop the agency. In the absence of a confirmed administrator, PHMSA is being led by Deputy Administrator Tristan Brown.

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. PHMSA's authorities are derived from federal pipeline safety statutes, the most recent of which is the *Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020.* ¹

PHMSA has numerous overdue congressional mandates and open rulemakings, many of which were required by the *PIPES Act of 2020* and other recently enacted laws.² The *PIPES Act* mandates require PHMSA to strengthen safety requirements for distribution and transmission pipelines, update leak detection and repair requirements, and set schedules for completion of outstanding rulemakings. The *PIPES Act* also contains authorizations of appropriations through FY 2023 for PHMSA's budget and grants for state pipelines safety programs.

Summary of Legislation and Section-by-Section Analysis

On July 25, 2023, Chair Rodgers and Chair Duncan released draft legislation to reauthorize PHMSA's pipeline safety programs for five years and update the policies and procedures for permitting pipeline infrastructure and underground sequestration of carbon dioxide. Full text of the "Pipeline Safety, Modernization, and Expansion Act of 2023 can be found here.

- Sec. 1. Short Title. Section 1 provides the short title of "Pipeline Safety, Modernization, and Expansion Act."
- **Sec. 2. Minimum Safety Standards.** This section requires the Pipeline and Hazardous Materials Safety Administration (PHMSA) to consider the "safety and economic benefits within the United States" when conducting the cost-benefit analysis of proposed regulations.
- **Sec. 3. Regulation of Carbon Dioxide Pipeline Facilities.** This section requires PHMSA to finalize safety standards for pipeline facilities that transport carbon dioxide no later than one year from the date of enactment. The section also clarifies the authority of the Environmental Protection Agency (EPA) to identify areas suitable for underground sequestration of carbon dioxide.
- Sec. 4. Technical Safety Standards Committees. This section requires PHMSA to conduct technical safety advisory meetings more regularly to review and improve proposed regulations.

¹ Text - H.R.133 - 116th Congress (2019-2020): Consolidated Appropriations Act, 2021 | Congress.gov | Library of Congress

² See, e.g. <u>PIPES ACT 2020 Web Chart (dot.gov)</u>. Additional recently enacted laws include the PIPES Act of 2016 (P.L. 114-183) and the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (P.L. 112-90).

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 - Sec. 5. Strengthening Penalties for Pipeline Safety Violations. This section strengthens penalties for "damaging, destroying, or impairing the operation of" pipeline facilities.
 - **Sec. 6.** Authorization Levels. This section reauthorizes PHMSA's pipeline safety programs for five years.
 - **Sec. 7. Pipeline Safety Enhancement Programs.** This section directs PHSMA to conduct a pilot program to test innovative pipeline safety technologies and integrity management practices that meet or exceed PHSMA's safety regulations.
 - Sec. 8. Pipeline Safety Voluntary Information Sharing System. This section directs PHMSA to establish a voluntary information sharing system to gather, evaluate, and quantify critical pipeline safety data and information to improve safety.
 - **Sec. 9. Protecting Fuel Choice for Consumers.** This section prohibits a State or municipality from banning the transportation of an energy source, including natural gas or liquid fuels, that are sold in interstate commerce using a pipeline facility regulated by PHSMA.
 - Sec. 10. Modernizing and Expanding Pipelines. This section authorizes the Federal Energy Regulatory Commission (FERC) to issue any federal permit required for the construction, modification, expansion, inspection, repair, or maintenance of an existing pipeline or a new pipeline co-located within an existing right-of-way. A person may request FERC to make a final decision on a permit if the federal agency with statutory authority, or the State to which authority has been delegated by the federal agency, fails to complete a proceeding within one year after the application was filed.
 - **Sec. 11. Regulatory Updates.** This section requires PHMSA to report to Congress on outstanding regulations and overdue congressional mandates required by prior pipeline safety laws.

IV. ISSUES

The following issues may be examined at the hearing:

- Status of *PIPES Act* implementation and overdue congressional mandates and regulations;
- Oversight of PHMSA leadership, governing structure, grants, and awards;
- Impact of new PHMSA rulemakings on safety and operations; and
- Priorities for pipeline safety reauthorization.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Brandon Mooney, Elise Krekorian, or Mary Martin of the Committee staff.