

Summary of Testimony of Andrew J. Black, President & CEO Liquid Energy Pipeline Association

- According to publicly available government data from PHMSA, pipelines are the safest way to transport energy. A PHMSA report prepared at the request of Congress compared pipelines to trucks and trains over a 10-year period and found pipelines the safest mode of transportation. Pipelines delivered 180 million gallons of energy per incident while trucks and trains delivered only 55 and 50 million gallons per incident, respectively.
- Not only are pipelines the safest way to deliver energy, they are also getting safer. Over the last 5 years, total liquids pipeline incidents are down 28%. Incidents impacting people or the environment are down 16%.
- We also are not resting on improving pipeline safety. We have ongoing industry-wide initiatives to improve public engagement, develop best practices for managing geohazards and seismicity, improve pipeline inspection technologies, implement pipeline safety management systems, and share safety improvement lessons from pipeline incidents and near misses across our pipeline community.
- In this context, the Committee's approach to this pipeline safety reauthorization makes a lot of sense. Pipeline safety is headed in the right direction under a mature set of regulations. There is no need for adding a host of punitive provisions on the pipeline industry. The data just does not support those who wish to impose harsh new mandates or penalties on pipeline operators.
- LEPA applauds the discussion draft's language to cut through PHMSA's bureaucratic red tape and allow pipeline safety to benefit from technology and innovation, update regulatory requirements for low carbon solutions, increase penalties for disrupting pipeline operations, promote safety improvement through a Voluntary Information Sharing program similar to that in the aviation industry, and continue oversight of PHMSA's work to meet Congressional mandates.
- While safety is a traditional focus of reauthorization bills, LEPA applauds the discussion draft's vision to look holistically at what is needed to help America benefit from pipelines. LEPA supports efforts to streamline permitting for pipeline construction or maintenance on routes co-located within existing rights of way and protect consumer freedom to choose the energy source for their home.
- As the Committee reviews this legislation, we recommend the Committee:
 1. Further cut red tape PHMSA imposed on the Pipeline Safety Enhancement Program by specifically preventing PHMSA from using the bureaucratic Special Permit Program to process technology pilot applications.
 2. Add a requirement on operators of CO₂ pipelines to conduct CO₂-specific dispersion modeling of atmospheric conditions and topography that could impact an incident.
 3. Reform the Special Permit Program by preventing PHMSA from imposing unrelated conditions on applicants and adhering to a shot clock for application reviews.
 4. Increase enforcement due process by providing operators the opportunity for a formal hearing on major notices of probable violation, consistent with the PHMSA hazardous materials program and other DOT modal agencies.



Testimony of Andrew J. Black
President & CEO
Liquid Energy Pipeline Association
before the
House Committee on Energy & Commerce
Energy, Climate, and Grid Security Subcommittee

Hearing on Fueling America's Economy: Legislation to Improve Safety
and Expand U.S. Pipeline Infrastructure
January 18, 2024

Thank you, Chair, Ranking Member, and members of the Subcommittee. My name is Andy Black and I am President and CEO of the Liquid Energy Pipeline Association. LEPA represents pipeline owners and operators delivering transportation fuels like gasoline, diesel, and jet fuel, transportation feedstocks like crude oil, home heating fuels like propane and home heating oil, industrial feedstocks like ethane and butane, and low carbon solutions like renewable diesel, liquified petroleum gas and carbon dioxide. We have over 50 member companies delivering over 20 billion barrels of energy liquids annually across a nearly a 230,000-mile network of pipelines.

This hearing provides the Subcommittee an opportunity to take stock of the pipeline industry, how pipelines are needed to get Americans the energy they need, and how pipelines are the safest and most environmentally protective way to move energy.

According to publicly available government data from PHMSA, pipelines are the safest way to transport energy. A PHMSA report prepared at the request of Congress compared pipelines to trucks and trains over a 10-year period and found pipelines the safest mode of transportation. Pipelines delivered 180 million gallons of energy per incident while trucks and trains delivered only 55 and 50 million gallons per incident, respectively.ⁱ

Administrations of both parties have reached this same conclusion. Secretary Hillary Clinton's State Department during the Obama administrationⁱⁱ found not only would a major proposed pipeline be the safest way to deliver energy, it would also be safer and have less impact on the environment than taking no action at all. The Obama administration found rejecting that pipeline project and shipping the same energy by rail increased the risk of an oil release by over 800 times and barrels released by 2.6 times.

Not only are pipelines the safest way to deliver energy, they are also getting safer. Over the last 5 years, total liquids pipeline incidents are down 28%. Incidents impacting people or the environment are down 16%. Digging deeper shows more good news. Pipeline incidents impacting people or the environment caused by equipment failure are down 42% over the last 5 years. Similar pipeline incidents related to pipe material or weld failure are down 29 percent.

Incidents Impacting People or the Environment is a metric developed jointly by PHMSA, the Pipeline Safety Trust and industry pursuant to the recommendation of the National Transportation Safety Board. NTSB asked the pipeline community to identify the most meaningful metric for measuring pipeline safety. You may hear from other stakeholders about

various metrics and PHMSA certainly tracks many. But we agree that Incidents Impacting People or the Environment are the most meaningful and are gratified they are down 16% over the last 5 years.

We also are not resting on improving pipeline safety. The pipeline industry wants to reduce the number of incidents and barrels released even further. That is why we partner with the American Petroleum Institute and our member companies on numerous industry-wide initiatives to improve pipeline safety.

We have ongoing industry-wide initiatives to improve public engagement, develop best practices for managing geohazards and seismicity, improve pipeline inspection technologies, implement pipeline safety management systems, and share safety improvement lessons from pipeline incidents and near misses across our pipeline community. In the last several years, we have completed initiatives on crack management, pipeline integrity management, data integration, hydrotesting and emergency response. Our 2023-2025 API-LEPA strategic plan for pipeline excellence includes new goals on cybersecurity, attracting, training and retaining quality personnel, and low carbon solutions.

LEPA also recognizes members of this subcommittee are tracking the impact of pipelines on greenhouse gas emissions. One factor to recognize is pipelines delivering liquid products for the most part use electric pumps, and thus are not a major direct source of greenhouse gas or air emissions.

The same Obama administration review mentioned above found the major pipeline analyzed would release 42% less greenhouse gas emissions than transporting that same energy by rail. Indeed, it was found that rejecting that pipeline compared to doing nothing at all would increase greenhouse gas emissions by 1.2 million metric tons of CO₂ equivalent per year. Pipelines are the most environmentally friendly way of moving the fuels we use every day.

We certainly understand in many locations shipment by rail or truck is necessary and generally a safe delivery mode. But we are proud that pipelines are the safest way to deliver the energy American consumers need and want.

In this context, the Committee's approach to this pipeline safety reauthorization makes a lot of sense. Pipeline safety is headed in the right direction under a mature set of regulations. There is no need for adding a host of punitive provisions on the pipeline industry. The data just does not support those who wish to impose harsh new mandates or penalties on pipeline operators.

LEPA does support the Committee acting in targeted areas of pipeline safety. Industry knows we need to continuously improve our safety record and learn from incidents we do have. Therefore, LEPA recommends pipeline safety improvements in three categories: 1) Leveraging Safety Technology and Knowledge, 2) Safe Low Carbon Future, and 3) Improving PHMSA Safety Programs.

A continuing frustration for pipeline operators is how old some of PHMSA's regulations are. Key PHMSA requirements for inspecting and repairing pipelines are now over 20 years old. Pipeline technologies and analytic methods on which they were based are woefully out of date, replaced by new technologies and analytic methods that PHMSA should reflect in its regulations but often does not. Congress in the 2020 PIPES Act authorized a program to demonstrate cutting edge pipeline safety technologies and advanced analytics. The hope is data from these technology pilots would help PHMSA modernize their regulations.

However, PHMSA, in implementing the program added a number of additional administrative hurdles and requirements beyond what Congress mandated. PHMSA made the program so untenable that no operator asked to use it. We applaud the discussion draft's language to cut through PHMSA's bureaucratic red tape and allow pipeline safety to benefit from technology and innovation.

The pipeline industry also supports updating regulatory requirements for low carbon solutions, such as carbon dioxide pipelines. A major buildout of CO₂ pipelines is necessary to transport CO₂ from where it is captured to where it will be stored permanently out of harm's way. Without a new network of CO₂ pipelines, our nation will not meet goals for reducing greenhouse gas emissions. We want policymakers and the public to know these CO₂ pipeline systems will be covered by federal pipeline safety requirements. Many do not know there are already dozens of federal regulatory requirements administered by PHMSA covering CO₂ pipeline safety.

Nevertheless, we agree that in a handful of discrete areas, PHMSA requirements would benefit from updates reflecting the latest safety approaches and learnings. We support the discussion draft's targeted approach as the best way for PHMSA to issue new CO₂ pipeline safety requirements quickly. This would also help PHMSA avoid getting bogged down in an open-ended exercise that like other recent PHMSA rulemakings could take many years.

LEPA also commends the discussion draft's language increasing penalties for disrupting pipeline operations, promoting safety improvement through a Voluntary Information Sharing program similar to that in the aviation industry, and continuing oversight of PHMSA's work to meet Congressional mandates.

While safety is a traditional focus of reauthorization bills, LEPA applauds the discussion draft's vision to look holistically at what is needed to help America benefit from pipelines. The discussion draft proposes creative new ideas on pipeline permitting and consumer fuel choice. Pipeline projects which qualify for permits should be able to receive them, and in a timely manner. The discussion draft's language to streamline permitting for pipeline construction or maintenance on routes co-located within existing rights of way makes all the sense in the world. Similarly, the discussion draft's language also protects consumers and preserves their freedom to choose the energy source for their home.

As the Subcommittee and Committee reviews this legislation, we recommend the Committee consider further improvements and reforms of PHMSA's management of pipeline safety programs:

1. Further cut red tape PHMSA imposed on the Pipeline Safety Enhancement Program by specifically preventing PHMSA from using the bureaucratic Special Permit Program to process technology pilot applications

2. Add a requirement on operators of CO₂ pipelines to conduct CO₂-specific dispersion modeling of atmospheric conditions and topography that could impact an incident

3. Reform the Special Permit Program by preventing PHMSA from imposing unrelated conditions on applicants and adhering to a shot clock for application reviews

4. Increase enforcement due process by providing operators the opportunity for a formal hearing on major notices of probable violation, consistent with the PHMSA hazardous materials program and other DOT modal agencies

On these or any of the proposals or those under consideration by the subcommittee, I am happy to answer questions and thank the subcommittee again for inviting me to testify today.

#####