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4 OVERSIGHT OF THE PIPELINE SAFETY, REGULATORY CERTAINTY, AND

5 JOB CREATION ACT OF 2011 AND RELATED ISSUES

6 TUESDAY, JULY 14, 2015

7 House of Representatives,

8 Subcommittee on Energy and Power

9 Committee on Energy and Commerce

10 Washington, D.C.

11 The subcommittee met, pursuant to call, at 10:16 a.m.,

12 in Room 2123 of the Rayburn House Office Building, Hon. Ed

13 Whitfield [Chairman of the Subcommittee] presiding.

14 Members present: Representatives Whitfield, Olson,

15 Shimkus, Pitts, Latta, Harper, McKinley, Kinzinger, Griffith,

16 Johnson, Long, Flores, Mullin, Hudson, Upton (ex officio),

17 Rush, McNerney, Tonko, Green, Capps, Sarbanes, Loebsack, and

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18 Pallone (ex officio) .

19 Staff present: Nick Abraham, Legislative Associate,
20 Energy and Power; Will Batson, Legislative Clerk; Leighton
21 Brown, Press Assistant; Allison Busbee, Policy Coordinator,
22 Energy and Power; Tom Hassenboehler, Chief Counsel, Energy
23 and Power; A.T. Johnston, Senior Policy Advisor; Brandon
24 Mooney, Professional Staff Member, Energy and Power; Mark
25 Ratner, Policy Advisor to the Chairman; Dan Schneider, Press
26 Secretary; Caitlin Haberman, Democratic Professional Staff
27 Member; Ashley Jones, Democratic Director of Communications,
28 Member Services and Outreach; Rick Hessler, Democratic Senior
29 Advisor and Staff Director, Energy and Environment; John
30 Marshall, Democratic Policy Coordinator; and Alexander
31 Ratner, Democratic Policy Analyst.

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32 Mr. {Whitfield.} I would like to call the hearing to
33 order this morning, and I would like to recognize myself for
34 a 5-minute opening statement.

35 This morning, we are going to be conducting an oversight
36 hearing on the Pipeline Safety, Regulatory Certainty, and Job
37 Creation Act of 2011, and its implementation of the Pipeline
38 and Hazardous Materials Safety Administration (PHMSA). I
39 certainly want to welcome the interim Executive Director of
40 PHMSA, as well as a second panel that includes
41 representatives of the oil and natural gas industry, local
42 government and witnesses with other perspectives.

43 It has been more than 3 years since the Pipeline Safety
44 Act was enacted, and PHMSA's implementation has not been
45 satisfactory. Many of the mandates; at least 17 out of 42
46 included in the Pipeline Safety Act, have not been completed,
47 including several described as key mandates with potentially
48 large impacts on pipeline operations nationwide. The
49 potential consequences of these delays are serious. In May,
50 a significant oil spill occurred in Santa Barbara,
51 California, and just days ago the same company reported
52 another incident in Illinois. The committee has written

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53 letters both to PHMSA and this company seeking more
54 information. It cannot be said for certain that full
55 implementation of the Pipeline Safety Act would have made a
56 difference in Santa Barbara or any other individual oil spill
57 or natural gas pipeline explosion. Nonetheless, we owe it to
58 the American people to ensure that all reasonable steps are
59 taken to ensure the safety of the Nation's pipelines. The
60 Pipeline Safety Act includes a number of such steps that have
61 yet to be put into action.

62 The increase in domestic oil and natural gas production
63 is clearly good news, but it does not present--but it does
64 present significant infrastructure challenges. Whether it is
65 oil, refined products, or natural gas, there is inherent risk
66 in moving high volumes of product through aging and sometimes
67 inadequate infrastructure. Part of the answer lies in
68 constructing new pipelines and replacing old ones, but
69 perhaps even more important is applying new technology to
70 ensure the safety of the existing system.

71 Many experts believe that pipelines are the safest means
72 of transporting natural gas and liquid hydrocarbons, but the
73 Santa Barbara spill and other recent incidents underscore the
74 fact that there is considerable room for improvement. It is

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75 important to understand why the timely implementation of the
76 Pipeline Safety Act has proven so difficult, and particularly
77 since more money has been given to PHMSA, and we would like
78 to know how PHMSA can expedite this matter.

79 And as we begin to look ahead to reauthorization of this
80 same statute, we are also interested in learning about
81 PHMSA's priorities and if additional legislative steps should
82 be taken.

83 [The prepared statement of Mr. Whitfield follows:]

84 ***** COMMITTEE INSERT *****

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85 Mr. {Whitfield.} We have two panels of witnesses this
86 morning, and I will be introducing them right before they
87 give their opening statement.

88 At this time, I would like to recognize the gentleman
89 from Illinois, Mr. Rush, for 5 minutes.

90 Mr. {Rush.} Well, thank you, Mr. Chairman, for holding
91 this important and timely hearing today on the issue of
92 pipeline safety oversight.

93 Mr. Chairman, in the past, the issue of pipeline safety
94 has been one that we have worked on in a bipartisan matter,
95 and it is my hope and my expectation that we will continue to
96 work on this important matter in the same tradition as we
97 address this very, very important issue in this Congress.

98 Mr. Chairman, unfortunately, the issue of pipeline
99 safety too often takes a backseat to other pressing matters
100 until there is an accident or there is a tragedy that focuses
101 the public's attention back on this issue. Of course,
102 today's hearings take place against a backdrop of the major
103 Santa Barbara pipeline breach that spilled 100,000 gallons of
104 crude oil in May, polluting the Pacific Ocean, damaging
105 Southern California beaches, and killing hundreds of

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106 thousands of wildlife.

107 Additionally, Mr. Chairman, just over the weekend there
108 was another smaller, but no less troubling spill, in my home
109 state of Illinois from a station operated by the Plains All
110 American, the very same company that owned the California
111 pipeline that ruptured just 2 months ago. Two ruptures in 2
112 months, Mr. Chairman.

113 So, Mr. Chairman, while this subcommittee continues to
114 debate issues such as fast-tracking the pipeline permitting
115 process, I think that it is imperative that we also examine
116 the safety mechanisms we currently have in place to ensure
117 that they are working effectively. And whether there are
118 deficiencies in areas of resources or leadership, I believe
119 there is much more work to be done in order for Americans to
120 feel a greater sense of confidence in the agencies that are
121 responsible for pipeline safety oversight.

122 Once again, Mr. Chairman, I applaud you for holding this
123 timely hearing today, and I look forward to hearing from all
124 of our expert witnesses.

125 And with that, I yield back. I yield to Mrs. Capps for
126 what time I have left.

127 [The prepared statement of Mr. Rush follows:]

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128 ***** COMMITTEE INSERT *****

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129 Mrs. {Capps.} Thank you, Mr. Chairman, and thank you,
130 Ranking Member, Mr. Rush, for holding this hearing and giving
131 me the opportunity to provide an opening statement.

132 I want to thank Chairman Upton and Ranking Member
133 Pallone for a strong leadership within our committee on these
134 issues, and for working with me to incorporate oversight of
135 the recent oil spill in my district into this hearing. And I
136 want to welcome my constituent, Dianne Black, from the County
137 of Santa Barbara, who will be testifying on the second panel
138 today.

139 And as was already mentioned, nearly 2 months ago, over
140 100,000 gallons of crude oil spilled from the ruptured Plains
141 All American pipeline into the coastline of my district. The
142 oil gushed from the ruptured pipeline, flowed down a hill,
143 through a culvert, onto the beach and into the ocean along
144 the pristine Gaviota Coast. From there, tens of thousands of
145 gallons of oil spread for miles down the coast, closing
146 popular beaches, valuable fisheries, devastating wildlife,
147 and bringing back horrible memories of the Platform A
148 disaster more than 45 years ago.

149 Since that devastating oil spill in 1969, the Santa

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150 Barbara community has dedicated itself to learning from that
151 tragedy and working to ensure that it does not happen again.
152 Sadly, even in a community as determined as ours, May 19
153 reminded us that spills are inevitable as long as we continue
154 to depend on oil for all of our--for so much of our energy
155 needs.

156 I know the Plains spill in my district certainly is not
157 the first pipeline failure, nor will it be the last. Time
158 and time again, we have seen oil and gas pipelines fail,
159 causing irreparable harm to lives, property, and the
160 environment. Just last Friday, as was mentioned as well, we
161 saw yet another oil spill in Illinois from a Plains pipeline;
162 the very same company responsible for the spill in my
163 district. These spills remind us that we have a
164 responsibility to do everything we can to prevent spills from
165 happening, but also to be prepared to minimize the damage
166 when they do occur. That is why today's hearing and our work
167 to reauthorize federal pipeline safety programs are so
168 important. As a result of the Plains spill in my district we
169 have already gained valuable insights and identified
170 weaknesses that must be addressed.

171 I want to thank Chairman Upton, Ranking Member Pallone

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172 for working with me to fully investigate this spill, ensure
173 this Administration is following through on its overdue
174 pipeline safety reforms.

175 Over the years, regardless of who is in the White House,
176 federal pipeline regulations have been weak and ineffective.
177 There is a reason that the company that built the pipeline
178 that ruptured in my district sued in 1998 to have it be
179 regulated by the Federal Government, rather than the County
180 of Santa Barbara. They knew federal regulators would ask
181 fewer questions, impose fewer restrictions. This cannot be
182 allowed to continue.

183 I recognize progress has been made in recent years. We
184 still have a long way to go. While PHMSA has certainly
185 dragged its feet in implementing key reforms, Congress has
186 also failed to provide the agency with the resources it needs
187 to meet the growing demand. I often hear many of my
188 colleagues tout efforts to support the rapid growth in
189 domestic oil and gas development and pipeline construction in
190 recent years. While I don't share necessarily their
191 enthusiasm for this development, I hope we can all agree that
192 we must also support efforts to ensure federal regulators
193 have the resources they need to keep pace with this growth.

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194 We simply can't have one without the other.

195 Mr. Chairman, these are just a few of many issues I hope
196 this committee can examine closely as we work to reauthorize
197 pipeline safety programs. These issues have traditionally
198 been very strongly bipartisan. I hope that continues
199 throughout this process.

200 And I apologize for going way over Mr. Rush's time, and
201 I yield back.

202 [The prepared statement of Mrs. Capps follows:]

203 ***** COMMITTEE INSERT *****

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204 Mr. {Whitfield.} The gentlelady yields.

205 At this time, recognize the gentleman of the full
206 committee, Mr. Upton, for 5 minutes.

207 The {Chairman.} Thank you, Mr. Chairman.

208 So today, this subcommittee returns to the very
209 important issue of pipeline safety, and I welcome the Interim
210 Executive Director Stacy Cummings of the Pipeline and--of
211 PHMSA to this hearing, and I look forward to the prompt
212 confirmation of a permanent administrator, as much work needs
213 to be done in the months ahead.

214 This committee has a long, bipartisan history on
215 pipeline safety issues, including passage of the Pipeline
216 Safety, Regulatory Certainty, and Job Creation Act of 2011,
217 Upton-Dingell. That law held particular significance to me,
218 as it came in the aftermath of a serious oil spill into a
219 tributary of the Kalamazoo River just outside of my district
220 in Michigan. Following the spill, I worked closely with my
221 friend, John Dingell, on a bipartisan basis, as we also
222 worked closely with our friends on the Transportation and
223 Infrastructure Committee to get the Pipeline Safety Act on
224 the books, signed by President Obama. The law contains

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225 numerous provisions designed to reduce the likelihood of
226 similar pipeline spills, and minimize the impact of those
227 when they do occur. However, the Pipeline Safety Act will
228 not achieve its primary objectives until it is fully
229 implemented, and I am most disappointed that more than 1/3 of
230 its requirements remain incomplete long after congressionally
231 mandated deadlines have passed. This includes several of the
232 law's most important mandates, such as automatic and remote-
233 controlled shutoff valves, leak detection, accident and
234 incident notification, excess flow valves, and maximum
235 allowable operating pressure. Some of these provisions, I am
236 convinced, would have made a difference in the recent oil
237 spill in Santa Barbara had they been implemented by PHMSA in
238 a timely manner.

239 In the last couple of days, PHMSA has announced
240 proposals for two of these overdue mandates, and while these
241 late steps are certainly in the right direction, there is no
242 question something needs to change with the way PHMSA is
243 implementing the Pipeline Safety Act. I intend to ask
244 questions to find out what more Congress can do to speed up
245 the implementation of those requirements.

246 The urgency for pipeline safety is greater than ever.

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247 With record levels of natural gas and liquid hydrocarbons
248 being produced in this country and throughout North America,
249 the volumes traversing pipelines are setting records. And
250 although pipelines are among the safest means of transport,
251 the Santa Barbara spill is a harsh reminder that rigorous
252 risk-based enforcement needs to be a priority.

253 This committee takes pipeline safety very seriously.
254 That is why we insist that new pipelines be built with state-
255 of-the-art safety features. It is also why we passed the
256 Pipeline Safety Act to improve the safety of the 2-1/2
257 million miles of existing pipelines throughout the country.
258 This includes many old and potentially vulnerable pipelines,
259 such as one that carries oil beneath the Upper Peninsula and
260 the Lower Peninsula through the Straits of Mackinac in
261 Michigan. I think we can all agree that it is much, much
262 better to be in a position to prevent incidents before they
263 happen rather than to respond after they occur.

264 In the last hour, the State of Michigan released its own
265 report on pipeline safety, including specific recommendation
266 on the Straits Pipelines, as well as other steps that can be
267 taken to improve safety, including a better relationship
268 between the state and PHMSA. I look forward to studying the

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269 report and commend the state for its commitment to pipeline
270 safety.

271 As we look ahead to continued implementation of the
272 Pipeline Safety and to the law's reauthorization, we will
273 insist on greatly improved performance from PHMSA, and this
274 hearing is certainly an important step towards getting us to
275 where we need to be.

276 And I will yield the minute if any of my side wants a
277 minute. If not, I will yield back the balance of my time.

278 [The prepared statement of Mr. Upton follows:]

279 ***** COMMITTEE INSERT *****

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280 Mr. {Whitfield.} The gentleman yields back the balance
281 of his time.

282 At this time, recognize the gentleman from New Jersey,
283 Mr. Pallone, for an opening statement.

284 Mr. {Pallone.} Thank you, Mr. Chairman. I appreciate
285 you and Mr. Rush holding this long-overdue oversight hearing
286 on the 2011 Pipeline Safety Act.

287 The vast network of transition pipelines in this country
288 are considered by most Americans as out of sight and out of
289 mind, but when something goes wrong, the presence of these
290 facilities can make themselves known in the most devastating
291 and sometimes deadly ways. Unfortunately, there are one too
292 many examples of this since 2010, first in San Bruno,
293 California, then in Marshall, Michigan, and most recently in
294 Santa Barbara. There the rupture of a Plains All American
295 pipeline spilled over 100,000 gallons of crude oil onto the
296 coastline. And I am no stranger to the damage that can be
297 caused by pipeline failures. Twenty-one years ago, a
298 pipeline exploded in my district in Edison, New Jersey,
299 destroying around 300 homes, melting cars, and lighting up
300 the sky from New York to Pennsylvania. Unfortunately, that

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301 loud and powerful explosion was met with a staggering level
302 of inaction by the Department of Transportation's Office of
303 Pipeline Safety, and its parent organization, the Pipeline
304 and Hazardous Material Safety Administration, or PHMSA.

305 Two decades and four reauthorizations later, PHMSA has
306 made little progress. The shortfalls of the agency have
307 drawn the attention of industry and safety advocates alike,
308 as well as Democrats and Republicans. I am deeply concerned
309 about PHMSA's inability to carry out its mission, numerous
310 safety recommendations, or congressional mandates. Almost 5
311 years after the last reauthorization, it is especially
312 troubling how many mandates have yet to be implemented by the
313 agency. Many of the outstanding requirements are critically
314 important to safety, such as those dealing with operating
315 pressure, leak detection, and automatic or remote-controlled
316 shut-off valves. The lack of inaction on automatic and
317 remote-controlled shut-off valves is particularly galling
318 considering the NTSB recommended expanded use of these damage
319 prevention technologies 20 years ago. I remember that during
320 the whole New Durham explosion, again, in my district in
321 Edison.

322 Even more troubling is the discovery that OMB is also to

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323 blame. Last night, the committee inadvertently received a
324 version of PHMSA's testimony that had been marked up by OMB,
325 and OMB's comments clearly showed concern over being called-
326 out over this outrageous delay, asking whether PHMSA has a
327 ``planned response to a question about why this rule has been
328 under EO 12866 review so long. If so, could you provide a
329 summary of that response?''

330 Perhaps, Mr. Chairman, we need to get OMB up here to
331 explain to the American people and this committee as to why
332 they have held up these proposed rules for so long. Progress
333 must finally be made to help ensure the safety of our
334 pipeline system, and I hope that this hearing leads to that.

335 It is--I am not--I am about to yield, Mr. Chairman, but
336 I just want to say, you know, I was first elected to Congress
337 not long before that explosion in Edison, and we were very
338 fortunate that--I think one person had a heart attack and
339 lost their life because of the explosion, but there wasn't
340 anybody who directly was impacted, although, obviously, that
341 person was who had the heart attack. And for several years
342 after that, you know, we made a number of recommendations
343 including the remote shut-off valves, but you--I really feel
344 like, you know, there is a lot of hoopla when these

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345 explosions or tragedies occur, but then not much happens
346 afterwards in terms of preventing them again. So hopefully,
347 we will get something out of this hearing today and the
348 committee's action.

349 Thank you, Mr. Chairman. I yield back.

350 [The prepared statement of Mr. Pallone follows:]

351 ***** COMMITTEE INSERT *****

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352 Mr. {Whitfield.} The gentleman yields back.

353 And that concludes the opening statements.

354 So on our first panel, we have one person, and that is

355 Ms. Stacy Cummings, who is the Interim Executive Director for

356 the Pipeline and Hazardous Materials Safety Administration.

357 So, Ms. Cummings, if you would come forward, and you

358 will be recognized for 5 minutes for your opening statement,

359 and at the end of that time, we will give members an

360 opportunity to ask you some questions. So thank you very

361 much for being with us, and be sure to get your microphone up

362 close and turn it on. And you are recognized for 5 minutes.

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363 ^STATEMENT OF STACY CUMMINGS, INTERIM EXECUTIVE DIRECTOR,
364 PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

365 } Ms. {Cummings.} Thank you for that introduction.

366 Chairman Upton, Ranking Member Pallone, Chairman
367 Whitfield, Ranking Member Rusk, members of the subcommittee,
368 thank you for inviting me to testify today on the Pipeline
369 and Hazardous Materials Safety Administration's progress in
370 implementing the Pipeline Safety Act of 2011, and thank you
371 for providing PHMSA with the tools we need to execute our
372 pipeline safety mission.

373 My name is Stacy Cummings. I am the Interim Executive
374 Director of PHMSA. In May, I traveled to the site of the
375 Plains Pipeline oil spill in Santa Barbara, witnessing for
376 myself its effect on the environment and nearby communities.

377 The spill disrupted businesses, threatened wildlife, and
378 impacted local residents and tourism. This spill was
379 unacceptable, and Americans deserve to be confident that the
380 pipelines in their communities are operating safely.

381 What I saw in Santa Barbara as well was PHMSA's rapid
382 and comprehensive response to the spill. Immediately

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383 following notification, PHMSA personnel were on the scene,
384 where we remain actively involved now. Our inspectors
385 continue to conduct a comprehensive investigation into the
386 cause of this failure, and we continue to support the unified
387 command's spill response efforts, lead by the Coast Guard and
388 EPA. PHMSA quickly issued a corrective action order to
389 Plains Pipeline, and the affected pipeline remains shut down
390 under our authority. We will make sure that the operator
391 identifies the root cause of the failure, and mitigates any
392 additional risks before we allow them to restart that
393 pipeline.

394 I was very impressed by our PHMSA team in the western
395 region, as well as throughout the country. It is truly an
396 honor to lead a workforce so clearly dedicated to its safety
397 mission. Here in Washington, PHMSA continues to take action
398 to successfully meet the requirements of each mandate in the
399 Pipeline Safety Act. I speak for the entire agency when I
400 say that we share your concern and sense of urgency. We are
401 committed to satisfying every mandate.

402 The rulemaking process is methodical, inclusive, and
403 transparent. It enables PHMSA to fully consider stakeholder
404 input. In the past month, PHMSA has welcomed new executive

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405 leadership, and with the support of the Office of Management
406 and Budget, we have issued two proposed rules and one final
407 rule. Those rules address three mandates from the Pipeline
408 Safety Act, and five NTSB recommendations. We continue to
409 work to advance significant rulemakings on natural gas and
410 hazardous liquid pipelines. These proposed rules are
411 anticipated to be published by the end of this year. But
412 rulemaking is not the only tool that PHMSA uses to improve
413 pipeline safety. As we saw in Santa Barbara, pipeline
414 failures don't wait on the rulemaking process, and neither
415 will PHMSA. We are first and foremost a safety agency. We
416 execute our mission on several fronts with one goal in mind;
417 to drive down the pipeline failure rate to zero. In addition
418 to developing safety regulations, we focus on reducing risk
419 by reaching out to the regulated community to ensure that
420 they both understand and comply with federal safety
421 regulations. We conduct integrated inspections, we hold
422 operators accountable through enforcement, we provide grants
423 to our local and state pipeline safety partners, and we also
424 fund research to develop innovative safety solutions. For
425 these reasons, pipeline failures are low probability events,
426 even as risk factors increase. Unfortunately, when pipeline

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427 failures do occur, they can be fatal and costly. At PHMSA,
428 we think that one pipeline failure is one too many.

429 PHMSA was founded just 10 years ago, and yet so much has
430 changed since then. Our Nation's energy supply and
431 transportation pipeline network continue to grow
432 exponentially. These changes are tremendous opportunities
433 for our Nation, and provide an opportunity for PHMSA to
434 evolve with the industry we regulate. Whether it is through
435 smarter data or funding research for better detection
436 technology, PHMSA will weigh and act on a range of options
437 for implementing innovative pipeline safety solutions. PHMSA
438 is committed to working with this committee to ensure that we
439 are well positioned to adapt to a modern and evolving
440 infrastructure. Americans deserve to be confident that PHMSA
441 is protecting people and the environment. We take this
442 charge very seriously.

443 Again, thank you for your support. I look forward to
444 answering your questions.

445 [The prepared statement of Ms. Cummings follows:]

446 ***** INSERT 1 *****

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447 Mr. {Whitfield.} Ms. Cummings, thank you very much.

448 And I am going to defer my questions, but I am going to
449 recognize at this time Mr. Olson of Texas for 5 minutes.

450 Mr. {Olson.} I thank the chair. And welcome, Director
451 Cummings. It is always great to have someone who served our
452 Navy, as the daughter of a career naval officer.

453 Ms. {Cummings.} Thank you.

454 Mr. {Olson.} My home State of Texas is no stranger to
455 pipelines. According to EIA, we have nearly 60,000 miles of
456 gas pipelines. Oil lines cover the state as well. They are
457 vital to our economy, to the Nation's economy, as they carry
458 the products that keep America moving.

459 It is not just oil and gas in pipelines. Water
460 pipelines can blow out as well. We saw that last year when
461 Sunset Boulevard became Sunset River. A 93-year-old pipeline
462 blew out, sending 20 billion gallons of water all over the
463 campus of UCLA. We know that pipelines are the safest way to
464 move oil and gas, but just like airplanes, when the worst
465 happens, it can be tragic. People can be killed. Eight
466 people lost their lives in San Bruno. Eight people in their
467 homes. And that is why we should always keep moving forward

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468 with pipeline safety.

469 It seems clear that PHMSA was never going to make our
470 deadlines that we imposed with the most recent Pipeline
471 Safety bill. And when PHMSA has a long list of new rules to
472 write, do you try to triage them and focus on the ones that
473 are more important to keeping people safe? How are you
474 working through that list?

475 Ms. {Cummings.} Thank you for that question,
476 Congressman. Yes, we had 42 mandates in the 2011 Pipeline
477 Safety Act, of which we have completed 26. We are working on
478 every single one of those 42 mandates, and in the case of the
479 mandates that are going to be addressed through rulemakings,
480 we haven't been waiting on the rulemaking process to get
481 information out to our stakeholders, to the industry, and to
482 the public. We have sanctioned studies, and we have issued
483 reports to Congress. We have held public meetings and
484 workshops. We have issued advance notices of proposed
485 rulemaking to help us gather stakeholder data, and in some
486 cases we have proposed rules that we have issued, like the 2
487 that we were able to issue in the last month. Those are all
488 very important ways that we get information out to the
489 stakeholders and to industry as we continue to work to

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490 fulfill the remainder of the 42 mandates, again, many of them
491 with formal rules that we are in process working on.

492 Mr. {Olson.} So 42; 26 down, 16 to go--

493 Ms. {Cummings.} Right.

494 Mr. {Olson.} --if my math is right. Keep working hard
495 on that.

496 Ms. {Cummings.} We will.

497 Mr. {Olson.} My second question, I hope to ask this to
498 the second panel as well, how--if I call the city hall in the
499 village of Pleak back home in Texas, and ask Mayor Bittner or
500 Fire Chief Gania has PHMSA reached out to you about pipeline
501 safety, what do you think they will say? Put it another way,
502 how much have you done outreach to the first responders and
503 leaders at local communities?

504 Ms. {Cummings.} I hope that what he will say is, yes,
505 absolutely, PHMSA has reached out. We reach out to our
506 stakeholders in many ways. I mentioned a couple of them
507 being public meetings and workshops. We partner with the
508 first responder community to make sure that they have access
509 to training. We also have several grants. About 1/3 of our
510 budget goes to grants. And some of those grants are
511 technical assistance grants where the mayor or the first

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512 responder community can actually apply for a grant with PHMSA
513 to get technical assistance to provide training, to do
514 outreach to the public, to invest in equipment that is going
515 to help them respond to a pipeline accident if it were to
516 occur. So there are many opportunities for stakeholders such
517 as your mayor and the first responder community to interact
518 with PHMSA, and for us to help them be prepared.

519 Mr. {Olson.} I will check with them and confirm those.
520 Ms. {Cummings.} Thank you.

521 Mr. {Olson.} Great, thanks for that answer. Final
522 question, you have always kept the focus on risk-based
523 standards over the years, and that is appropriate, but how
524 does this risk-based standards agenda move forward, evolve
525 with these new rulemakings?

526 Ms. {Cummings.} One of the most important changes to
527 the pipeline safety program over the last 10 to 15 years has
528 been our implementation of integrity management. Integrity
529 management is a risk-based approach where we require the
530 operator to identify, assess, and mitigate risks associated
531 with their specific pipeline. The operator is in the best
532 position to understand the uniqueness of the location, the
533 condition of their pipeline, as well as what is moving

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534 through their pipeline. And so our program for integrity
535 management is our risk-based approach, and we are going to
536 continue to improve it, enhance it, and expand it through the
537 rulemakings that you are going to be seen proposed over the
538 next year.

539 Mr. {Olson.} Thank you.

540 I am out of time. Yield back.

541 Mr. {Whitfield.} At this time, recognize the gentleman
542 from Illinois, Mr. Rush, for 5 minutes.

543 Mr. {Rush.} Ms. Cummings, I really want to thank you so
544 much for being here today with us, and I know your job is not
545 an easy one and you are the Interim Executive Director, and I
546 enjoyed our discussions--recent discussions.

547 And I would like to--before I begin, if you give me an
548 update on the pipeline meeting that happened on Friday near
549 Highland, Illinois. Is the spill contained. And I have
550 heard that the oil has reached a tributary of Silver Lake
551 concerning the water supply for the citizens of Highland, and
552 I would like to know if the water supply is safe, has it been
553 affected, and give me an update if you will on the clean-up
554 efforts that your--that PHMSA is conducting there or
555 overseeing there near Highland, Illinois.

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556 Ms. {Cummings.} Happy to, and thank you for the
557 question.

558 Mr. {Rush.} Yeah.

559 Ms. {Cummings.} On Friday in Pocahontas, Illinois, a
560 pipeline fitting a pump station blew out, discharging about
561 100 barrels of crude onto the ground. The spill did migrate
562 down a ditch into a creek, as you mentioned, and it did
563 threaten the water source. It was heading in the direction
564 of a reservoir that held a water source for Highland,
565 Illinois. We were notified of the spill through the National
566 Response Center, which is the appropriate way to be notified.
567 We immediately sent a PHMSA investigator to be on the scene,
568 and that investigator was on the scene by 4:00 p.m. that very
569 day. An incident command center was set up. The State of
570 Illinois had the lead on that. And what they did was they
571 managed the response, they immediately went in to stop the
572 flow of oil, and they were able to stop the flow of oil
573 before it got to the point where it threatened the water
574 source. So as was confirmed to me yesterday through an
575 update from our team, the water source was--oil did not get
576 into the water source--into that reservoir.

577 The clean-up effort did work. They used booms, and then

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578 for the past several days, they have been using different
579 methods to recover the oil. And they are in the process of
580 continuing to do that.

581 I can get you a very, very specific update in writing
582 for the record if you would like, but I would like to point
583 out that this was Plains Pipeline, which is the same operator
584 from the Santa Barbara spill.

585 Today, we are issuing a corrective action order to
586 Plains specifically related to this spill in Illinois, and I
587 sent a letter yesterday to the CEO of Plains Pipeline, and he
588 and his team are going to be here in D.C. at PHMSA, and we
589 are going to talk to them on Friday about their safety
590 record, safety culture, and what they are doing to address
591 these two issues, but also the safety of their entire system.

592 Mr. {Rush.} In your opinion, do most mayors, county
593 executives, local leaders even know what pipelines are in
594 their jurisdiction and what those pipelines are carrying, and
595 if they wanted to obtain this information, can they get it
596 from PHMSA?

597 Ms. {Cummings.} Yes. We have an online tool called the
598 National Pipeline Mapping System, NPMS. That tool in its
599 entirety is limited in access, but what we do is we have

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600 individual access for people based on the information that
601 they need to know. So a local executive, a local emergency
602 responder, or a state-level emergency responder or executive
603 would have the ability to apply for a password--

604 Mr. {Rush.} Um-hum.

605 Ms. {Cummings.} --and they would have role-based access
606 to the information that they need to identify what pipelines
607 are in their area. And if anybody needs any help accessing
608 that or getting access, we would be happy to provide that
609 assistance.

610 Mr. {Rush.} Can you--most people--most citizens of my
611 state would really be surprised to know the number of
612 pipelines, an enormous amount of pipelines that are located
613 in the State of Illinois. Do you have any idea about the
614 percentage of the Nation's pipelines that go through the
615 State of Illinois?

616 Ms. {Cummings.} I think you asked the percentage of the
617 2.6 million?

618 Mr. {Rush.} Yes.

619 Ms. {Cummings.} No, I can't tell you the exact
620 percentage. I can absolutely get you that for the record,
621 but I agree with you, there are many pipelines in the State

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622 of Illinois that we regulate as well as that are regulated by
623 the state.

624 Mr. {Rush.} I was told, Mr. Chairman, that in one part
625 of my district, Will County, 1/8 of the state's entire
626 pipelines go through--and this is a small quadrant of my
627 district in the State of Illinois.

628 I want to thank you again, Ms. Cummings. And I yield
629 back, Mr. Chairman.

630 Mr. {Whitfield.} At this time, recognize the chairman
631 of the full committee, Mr. Upton, for 5 minutes.

632 The {Chairman.} Again, appreciate the hearing. And as
633 I indicated in my statement, there are a number of us that
634 are not happy with the failure to really implement a number
635 of the issues that were signed into law a number of years
636 ago. Literally about 1/3 as we calculate, 1/3 of some of
637 those regulations.

638 So I guess I have a question. As we look to
639 reauthorizing this bill, which, as you know, expires the end
640 of September, should we provide--should we be providing more
641 direction to PHMSA to order the--to prioritize the
642 outstanding mandates, or should we allow PHMSA to finalize
643 the regs required by the 2011 law before determining what if-

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644 -changes need to be made? What is your preferred--what is
645 your suggested course?

646 Ms. {Cummings.} We do have significant progress that we
647 have made on the mandates, over and above the ones that we
648 have completed, and we do appreciate your patience in
649 completing those mandates. Every single one of them is
650 critical and important for pipeline safety. Each one of
651 those mandates are as important to PHMSA as they are to you,
652 and we have a plan moving forward to complete them.

653 We do think that during the reauthorization process, we
654 would like to sit down with the committee staff, we would
655 like to sit down with you, talk about specific ways that we
656 can use reauthorization to help us expand pipeline safety,
657 improve pipeline safety, but we do recognize that we have a
658 lot of work to do and we are very, very focused on it, and we
659 have a plan to complete every one of these mandates.

660 The {Chairman.} So one of the easiest ones, in my book,
661 to implement was the change that we did that a company had to
662 report formally, on a timely basis--

663 Ms. {Cummings.} Um-hum.

664 The {Chairman.} --and we changed that to say it had to
665 be within an hour.

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666 Ms. {Cummings.} Um-hum.

667 The {Chairman.} We look at the Santa Barbara spill a
668 couple of weeks ago, and that spill, as I understand it from
669 talking to Lois Capps, what went on for many, many hours. I
670 mean how is it not easy to say it has to be done within 1
671 hour, and--you know, it doesn't happen, here we are 4 years
672 later. I mean that was one of the big issues that we had in
673 the Kalamazoo River spill in Calhoun County back in 2010. A
674 company--they knew--they did know that it was going on but
675 they didn't--you know, they didn't report it until even
676 perhaps a couple of days later. \$1 billion in clean-up.

677 Ms. {Cummings.} PHMSA agrees that timely notification
678 is absolutely critical because the sooner we begin response
679 in the rare but--and unfortunate circumstance of a pipeline
680 rupture. Earlier this month, we issued a proposed rule that
681 will require operators to notify as soon as practicable, but
682 not more than 1 hour after a detection--after they have
683 detected a release, to the National Response Center. So we
684 are proud to have gotten that proposed rule issued. It was
685 issued earlier this month.

686 The {Chairman.} But why did it take so long? I mean it
687 was--that was the intent, I mean that was the--what we

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688 discussed. I mean it was in black and white--

689 Ms. {Cummings.} Um-hum.

690 The {Chairman.} --and 4 years--

691 Ms. {Cummings.} I--

692 The {Chairman.} --I mean is OMB that slow? Do I need
693 to go back to Sylvia Burwell, when she was there, to--

694 Ms. {Cummings.} I understand your--and I sense your
695 frustration that it has taken us this long to have the
696 proposed rule out, but I would like to point out that we have
697 issued multiple safety advisories, and we have shared with
698 the industry how critical it is that time--for timely
699 notification.

700 As we execute the investigation into the incident at
701 Santa Barbara, and also in Illinois, we are absolutely going
702 to be looking at timelines and notification as part of our
703 corrective action order, and we do expect operators to be
704 notifying the NRC as soon as possible so that they can begin
705 that clean-up.

706 The {Chairman.} Okay, let me ask one last question in
707 my remaining minute. In the current Integrity Management
708 Program for inspecting for oil and gas pipelines, is there a
709 priority for increased inspections or shut-off valves on

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710 pipelines that are over 30 years old? So not new ones--

711 Ms. {Cummings.} Um-hum.

712 The {Chairman.} --but--the ones that were made more
713 than 30 years ago, or more than a mile under water. So I
714 look at the difference between--in the Straits of Mackinac,
715 it is more than a mile. I look at the Chesapeake Bay, I am
716 not sure if there are pipelines there or not. I look at
717 pipelines that are going out in the ocean. Is there any
718 regulations that are pending or that you are reviewing that
719 would look at existing pipelines of somewhat older nature--

720 Ms. {Cummings.} Um-hum.

721 The {Chairman.} --in certainly environmentally
722 sensitive area, and if not, should we be looking at those
723 here as we look to reauthorize the bill?

724 Ms. {Cummings.} I am going to ask if I can respond to
725 you on the record on that specific question on whether or not
726 that is in the regs now or the regs that we are planning.

727 The {Chairman.} Do you think that is a good idea that
728 we do that?

729 Ms. {Cummings.} I think that a risk-based approach
730 looks at probability and consequence, and that we should be
731 looking at everything that impacts the probability of a

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732 pipeline failure as well as the consequence. So proximity to
733 water as well as age impact both likelihood and consequence.
734 So those sound like intriguing ideas, but I would definitely
735 like to talk to the technical experts before providing you
736 with a specific--

737 The {Chairman.} I look forward to your response.

738 Ms. {Cummings.} Thank you so much.

739 The {Chairman.} Thank you. I yield back.

740 Mr. {Whitfield.} At this time, the chair recognizes the
741 gentleman from California, Mr. McNerney, for 5 minutes.

742 Mr. {McNerney.} Thank you, Mr. Chairman. And thank
743 you, Ms. Cummings, for testifying this morning.

744 I would like to know a little bit about how you
745 prioritize your inspections. Is there a way for you to
746 determine what pipelines are most at risk? Could you explain
747 that a little please?

748 Ms. {Cummings.} Yes, absolutely. Thank you. We have--
749 we prioritize our inspections using a risk model driven by
750 data, and so we have about 26 different elements that look at
751 the condition of the pipe, the age of the pipe, what is being
752 moved in the pipe, as well as past performance, and how--what
753 information we have learned through the inspections that we

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754 have already provided. And we use that information and put
755 it into an algorithm, and that algorithm gives us basically
756 advice on which pipelines--companies, which operators, we
757 should be inspecting. We then have our regional directors
758 who are experts and who really know the system, use that
759 information as input to create their annual plan to make sure
760 that we are visiting those pipeline operators that at higher
761 risk more frequently--

762 Mr. {McNerney.} Okay.

763 Ms. {Cummings.} --and to make sure that we are--

764 Mr. {McNerney.} So how much transparency is--does that
765 algorithm have? Is that something that is publicly
766 available?

767 Ms. {Cummings.} I am not sure that it is publicly
768 available, but I would be happy to schedule a briefing with
769 you or your staff to go over that algorithm and how we use
770 it.

771 Mr. {McNerney.} Okay, that might be a good idea.

772 Ms. {Cummings.} Sure.

773 Mr. {McNerney.} Is PHMSA moving forward with
774 regulations on automatic shut-down valves and remote-control
775 valves?

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776 Ms. {Cummings.} We are. In 2012, we provided a report
777 to this committee. It helped us to inform our thinking on
778 automatic shut-off valves, remote-controlled shut-off valves,
779 and other safety technology, to the technical feasibility of
780 it, the operational feasibility, as well as economic. So we
781 are working on several rules right now. One of them looking
782 at specifically leak detection in valves. The others looking
783 at how we can improve integrity management, which does
784 include the operator evaluating the usefulness and the safety
785 benefit of valves. So we are working on that, and we hope to
786 get those proposed rules issued--

787 Mr. {McNerney.} Okay, thank you.

788 Ms. {Cummings.} --as soon as possible.

789 Mr. {McNerney.} How is PHMSA doing with regard to
790 controlling fugitive gas emissions and safety of pipelines
791 that are serving fracking production?

792 Ms. {Cummings.} Can I get back to you on the record on
793 that question?

794 Mr. {McNerney.} I suppose you can. In fact, yes, I
795 would say--

796 Ms. {Cummings.} Thank you.

797 Mr. {McNerney.} --you should.

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798 Ms. {Cummings.} Thank you.

799 Mr. {McNerney.} Does PHMSA have the resources to
800 complete rulemaking on a timely basis?

801 Ms. {Cummings.} We are so grateful that in 2015, our
802 budget provided us with the resources we need to hire 109 new
803 people for the pipeline program. While 80 percent of those
804 positions are going to be resources in the field to support
805 inspections and enforcement, 20 percent of them are going to
806 be at headquarters, and those positions are specifically
807 going to help support our regulatory agenda, economic
808 analysis, training, certification, and support of our state
809 partners.

810 Mr. {McNerney.} So, now, these are--you said you hired
811 100-and-some people, are those mostly technical people, or
812 are they management?

813 Ms. {Cummings.} Um-hum. They are almost--a great
814 proportion of them are technical, yes. So in the field, the
815 80 percent of the 109; engineers, auditors, inspectors, and
816 enforcement tech.

817 Mr. {McNerney.} What about the--what are the
818 requirements for PHMSA issuing a corrective action order?

819 Ms. {Cummings.} The requirement for a correction--

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820 corrective action order is imminent hazard, and that is part
821 of our statutory authority. So the time when you will most
822 likely see us issue a corrective action order is going to be
823 after a pipeline failure, such as the one in Santa Barbara or
824 the one in Illinois.

825 Mr. {McNerney.} But you can and have issued those
826 before failures?

827 Ms. {Cummings.} We can if we have evidence of an
828 imminent hazard, but more likely it is going to be issued
829 after. And--

830 Mr. {McNerney.} So you don't have any historical
831 examples of issuing one before an accident?

832 Ms. {Cummings.} I don't have any examples for you right
833 now. I will ask my technical team and get back to you on the
834 record if we have an example of that.

835 Mr. {McNerney.} Well, okay. In the remaining 40
836 seconds, please explain a little bit about the rulemaking
837 process.

838 Ms. {Cummings.} Um-hum, sure. Before we are ready to
839 issue a rule, and we are putting together the information, we
840 are generally going to do public workshops, we are going to
841 do studies, and sometimes we are going to issue an advanced

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842 notice of proposed rulemaking, which is more of a wide open
843 request to stakeholders to provide us information to inform
844 the rulemaking process. We are going to take all that
845 information, we are going to put it together into a rule that
846 has the safety requirements, safety benefits, and also the
847 economic benefits. So what is the cost versus the safety
848 benefit of the regulation? We issue that proposed regulation
849 to the Federal Register. Again, we get stakeholder input.
850 We put that stakeholder input together, and we have 2
851 advisory committees that we consult with at--when we are
852 moving towards the final rule stage. We use them to advise
853 us on the benefit of the rule, the safety requirements that
854 we have put together, as well as the operational ability to
855 implement, and then the economics, the cost of it. Once we
856 issue a final--

857 Mr. {McNerney.} I am going to have to yield back, Mr.--

858 Ms. {Cummings.} Okay. Thank you.

859 Mr. {McNerney.} I have run out of time. Thank you, Mr.
860 Chairman.

861 Mr. {Whitfield.} She was giving great detail.

862 At this time, I recognize the gentleman from Illinois,
863 Mr. Shimkus, for 5 minutes.

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864 Mr. {Shimkus.} Thank you, Mr. Chairman. And welcome,

865 Ms. Cummings.

866 Ms. {Cummings.} Thank you.

867 Mr. {Shimkus.} The spill in Illinois is located in my
868 district. I talked with the city manager over--actually,
869 yesterday morning. I think one of the interesting things was
870 Keystone goes through the--that area also, and Keystone had
871 provided them with a response trailer in which they were able
872 to deploy with their firefighters to ensure the protection of
873 the water supply, which is called Silver Lake. And so I
874 would concur with what you concluded, that they--there is no
875 threat to their drinking water. And their response was as
876 per you would expect when you have pipelines. We do have a
877 lot of pipelines. We have the Patoka Terminal. So these
878 things happen, and they are regretful, but we--the issue is
879 responding. I think those of us who were here when we passed
880 the last piece of legislation were hoping that--we know we
881 are not going to be perfect, but we want, obviously, to have
882 a better process in place to be able to ensure that we can
883 identify these before the accident occurs. Hence, all these
884 lines of questions.

885 The first issue that I would like--you have answered

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886 some of them in your testimony, but could any of the Pipeline
887 Safety Act mandates have made a difference, do you know, in
888 the recent pipeline breaks, whether that is in California or
889 the one recently in Illinois?

890 Ms. {Cummings.} Because those two investigations are
891 still going on, I don't think I can presuppose what the cause
892 was, but we will absolutely be looking through our
893 investigation at the condition of the pipe, the--we will be
894 looking at their inline inspection results, we will be
895 looking at what happened in the control room, how quick were
896 they to respond, did they follow their emergency response
897 plans, and the--as well as the placement and how quick they
898 closed valves and pumping stations. So I would be happy to,
899 once the investigation is complete, do an analysis of the
900 results compared to the rulemakings and the mandates that we
901 currently have--

902 Mr. {Shimkus.} Yeah, that would be helpful. I think--I
903 can't speak for California, but I know Plains put up a Web
904 site to give the public access, whoever knew about it, you
905 know, to go to the Web site to get a current update on their
906 response, and I think that has been very helpful.

907 I was going to ask about where--but you answered this

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908 already too, that you--there will be a correction action
909 order probably conducted.

910 Ms. {Cummings.} Um-hum.

911 Mr. {Shimkus.} Can you talk through some of the
912 criteria that may be involved in that and maybe some of the
913 benchmarks, because now what we want to do is make sure there
914 is some certainty--

915 Ms. {Cummings.} Um-hum.

916 Mr. {Shimkus.} --obviously, from the local community
917 that it is ready to go and up and running?

918 Ms. {Cummings.} Absolutely. The corrective action
919 order is being issued today by our regional director to
920 Plains. And so I can tell you in general what is going to be
921 in it. The--they were still working on it, the specifics, as
922 I was coming over to this hearing. But we are going to be
923 looking at what was the cause. We are going to be looking
924 at--because it was a pipe fitting, to look and see where else
925 in the network those pipe fittings are so that we can make
926 sure that this event won't happen somewhere else on the
927 network--on the pipeline network. We are going to be looking
928 at their emergency response notification, when did they
929 notify, what was the timing, when did they know. And we will

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930 be looking for them to use third party analysis similar to
931 what we have required from Plains in Santa Barbara, and
932 provide those results to us so that we can perform our
933 investigation.

934 Mr. {Shimkus.} And lastly, we understand that you are
935 having difficulty collecting data from states and localities
936 about drinking water supplies and other ecological
937 information. How can we help, or what can we do to help get
938 the states to provide the information you need to do based
939 upon previous--past legislation and your intent on analysis?

940 Ms. {Cummings.} Right. Yes, through our National
941 Pipeline Mapping System, in trying to complete the mandates,
942 and also just create a good system that we can use but also
943 that is transparent, we have had some issues getting access
944 to the right data at a--especially in a cost-effective
945 manner. We would love help in figuring out the best way to
946 get that data. We are looking at information collections
947 right now, but I would love to take you up on your offer, and
948 maybe through our reauthorization discussion or just
949 individually, if we can come up with some ways to make that
950 path cleaner, that would be great.

951 Mr. {Shimkus.} Well, and that is why we have these

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952 hearings too, to find out ways we can work together and be
953 helpful. So I am sure the committee is taking notes, and we
954 can follow up with that.

955 Thank you, Mr. Chairman. I yield back.

956 Mr. {Whitfield.} The gentleman yields back.

957 At this time, recognize the gentleman from New Jersey,
958 Mr. Pallone, for 5 minutes.

959 Mr. {Pallone.} In the--Ms. Cummings, in the 2002
960 reauthorization, Congress added language to Section 60112 of
961 the law to make it easier for the Secretary to take
962 corrective action against a pipeline that poses a threat to
963 life, property, or the environment, and because the
964 department doesn't issue licenses to pipeline operators, this
965 authority is perhaps the closest tool the Secretary has to
966 suspending or revoking a license. I know that PHMSA used
967 this authority to address threats posed to Santa Barbara by
968 two of the lines operated by Plains All American, but I am
969 concerned that perhaps the hurdle for using this authority is
970 still too high, and that the Secretary isn't able to take
971 advantage of it as often as may be needed to protect the
972 public and our environment.

973 So my question is, do you need more flexibility or

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974 different, more useable tools to quickly address the threat
975 of unsafe facilities?

976 Ms. {Cummings.} The imminent hazard requirement is what
977 we would use in order to issue a corrective action order in
978 order to shut down a pipeline. We do have a lot of tools in
979 our toolbox, but I think--I would very much like to have the
980 opportunity to talk in more detail about that specifically,
981 and whether or not there was a way for us to use that
982 emergency in advance of an accident. That is something we
983 would like to talk about in the future. But we are not
984 afraid to use corrective actions when we need to--corrective
985 action orders, and we have a lot of other tools in our
986 toolbox that we continue to use for strong enforcement.

987 Mr. {Pallone.} All right. And Congress will need to
988 reauthorize the Pipeline Safety Act soon, and yet, as a
989 number of us noted in our opening statements, PHMSA has yet
990 to complete some of the most critical rulemakings mandated by
991 the 2011 Act, including work surrounding leak detection, a
992 very important matter in light of the recent incident in
993 Santa Barbara. Not only does the Pipeline Safety Trust flag
994 this inability to complete its rulemakings as a problem, but
995 industry also views this as a matter that is hurting safety,

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996 as evidenced in Mr. Santa's testimony. My understanding is
997 that these rulemakings have been held up in review at OMB due
998 to open cost benefit analysis questions. So if you could
999 answer my question. What are these open benefit cost
1000 analysis questions referred to in the comment?

1001 Ms. {Cummings.} Well, we work with our interagency
1002 partners, OMB being one of those partners, to ensure that we
1003 are speaking with one voice on policy matters. We value the
1004 input of OMB. Whenever we go through the process of working
1005 a rule through OMB, it always ends up being a better product.
1006 Some of the things that they would ask us questions about
1007 through the rulemaking process are going to be what are the
1008 assumptions that we used in order to generate the cost versus
1009 the benefit. They are going to be looking at the data that
1010 we used to justify the benefit that we have calculated. And
1011 we always get good information from OMB, and we reply as
1012 quickly as we possibly can, as do they, we work together to
1013 come up with the best possible rule. It is very important to
1014 us that when we do issue a rule, we get it right.

1015 Mr. {Pallone.} But how can these questions remain open
1016 for so long, and how have you tried to resolve them, and
1017 maybe most importantly, how can we help you? I mean perhaps

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1018 it is not your agency's fault, these rules have yet to see
1019 the light of day, but you need to tell us what is going on
1020 and how we can help you get the job done.

1021 Ms. {Cummings.} I appreciate that offer for support
1022 from this committee. We believe that we have a very good
1023 relationship with OMB, and as ii said, we believe we get very
1024 valuable information back through the process. In my
1025 experience, we have been working very closely with OMB and
1026 they have been very cooperative in helping us move our rules
1027 forward, but again, we want to make sure we get the rules
1028 right, and the very--the methodical, open and transparent
1029 process enables us to do that with stakeholder input.

1030 Mr. {Pallone.} Is there any way that we can help you
1031 though because, you know, they have remained open for so
1032 long, and I know you say you are trying to resolve them, but
1033 how are we going to resolve it and how can we help you?

1034 Ms. {Cummings.} I think having oversight hearings like
1035 this are a great way to do that. It brings visibility to
1036 PHMSA as an agency and also to the mandates of the Pipeline
1037 Safety Act. And I think that we have a great plan moving
1038 forward, and that you are going to see some proposed rules
1039 out of us, as you have in the last month. I think you are

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1040 going to see them for the rest of the year.

1041 Mr. {Pallone.} Okay, thank you.

1042 Ms. {Cummings.} Yeah.

1043 Mr. {Whitfield.} At this time, recognize the gentleman
1044 from Pennsylvania, Mr. Pitts, for 5 minutes.

1045 Mr. {Pitts.} Thank you, Mr. Chairman.

1046 Madam Director, the notices of proposed rulemaking
1047 announced in the last 2 weeks on accident notification and
1048 excess flow valves show some incremental progress to address
1049 safety, however, there are many significant rules still
1050 pending.

1051 My question is, when can we expect these rules to be
1052 published, and will PHMSA commit to sharing a timeline or
1053 schedule for completion?

1054 Ms. {Cummings.} Yes, we have several rules that we are
1055 actively involved in the rulemaking process. We have a Web
1056 site that the Department of Transportation keeps up-to-date,
1057 and that Web site will provide the schedule of where the rule
1058 is and when we anticipate proposing it or issuing it. In
1059 addition, we at PHMSA have a Web site that we keep up-to-date
1060 on every mandate, all of the 42 mandates, as well as other
1061 activities in the Pipeline Safety Act. We keep that up-to-

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1062 date as well. And so at any time, if you wanted information
1063 about our progress on the mandates, or where we are in the
1064 rulemaking process, that is very transparent and it is
1065 available on our Web site. But we would be happy to come and
1066 provide you with a detailed brief of each of our rules, what
1067 we are looking at for the rules, and the schedule.

1068 Mr. {Pitts.} Thank you. Last year, Congress increased
1069 PHMSA's fiscal year 2015 budget by 23 percent, and PHMSA has
1070 committed to hiring over 100 new personnel to conduct
1071 inspections and handle enforcement cases. What progress has
1072 PHMSA made to hire and train new personnel, and, you know,
1073 what can Congress do to help expedite the process?

1074 Ms. {Cummings.} Yes, we are so grateful that in the
1075 2015 fiscal year, we have enough funding to hire 122 new
1076 positions, with 109 of them being in the pipeline program. I
1077 mentioned earlier that 80 percent of those are going to be in
1078 the field. We--between onboard and people that have accepted
1079 positions, we are at 46 percent fill rate. We have a very
1080 robust strategy to bring the remaining--the remainder of
1081 those positions onboard. We are doing things like holding
1082 veterans fairs, we are doing recruitment, we have looked at
1083 our requirements to make sure that we are reaching the

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1084 breadth of the folks out there who would be interested in
1085 coming to work for PHMSA. We have even requested direct hire
1086 authority, which we haven't received, but that would be very
1087 helpful in targeting those engineering skillsets that we are
1088 looking for at PHMSA. And as far as training, we have a very
1089 robust training program. We are going to train those new
1090 employees in a bit of a boot camp scenario so that they are
1091 being trained together, and so that they become valuable
1092 parts of our inspection team as soon as possible.

1093 Mr. {Pitts.} Thank you. Section 4 of the Pipeline
1094 Safety Act required PHMSA to issue regulations if appropriate
1095 requiring the use of automatic or remote-controlled shut-off
1096 valves in new or entirely replaced transmission pipelines.
1097 This regulation could improve the ability of pipeline
1098 operators to quickly stop the flow of crude oil or natural
1099 gas in the event of an accidental release. Operator delay in
1100 shutting down pipeline flow has been identified as the
1101 exacerbating factor in a number of recent pipeline failures,
1102 most probably in the September 2010 natural gas pipeline in
1103 San Bruno, California, when it took an hour and a half to
1104 manually close the valve. In 2010 and '11, PHMSA issued
1105 notices of proposed rulemaking for both gas and liquid

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1106 pipelines, and both announcements made clear that some
1107 changed the requirements for automatic or remote-controlled
1108 valves was being considered. PHMSA studied the issue, it has
1109 reported to Congress, so why, years later, hasn't PHMSA
1110 finalized their regulation?

1111 Ms. {Cummings.} We have issued studies, reports to
1112 Congress, and advanced notice of proposed rulemaking. The
1113 rules that I spoke to you about, that we have a plan moving
1114 forward and we are working to propose, do address things like
1115 integrity management, increasing the breadth of our
1116 regulations, as well as automatic and remote-controlled shut-
1117 off valves, leak detection, and other safety technologies
1118 that are available in the market but we will propose in those
1119 rules very soon.

1120 Mr. {Pitts.} Is PHMSA reviewing the need to propose
1121 changes to existing exceptions from federal regulation for
1122 gathering lines, and if so, when will this review conclude?

1123 Ms. {Cummings.} We are. We are looking at that as well
1124 as looking at how that might inform the rulemaking process.
1125 I can get back to you on exactly when we are going to be
1126 releasing that information, but we are working on it and we
1127 have a plan to release it.

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1128 Mr. {Pitts.} Thank you, Mr. Chairman. My time has
1129 expired.

1130 Mr. {Whitfield.} The chair now recognizes the gentleman
1131 from New York, Mr. Tonko, for 5 minutes.

1132 Mr. {Tonko.} Thank you, Mr. Chair. And, Director
1133 Cummings, thank you for joining us. I have to state, I don't
1134 envy your position today, having to appear before this
1135 committee and defend the agency and, frankly, its weak, as I
1136 would see it, record of achievement. That is not a
1137 reflection on you, but of the failure of the Administration
1138 and Congress to support this agency and the vital safety
1139 mission that PHMSA serves.

1140 Mr. Weimer, in his testimony, said there is plenty of
1141 blame to be shared for the slowness in implementing pipeline
1142 safety initiatives. I agree. Placing blame doesn't solve
1143 any problems. Aggressive, faster action is what we need.
1144 That requires additional sustained resources for your agency,
1145 our job here in Congress, and it requires PHMSA, DOT, and the
1146 Administration truly to put safety first.

1147 We have been installing and conveying petroleum,
1148 petroleum products, and natural gas for pipelines for more
1149 than 60 years, and I simply do not believe we have to

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1150 continue to tolerate the number of accidents that occur as a
1151 basic cost of doing business.

1152 Section 8 of the 2011 Pipeline Safety Act directed the
1153 agency to study leak detection systems used by hazardous
1154 liquid pipeline operators, and to issue regulations to
1155 require lead detection on these pipelines and/or to set leak
1156 detection standards. The fact that Congress needed to put
1157 this into law in 2011 is disappointing. It seems to be a
1158 basic safety requirement that should have been in place some
1159 time ago, and I believe PHMSA completed that required study
1160 at the end of 2012, as you indicated. That is correct,
1161 right?

1162 Ms. {Cummings.} That is correct, 2012.

1163 Mr. {Tonko.} So when are we going to see a proposed
1164 rule, a final rule?

1165 Ms. {Cummings.} The status of the rulemakings that I
1166 spoke of earlier are proposed--notice of proposed
1167 rulemakings. We at PHMSA, the current team, the executive
1168 team, as well as the career staff, are focused and are
1169 completely committed to getting those rules--those proposed
1170 rules complete, getting them issued, and then quickly turning
1171 around, looking at stakeholder feedback, and turning them

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1172 into rules. We are absolutely committed to that, and we have
1173 a plan to do it.

1174 Mr. {Tonko.} Well, we are going to watch closely.

1175 Apparently, damage to pipelines by excavation continues to be
1176 one of the main causes of significant pipeline incidents. As
1177 I stated earlier, we have been building and using pipelines
1178 for a very long time. How detailed and accurate are the maps
1179 of the existing pipeline network?

1180 Ms. {Cummings.} The--I spoke earlier about the National
1181 Pipeline Mapping Program that we have, and as you point out,
1182 the availability of data there is as good as the data that
1183 comes into it. It is complete from a federal perspective of
1184 our oversight, but there are--there is more information that
1185 we would like to collect. Data is one area that I think we
1186 have room to improve, and I think we have room to work
1187 together to improve. Being able to have complete access and
1188 visibility and transparency across the country, and also to
1189 be able to evaluate through our data, our data systems and
1190 analytics, those are all very important and things that we
1191 are looking to do in the future, and it would be great to
1192 work with this committee to figure out ways to use data more
1193 effectively.

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1194 Mr. {Tonko.} Um-hum. Thank you. Most decisions about
1195 zoning and development are made at the local level. Is there
1196 a way to better engage our local officials? Do mayors and
1197 planning boards have access--appropriate access, great access
1198 to information that impacts their communities?

1199 Ms. {Cummings.} Um-hum. That is a great question.
1200 Part of our Stakeholder Outreach Program at PHMSA looks at
1201 all sorts of things, ways that we can get information out,
1202 public workshops, local open houses, as well as the grant
1203 programs that we have, specifically around things like
1204 excavation damage. We also look at ways that we can provide
1205 information to localities about planning and development as
1206 people start to move closer to pipelines that have been there
1207 for a very long time, and we do a lot of outreach related to
1208 that, as well as support to local planning. Our state
1209 partners are critical in our National Pipeline Safety
1210 Program, and so any way that way improve that collaboration,
1211 improve that relationship, we want to do that, and we are
1212 definitely open to ideas for how we could do that better.

1213 Mr. {Tonko.} And I thank you.

1214 It seems as though I am almost out of time here. I
1215 would just encourage us to move along with the final plans

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1216 that will be presented, the proposals that you have talked
1217 of, and to be able to go forward and address safety to the
1218 max.

1219 And with that, I--thank you, Mr. Chair, I yield back.

1220 Mr. {Whitfield.} The gentleman yields back.

1221 At this time, recognize the gentleman from Ohio, Mr.
1222 Latta, for 5 minutes.

1223 Mr. {Latta.} Well, thank you, Mr. Chairman. And thanks
1224 very much to our witnesses for being with us today.
1225 Appreciate your testimony today.

1226 And I was interested in your testimony where you cited
1227 that we have about 2.6 million miles of pipeline right now in
1228 the Nation, and that--also that the mileage is going up every
1229 year from the past where we were doing, it looks like you
1230 said, between 3 to 4,000 miles, and now to about 3,500 or
1231 7,500 miles--

1232 Ms. {Cummings.} Um-hum.

1233 Mr. {Latta.} --per year. And I know that we have had
1234 the Secretary of Energy in and he talked about the energy
1235 boom, of course, that is occurring in this country on the
1236 natural gas and on the oil side, which makes it essential
1237 that we have the pipelines out there to move the energy that

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1238 is--that we have. And, of course, like across Ohio and
1239 across my district there are new pipelines being proposed,
1240 and I was wondering if you could--again, from your testimony,
1241 you state that you would like to work again more with
1242 Congress to explain those risk reduction proposals. So if
1243 you, again, could give more information to us on that, what
1244 those proposals might be on those reductions.

1245 Ms. {Cummings.} Sure. You did mention new construction
1246 and growth of the network. We do intend to spend about 25
1247 percent of our inspection time supporting and looking at new
1248 construction pipelines. The best time to ensure that a
1249 pipeline is safe is during construction, and before it
1250 actually goes into operation. And so the regulations that we
1251 have overseeing new construction as well as our inspection
1252 and enforcement are critical to long-term pipeline safety.

1253 From a risk perspective, some of the things that we are
1254 working on in terms of integrity management are to improve
1255 the actual integrity management process, but also to expand
1256 it into areas that--where integrity management isn't in place
1257 right now. Integrity management puts the onus on the
1258 operator to identify risk and--they use risk models in order
1259 to do that so that they can prioritize their investment in

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1260 safety in their pipelines.

1261 One of the things we are doing in September is we are
1262 going to hold a workshop, and we are going to look at risk
1263 modeling across multiple industries, and we are going to see
1264 how we, PHMSA, can take that information and then share it
1265 back out with the industry so they can improve their risk
1266 models, because the best way to implement integrity
1267 management is to properly identify, properly assess risk,
1268 that way they can mitigate it. And our goal is to prevent a
1269 failure before it happens. And that is what risk management
1270 enables us to do in the Pipeline Safety Program.

1271 Mr. {Latta.} Well, thank you. And I know it has come
1272 up a little bit before in regards to the whole question about
1273 the Call Before You Dig--

1274 Ms. {Cummings.} Um-hum.

1275 Mr. {Latta.} --and I know that, you know, around the
1276 areas you have the signs up that--I know that companies have
1277 about the--call the 811 number. And also I see in your
1278 testimony that 28.3 percent of all distribution incidents
1279 were caused by the excavation damage, and that cost \$25
1280 million in damages, 1 fatality, and 15 injuries. And you
1281 state that, you know, you are working hard to raise that--the

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1282 811 awareness, but could you give more detail about what you
1283 are doing to raise that with the local communities again
1284 because, again, for a lot of us, we came from local
1285 governments at one point in our lives, and I was a county
1286 commissioner, and we had the planning commission that we all
1287 served on, but what are you doing to really get that
1288 information out, because I know that you talked about the
1289 mapping--

1290 Ms. {Cummings.} Um-hum.

1291 Mr. {Latta.} --and trying to find that information out,
1292 not only what Mr. Shimkus had brought up about in regards to
1293 water, but others about existing pipelines, but what are we
1294 doing to try to get that--you know, for that 811 information
1295 for people to know that, you know, because a lot of times
1296 when people think about Call Before You Dig, they are
1297 thinking, well, before I go out in my backyard and I am going
1298 to dig a new hole for a tree, that I don't want to hit some
1299 kind of a, you know, an electric line. But now we are
1300 talking about those transmission lines out there with
1301 excavation.

1302 Ms. {Cummings.} Yes. One of the greatest causes of--
1303 most frequent causes of pipeline failure is excavation

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1304 damage. And we have our 811 Program which we oversee in
1305 conjunction with Common Ground Alliance, a not-for-profit
1306 group that works on 811. We do have a grant program
1307 associated with excavation damage, as well as Call Before You
1308 Dig. We have been doing a lot of outreach. You might have
1309 seen the Triple Crown winner was wearing an 811 hat this
1310 year. You will see that we are having an 811 day at National
1311 Stadium. We are trying to use media as well as our local
1312 relationships with the local Common Ground Alliance folks to
1313 get the word out to use 811 and Call Before You Dig. It has
1314 been proven through a study that if you use 811, it is over
1315 99 percent effective. So what we need is for people to be
1316 making the call, because we know that if you make the call,
1317 that it is going to be effective.

1318 Mr. {Latta.} Well, thank you very much.

1319 And, Mr. Chairman, I yield back.

1320 Mr. {Whitfield.} The gentleman yields back.

1321 At this time, I recognize the gentleman from Texas, Mr.
1322 Green, for 5 minutes.

1323 Mr. {Green.} Thank you, Mr. Chairman.

1324 Ms. Cummings, I don't think it is a secret that I am a
1325 big supporter of pipelines. I represent a district in north

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1326 Houston and east Houston where I have never not lived on
1327 pipeline easements in my life, so I have a pretty good
1328 understanding about the utility of pipelines. It is the
1329 safest way to move a product. And I guess that is why I am
1330 disappointed that we haven't dealt with the requirements from
1331 the previous reauthorization to the--now, and because--since
1332 I live there and work there, you know, I think that we need
1333 quicker response. In the 4 years since we reauthorized
1334 pipeline safety last time, and due to the rapid expansion of
1335 oil and gas production, the U.S. will need to build thousands
1336 more miles of new pipelines, including gathering and
1337 transmission lines. Additionally, our power generation
1338 sector increasingly relies on natural gas as we need more
1339 distribution lines as well. But we need to make sure these
1340 pipelines continue to be the safest mode for that
1341 transportation, compared to rail and truck. We must also
1342 address the replacement of the pipelines. Our infrastructure
1343 continues to age. And PHMSA recently discussed a plan called
1344 hazardous liquids integrity verification process. What has
1345 the reception been to that plan from the stakeholders?
1346 Ms. {Cummings.} The hazardous liquid proposed rule is
1347 one of the rules that I have been talking about. We did

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1348 issue an advanced notice of proposed regulation--proposed
1349 rulemaking. We did get stakeholder input, and we have used
1350 that to put back into the rulemaking process. We hope to be
1351 issuing a proposed rule on that within the year, and we are
1352 working hard on that. Stakeholder input was an important
1353 part of that process. If you would like, I can put together
1354 a briefing that specifically identifies all the stakeholder
1355 input that we have gotten, but I think that--and I know you
1356 have another panel that will have industry reps, I think that
1357 industry is as anxious as we are at PHMSA to have regulatory
1358 certainty, and I think that the plan that we have moving
1359 forward will enable that regulatory certainty. And so we
1360 appreciate your support in giving us the time to complete
1361 that plan and getting that information--

1362 Mr. {Green.} Well, we may take you up on that. If it
1363 is not with the committee, we have a Natural Gas Caucus here-
1364 -

1365 Ms. {Cummings.} Um-hum.

1366 Mr. {Green.} --that we may ask you to--

1367 Ms. {Cummings.} Okay.

1368 Mr. {Green.} --come over.

1369 Ms. {Cummings.} Okay.

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1370 Mr. {Green.} When discussing pipeline replacement, is
1371 the cost recovery a major issue?

1372 Ms. {Cummings.} In--yes, absolutely. We issued in 2011
1373 a call to action, and a majority of the states have responded
1374 to that, but as you point out, replacement of old pipes has a
1375 cost to it, and a lot of our stakeholders are municipalities
1376 and they have to do that through--figuring out ways to
1377 recapture the cost. So that is an issue that the--that those
1378 stakeholders are working.

1379 Mr. {Green.} When--what agencies are primarily
1380 responsible for setting these policies? I know it could be
1381 state and federal, or both.

1382 Ms. {Cummings.} Um-hum.

1383 Mr. {Green.} Is that true on the policies for pipeline
1384 replacement?

1385 Ms. {Cummings.} I am not sure I understand your
1386 question. Sorry.

1387 Mr. {Green.} Okay. I assume if they are interstate
1388 pipeline--

1389 Ms. {Cummings.} Um-hum.

1390 Mr. {Green.} --you know, it is federal, but in some
1391 cases it is also a state authority, and I know in Texas,

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1392 still a misnomer, our Railroad Commission is actually our
1393 pipeline agency.

1394 Ms. {Cummings.} Um-hum.

1395 Mr. {Green.} But how do you work with other states
1396 that--states who may have a--you know, interest in it.

1397 Ms. {Cummings.} Right. Sorry about that. Of the 2.6
1398 million miles, while we issue regulations and are responsible
1399 for pipeline safety across the country, we rely on our state
1400 partners to oversee and regulate 80 percent of those
1401 pipelines, and so we have a strong relationship with the
1402 states. We provide them training and certification. We also
1403 provide them grant funding. We evaluate them on a regular
1404 basis to make sure that they have the skills and tools that
1405 they need, and we also have a mentor program that we use to
1406 improve state performance when it comes to the oversight, the
1407 regulation of pipelines.

1408 Mr. {Green.} Okay. Mr. Chairman, I am almost out of
1409 time, but I have questions that I would like to submit on
1410 PHMSA's leak detection integrity management rules guidelines,
1411 and also the coordination for it. I would be glad to submit
1412 those questions. Thank you.

1413 Ms. {Cummings.} Thank you.

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1414 Mr. {Whitfield.} Thank you.

1415 At this time, recognize the gentleman from West
1416 Virginia, Mr. McKinley, 5 minutes.

1417 Mr. {McKinley.} Thank you, Mr. Chairman.

1418 This issue is particularly important to us in West
1419 Virginia as we are trying to transport the Marcellus and the
1420 Utica gas throughout the state, and finish the network of
1421 piping, but it seems a few months don't go by without another
1422 leak, another explosion, another fire. We just had one last
1423 week again. It just seems to be one after another, and I
1424 don't know how we are going to stem the loss of confidence of
1425 the American public that we are doing all that we should be
1426 doing to do this, because it is almost like a--it is as
1427 though someone is willing to let these things happen because
1428 then people turn on fossil fuels, whether that is oil or gas.
1429 So I am hoping it is not part of a plan here that--to slow
1430 the implementation.

1431 How would you grade the fact--I was a little startled
1432 when 17 of the 42 standards have not been met. How would you
1433 grade the performance of the agency? Would you give yourself
1434 an A for what you have done?

1435 Ms. {Cummings.} Out of the 42 mandates, we have

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1436 completed--

1437 Mr. {McKinley.} How would you grade yourself?

1438 Ms. {Cummings.} --26, but we--

1439 Mr. {McKinley.} How you grade your--would the--are you
1440 doing an A grade, a B, how would you grade yourself?

1441 Ms. {Cummings.} I have been very, very impressed with
1442 the staff that I have met at PHMSA, and when it comes to
1443 commitment to safety and desire--

1444 Mr. {McKinley.} How would you grade yourself--

1445 Ms. {Cummings.} --to get these rules done--

1446 Mr. {McKinley.} --I--you have--

1447 Ms. {Cummings.} --I would definitely give us--

1448 Mr. {McKinley.} --evaded twice already the question
1449 that was asked of you--

1450 Ms. {Cummings.} Um-hum.

1451 Mr. {McKinley.} --on both sides of the aisle. What is
1452 the schedule--

1453 Ms. {Cummings.} Um-hum.

1454 Mr. {McKinley.} --and you avoided it, very effectively
1455 I might add. But now--I am going to ask that same question,
1456 but right now first, how would you grade your performance?

1457 Do you think it is a passing grade, is it a C, a B, how would

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1458 you grade--did you do what you were asked to do?

1459 Ms. {Cummings.} We are--

1460 Mr. {McKinley.} Yes or no, did--A or B?

1461 Ms. {Cummings.} We have not completed all of the
1462 mandates that you have asked us to complete, but we are
1463 absolutely making progress on every single one of them--

1464 Mr. {McKinley.} I hear--

1465 Ms. {Cummings.} --and--

1466 Mr. {McKinley.} --so you are not--you are going to try
1467 to--you are going to play that game with me too, I guess. So
1468 the other two questions were when is the schedule? Are you
1469 going to finish at the end of this year, is it going to be
1470 spring of next year, when? Don't tell me to go find it
1471 myself on a Web site. When--I am asking you, when will you
1472 be finished?

1473 Ms. {Cummings.} I can tell you that we have a plan, and
1474 I can tell you that we are working with our stakeholders to
1475 go through the methodical rulemaking process, and that we--
1476 every single person at PHMSA is absolutely committed to
1477 getting that plan done.

1478 Mr. {McKinley.} I am sure you said that back in--2

1479 years--you or your agency said over the last 3 years, but

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1480 this has been since 2011, and I am sure the low-hanging fruit
1481 was already picked to make that happen, but we have 17 more
1482 that probably are contentious. When will they be finished,
1483 when will they be approved? You blamed OMB. I wish OMB were
1484 here, that--whether or not they would accept that
1485 responsibility, but you threw them under the bus. So I am
1486 just trying--what do we have to do to--I want to restore the
1487 trust of the American public that enough is enough, and I am
1488 not getting confidence at all from you. It is every evasive
1489 on this. So how would you do it? If you are not going to
1490 answer the question, you are going to tell me go find it
1491 yourself. Is that correct? Go find it myself?

1492 Ms. {Cummings.} What I wanted to express when I was
1493 telling you about the Web site was that we are being as
1494 transparent as possible by posting that information on the
1495 Web site. The status of every single individual rule, where
1496 it has been and where it is going, and how long it has been
1497 there, is absolutely available. It is a very transparent
1498 process. We have a plan moving forward. As I said, we have
1499 two rules that I think are close to being complete within the
1500 year--I mean the--within this calendar year, and we have some
1501 other rules that we are working very hard on at PHMSA to get

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1502 complete, and to have our economic analysis complete so that
1503 we can move to issuing those proposed rules.

1504 Mr. {McKinley.} So you are--are you suggesting that by
1505 the end of next year you may have all 42 mandates complete?

1506 Ms. {Cummings.} I know that the rulemaking process that
1507 we are currently going through is going to address 11 of the
1508 mandates, and that we have reports that are currently being
1509 finalized that are going to address four of the mandates.

1510 And so yes, we are making progress on absolutely every single
1511 one of them. I simply can't look into the future and see
1512 what stakeholder input we may get, what new technology might
1513 be developed, or what new requirements might come up to
1514 change our priorities to say exactly when all 42 will be
1515 done, but I can tell you that every single person at PHMSA
1516 is--

1517 Mr. {McKinley.} Well, I hope--

1518 Ms. {Cummings.} --committed at getting--

1519 Mr. {McKinley.} --your priorities--

1520 Ms. {Cummings.} --to getting them done.

1521 Mr. {McKinley.} I hope your priorities are
1522 reestablishing the confidence of the American public, that we
1523 are doing everything we can to give them pipeline safety.

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1524 Ms. {Cummings.} And that is what we want as well.

1525 Mr. {McKinley.} I yield back my time.

1526 Ms. {Cummings.} Thank you, Congressman.

1527 Mr. {Whitfield.} At this time, recognize the gentlelady
1528 from California, Mrs. Capps, for 5 minutes.

1529 Mrs. {Capps.} Thank you, Ms. Cummings, for your
1530 testimony. My questions today, because there are still so
1531 many unanswered ones about the causes of and responses to the
1532 May 19 Plains oil spill in my district, will have to do with
1533 that particular incident.

1534 I know the investigation, not the rulemaking
1535 necessarily, but the investigation takes time. It is
1536 important to get the facts right, but it has been 2 months
1537 since the spill occurred on the pristine coastline, Gaviota
1538 Coast, my district. When will this investigation be
1539 completed and the results shared with the public?

1540 Ms. {Cummings.} Thank you, Congresswoman Capps. And
1541 before I answer, I would just like to thank you for your
1542 support of the agency, as well as the time you have spent
1543 with our PHMSA employees and talking to them out in San
1544 Diego. They appreciated it, and I hope you found, as I have,
1545 how dedicated to safety those PHMSA staff are, and that they

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1546 take this oil spill personally, just like you do.

1547 The investigation will take time. There are many
1548 aspects that will require third party evaluation, as well as
1549 research into different parts of the organization about what
1550 happened. Some of the things that we are specifically
1551 focused on is that third party evaluation of the condition of
1552 the pipe. I think the last I heard, that is going to take a
1553 couple of months to get the report from the third party
1554 evaluator.

1555 Mrs. {Capps.} Okay.

1556 Ms. {Cummings.} The third party evaluation of the
1557 inline inspection, that is going to take a couple of months.

1558 Mrs. {Capps.} All right.

1559 Ms. {Cummings.} A corrective action order can actually
1560 be in place for several months, and--

1561 Mrs. {Capps.} Okay.

1562 Ms. {Cummings.} --it is not until--go ahead.

1563 Mrs. {Capps.} I don't want to cut you off, but I do
1564 want--

1565 Ms. {Cummings.} Um-hum.

1566 Mrs. {Capps.} --to ask some other questions as well,
1567 and so I now have a timeframe. And thank you. Please keep

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1568 this--my office and my constituents--that is a good way to do
1569 it, and this committee updated as to how things progress.

1570 I must say the information we have so far is very
1571 troubling. Makes us question the condition of--now I
1572 understand it is millions of miles of pipeline running
1573 through our country. As you know, Plains did an inline
1574 inspection of line 901, May 5, and this is just 2 weeks
1575 before that particular--that very line ruptured. This
1576 inspection showed 45 percent mental loss at the rupture site,
1577 yet now we are now shocked to discover that the actual level
1578 of corrosion was over 80 percent when the ruptured pipe was
1579 evacuated. I have seen it myself.

1580 Ms. Cummings, you--were you surprised by the disparity,
1581 and is this a common occurrence?

1582 Ms. {Cummings.} The inline inspection tool provides a
1583 great deal of data, and that data has to be analyzed by
1584 experts in order to determine what the data is telling them.
1585 They also go out and actually do digs and look at those
1586 anomalies to compare them to the data to make sure that they
1587 are getting the right information. I think that the results
1588 of an inline inspection need to be looked at from an expert
1589 on the data and an expert on pipelines--

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1590 Mrs. {Capps.} Okay. Now you--I am cutting you off
1591 again, but--

1592 Ms. {Cummings.} Sorry.

1593 Mrs. {Capps.} --you are making it sound so obtuse. It
1594 is a disparity.

1595 Ms. {Cummings.} It is a disparity.

1596 Mrs. {Capps.} And it is disturbing, and it is not the
1597 only time it happened. Plains has reported that the inline
1598 inspection also overestimated the amount of corrosion at
1599 other points along the pipeline. We would rather have an
1600 overestimate than--of a corrosion than underestimate, but
1601 these inline inspections are clearly not very accurate.

1602 Whether the issue is with the technology, system operators,
1603 or both, there is clearly a problem here. So what is PHMSA
1604 doing to improve the accuracy? I mean either over or under--

1605 Ms. {Cummings.} Um-hum.

1606 Ms. {Capps.} --what is--what can we do to improve the
1607 accuracy of the inline inspections in general?

1608 Ms. {Cummings.} To your point of the investigation,
1609 that will be part of our investigation, but looking at inline
1610 inspection and other assessment tools across the board, our
1611 research and development budget in our program is a

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1612 partnership with industry where we identify those areas where
1613 we can use our funds to invest in future safety technologies,
1614 and one of the technologies we invest in a lot is inline
1615 inspection and other assessments. And so your support of our
1616 research and development program is actually the best way for
1617 us to be able to improve that assessment data, and get closer
1618 to reality, and to be able to mitigate risk.

1619 Mrs. {Capps.} Thank you. In addition, and I hope I can
1620 get my third question out here, in addition to corrosion on
1621 line 901, dozens of corrosion problems have been found on an
1622 adjacent line 903, a longer and wider segment of pipe
1623 connected to the ruptured line 901. These numerous problems
1624 have been outlined in your corrective action order, and I
1625 have your submission of those to us here, and want to submit
1626 them for the record here. Plains has even acknowledged the
1627 problem by accelerating the frequency of its inline
1628 inspections after its 2012 inspection found 41 anomalies
1629 serious enough to require excavation. Yet, despite the
1630 pattern of corrosion and failure to accurately measure the
1631 level of corrosion on the rupture site, PHMSA is still
1632 allowing Plains to operate 903 line to reduce pressure. Why
1633 is PHMSA allowing line 903 to operate when it has the very

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1634 same corrosion disparities and problems as the pipeline that
1635 ruptured? What assurances can you provide that line 903
1636 won't have the same problems that line 901?

1637 Ms. {Cummings.} As you pointed out in our correction--
1638 corrective action order, we did notice similarities between
1639 901 and 903, and so we took that imminent hazard and we
1640 applied it to line 903, and we have put additional
1641 requirements on Plains. The--901 is empty. 903--line 903
1642 does have oil in it. They are not operating it in regular
1643 course of action. About 100 miles away from the coast, just
1644 a portion of 903 is intermittently being operated, but the
1645 rest of 903 remains shut down. And they will only be able to
1646 operate under our authority if we allow them under the
1647 corrective action order.

1648 Mr. {Whitfield.} Gentlelady's time has expired.

1649 At this time, I would like to recognize the gentleman
1650 from Virginia, Mr. Griffith, for 5 minutes.

1651 Mr. {Griffith.} Thank you very much. Appreciate you
1652 being here.

1653 Mr. McKinley touched on it. Others have touched on it.
1654 Mrs. Capps, in her questions, although she didn't say it
1655 directly. One of the big concerns here is that we passed a

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1656 law 4 years ago in an attempt to make the pipelines safer.

1657 We are still trying to get those regulations implemented.

1658 They are not ready yet. And there is a confidence, or a lack

1659 of confidence, from the public.

1660 Now, I am going to take just a second and go to a

1661 different subject. I promise you it is relevant. The EPA's

1662 Clean Power Plan, the final rules are not out yet, some 13 to

1663 16 months after that rule comes out, the states have to come

1664 up with their plan, and by 2020 they have to start

1665 implementing that plan. As a result, in part of that

1666 pressure being placed on electric generation companies, 2

1667 major pipelines, see, I told you I would bring it around, 2

1668 major pipelines have been proposed coming through my region

1669 of the state. I represent a big chunk of one of them, and

1670 the other one affects constituents of mine, even if they

1671 don't--even if it doesn't actually come through my district.

1672 Their concern, in many ways, is about safety. And I have

1673 been communicating this morning with one of those

1674 constituents. Her farm is going to be affected by the

1675 Atlantic Coast Pipeline. And there are real concerns there,

1676 and part of the concern, and the lack of confidence, is the

1677 states and individuals are having to deal with the

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1678 consequences of these EPA regulations faster than you can get
1679 the regulations for safety that we passed 4 years ago
1680 implemented. What do I say to them when they say to me, you
1681 know, in rural areas, the shut-offs are only 20 miles apart.
1682 Twenty miles apart. That is a long way on a rural road if
1683 you have to get from point A to point B, that is not
1684 following a road. What do I say to them about the safety
1685 components when you all can't even get the regs out that we
1686 thought were necessary that you get out 4 years ago, because
1687 of previous safety problems? How do I make my constituents
1688 feel like if somebody is putting a 42 inch natural gas
1689 pipeline through their property or near their property, or
1690 they are near one of the compressing and pumping stations,
1691 how do--how can they feel safe, what can you say to them,
1692 because I will tell you that this one constituent in
1693 particular is watching, so look at the camera and tell her
1694 how can she feel safe if her farm is now going to be
1695 dissected or cut through by a pipeline?

1696 Ms. {Cummings.} Well, PHMSA is first and foremost a
1697 safety agency, and the safety of those pipelines are what we
1698 think about 100 percent of the time. And while we are
1699 working on those 42 mandates, and working on getting those

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1700 regulations out, we have a lot of experience with new
1701 construction because we spend about 25 percent of our
1702 inspection time with new construction, looking at how they
1703 are implementing our regulations, how they are testing to
1704 make sure they are safe, and what we have done is we have
1705 actually learned a lot about new construction that we have
1706 put out through safety advisory bulletins, that we have put
1707 out to the industry in different ways that helps to ensure
1708 that we learn a lesson.

1709 Mr. {Griffith.} And I know that you are trying, but it
1710 doesn't instill confidence when we hear about other pipeline
1711 problems in other parts of the country, when we hear that
1712 pipelines that may have problems are still being used, and
1713 now they are saying they want to bring a pipeline through our
1714 area. It causes great concern on the safety factor. What
1715 about the shut-offs in rural areas, should they be closer
1716 together. Is that something that we should be working on in
1717 Congress?

1718 Ms. {Cummings.} So I think we talked earlier about a
1719 2012 report that talked about automatic shut-off valves, and
1720 it talked about them being technically, operationally, and
1721 economically feasible, but not in all cases. And so we will

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1722 be putting out proposed rules that will capture the right
1723 stakeholder information to make sure that we put out
1724 regulations that are going to meet the safety requirements
1725 without creating unintended consequences.

1726 Mr. {Griffith.} Well--and I appreciate that. Another
1727 question I get on a regular basis as a result of being right
1728 in the eye of the storm for major pipelines coming through
1729 the area is why are we cutting through new paths? Is there
1730 some safety reason why you don't want to collocate natural
1731 gas pipelines together, because we are cutting through a
1732 bunch of new paths, not following the lines that are already
1733 there?

1734 Ms. {Cummings.} Um-hum. We as a safety agency, we
1735 don't have a primary lead role in the permitting and--

1736 Mr. {Griffith.} I understand that. My question is, is
1737 there a safety concern with collocation?

1738 Ms. {Cummings.} Um-hum, I understand. Can I get back
1739 to you on the record? I don't know the answer to that
1740 question, I am sorry.

1741 Mr. {Griffith.} All right, I would greatly appreciate
1742 it because I probably have--I know I have at least one
1743 watching, but I have a lot of constituents who want to know

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1744 the answer to that question.

1745 Ms. {Cummings.} Okay.

1746 Mr. {Griffith.} With that, I see my time is up. And,

1747 Mr. Chairman, I appreciate you having this important hearing,

1748 and I yield back.

1749 Mr. {Whitfield.} At this time, recognize Mr. Loebssack
1750 for 5 minutes.

1751 Mr. {Loebssack.} Thank you, Mr. Chair. Good to see you,
1752 Ms. Cummings.

1753 Ms. {Cummings.} Thank you.

1754 Mr. {Loebssack.} I am from Iowa, and I think a lot of us
1755 on both sides of the aisle have a lot of concerns being from
1756 these rural areas--

1757 Ms. {Cummings.} Um-hum.

1758 Mr. {Loebssack.} --and I echo many of those concerns
1759 that have been already mentioned today. I think I mentioned
1760 to you before your testimony that we have a proposed Bakken
1761 Pipeline that would extend from northwest Iowa down through
1762 my district, much of my district, all the way down to
1763 southeast Iowa, and it would bring that crude from North
1764 Dakota, transport it eventually to points of the east and
1765 south. And, you know, it--I just have a question sort of

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1766 from your perspective, you know, you mentioned that you are
1767 involved in safety and all the rest. Eventually, this is
1768 going to be approved or not by the Iowa Utilities Board,
1769 there is not a federal role as far as approval of this
1770 pipeline is concerned, but can you talk to me a little bit
1771 about sort of the safety concerns that you folks basically
1772 have supervision over when it comes to something like this?

1773 Ms. {Cummings.} Sure. Thank you. The most important
1774 thing that we can do is to build safety and build quality
1775 into the pipeline before it actually goes into operation.

1776 And so the requirements in our regulations for new
1777 construction, a lot of them are prescriptive. So they are
1778 looking at things like the material in the weld, and making
1779 sure that they are properly installed by qualified people to
1780 install them. We also require a hydro test to make sure
1781 that, before the pipeline goes into operation, that it is
1782 safe and that there are no leaks. We would encourage new
1783 construction pipeline to do inline assessments, and to really
1784 understand the attributes of the pipeline so that when
1785 integrity management principles are applied to that pipeline,
1786 that there is a baseline that they can use going forward to
1787 look at trends and to be able to identify that risk. And our

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1788 goal is to prevent pipeline failures, and integrity
1789 management and risk management, and inline assessments and
1790 other assessments are the way that we do that.

1791 Mr. {Loebsack.} So as the regulations currently exist,
1792 encourage is the word--the best word that you can use at this
1793 point?

1794 Ms. {Cummings.} On the hydro test and on the other
1795 requirements, those are prescriptive, those are requirements.

1796 Mr. {Loebsack.} Um-hum.

1797 Ms. {Cummings.} We have shared information. There is
1798 information available in partnership with industry on best
1799 practices, and when we identify issues that we see are common
1800 across different new construction, whether they are directly
1801 applicable to our prescriptive regulations, or whether they
1802 are best practices, we have ways that we can share them with
1803 our stakeholders to make sure everyone is aware through
1804 safety advisories or through workshops.

1805 Mr. {Loebsack.} And so I think that is one of the big
1806 concerns that I am hearing--

1807 Ms. {Cummings.} Um-hum.

1808 Mr. {Loebsack.} --expressed throughout my district is
1809 the whole safety issue, leakage, all those things.

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1810 Ms. {Cummings.} Um-hum.

1811 Mr. {Loebsack.} And if, in fact, the Iowa Utilities
1812 Board does approve this pipeline, I am going to want to make
1813 sure that my constituents get the best information possible.
1814 I don't--opponents are never going to be convinced this thing
1815 is going to be entirely safe--

1816 Ms. {Cummings.} Um-hum.

1817 Mr. {Loebsack.} --but using the word encourage doesn't
1818 give me a lot of confidence when I go home and then say to
1819 them, well, you know, the regulators are telling me they are
1820 going to encourage folks to do this or that. So I would hope
1821 that there would be something much stronger than that in the
1822 regulations. And I do want to, of course, agree with folks
1823 here today who have expressed concerns that, you know, we
1824 haven't seen the final, you know, rulemaking actually done
1825 yet for a number of these things, and I just want to
1826 encourage you, obviously, to use that word, because that is
1827 all I can do to make sure that we finish this up.

1828 I have one other question having to do--I don't think it
1829 has been brought up yet today. I served on the Armed
1830 Services Committee for 8 years. Traveled overseas quite a
1831 lot. I am not on the Homeland Security Committee, but, you

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1832 know, I have a map, an alleged map at least, of pipelines
1833 that are in Iowa, and I didn't get that map because I am
1834 Member of Congress and because I have some kind of security
1835 clearance to have access to that map. I have a lot of
1836 concerns about access to information that is open to the
1837 public, especially when it comes to potential terrorist
1838 threats. Talk to me about that. Talk to us about that. How
1839 this information that could be used by potential domestic or
1840 international terrorists to disrupt a pipeline gas or oil, or
1841 whatever the case may be, how is that information--how are we
1842 sure that information is not available to folks out there who
1843 want to do harm to our country?

1844 Ms. {Cummings.} The National Pipeline Mapping System
1845 does have rule-based access, meaning that the information
1846 that is available to the public is information that we have
1847 deemed is not security-sensitive. We take that threat very
1848 seriously as well, and this committee and our statutory
1849 authority has given us the ability to redact information that
1850 we make public to make sure that security sensitive
1851 information is not included in public release. The
1852 information that is available to local lawmakers, to local
1853 emergency responders, they apply for that access, and they

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1854 are only given that access when we verify their identity and
1855 their need to have that type of information.

1856 Mr. {Loebsack.} Okay. Thank you.

1857 Ms. {Cummings.} Thank you.

1858 Mr. {Loebsack.} Thank you for your testimony.

1859 And I yield back, Mr. Chair.

1860 Mr. {Whitfield.} The chair recognizes the gentleman
1861 from Ohio, Mr. Johnson, for 5 minutes.

1862 Mr. {Johnson.} Thank you, Mr. Chairman. And, Ms.
1863 Cummings, thanks for joining us today.

1864 In your response to Representative Olson a little bit
1865 ago, you said that PHMSA is looking at how to improve and
1866 expand--improve, expand, and enhance risk-based management.

1867 Would you explain a little bit more in detail what you mean
1868 by that? How are you going to go about doing that?

1869 Ms. {Cummings.} Sure. We have several ongoing
1870 rulemakings that have been the topic of discussion this
1871 morning, and integrity management, which is our risk-based
1872 approach to pipeline safety in high consequence areas, is--
1873 relies on that risk-based approach. And those rules are
1874 going to be proposed to expand where we are using those risk-
1875 based methodologies, meaning on the percentage of pipe that

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1876 we are looking at to apply those integrity management
1877 principles where it makes sense, and also to improve
1878 integrity management. I mentioned that in September, we are
1879 going to be holding a workshop, and we are going to be
1880 bringing in folks from across different industries such as
1881 aviation, the energy industry, other--nuclear, for example,
1882 who use risk-based approaches, and look at how they model
1883 risk because in order to mitigate the proper risk, in order
1884 to, you know, avoid a pipeline failure, you need to be
1885 identifying the right risk, assessing that risk, and then
1886 mitigating it properly for your pipeline. And so those are
1887 some of the examples of ways that we are going to be
1888 improving integrity management, both internal to PHMSA and
1889 our oversight, but also integrity management in the industry.

1890 Mr. {Johnson.} Are you including cost in that analysis
1891 and in the improvement effort, and are you having difficulty
1892 in incorporating cost into a risk-based regulation?

1893 Ms. {Cummings.} Our statutory authority for PHMSA
1894 requires that we--our regulations have benefits that exceed
1895 costs. So that is part of our statutory requirement. So
1896 yes, we are looking at the cost to implement these
1897 improvements versus the safety benefit. So in order to do

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1898 that, we have a team of economists and they look at past
1899 performance, so the likelihood--risk goes back to likelihood
1900 and consequence, the likelihood and the cost of that
1901 consequence, and then the safety requirements we put in
1902 place, how much it costs to implement them, and we do a
1903 comparison of the benefit versus the cost.

1904 Mr. {Johnson.} Okay. All right, Section 21, Ms.
1905 Cummings, directed PHMSA to review and report to Congress on
1906 existing federal and state regulations for all gathering
1907 lines. With the report, which was submitted more than 1 year
1908 late, PHMSA stated that it is considering the need to propose
1909 additional regulations to ensure the safety of natural gas
1910 and hazardous liquid gathering lines. So is PHMSA reviewing
1911 the need to propose changes to existing exemptions from
1912 federal regulations for gathering lines, and if so, when will
1913 this review conclude?

1914 Ms. {Cummings.} Yes, the report that you are referring
1915 to we delivered to Congress earlier this year, and what we
1916 found is that some gathering lines are actually--have the
1917 same attributes as transmission lines as far as size and
1918 amount carried. And so as a result of that report, we are
1919 looking at our regulations and we expect to propose in our

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1920 future rulemaking proposals in the near future, to look at
1921 how we can capture more information about gathering lines, as
1922 well as what parts of our regulations should be applied to
1923 gathering lines based on what we learned in that report.

1924 Mr. {Johnson.} Okay. All right. Mr. Chairman, I yield
1925 back.

1926 Mr. {Whitfield.} The gentleman yields back.

1927 At this time, recognize the gentleman from Maryland, Mr.
1928 Sarbanes, for 5 minutes.

1929 Mr. {Sarbanes.} Thank you, Mr. Chairman. Thank you for
1930 being here.

1931 Can you give us a sense of how much pipeline
1932 infrastructure overall is within the jurisdiction of your
1933 agency, kind of describe that quickly?

1934 Ms. {Cummings.} Sure. There are 2.6 million miles of
1935 pipeline in the Nation. While we as a federal regulator, we
1936 issue regulations across the entire Nation for those
1937 pipelines, from an oversight and enforcement perspective, we
1938 partner with the states. So the states actually oversee 80
1939 percent of those 2.6 million pipelines. We enforce and
1940 oversee 20 percent. But the states are very close partners
1941 of ours. We provide them with training, certification, as

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1942 well as grant funding, and we provide them mentorship as
1943 well.

1944 Mr. {Sarbanes.} So do you consider--I mean your direct
1945 oversight is with respect to 20 percent, but--

1946 Ms. {Cummings.} That is right.

1947 Mr. {Sarbanes.} --presumably, you consider yourself as
1948 having oversight responsibility with respect to the 100
1949 percent acting in partnership.

1950 Ms. {Cummings.} Correct. In partnership with our
1951 states.

1952 Mr. {Sarbanes.} Yeah. And can you give me a sense of
1953 the actual amount of FTE, or sort of what the capacity of
1954 your compliance and enforcement staff is within your agency
1955 specifically?

1956 Ms. {Cummings.} Sure. We are very grateful that this
1957 year our 2015 budget enabled us--gave us the funding we
1958 needed to hire 109 new people into the pipeline part of our
1959 organization. Our field staff prior to that influx of new
1960 people was about 135 people. We are bringing in that 109 new
1961 people, so we are almost doubling our enforcement staff with
1962 the positions that our--were appropriated--the funds that
1963 were appropriated this year for new positions. So we have in

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1964 the past, I would say if you are looking at legacy--

1965 Mr. {Sarbanes.} Um-hum.

1966 Ms. {Cummings.} --30, 35 or so positions.

1967 Mr. {Sarbanes.} In any event, I would imagine that you

1968 have some reasonable expectation that the industry, the

1969 pipeline industry itself, will come with kind of a good faith

1970 commitment to meeting the standards that apply to it.

1971 Nevertheless, we have seen companies, like the Plains All

1972 American Pipeline and others, that don't have a great track

1973 record when it comes to putting these kinds of things in

1974 place and adhering to them. And I was wondering whether--

1975 what your thoughts might be on ways to create more

1976 accountability within the industry itself, within these

1977 companies, so that the sort of compliance and accountability

1978 arm within those organizations has a heightened sense of

1979 responsibility. That could include things like certifying

1980 that they are meeting certain standards as a corporation, for

1981 example, an understanding that there might be consequences

1982 for not stepping up to that statement of accountability.

1983 Have you thought about things like that that could improve

1984 what I would say in the best sense could be cooperation

1985 between the agency's oversight and the industry's own

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1986 responsibility to come in and step up to its accountability?

1987 Ms. {Cummings.} Absolutely. An operator is 100 percent

1988 responsible for the safety of the pipelines that they

1989 operate, and they do so under our enforcement and under our

1990 guidance and regulations. One thing that we at PHMSA were

1991 happy to see is, in the last week, API released a safety

1992 management system best practices document that really was the

1993 industry coming together and looking at a tool, safety

1994 management systems--

1995 Mr. {Sarbanes.} Um-hum.

1996 Ms. {Cummings.} --that has been successful in other

1997 industries, and it would take sort of the things we have been

1998 talking about today, about integrity management being risk-

1999 driven, and really take that to another level. So I think

2000 that industry--I believe that the industry is responsible for

2001 safety. I think that they know they are responsible for

2002 safety. This is a great step that they took in partnership

2003 with us. We were on the teams putting this together. The

2004 combination of both prescriptive and performance-based

2005 regulations from PHMSA are another way that industry can,

2006 through our performance-based specifications, apply

2007 technology that is going to make the pipeline system, the

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2008 pipeline networks, safer.

2009 Mr. {Sarbanes.} Right.

2010 Ms. {Cummings.} And so, yeah, there is a lot we can do
2011 together--

2012 Mr. {Sarbanes.} Great. Okay.

2013 Ms. {Cummings.} --to improve pipeline safety.

2014 Mr. {Sarbanes.} Well, I appreciate that. And it will
2015 be interesting to monitor how the industry fulfills those new
2016 expectations, but I think that there could be a place in the
2017 future if we don't see that kind of accountability that needs
2018 to be there, for people within these organizations kind of
2019 having to sign on the dotted line and certify that these
2020 things are in place, and put their name as leaders of those
2021 organizations behind those commitments.

2022 Thank you, and I yield back.

2023 Mr. {Whitfield.} At this time, recognize the gentleman
2024 from Texas, Mr. Flores, for 5 minutes.

2025 Mr. {Flores.} Thank you, Mr. Chairman. And thank you,
2026 Ms. Cummings, for joining us today.

2027 A lot of great questions have been answered and so I
2028 just have a couple of things I would like to drill into that
2029 follow up a little bit on Mr. Sarbanes' question, but more

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2030 closely to Mr. Pitts' questions. I think in answer--in
2031 response to one of Mr. Pitt's questions you said that the
2032 progress you have made to--hiring that 109 new people is 46
2033 percent, is that correct?

2034 Ms. {Cummings.} Correct.

2035 Mr. {Flores.} Okay, I just want to verify that. And in
2036 your response you also said something about requesting direct
2037 hire approval. Can you tell the committee what does that
2038 give you, what does that mean, and how do you get that
2039 approval?

2040 Ms. {Cummings.} Direct hire authority is a tool in the
2041 Federal Government that allows us to streamline the hiring
2042 process. It is something that we had requested of the Office
2043 of Personnel Management. We heard back that it was not
2044 approved. We think that that is one tool that we were
2045 looking at, but we are looking at a lot of other tools to
2046 recruit for qualified and well-educated people who want to
2047 dedicate their life to public service, and dedicate their
2048 life to safety. So we are actively recruiting for positions
2049 across the country, as well as here in D.C. And I think I
2050 mentioned also that tomorrow we are going to be having a
2051 veterans hiring fair at the Department of Transportation. So

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2052 we are really focused on getting great people into the
2053 department, again, who are dedicated to public service.

2054 Mr. {Flores.} If you had had direct hire authority at
2055 the beginning of the fiscal year when you got the additional
2056 funding, where do you think you would be on the hiring today?

2057 Ms. {Cummings.} I think we would be much further along.
2058 I don't want to commit and say that we would be at 100
2059 percent right now. The--but we need to make sure that we are
2060 hiring the right people, and so a lot of the process is going
2061 through the reviewing resumes and making sure that we are
2062 doing good interviews, and that we are getting the right
2063 people with the right skills, but I do think we would make
2064 more progress. Thank you.

2065 Mr. {Flores.} That is all the questions I have. Thank
2066 you. I yield back.

2067 Mr. {Whitfield.} Thank you.

2068 At this time, recognize the gentleman from Oklahoma, Mr.
2069 Mullin, for 5 minutes.

2070 Mr. {Mullin.} Thank you, Mr. Chairman. And thank you,
2071 Ms. Cummings, for being here.

2072 You know, a lot of talk has been, obviously, on the
2073 pipelines and yet the pipelines still provide the best

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2074 option, provide the resources we are needing to ship across
2075 this country from part A to part B. In fact, 99.9 percent of
2076 all of it in the pipelines, be it natural gas or oil, gets to
2077 its destination with zero incidents. And without question,
2078 it is a vital part of the infrastructure, and a competitive
2079 advantage we have in this country for our energy rates being
2080 at the level--at the low level that they are. And what we
2081 are talking about right now is going back to 2011 when there
2082 were 7 mandates--or 17 mandates that haven't been
2083 implemented, and we have talked a lot about that, but I don't
2084 know if we have really spent the time about the industry
2085 itself. See, as a business owner, the biggest problem we
2086 have is understanding where the regulatory environment is
2087 going, and it is certainty that we are needing. It is
2088 understanding of what are we going to have to comply with.
2089 When we are bidding a job, we have to understand what our
2090 cost is going to be. And since we have been waiting for 4
2091 years, for PHMSA to implement these, it is creating a
2092 tremendous amount of uncertainty of knowing where the
2093 industry can go. We know we are going to have to start
2094 building some pipelines in a serious way. I mean as this
2095 Administration's war on coal continues, we are going to have

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2096 to get a lot more pipelines in the ground to provide the
2097 resources we are going to have to have.

2098 And, ma'am, the position that you are in is kind of in
2099 question. I mean you are filling in a position, and I
2100 commend you for that--

2101 Ms. {Cummings.} Thank you.

2102 Mr. {Mullin.} --but are you capable right now to steer
2103 the--to steer PS--what is it, PHMSA?

2104 Ms. {Cummings.} PHMSA, correct.

2105 Mr. {Mullin.} PHMSA? In the right direction. Are you
2106 able to make those decisions or are you guys going to be
2107 sitting there waiting for the next administrator to be
2108 assigned to you?

2109 Ms. {Cummings.} The President nominated Marie Therese
2110 Dominguez--

2111 Mr. {Mullin.} Right.

2112 Ms. {Cummings.} --and we are anxiously awaiting her
2113 confirmation. She is serving right now as the deputy
2114 administrator at PHMSA. The career staff, the entire
2115 operation at PHMSA is fully dedicated to achieving these
2116 mandates, and regardless of the fact that we are in a
2117 transition does not stop those career employees that work for

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2118 us from every day dedicating their time to safety and to
2119 completing these mandates.

2120 Mr. {Mullin.} Then why haven't they been completed? I
2121 mean when the President puts out an order, it is done. I
2122 mean we seem to implement very complicated--in fact, some
2123 regulations it is not even obtainable and we are already
2124 enforcing them. And we are talking about setting 17 mandates
2125 back from 2011. And look, I am not pushing for them to be
2126 there, I am just saying that either tell the industry you are
2127 moving forward or you are not, or say, hey, we are going to
2128 take the best practices that you guys have already put in
2129 place, which this might be an idea. What you guys have done,
2130 you have improved safety in a tremendous amount so far on
2131 your own. The industry has on their own. Maybe we take
2132 their best business practice and say we are going to take
2133 this and apply this, and we are going to see how it moves
2134 forward, rather than keeping the industry in limbo. And I
2135 understand, ma'am, you are doing the best you can, but we are
2136 talking about an industry that is a vital resource that we
2137 have inside the United States, that provides the
2138 infrastructure and the resources that all of us use. I don't
2139 care what side of the aisle you fall on fossil fuels or not,

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2140 you use them. So we are trying to make sure that we don't
2141 run short of that supply, and I am just wanting to make sure
2142 that we create the certainty for the industry that is needed
2143 to be there. And, Ms. Cummings, I really do applaud you
2144 because I think you are doing an outstanding job in the
2145 position that you are in, but I want to make sure that the
2146 industry isn't held hostage at this time too.

2147 So thank you for being here. And thank you, Chairman,
2148 for holding this important meeting.

2149 Mr. {Whitfield.} Well, thank you.

2150 And that concludes the questions, except for mine, and I
2151 am going to recognize myself for 5 minutes. But, Ms.
2152 Cummings, also I want to thank you for being with us and
2153 addressing the concerns of the committee.

2154 Ms. {Cummings.} Thank you.

2155 Mr. {Whitfield.} And I think it is quite obvious to
2156 everyone that one of the major concerns is that this Act was
2157 adopted in 2011, reauthorizing--we have 16 mandates that
2158 really have not been addressed. And Mr. Mullin, I think,
2159 made an important point in his remarks, and that is that
2160 these pipeline companies, as they are involved in
2161 maintenance, constructing new pipelines, making improvements,

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2162 the uncertainty of what is going to happen in these areas
2163 does present some problems for them. And I don't think any
2164 of us can say with certainty that the fact that these 16
2165 mandates have not been put in a regulation had anything to do
2166 with these spills. We don't know that. But, you know, one
2167 conclusion we can come up with and we know for a fact that
2168 you all cannot do any of your regulations, you can't make
2169 them final without a signoff of OMB, they have to be involved
2170 in that process, and every agency--and in Congress, we all
2171 have our priorities and I think everyone recognizes that the
2172 priority for this Administration is the Clean Energy Plan,
2173 and that is a priority for OMB, and EPA has been super
2174 aggressive in that area. And one conclusion that we can come
2175 up with is that MSHA and the regulations coming out of your
2176 agency is not the same priority as the Clean Energy Plan in
2177 this Administration. Now, I am not going to ask you to
2178 address it, but that is a conclusion--a logical conclusion
2179 that we can come up with.

2180 So I want to thank you once again. We look forward to
2181 working with you as we move forward, and--so you are--you can
2182 be relieved at this time. And thank you for being with us.
2183 And I would like to call up the second panel of

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2184 witnesses at this time. And if the second panel would just
2185 have their seat, and then I am just going to introduce you
2186 when you give your opening 5-minute statement, and then we
2187 will go from there.

2188 Okay, our first witness today is Mr. Stan Wise, who is a
2189 Commissioner with the Georgia Public Service Commission, and
2190 he is going to be testifying on behalf of the National
2191 Association of Regulatory Utility Commissioners.

2192 Mr. Wise, thanks very much for being with us, and you
2193 will be recognized for 5 minutes. And we would just ask you
2194 to turn the microphone on, and just kind of watch when the
2195 red light goes on and your time has expired. But thanks for
2196 being with us, and you are recognized.

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2197 ^STATEMENTS OF STAN WISE, COMMISSIONER, GEORGIA PUBLIC
2198 SERVICE COMMISSION (ON BEHALF OF THE NATIONAL ASSOCIATION OF
2199 REGULATORY UTILITY COMMISSIONERS); DONALD SANTA, PRESIDENT
2200 AND CEO, INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA; RON
2201 BRADLEY, VICE PRESIDENT OF GAS OPERATIONS, PECO ENERGY (ON
2202 BEHALF OF THE AMERICAN GAS ASSOCIATION); ANDREW BLACK,
2203 PRESIDENT AND CEO, ASSOCIATION OF OIL PIPE LINES; CARL
2204 WEIMER, EXECUTIVE DIRECTOR, PIPELINE SAFETY TRUST; AND DIANNE
2205 BLACK, ASSISTANT DIRECTOR OF PLANNING AND DEVELOPMENT, COUNTY
2206 OF SANTA BARBARA, CALIFORNIA

|

2207 ^STATEMENT OF STAN WISE

2208 } Mr. {Wise.} Well, good morning, Mr. Chairman, and
2209 members of the committee. Thank you so much for this
2210 opportunity to testify on this very important issue.

2211 I am testifying on behalf of my state and NARUC, and let
2212 first, let me just say that Georgia's Pipeline Safety Program
2213 is one of the larger state programs based on service, miles,
2214 mains, inspectors, and budget, and our program has been ahead
2215 of the curve on cast iron replacement and bare steel. We

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2216 have less than 5 miles remaining. We have done it over a 20-
2217 year period. And let me say, in no small part, it is
2218 important that we recognize the relationship that our
2219 inspectors and our state has had with PHMSA, and the ability
2220 to go ahead and be able to do the job we can because of that
2221 important financial partnership as well as a sharing of
2222 information as we go along.

2223 But one issue that continues to cause problems for us is
2224 the increasing delays in receiving base grant reimbursements,
2225 and like other states over the past few years, the amount of
2226 time that Georgia has had to wait to get paid for enforcing
2227 these important pipeline safety rules has increased steadily.
2228 And in years past, our finance department could depend on
2229 timely payments, which is very important in tight state
2230 budget. This clearly is an issue that needs resolved.

2231 Nineteen states have adopted new civil penalty
2232 standards. Some states believe that it is more important to
2233 penalize earnings or rates of return rather than to simply
2234 levy fines. We also believe that the state damage prevention
2235 issue prevents some states from participating in the program,
2236 and ineligible for state one-call and preventive grants,
2237 because of state law. And these exemptions directly affect

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2238 safety in those states, and is counterproductive to the goal
2239 of preventing damage. We do agree that PHMSA needs to
2240 publish the required study on automatic and remote coal--
2241 remote-control shut-off valves. States need to know what
2242 this rate structure is, even if it raises rates in our state,
2243 for the stability that would be required for the installation
2244 and maintenance of these facilities. PHMSA has not published
2245 the evaluation of the current integrity management
2246 regulations, and whether or not these requirements should be
2247 expanded beyond the high consequence area. NARUC and its
2248 members are very interested in the findings of this study.
2249 High consequence areas, and they have not--PHMSA has not
2250 updated the National Pipeline Mapping System to include the
2251 identification of high consequence areas.

2252 On leak detection, PHMSA has produced a report, but not
2253 yet published the notice of proposed rulemaking. The
2254 language in the 2011 Act has caused financial difficulties in
2255 the states which I referenced, and specifically to Georgia,
2256 and they must issue waivers for the 36 more states each year.
2257 Gathering lines is certainly important in this new paradigm
2258 of oil recovery in our country, and we suggest that the
2259 gathering lines should be regulated in order to risk to the

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2260 public.

2261 Notice of proposed rulemaking released on excess flow
2262 valves was released earlier this month. NARUC is currently
2263 reviewing that proposal.

2264 We also believe that PHMSA has not yet implemented
2265 regulations on maximum allowable operating pressure. We need
2266 to see these rules in a prudent and expeditious manner to
2267 ensure the public safety of these lines.

2268 Mr. Chairman, we specifically speak to safety and
2269 efficiency issues. It could be economic. These are
2270 important issues to our states. The implementation and the
2271 reauthorization of the Pipeline Safety Act is important to
2272 NARUC and our states, and we thank you for this time to be
2273 able to express our views.

2274 [The prepared statement of Mr. Wise follows:]

2275 ***** INSERT 2 *****

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|

2276 Mr. {Whitfield.} Well, thank you, Mr. Wise.

2277 And our next witness is Donald Santa, who is the

2278 President and CEO of the Interstate Natural Gas Association

2279 of America. Mr. Santa, thanks for being with us, and you are

2280 recognized for 5 minutes.

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2281 ^STATEMENT OF DONALD SANTA

2282 } Mr. {Santa.} Good afternoon, Chairman Whitfield, and
2283 members of the subcommittee. My name is Donald Santa, and I
2284 am president and CEO of the Interstate Natural Gas
2285 Association of America, or INGAA.

2286 INGAA represents interstate natural gas transmission
2287 pipeline operators in the U.S. and Canada. The pipeline
2288 systems operated by INGAA's 25 member companies are analogous
2289 to the interstate highway system; transporting natural gas
2290 across state and regional boundaries.

2291 In the wake of the natural gas pipeline accident in San
2292 Bruno, California, in 2010, INGAA's Board of Directors
2293 committed the Association and its member companies to the
2294 goal of zero pipeline safety incidents. While this is a
2295 tough and some would say impossible goal to meet, the
2296 emphasis is in the right place; a pursuit of excellence.

2297 While progress towards INGAA's goal of zero incidents
2298 must continue, whether or not new regulations are issued, it
2299 is important and desirable that there be consistency between
2300 the voluntary commitments in the INGAA action plan and the

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2301 regulations that will implement the 2011 Pipeline Safety Act.

2302 INGAA has engaged in active dialogue with PHMSA and other

2303 stakeholders over the past 3 years to achieve this goal.

2304 This has been constructive, and we have every reason to

2305 believe that the comprehensive rule proposed soon will affect

2306 INGAA's input. Still, these proposed regulations are behind

2307 the schedule that Congress prescribed in 2011. INGAA

2308 acknowledges that regulation should be thoughtfully

2309 considered and include an analysis of costs and benefits.

2310 The practical consequences of this delay, however, is to

2311 erode the confidence of some pipeline companies that

2312 proceeding with the dedication of resources needed to

2313 implement the pipeline safety commitments will be consistent

2314 with the final rules adopted by PHMSA. This hesitancy is

2315 rooted in the perceived risk that the rules ultimately might

2316 compel repeating certain steps in the pipeline safety action

2317 plan. This is not insignificant. For example, testing

2318 pipelines for material strength is both costly and disruptive

2319 because pipelines need to be removed from operation to

2320 complete this testing. This do-over risk creates financial

2321 risk for pipeline operators and their customers, as well as

2322 the risk of more extensive operational disruptions that would

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2323 be needed. This do-over risk should not be permitted to hold
2324 us back when we, as an industry and or regulators, should be
2325 moving forward.

2326 Our purpose here is to work collaboratively with PHMSA.
2327 Because the regulatory process indeed goes beyond what PHMSA
2328 can control, INGAA wishes to make the point that it is
2329 critical that these natural gas pipelines safety regulations
2330 be completed in a workable and timely manner. It is worth
2331 recalling that the title of the most recent law reauthorizing
2332 the Pipeline Safety Act makes the point. It is the Pipeline
2333 Safety, Regulatory Certainty, and Job Creation Act of 2011.
2334 Regulatory certainty is necessary to move forward.

2335 INGAA supports the reauthorization of the Pipeline
2336 Safety Program during this Congress. My written statement
2337 includes some suggestions for the legislation, including
2338 providing some more definition for several key natural gas
2339 regulations. With further definition from Congress, we
2340 believe the proposed rules could be completed in a more
2341 timely manner, and the pipeline industry would have greater
2342 certainty about what future regulations would require. This
2343 would allow operators to start working towards those
2344 requirements now, as opposed to just waiting until a set of

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2345 regulations is final at an unknown date. We continue to
2346 believe that a reauthorization bill, and the accountability
2347 and oversight that comes with it, will help to get PHMSA back
2348 on track for meeting the safety mandates required in 2011. I
2349 would be happy to discuss this and further suggestions.

2350 Thank you for the opportunity to testify today, and I am
2351 happy to answer any questions of the subcommittee.

2352 [The prepared statement of Mr. Santa follows:]

2353 ***** INSERT 3 *****

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|

2354 Mr. {Whitfield.} Well, thanks very much, Mr. Santa.

2355 And our next witness is Mr. Ron Bradley, who is Vice

2356 President of Gas Operations for PECO Energy, and I think you

2357 are testifying on behalf of the American Gas Association.

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|

2358 ^STATEMENT OF RON BRADLEY

2359 } Mr. {Bradley.} Good afternoon, Chairman Whitfield, and
2360 members of the committee. My name is Ron Bradley, and I
2361 serve as the Vice President of Gas Operations at PECO, which
2362 provides reliable electric and natural gas customer--or
2363 service to more than 1.6 million electric customers, and more
2364 than 500,000 gas customers in southeastern Pennsylvania. I
2365 appreciate the opportunity to testify on behalf of the
2366 natural gas distribution industry.

2367 PECO is a part of the Exelon family of companies.

2368 Exelon is the Nation's largest competitive energy provider.

2369 In addition to Exelon's generation, power and unregulated
2370 businesses, our sister utilities include BGE in Baltimore,
2371 and ComEd in Chicago. Combined, we serve 6.6 million
2372 electric customers in Illinois, Maryland, and Pennsylvania,
2373 and more than 1.1 million natural gas customers in Maryland
2374 and Pennsylvania.

2375 Today, I am testifying on behalf of the American Gas
2376 Association which represents more than 200 local distribution
2377 companies, also known as LDCs, which serve more than 71

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2378 million customers.

2379 AGA's member companies operate 2.4 million miles of
2380 underground pipeline, safely delivering clean, affordable
2381 natural gas to residential, commercial, and industrial
2382 customers. LDCs provide the last critical link in the energy
2383 delivery chain, connecting interstate pipelines directly to
2384 homes and businesses. Our focus today is ensuring that we
2385 keep the gas flowing safely and reliably.

2386 As part of an agreement with the Federal Government,
2387 most states assume primary responsibility for safety
2388 regulation of LDCs, as well as intrastate transmission
2389 pipelines. Some governments are encouraged to adopt minimum
2390 standards promulgated by the U.S. Department of
2391 Transportation. Many states choose to adopt standards that
2392 are more stringent than federal requirements. Additionally,
2393 our companies are in close contact with state pipeline safety
2394 inspectors, working in a collaborative manner that provides
2395 for far more inspections than required under federal law.

2396 LDCs do not operate strictly in a compliance culture,
2397 but rather in a culture of proactive collaborative
2398 engagement. Each company employs trained safety
2399 professionals, provides ongoing employee evaluations and

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2400 safety training, conducts rigorous system inspection,
2401 testing, maintenance, repair, and replacement programs, and
2402 educates the public on natural gas safety. AGA's commitment
2403 to enhancing safety adopted in 2011 provides a summary
2404 statement of these commitments. The Association has also
2405 developed numerous pipeline safety initiatives focused on
2406 raising the bar on safety, including peer-to-peer reviews and
2407 best practice forums that share best practices, and lessons
2408 learned throughout the industry.

2409 Each year, LDCs spend approximately \$19 billion on
2410 safety; one half of that on our voluntary activities. This
2411 number continues to escalate as work commences on newly
2412 approved accelerated pipeline replacement programs.

2413 The Pipe Inspection, Protection, Enforcement and Safety
2414 Act of 2006, and the Pipeline Safety, Regulatory Certainty,
2415 and Job Creation Act of 2011, both outline several programs
2416 that help continue to improve the safety of the industry.
2417 AGA member companies have implemented aspects of these
2418 programs either through DOT regulation or voluntarily.
2419 However, many of these programs are in their infancy in terms
2420 of implementation, and we encourage Congress to allow these
2421 programs to develop and mature. In the case of the

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2422 unanimously passed 2011 Act, we dealt with a number of key
2423 issues. Several of the required regulations have yet to be
2424 finalized. Progress is being made, however, and thus, we
2425 believe it would be premature to make changes to the law at
2426 this time. For instance, the industry is experiencing
2427 significant uncertainty regarding PHMSA implementation of
2428 maximum allowable operating pressure, and the integrity
2429 verification programs. We are prepared to act, but
2430 regulatory certainty provided by implementation of regulation
2431 would be beneficial to the industry and customers alike.
2432 Layering new laws and regulations onto companies before
2433 existing regulations have been finalized and given a
2434 reasonable amount of time to work is likely to create
2435 uncertainty that undermines our shared safety goals. PHMSA
2436 has issued a number of significant guidance documents,
2437 released the results of congressionally mandated study on
2438 leak detection, and created a database to track progress in
2439 replacing cast iron.

2440 With regard to replacement of cast iron, the quantity of
2441 these mains continues to steadily decline, making up less
2442 than 3 percent of total mileage. There are 29,358 miles of
2443 cast iron still in use, and the industry estimates it will

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2444 cost \$83 billion to complete that.

2445 We applaud the committee's focus on the common goal to
2446 enhance the safe delivery of this vital energy resource, and
2447 I am pleased to answer questions on these topics and other
2448 topics you may have.

2449 [The prepared statement of Mr. Bradley follows:]

2450 ***** INSERT 4 *****

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|

2451 Mr. {Whitfield.} Thank you, Mr. Bradley.

2452 And our next witness is Mr. Andy Black, who is the

2453 President and CEO of the Association of Oil Pipe Lines, and

2454 he had many productive years here at the Energy and Commerce

2455 Committee, and welcome back, Mr. Black, and you are

2456 recognized for 5 minutes.

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|

2457 ^STATEMENT OF ANDREW BLACK

2458 } Mr. {Andrew Black.} Thank you, Mr. Chairman, members.

2459 I am Andy Black, President and CEO of the Association of Oil
2460 Pipe Lines.

2461 Mr. {Whitfield.} Is the microphone on?

2462 Mr. {Andrew Black.} Yes, sir. Can you hear me better?

2463 I am also testifying on behalf of API.

2464 We represent transmission pipeline operators that
2465 deliver crude oil, refined products like gasoline, diesel
2466 fuel, and jet fuel, and natural gas liquids such as propane.
2467 Our U.S. pipelines extend 192,000 miles, safely delivering
2468 14.9 billion barrels of crude oil and energy products a year.

2469 Pipelines play a critical role in delivering energy to
2470 American workers and families. Americans use the energy in
2471 our pipelines delivered in their cars and trucks to work or
2472 driving on the job. Farmers use propane for rural heating
2473 and crop drying. American workers use raw materials like
2474 ethane for their good-paying manufacturing jobs.

2475 Pipelines are an exceedingly safe way to deliver the
2476 energy America needs. The average barrel of crude oil or

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2477 petroleum products reaches its destination safely, greater
2478 than 99.999 percent of the time. Since 1999, pipeline
2479 incidents impacting the public or environment are down 50
2480 percent. Corrosion cost, pipeline incidents are down 76
2481 percent thanks to the widespread use of smart inline
2482 inspection to detect corrosion in pipes. Pipeline incidents
2483 caused accidentally by third party damage are down 78
2484 percent. But even with these improvements in pipeline safety
2485 over the last 15 years, we know today we need to keep
2486 improving pipeline safety further, and are committed to doing
2487 so.

2488 Last year, liquid pipeline operators spent more than
2489 \$2.2 billion evaluating, inspecting, and maintaining their
2490 pipelines. The spending shows that we are expending a great
2491 amount of resources to make pipeline incidents even rarer.

2492 I would like to share with you a number of the industry-
2493 wide efforts we have underway to improve pipeline safety.
2494 Two years ago, liquid pipeline operators launched the
2495 Pipeline Safety Excellence Initiative. It includes shared
2496 pipeline safety principles, such as the goal of zero
2497 incidents. Pipeline Safety Excellence also embodies the work
2498 of nearly a dozen industry-wide groups to improve pipeline

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2499 operations and safety. We are funding research and
2500 development on new and improved ILI smart pig technologies,
2501 developing new best practices to detect and respond to
2502 potential cracking in pipes, improving leak detection program
2503 management, and ensuring pipeline construction quality
2504 management. Strategic initiatives reflect review of safety
2505 performance data and lessons learned from pipeline incidents
2506 to make safety improvements. What results of the recent
2507 California release are not yet available of the
2508 investigation. We look forward to understanding the root
2509 causes of that incident, and addressing any recommendations
2510 for safety improvement industry-wide. Strategic initiatives
2511 also reflect lessons from safety investigators and address
2512 the recommendations of the NTSB and advisories from PHMSA.
2513 One of our most recent safety successes that PHMSA Executive
2514 Director Cummings mentioned is a new tool to manage
2515 comprehensively and holistically all of the different
2516 pipeline safety activities across the company. API
2517 recommended practice 1173. The NTSB recommended we develop
2518 this best practice for pipeline safety management system
2519 after the 2010 Marshall, Michigan, pipeline release.
2520 We embraced NTSB's recommendation and worked together

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2521 with PHMSA, state regulators, natural gas pipeline operators,
2522 and process safety experts over a stretch of 2 years to reach
2523 an agreement on this important advance in pipeline safety.
2524 Over that time, we consulted with safety experts within other
2525 industries successfully using safety management systems to
2526 improve safety in their sectors. Our members are now
2527 planning aggressive implementation of this pipeline safety
2528 management system recommended practice because of the
2529 opportunity we have to improve pipeline safety industry-wide.

2530 Another success story is the work of our emergency
2531 response team. Local fire and police departments, especially
2532 volunteer departments in rural locations, told us they just
2533 didn't have the resources to obtain pipeline-specific
2534 emergency response training. We responded to this need by
2535 bringing pipeline training to them free of charge through an
2536 online course. This and other pipeline emergency response
2537 tools can be reached through the Web site,
2538 Pipelineemergencyresponse.com. For these efforts, I will
2539 proudly travel later this month to Nashville in the annual
2540 meeting of the National Association of State Fire Marshals to
2541 receive their Norm Mineta Excellence in Transportation Safety
2542 Award, presented this year to API and AOPL jointly for the

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2543 work of our emergency response team. This award is given
2544 annually to an individual or team that has made a significant
2545 and lasting contribution to the safety of people, products,
2546 and materials in transit. Through this award, state fire
2547 marshals recognize individuals and teams that have encouraged
2548 transportation safety standards above what is required, and
2549 have worked to ensure the safety of emergency responders.

2550 As you can see, there is much work underway to improve
2551 pipeline safety performance. Thank you for the opportunity
2552 to testify.

2553 [The prepared statement of Mr. Andrew Black follows:]

2554 ***** INSERT 5 *****

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|

2555 Mr. {Whitfield.} Well, thank you, Mr. Black.

2556 And our next witness is Mr. Carl Weimer, who is the

2557 Executive Director of the Pipeline Safety Trust. Thanks for

2558 being with us, and you are recognized for 5 minutes.

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|

2559 ^STATEMENT OF CARL WEIMER

2560 } Mr. {Weimer.} Good afternoon, Chairman Whitfield, and
2561 members of the committee. Thank you for inviting me to speak
2562 here today.

2563 The Pipeline Safety Trust came into being after a
2564 pipeline disaster that occurred in 1999. While prosecuting
2565 that incident, the U.S. Justice Department was so aghast at
2566 the way the pipeline company had operated and maintained
2567 their pipeline, and the lack of oversight from federal
2568 regulators, that they asked the federal courts to set aside
2569 money from the settlement of that case to create the Pipeline
2570 Safety Trust as a watchdog organization over both the
2571 industry and the regulators. We have been trying to fulfill
2572 that vision ever since.

2573 Reviewing the implementation of the 2011 Pipeline Safety
2574 Act is somewhat difficult because of the many required
2575 reports and changes to the regulations have yet to be
2576 produced. The slowness of the reporting and rulemaking
2577 process seems at odds with the public proclamations of
2578 concern and action from the Administration. While many are

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2579 frustrated by this slow progress, it is difficult to know
2580 exactly where to lay the blame. PHMSA is partially to blame,
2581 since they have been slow to produce the required reports and
2582 regulation, but they have also been clear with Congress for a
2583 number of years now that they lack the resources needed to
2584 complete their mission in a timely manner. We also have
2585 noted that many times regulations and reports, once produced
2586 by PHMSA, get significantly delayed by the Secretary's office
2587 itself, or by the White House's Office of Information
2588 Regulatory Affairs. It would appear there is plenty of blame
2589 to be shared for the slowness in implementing many important
2590 pipeline safety initiatives.

2591 Even with the slowness and delay, progress has recently
2592 been made, as evidenced by the reduction in the number of
2593 pipeline failures that involve both injuries and death to
2594 all-time low levels. Unfortunately, at the same time that
2595 the number of failures that injure people has been
2596 decreasing, the number of significant failures that dump
2597 products into the environment and damage property is
2598 increasing, as dramatically shown by the recent spill of
2599 crude oil into the ocean near Santa Barbara, and the second
2600 spill in just a few years of crude oil into the Yellowstone

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2601 River. This increase in the overall significant failure rate
2602 shows that while the focus today maybe on PHMSA, ultimately,
2603 the companies that own and operate these pipelines are the
2604 ones that need to be held responsible for their failures.

2605 PHMSA has in play a number of significant rulemakings
2606 that may very well address many of the key issues that were
2607 asked to address in the 2011 Act; expansion of integrity
2608 management, leak detection, automated shut-off valves, gas
2609 gathering lines, excess flow valves, depth of burial of
2610 stream crossings, and verification of maximum allowable
2611 operating pressure. We say these issues may be addressed
2612 because at this point we really don't know. While PHMSA has
2613 started the rulemaking process for many of these issues, for
2614 the most of these items no actual rule or proposed rule has
2615 been produced.

2616 Some of these efforts started well over 4 years ago, and
2617 the exact nature of the hold-up is unclear. We ask that you
2618 help break this logjam of delay, and if that is not possible,
2619 Congress should include these specific rules in the statute
2620 as part of the upcoming reauthorization.

2621 Congress also asked for non-rulemaking studies and
2622 actions in the 2011 Act, which also have not been

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2623 accomplished. The areas we are most concerned with include
2624 the available--availability of meaningful facility response
2625 plans, maps of high consequence areas, a study of the
2626 sufficiency of regulations for transport of diluted bitumen,
2627 report on excavation damage, and an NTSB-requested audit of
2628 the Integrity Management Program.

2629 The report of gathering lines was recently submitted,
2630 but the gathering line issue is of particular importance to
2631 us since we see thousands of new miles of gas gathering lines
2632 going into the ground every year, with the majority of them
2633 being completely unregulated.

2634 With the large increase in new pipeline infrastructure
2635 in some parts of the country, the aging infrastructure in
2636 need of replacement in other areas, and increased complexity
2637 of risk-based regulations, we were happy to see Congress
2638 provide a significant increase in PHMSA's budget for fiscal
2639 year 2015. This budget increase will allow PHMSA to add an
2640 additional 100-plus new positions, targeted inspections and
2641 enforcement, as well as more adequately compensating the
2642 states for their pipeline safety programs. It is now your
2643 job to ensure that PHMSA effectively expands and manages this
2644 increased workforce in ways that help decrease the recent

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2645 uptick in significant pipeline safety failures.

2646 As reauthorization of the National Pipeline Safety
2647 Program begins later this year, we would support a straight
2648 reauthorization of the current program to allow PHMSA to
2649 finally produce all the rules and reports previously
2650 requested, and address the long list of recommendations from
2651 the NTSB. For such a straight reauthorization to be
2652 successful, Congress needs to remain actively involved in
2653 oversight to ensure the Administration is doing the things
2654 they have been charged with.

2655 Thank you again for letting me testify today.

2656 [The prepared statement of Mr. Weimer follows:]

2657 * * * * * INSERT 6 * * * * *

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|

2658 Mr. {Whitfield.} Well, thank you.

2659 And at this time, I would like to introduce Mrs. Capps
2660 to introduce our final witness.

2661 Mrs. {Capps.} Mr. Chairman, thank you for giving me
2662 this privilege. And it is an honor to welcome our--to our
2663 panel and to our discussion today Dianne Black, who is
2664 Assistant Director of Planning and Development for the County
2665 of Santa Barbara. And I know that she has worked for the
2666 county for 30 years, and in that time, has had a lot to do
2667 with various regulations having to do with pipeline safety,
2668 and in her current role she has been in the middle of all the
2669 spill recovery and response efforts, as well as pipeline
2670 safety having to do with our most recent incident on the
2671 Gaviota Coast.

2672 Mr. {Whitfield.} Well, thank you. And you are
2673 recognized for 5 minutes, Ms. Black.

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|

2674 ^STATEMENT OF DIANNE BLACK

2675 } Ms. {Dianne Black.} Thank you. Good afternoon, Chair
2676 Whitfield, and other members of the committee. Thank you for
2677 inviting me to testify today. My name is Dianne Black, I am
2678 the Assistant Director of the Planning and Development
2679 Department for the County of Santa Barbara in California.

2680 I have been involved in the emergency response,
2681 permitting, and recovery for the Refugio oil spill, which was
2682 the result of a ruptured pipeline onshore in our county. I
2683 have overseen the permitting of oil and gas facilities in the
2684 county for nearly 20 years, and I have been involved in other
2685 oil spill responses, including the Torch oil spill from
2686 Platform Irene in 1997. I appreciate being here to share the
2687 experiences of Santa Barbara County in the review and
2688 permitting of oil and gas projects and associated pipelines.

2689 Now the disclaimer. Within the Refugio oil spill
2690 response, I may be a decision-maker again for either
2691 emergency permits or other types of permits, and if that
2692 occurs, I will need to approach each permit application on a
2693 case-by-case basis. As a practical matter, that means that

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2694 today I can provide you with general information, but I can't
2695 discuss how I might act on an application without reviewing
2696 it and reviewing the public comment associated with it.

2697 With respect to the pipeline in Santa Barbara County
2698 that recently failed, the County of Santa Barbara entered
2699 into a settlement agreement with Celeron Pipeline Company in
2700 1988 concerning the presumption that the county is preempted
2701 by federal law from regulating the design and operation of
2702 that pipeline. That precluded the county from inspecting
2703 operations by, and most permitting of, what is now known as
2704 the Plains All American Pipeline, the line central to the
2705 Refugio spill.

2706 For the past decade or more, the county has not--to oil
2707 company applicants, the construction and safety systems
2708 required for inter and intrastate pipelines. Instead,
2709 subsequent to changes in federal law in 2002, the county has
2710 evaluated oil and gas projects, including associated pipeline
2711 systems, in their entirety as is required under the
2712 California Environmental Quality Act. The Federal Pipeline
2713 Safety Improvement Act of 2002 does not preempt local
2714 jurisdictions in California from their obligations under
2715 CEQA.

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2716 Working with oil company applicants, this has resulted
2717 in oil companies in Santa Barbara County routinely including
2718 state-of-the-art leak detection and spill prevention
2719 technology, including automatic shut-off systems in their
2720 project descriptions, which are then analyzed under CEQA.
2721 Pipeline systems which include automatic shut-off systems
2722 minimize the potential impacts from oil spills, including
2723 biological hazardous materials and risk, air quality, and
2724 recreational impacts.

2725 Within the CEQA process, the County of Santa Barbara does
2726 not dictate what equipment oil companies must use in their
2727 pipelines in order to minimize impacts from oil spills.
2728 Rather, it is the oil companies themselves, through their own
2729 engineers, who determine what technology to build into
2730 pipeline projects in order to minimize impacts from spills.
2731 Automatic shut-off systems rely on pipeline sensors which
2732 detected changes in the pressure and flow, which indicate
2733 when there may be a problem in the pipeline. When pressure
2734 or flow anomalies are detected, the system automatically
2735 shuts down the pumps and valves associated with the pipeline
2736 to limit the potential release of oil. Automatic shut-off
2737 systems are distinguished from remotely-operated systems by

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2738 the fact that automatic shut-off systems do not require human
2739 action, decision-making, or intervention to shut down the
2740 pipeline system. In other words, there are preset parameters
2741 which, if triggered, result in the pipeline system being
2742 automatically shut down without any human action. To be
2743 clear, the Plains All American Pipelines, both 901 and--which
2744 was the subject of this spill, and 903, to which it connects,
2745 do not have automatic shut-off systems. With the exception
2746 of the Plains pipelines, all of the major transmission
2747 pipelines in the county are equipped with automatic shut-off
2748 systems. These include all the pipelines that transport oil
2749 and gas from the offshore platforms to facilities in Santa
2750 Barbara County, and you can see those on the map that I
2751 provided for the record.

2752 Additional pipelines within the county that are equipped
2753 with automatic shut-off systems include--the map that is on
2754 the screen, include line 96, which transports oil from the
2755 Ellwood Onshore Facility to Las Flores Canyon. Line 300, the
2756 onshore length of the pipeline from Platform Irene to the
2757 Lompoc Oil and Gas plant, and on to the Santa Maria Refinery.
2758 The Sisquoc Pump Station, which transports oil from the
2759 Sisquoc Pump Station to the Santa Maria Pump Station, and a

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2760 permitted but not yet constructed pipeline in northern Santa
2761 Barbara County. Again, all of these automatic shut-off
2762 systems were incorporated into the project description for
2763 individual projects by oil company applicants prior to
2764 environmental review.

2765 That concludes my prepared comments, and I would be
2766 happy to answer questions.

2767 [The prepared statement of Ms. Dianne Black follows:]

2768 ***** INSERT 7 *****

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|

2769 Mr. {Whitfield.} Well, thank you, Ms. Black. And thank
2770 all of you for your statements.

2771 And I will recognize myself for 5 minutes of questions.

2772 Ms. Black, before you came today and listened to the
2773 testimony of Ms. Cummings, were you aware that 16 of the 42
2774 safety standards in the 2011 bill had not had final
2775 regulations issued? Were you aware of that before?

2776 Ms. {Dianne Black.} Mr. Chair, I was aware, but only
2777 most recently had I become aware of that.

2778 Mr. {Whitfield.} Because of this bill, all right.

2779 Ms. {Dianne Black.} Right.

2780 Mr. {Whitfield.} Well, do any of you have any
2781 conclusions yourself as to why PHMSA has been not able to
2782 complete these safety standards? Okay. All right.

2783 Mr. Wise, on gathering lines, I know MSHA does not
2784 require regulations of gathering lines, but some states
2785 have decided to regulate those. What--has Georgia taken
2786 action on that or--

2787 Mr. {Wise.} No, sir, because for the most part, we are
2788 not the beneficiary of the opportunity to have gathering
2789 lines. We are--

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2790 Mr. {Whitfield.} Right.

2791 Mr. {Wise.} We are not a fracking state.

2792 Mr. {Whitfield.} Yeah.

2793 Mr. {Wise.} But we do think it is important. And
2794 again, as I said in my summary, that it is about safety or
2795 efficiency or both, and that if you are going to have
2796 pipeline safety, that it is important that gathering lines
2797 could and should be included in the states choose to enact
2798 that level of regulation.

2799 Mr. {Whitfield.} Yeah. Mr. Santa, do you or Mr.

2800 Bradley or Mr. Black have any comments on gathering lines in
2801 general?

2802 Mr. {Santa.} Mr. Chairman, many of our associate
2803 operators--INGAA represents the operators of natural gas
2804 transmission pipelines, in particular interstate transmission
2805 pipelines. We do not represent the gathering segment of the
2806 industry, so probably that question is best directed to those
2807 who represent or are in that segment.

2808 Mr. {Whitfield.} Okay. You--do you have any additional
2809 comments you would like to make about it, Mr. Black?

2810 Mr. {Andrew Black.} Well, oil gathering lines are
2811 regulated to some extent by PHMSA if they are in a non-rural

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2812 setting, if they cross an environment, an unusually sensitive
2813 area, or exceed a certain diameter.

2814 Mr. {Whitfield.} Um-hum.

2815 Mr. {Andrew Black.} So more liquid is gathering
2816 regulations.

2817 Mr. {Whitfield.} Do any of you have any idea what
2818 percent of all the pipelines in America have these automatic
2819 cut-off--shut-off valves in them? Does anybody have any idea
2820 on that? Okay. Do you, Mr. Weimer, have any ideas on that?
2821 Okay.

2822 They are not required, and I know that MSHA has
2823 conducted a study on this, and I guess as a layman you would
2824 think that this would be of benefit, but I keep hearing from
2825 technical people that it is not always a benefit. Would
2826 anyone have a comment on that? Yeah, Mr. Black.

2827 Mr. {Andrew Black.} Liquid pipeline operators recommend
2828 and widely use automated remotely operated shut-off valves so
2829 that a trained control room operator can deploy that valve as
2830 part of a controlled shut-down of a pipeline. Long-haul,
2831 high pressure, liquid pipeline operators generally do not use
2832 automatic shut-off valves and don't recommend it because of
2833 the pressure surge that can be created from a quick shut-off

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2834 of an automatic valve that is not part of a planned shutdown.
2835 We have analyzed and found nine releases in the past that are
2836 because of conditions similar to an automatic shut-off valve
2837 shutting. Found one rupture of--that put 4,000 barrels of
2838 refined products out on the right-of-way, that was caused
2839 because of conditions like automatic shut-off valves. So in
2840 liquids, long-haul, high pressure pipelines, automatic shut-
2841 off valves are not recommended.

2842 Mr. {Whitfield.} Now, corrosion of pipelines is a major
2843 concern, correct? And it is my understanding that in
2844 different geographical areas, there are different amounts of
2845 corrosion. Is that true or is that not true?

2846 Mr. {Santa.} Yes, Mr. Chairman, that is true because a
2847 lot of it has to do with the environment--

2848 Mr. {Whitfield.} Yeah.

2849 Mr. {Santa.} --in which the pipeline is located, the
2850 soil, things of that nature.

2851 Mr. {Whitfield.} And I have heard that in the Santa
2852 Barbara area that that is prone to a lot of corrosion there.
2853 Would anybody be able to confirm that or not? Okay.

2854 Okay, now, would you agree--all of you would agree that
2855 pipelines still is the safest way to transport this material.

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2856 Is that--is everybody in agreement with that?

2857 Mr. {Wise.} Yes, sir. You know, and clearly, you know,
2858 and as I have directed in our state, that we have had an
2859 aggressive replacement of bare steel and cast iron, and so
2860 where we had a very safe program to begin with, it is even
2861 safer today. And the One-Call Program has made it continue
2862 to be safer.

2863 Mr. {Whitfield.} Okay.

2864 Mr. {Wise.} But it is an extraordinary delivery
2865 process.

2866 Mr. {Whitfield.} Right.

2867 Okay, Mrs. Capps, you are recognized for 5 minutes.
2868 Mrs. {Capps.} Thank you. I want to thank all the
2869 witnesses for being here today and for your testimony, and
2870 particularly, of course, my constituent coming all the way
2871 from California, and the fact that she testified in the state
2872 panel just last week on this topic. And in the wake of our--
2873 of the Plains oil spill on May 19 on our shoreline, there has
2874 been a lot of discussion about the fact that the Plains All
2875 American--we have touched on it already, the Plains All
2876 American Pipeline is not equipped with an automatic shut-off
2877 system. And when questioned about this, that particular

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2878 company echoed the longstanding industry position that such
2879 systems are not feasible for oil pipelines, yet Santa Barbara
2880 County has demonstrated this claim is not true.

2881 So, Ms. Black, you explained in your testimony that
2882 there are numerous pipelines in Santa Barbara County that
2883 employ automatic shut-off systems and state-of-the-art leak
2884 detection technologies. Would you describe a few of the
2885 projects currently using these advanced safety systems in our
2886 county?

2887 Ms. {Dianne Black.} I went over those very briefly in
2888 my testimony, but I will--

2889 Mrs. {Capps.} I know--

2890 Ms. {Dianne Black.} --repeat it--

2891 Mrs. {Capps.} --but--

2892 Ms. {Dianne Black.} I will repeat it a bit more slowly
2893 and emphasize that when I talk about automatic shut-off
2894 systems, I really mean the whole system. So I have heard the
2895 testimony about--from oil company representatives that they
2896 feel it is not the best practice, and that there is some risk
2897 involved. That has not been our experience. We have looked
2898 at them as a system where the pump is shut off and then
2899 valves are shut off sequentially. So I think we really have

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2900 to talk about it as a system rather than valves.

2901 So in Santa Barbara County, in addition to the pipelines
2902 that come from the platforms and have shut-off systems, we
2903 have several pipelines, most recently line 96, which is
2904 associated with the Venoco's Platform Holly, transports oil
2905 from the Ellwood Onshore Facility to Las Flores Canyon, and
2906 then ties into the Plains All American Pipeline. That has an
2907 automatic shut-off system. Line 300, which is the onshore
2908 length of pipeline from Platform Irene to the Lompoc Oil and
2909 Gas Plant, and then on to the Santa Maria Refinery--

2910 Mrs. {Capps.} Um-hum.

2911 Ms. {Dianne Black.} --has an automatic shut-off system.
2912 The Sisquoc Pipeline which transports oil from the Sisquoc
2913 Pump Station to the Santa Maria Pump Station, so pretty much
2914 onshore oil, also has an automatic shut-off system. And then
2915 we most recently permitted the Foxen Petroleum Pipeline,
2916 which was permitted with an automatic shut-off system.

2917 Mrs. {Capps.} And I would like to ask for these to be
2918 submitted for the record, Mr. Chairman. And I want to--just
2919 to follow up briefly, has the use of any of these advanced
2920 systems caused any secondary ruptures or other serious
2921 problems in the county?

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2922 Ms. {Dianne Black.} No, not in our entire history with
2923 them.

2924 Mrs. {Capps.} Okay. And oil development continues to
2925 thrive in the area, am I correct on that?

2926 Ms. {Dianne Black.} It does, as you can see from the
2927 map, although offshore oil has somewhat declined--

2928 Mrs. {Capps.} Right.

2929 Ms. {Dianne Black.} --because of resources.

2930 Mrs. {Capps.} And no pipeline operators have gone
2931 bankrupt due to the cost of installing these systems, to your
2932 knowledge?

2933 Ms. {Dianne Black.} No.

2934 Mrs. {Capps.} Okay. There has also been some confusion
2935 regarding the definition of the term automatic. Plains and
2936 others--other companies often refer to their systems as
2937 automatic even though a human operator must still decide to
2938 activate. That was the case with Plains. To clarify, the
2939 automatic shut-off system installed in Santa Barbara County,
2940 the ones you were describing, require no human intervention,
2941 is that correct--

2942 Ms. {Dianne Black.} That--

2943 Mrs. {Capps.} --just to be clear?

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2944 Ms. {Dianne Black.} That is correct.

2945 Mrs. {Capps.} And can you briefly explain how these
2946 advanced systems work compared to those on the ruptured
2947 Plains pipeline? Why are they so much more effective at
2948 detecting and stopping spills?

2949 Ms. {Dianne Black.} They are more effective because
2950 they don't require human interaction or intervention. They
2951 shut off based upon preset parameters, so an operator isn't
2952 having to make a decision that--

2953 Mrs. {Capps.} All right.

2954 Ms. {Dianne Black.} --an actual parameter has been
2955 reached.

2956 Mrs. {Capps.} Now, here is the other thing, and maybe
2957 this goes to CEQA too, our local program. While the local
2958 companies technically voluntarily install the more advanced
2959 systems, it is clear that the law, both state and federal,
2960 have played an important role. Can you elaborate on this,
2961 what--I mean it is kind of like--it sets the standard and
2962 everybody kind of gets onboard just because the consequences
2963 of not doing so. So there is a self regulatory agency as
2964 well. What is the policy mechanism that pushed these
2965 companies to proactively include the state-of-the-art

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2966 technologies in their project?

2967 Ms. {Dianne Black.} Well, the California Environmental
2968 Quality Act is a very powerful tool in California. The
2969 County of Santa Barbara reviews the whole of every project,
2970 whether it is something that is under our direct jurisdiction
2971 or not, we review it. And so pipeline companies in Santa
2972 Barbara County include in their project descriptions
2973 automatic shut-off systems to mitigate upfront the impacts of
2974 a potential spill.

2975 Mrs. {Capps.} I have used up my time, Mr. Chairman.

2976 Thank you very much.

2977 Mr. {Latta.} [Presiding] The gentlelady's time has
2978 expired and she yields back.

2979 And I would also like to thank our panel today for being
2980 here. It has been very informational.

2981 Mr. Wise, I think you were here for the testimony when
2982 Ms. Cummings was testifying, and she noted that there are
2983 issues with getting information from the states in a cost-
2984 effective way. Would you speak to the data you worked to
2985 provide to PHMSA?

2986 Mr. {Wise.} I am sorry, sir?

2987 Mr. {Latta.} Do you--on--Ms. Cummings noted that there

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2988 are issues with getting information from the states, and--in
2989 a cost-effective--and getting that information in a cost-
2990 effective way. Would you be able to speak to the data that
2991 you worked to help to provide to PHMSA in their mapping and
2992 everything else?

2993 Mr. {Wise.} In my role as a commissioner, it is a state
2994 commission, we believe that our office of pipeline safety is
2995 extraordinary, and they do a great job of getting the
2996 information that is requested. And when there is an issue,
2997 PHMSA relates it to our staff and then we respond very
2998 quickly to that. And so I don't--I believe that we have a
2999 good working relationship, that they acknowledge the role
3000 that we played in Georgia to have a very safe delivery
3001 system, and I would be surprised to hear that, at least in my
3002 state, and haven't heard it from the other states, that there
3003 is a problem with information coming from the state
3004 commissions.

3005 Mr. {Latta.} Let me ask, also in your testimony that--
3006 you said that PHMSA has not updated the National Pipeline
3007 Mapping System including the identification of the high
3008 consequence areas. Could you kind of go into that and the
3009 high consequence areas, and maybe what should be done?

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3010 Mr. {Wise.} Well, again, there is going to be the high
3011 deliverability, and it is an issue that clearly is important
3012 to the states and the regulators, and I think it was a
3013 question that was asked of one of the representatives--the
3014 members today about releasing that information to the public,
3015 and we are not knowledgeable of some of this mapping to this
3016 point, and believe it should be released.

3017 Mr. {Latta.} Well, thank you.

3018 Mr. Black, how do pipeline operators use the inline
3019 inspection of so-called smart pig technology to find problems
3020 in the pipelines?

3021 Mr. {Andrew Black.} Yeah, the smart pig device travels
3022 inside of the pipeline, gathering information about the
3023 pipeline as it goes. It uses technology to detect wall
3024 thickness, and different technologies to determine potential
3025 crack. And then the information that is provided from the
3026 onboard computer that has traveled through the pipeline is
3027 reviewed. That is raw data, it is terabytes of it, that
3028 third party experts, as Director Cummings said, then review
3029 and they determine whether the information that has been
3030 provided is just about the natural features of the pipe or is
3031 about something that an operator needs to consider

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3032 addressing. And importantly also, the smart pig vendor and
3033 the pipeline company will uncover a section of the pipeline
3034 that has been tested and review the results of the inline
3035 inspection to field inspections to calibrate the accuracy of
3036 the pig. This has succeeded in reducing corrosion-caused
3037 incidents by more than 76 percent over the last 15 percent.
3038 And corrosion was really the reason for modern integrity
3039 management and the advent of this inline inspection
3040 technology. It has been proven successful. Got a lot of R&D
3041 right now to improve the ability of the machines to sense
3042 more, and then the analytics of the people to determine what
3043 the machines are telling us.

3044 Mr. {Latta.} Thank you.

3045 Mr. Santa, could you talk more about the 9-point
3046 pipeline safety action plan you mentioned, and what INGAA has
3047 done to educate the public about the safety measures that are
3048 undertaken with pipeline projects?

3049 Mr. {Santa.} Yes, sir. In the wake of the San Bruno
3050 tragedy in 2010, the INGAA Board committed to a set of
3051 voluntary commitments to improve pipeline safety. As I said
3052 in my testimony, it was anchored in the goal of zero
3053 incidents as the goal. That 9-nine program includes many of

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3054 the elements that were addressed in the 2011 pipeline safety
3055 reauthorization, as well as some of the relevant NTSB
3056 recommendations. I won't go through all of the 9 points.
3057 Two of them to point out is a commitment to expand the use of
3058 integrity management, the--consequence areas. Another one is
3059 to perform the testing of pipe where it is necessary to
3060 verify the material strength of that pipe. We have engaged
3061 in an extensive outreach with pipeline safety stakeholders to
3062 keep them abreast of the progress that we are making there.
3063 Pipeline companies as part of their outreach to the public
3064 along their corridors communicate this, and also in
3065 connection with new pipeline projects, part of the outreach
3066 to the public includes addressing the safety of these
3067 systems.

3068 Mr. {Latta.} Well, thank you very much.

3069 And I am going to yield back, and recognize the
3070 gentleman from California for 5 minutes.

3071 Mr. {McNerney.} Thank you. Thank you, Mr. Chairman.

3072 I want to thank the panel. Very informative. I only
3073 have 5 minutes of questions, so I am a little disappointed.

3074 Mr. Cummings, I am going to start with you. I asked--I
3075 mean Mr. Weimer. I asked Mrs. Cummings--or Ms. Cummings to

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3076 describe the rulemaking process. Her answer was very
3077 roundabout, very hard to understand. Is it a transparent
3078 process and is there a good deal of room for improvement in
3079 that process?

3080 Mr. {Weimer.} Yes, we think there is a good deal of
3081 room for improvement. Parts of it are transparent when they
3082 do the advance notice of proposed rulemaking, and the notice
3083 of proposed rulemaking. It opens it up for public comments,
3084 and all those public comments are transparent. Where it kind
3085 of disappears from that transparency is in the interim. They
3086 already--like on the liquid rule that was drafted almost 5
3087 years ago, they went through an advanced notice of proposed
3088 rulemaking, took lots of public comments, supposedly went
3089 back and then wrote a proposed rule, and then it disappeared
3090 into the black box somewhere between the Secretary's office
3091 and the White House.

3092 Mr. {McNerney.} Um-hum.

3093 Mr. {Weimer.} And that part of the process of where
3094 that is and why it has taken so long I--is, I think, why
3095 everybody up here has been frustrated.

3096 Mr. {McNerney.} And the agency wouldn't have any
3097 control over that.

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3098 Mr. {Weimer.} Well, I think once PHMSA writes the rule
3099 and sends it up, it's over their head. So, you know--

3100 Mr. {McNerney.} Um-hum.

3101 Mr. {Weimer.} --it is above their pay grade at that
3102 point.

3103 Mr. {McNerney.} Well, you mentioned that Congress
3104 should expedite the rulemaking or write rules into the
3105 legislation. Now, in my opinion, that would open up a lot of
3106 opportunity for legal action, you know, for law suits.
3107 Wouldn't that be the case?

3108 Mr. {Weimer.} Well, I think it is probably wise that
3109 you are not pipeline engineers and experts that--so drafting
3110 rules might not be the best for Congress, but there are
3111 instances where that has been very successful. In the 2006
3112 Act, you put a rule right in there for excess flow valves
3113 that led to millions of excess flow valves being put on the
3114 new houses being constructed around the country that the NTSB
3115 says has saved lives.

3116 Mr. {McNerney.} Um-hum.

3117 Mr. {Weimer.} And so there are a few instances where
3118 specific rules that are pretty well clarified can be put
3119 right into the statute.

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3120 Mr. {McNerney.} Well, thank you. Well, we are seeing
3121 an abundance of natural gas production now in this country,
3122 do we have the capacity to manage that safely with minimum
3123 leakage and minimum opportunity for accidents?

3124 Mr. {Weimer.} Well, I think it is a good step forward.
3125 The new budget that PHMSA was given to hire more inspectors
3126 and enforcement folks, and to help support the states in that
3127 too. I think the piece that is missing is the gathering
3128 lines that has been talked about. When Ms. Cummings talks
3129 about 2.6 million miles of pipelines in this country, she
3130 isn't including the 2 or 300,000 miles of gathering lines
3131 that are completely unregulated--

3132 Mr. {McNerney.} Um-hum.

3133 Mr. {Weimer.} --in most all states.

3134 Mr. {McNerney.} Okay, thank you.

3135 Mr. Black, I am going to follow up on the smart pig
3136 question. Do you think that is the best technology that is
3137 out there for inspecting pipes?

3138 Mr. {Andrew Black.} Of the methods of conducting
3139 integrity management, we have found inline inspection or
3140 smart pigs to be the best. So now the research projects are
3141 about how to make those pigs more capable, and to improve our

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3142 capability to process that information. We find the
3143 hydrostatic pressure testing to be very helpful when
3144 commissioning a new pipeline, for understanding if it is
3145 ready for operation.

3146 Mr. {McNerney.} Is there any technology out there that
3147 you think is going to make it easier or cheaper to conduct
3148 testing?

3149 Mr. {Andrew Black.} Well, it is not getting cheaper to
3150 use these. The pigs are getting more specialized. Whereas
3151 there used to be one type of pig that did one type of data
3152 gathering, now operators are using multiple types of--

3153 Mr. {McNerney.} Um-hum.

3154 Mr. {Andrew Black.} --technologies. That means
3155 multiple types of inspections or several in the same train
3156 with--inside a pipe. That is where technology is growing,
3157 and we are spending a lot of money on research and
3158 development and a consortia to try to improve that record
3159 further and drive down the number of incidents.

3160 Mr. {McNerney.} Okay. Mr. Santa, you mentioned that
3161 there is a need for consistency between voluntary actions and
3162 rules. How do you find the cooperation between the agency
3163 and the private sector?

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3164 Mr. {Santa.} Mr. McNerney, as I mentioned in my
3165 testimony, INGAA and its members have engaged with PHMSA and
3166 other stakeholders following the 2011 reauthorization, and we
3167 found that to be a good and productive process, and we
3168 believe that our input will be reflected in the rules when
3169 they are proposed. By the same token, we need that certainty
3170 that comes with those proposed rules, and also as I noted,
3171 given the delays that have occurred and that may well
3172 continue, getting some items addressed in the reauthorization
3173 we think would be constructive.

3174 Mr. {McNerney.} I just want to say, Mr. Wise, I felt a
3175 lot of--or I detected a lot of frustration in your testimony
3176 about unpublished information that is out there, the delays,
3177 and I know you don't have time to answer on my 5 minutes, but
3178 I certainly appreciate your comments.

3179 Mr. {Wise.} Thank you, sir.

3180 Mr. {McNerney.} Thank you, Mr. Chairman.

3181 Mr. {Whitfield.} At this time, recognize the gentleman
3182 from Virginia, Mr. Griffith, for 5 minutes.

3183 Mr. {Griffith.} Thank you all very much for being here.
3184 I asked in the--to the earlier panel about collocation
3185 and if they knew of any safety concerns with locating within

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3186 the same easement, and I will open that up to any of you all.
3187 Do you all know of any safety concerns, mainly talking about
3188 natural gas? Two pipelines, one in my district, one in just
3189 outside of my district, are being built in Virginia, are
3190 being proposed in Virginia as we speak. Anybody know why
3191 they can't collocate with other gas pipelines or in the same
3192 easement footprint? Any safety reasons anybody knows about?
3193 Mr. Bradley?

3194 Mr. {Bradley.} Yeah, I will take a shot at answering
3195 from the perspective of the natural gas distribution
3196 companies. We are in the streets with the water departments,
3197 with the sewer departments, and many times our infrastructure
3198 went in the same time. So you pick a year, 1950, 1940, so we
3199 are back together. We do that--we try to go in together to
3200 make sure that we minimize the impact on the town, the
3201 neighborhood, and we keep costs down by sharing some of the
3202 restoration, repave kind of costs. With that being said, it
3203 is still important for us to make sure that there is some
3204 separation that is acceptable between the infrastructure.

3205 So we try to leverage the proximity in local build-up
3206 communities, and we do go in, not in the same trench but in
3207 the same street, we just keep the right separation.

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3208 Mr. {Griffith.} Thank you very much. I appreciate it.

3209 Anybody else want to--

3210 Mr. {Santa.} I mean there are instances where natural
3211 gas transmission pipelines are collocated with other
3212 infrastructure, for example, sometimes the same corridors as
3213 electric transmission lines. There are issues there that
3214 need to be addressed in terms of the cathodic protection of
3215 the pipelines and things of that nature. So one needs to be
3216 mindful of that. But I think pipeline operators look for
3217 opportunities to use corridors that already have been used to
3218 avoid the disruption and the effects on the communities and
3219 the environment.

3220 Mr. {Griffith.} And assuming that there isn't a safety
3221 concern, that would be a wise path, would it not?

3222 Mr. {Santa.} For purposes of minimizing disruption, it
3223 would be, yes.

3224 Mr. {Griffith.} Absolutely. Appreciate that very much.

3225 Mr. Bradley, do local distribution companies pay user
3226 fees for the transmission lines?

3227 Mr. {Bradley.} By way of paying for the transmission
3228 service, we do--

3229 Mr. {Griffith.} Yes, sir.

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3230 Mr. {Bradley.} --pay user fees indirectly.

3231 Mr. {Griffith.} All right.

3232 Mr. {Bradley.} Yes.

3233 Mr. {Griffith.} And you mentioned in your testimony

3234 that there are several regulations that have just been

3235 implemented and need time to work before assessing whether

3236 additional changes need to be made to enhance safety. Can

3237 you tell me what some of those regulations are?

3238 Mr. {Bradley.} Could you say that again?

3239 Mr. {Griffith.} Yes, sir. You said in your testimony

3240 there are several regulations that have recently or just been

3241 implemented and need time to work before assessing whether

3242 additional changes need to be made to enhance safety.

3243 Mr. {Bradley.} Yeah, thank you. So we are watching the

3244 regulations around construction. There is a regulation that

3245 was just released around construction around new

3246 infrastructure. So, for example, there is a lot of gas main

3247 being installed. There is a drive for it, not only from a

3248 safety perspective, but from a brand new service to customers

3249 perspective. And in doing that, a number of our local

3250 distribution companies just aren't staffed for it, so we

3251 contract the work out. We want to make sure that the

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3252 contractors are qualified effectively to do the work. There
3253 is a ruling out that we are reviewing right now that speaks
3254 to that. We want to make sure that it is going to hit the
3255 need that is required for this.

3256 Mr. {Griffith.} All right. And can you tell me how
3257 data is gathered and shared among the industry over time that
3258 might be used to enhance regulations in the future--

3259 Mr. {Bradley.} Um-hum.

3260 Mr. {Griffith.} --or help us figure out what we ought
3261 to do?

3262 Mr. {Bradley.} HEA member companies are involved in a
3263 number of activities that support that, so we meet frequently
3264 for best practice reviews. We like to check in with each
3265 other to figure out who is doing whatever it is best. We
3266 look at benchmark data, we see who has that figured out,
3267 whether it is OSHA recordables, whether it is pipeline
3268 incidents, we bring people in to meet. One of the big issues
3269 that you have heard about is underground damages. So we want
3270 to understand the best performer relative to hits per 1,000
3271 ticket calls. We want to bring those in and talk to them.
3272 We do that frequently at the American Gas Association. In
3273 addition, we do peer reviews--peer-to-peer reviews with our

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3274 companies.

3275 Mr. {Griffith.} Well, I do appreciate that.

3276 I do have another safety question one of my constituents
3277 has asked, because we are dealing with these pipeline issues,
3278 and particularly large natural gas pipelines. Right now,
3279 they are being told it is safe to drive over them when they
3280 put them in the ground. They are being told they can drive
3281 over it. Does anybody know of any reason why that would be a
3282 problem, because a lot of my folks are going to harvest
3283 timber once every 35 to 50 years. Would that be a problem
3284 for a timber truck to drive over one of these, or a fully
3285 loaded cattle truck?

3286 Mr. {Santa.} Mr. Griffith, I think those kind of issues
3287 would be addressed in the design of the pipeline, and there
3288 is a very extensive review of that that occurs at the Federal
3289 Energy Regulatory Commission, and also as part of that there
3290 is the application of the PHMSA pipeline safety rules during
3291 that process. So I do not think there is any reason for
3292 undue concern about that.

3293 Mr. {Griffith.} All right. I appreciate it very much.

3294 And I yield back.

3295 Mr. {Whitfield.} The gentleman yields back.

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3296 At this time, recognize the gentleman from New York, Mr.
3297 Tonko, for 5 minutes.

3298 Mr. {Tonko.} Thank you, Mr. Chair.

3299 Mr. Weimer, your testimony points to a recent National
3300 Transportation Safety Board report on the integrity
3301 management of gas transmission pipelines in high consequence
3302 areas. You list seven areas that the NTSB identified for
3303 improvement in these system requirements. Has PHMSA acted on
3304 any of these recommendations at this point?

3305 Mr. {Weimer.} No, I--they are fairly new regulations
3306 and PHMSA hasn't acted on them. It is another one of those
3307 things that may be in some of the regulations they are
3308 working on. There was a lot of discussion as part of the
3309 advanced notice of proposed rulemaking on both the liquid and
3310 the gas side about strengthening some of the integrity
3311 management rules. So some of those things may be acted on,
3312 but they haven't been acted on yet.

3313 Mr. {Tonko.} Thank you. And there are several major
3314 natural gas pipeline projects, either proposed or underway,
3315 that will pass through my given congressional district.
3316 These projects are quite unpopular in the communities that
3317 will be hosting them. And my constituents have raised a

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3318 number of concerns about these projects, including the safety
3319 of the pipelines and the associated facilities. Compression
3320 stations, as an example. Also because these projects will
3321 pass through small communities, my concern is that they do
3322 not come under the high consequence area designation. For
3323 anyone impacted by an accident, there is no such thing as a
3324 low consequence area. And it sounds as if the Integrity
3325 Management Program isn't achieving the additional safety we
3326 would all like it--like to see.

3327 So what standards, materials, and technologies are
3328 available to ensure greater safety of pipelines and their
3329 associated facilities?

3330 Mr. {Weimer.} Well, I think the Integrity Management
3331 Program has achieved some of the things that it was set out
3332 to do, and the recent NTSB study that I had mentioned paints
3333 that picture, that for some time dependent flaws like
3334 corrosion, it has been pretty successful, and NTSB says that
3335 in those rural areas that are not currently covered under
3336 integrity management or those high consequence areas,
3337 expansion of those types of technologies into those areas
3338 would help. The problem they saw was that companies aren't
3339 really integrating other types of risks into their integrity

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3340 management very well. It has helped with some things, but
3341 not across the board.

3342 Mr. {Tonko.} Um-hum. And your testimony indicates that
3343 significant incidents are increasing on pipelines in high
3344 consequence areas, and apparently, excavation is one of the
3345 main causes of significant pipeline incidents. So I gathered
3346 from Mr. Cummings' response to my question to her about--or
3347 Ms. Cummings' response to my question to her about whether
3348 PHMSA has accurate and complete maps of pipeline locations,
3349 that the answer is no.

3350 Mr. {Weimer.} Yeah, and that is one of the rules they
3351 are working on, strengthening that National Pipeline Mapping
3352 System. The current plus or minus factor on a lot of that
3353 maps is plus or minus 500 feet. So the pipeline could be,
3354 you know, on the other side of the road or a different side
3355 of the neighborhood than where--

3356 Mr. {Tonko.} And--

3357 Mr. {Weimer.} --it shows on their maps.

3358 Mr. {Tonko.} And to the impacted communities, that is a
3359 relevant situation.

3360 Mr. {Weimer.} Right, and--

3361 Mr. {Tonko.} Yeah.

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3362 Mr. {Weimer.} But the one thing to mention is that
3363 those maps should never be used for excavation. You know, if
3364 you really are going to go in and dig, you need to call 811
3365 to get a really accurate location of the--where the pipeline
3366 is.

3367 Mr. {Tonko.} And I think it is easy to calculate that
3368 the efforts of PHMSA to communicate with local authorities
3369 about how to avoid excavation damage is handicapped by that
3370 lack of information. Frankly, this is shocking. At a
3371 minimum, we should know the location of the existing
3372 networks. Would this information help to avoid the problems
3373 we are seeing with excavation damage to pipelines?

3374 Mr. {Weimer.} Well, I think more accurate maps would
3375 help give people an idea of where the pipelines are in their
3376 area but really the way to get at the excavation damage is
3377 just for everybody to really understand that 811, Call Before
3378 You Dig. That is the accurate system that is going to really
3379 keep--

3380 Mr. {Tonko.} And is it a resource problem when it comes
3381 to accurate mapping, or are there other barriers that face us
3382 in obtaining or organizing this information?

3383 Mr. {Weimer.} Yeah, I think to some degree it is a

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3384 resource problem. I have heard the industry talk about how
3385 expensive it would be to go out and GIS their pipelines to
3386 more accurate, you know--lots of companies have already done
3387 that, but other companies haven't.

3388 Mr. {Tonko.} Did the states do a better job?

3389 Mr. {Weimer.} The states--this is really a federal
3390 regulation of the NPS mapping, so it falls on PHMSA.

3391 Mr. {Tonko.} Thank you very much.

3392 Mr. Chairman, I see I have exhausted my time. I yield
3393 back.

3394 Mr. {Whitfield.} Thank you, Mr. Tonko.

3395 We were waiting for Mr. Green, who I was told was on his
3396 way.

3397 Mr. Weimer, one other question I would just like to ask
3398 you, you had mentioned in your opening statement that the
3399 public--the Pipeline Safety Trust was funded originally
3400 through the Department of Justice in a court case. I was
3401 curious, your funding today, is that through private
3402 donations or how is that done today?

3403 Mr. {Weimer.} Well, luckily, the Board members of the
3404 Pipeline Safety Trust, who were the families originally that
3405 had lost their children in that explosion, invested that

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3406 money very wisely, so we received \$4 million from the Justice
3407 Department to create the trust. I think we have \$4.4 million
3408 of it today, so a large degree we live off that wise
3409 investment, and we also do get some grants, and we run an
3410 annual national conference that brings in some money also.

3411 Mr. {Whitfield.} Excellent. Okay, thanks.

3412 Mr. Green has appeared. So at this time, I would like
3413 to recognize the gentleman from Texas for 5 minutes.

3414 Mr. {Green.} Thank you, Mr. Chairman.

3415 Commissioner Wise, PHMSA has not published any
3416 information pertaining to valves, integrity management, or
3417 leak detection. Can you explain what steps the Georgia
3418 Public Service Commission can and has taken to address these
3419 issues without PHMSA action?

3420 Mr. {Wise.} We are very interested both in my state and
3421 the National Association on this information. We think it is
3422 vital to understand the impact and a potential rate structure
3423 impact on the LDCs, and the customers that pay their bills.

3424 Mr. {Green.} Um-hum. Okay. In your testimony you
3425 mentioned gathering lines. Can you explain your position on
3426 the issue of what PHMSA needs to do to fulfill its
3427 responsibilities?

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3428 Mr. {Wise.} We believe the review should be left to the
3429 individual states as to the level of scrutiny and inspection
3430 of gathering lines. PHMSA should respond to that request.
3431 Georgia is not going to be one, we don't have gathering
3432 lines, but I think a number of states, for safety and
3433 integrity of the system, we should have some level of review.

3434 Mr. {Green.} Okay. Obviously, in Texas we have no
3435 shortage of gathering lines.

3436 Mr. Weimer, it seems that PHMSA is focused on public
3437 awareness but hasn't accomplished much by way of regulation.
3438 It seems that the industry has done quite a bit to address
3439 pipeline safety even without PHMSA. What are your thoughts
3440 on the industry actions?

3441 Mr. {Weimer.} Yes, public awareness has been a hard nut
3442 to crack and the industry has spent tens of millions of
3443 dollars on it. There are regulations that require the
3444 industry to reach out to a variety of stakeholders, the
3445 public, local public officials, or emergency responders, but
3446 there is no requirement on the other end that the local
3447 governments pay attention. So to some degree, the industry
3448 has been pushing out a lot of information, but it is falling
3449 in the hands of people that are way too busy already and it

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3450 is not being paid attention to enough. Somehow, we need to
3451 learn to message better to all those local governments so
3452 they pay attention instead of waiting until something
3453 happens, like in Santa Barbara, and then all of a sudden they
3454 are paying lots of attention.

3455 Mr. {Green.} Well, it is frustrating though because I
3456 think I have been on the committee for about three or four
3457 pipeline reauthorizations, and this is, say, 4 years from
3458 when we last did it and they still haven't gotten most of the
3459 requirements that we wanted done in 2011. Do you think that
3460 two additional years would provide PHMSA the appropriate
3461 amount to finalize these outstanding policies?

3462 Mr. {Weimer.} I think it would provide them enough time
3463 to get most of that done. You know, it sounds like a lot of
3464 the new rules are about to rule out. Once the rule comes
3465 out, there is going to be another year for the public--for
3466 all the stakeholders to comment and for them to redraft the
3467 rule, so we are not going to really know what is and isn't in
3468 these rules for a couple of years, one way or another at this
3469 point.

3470 Mr. {Green.} Yeah. Mr. Santa, in your testimony you
3471 discuss the PHMSA user fee. What benefits would increased

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3472 assessments provide?

3473 Mr. {Santa.} The--Mr. Green, the user fee offsets the
3474 cost of the PHMSA Program and also is the source of a lot of
3475 the funds that PHMSA provides to the states in the form of
3476 state grants.

3477 Mr. {Green.} Um-hum.

3478 Mr. {Santa.} And I know that Mr. Wise in his testimony
3479 on behalf of NARUC made the case for even more funding there.
3480 I think the point raised by INGAA in our testimony had to do
3481 with the equity of the way the user fee is structured by
3482 statute, that it is collected only from natural gas
3483 transmission pipeline operators, when in fact, the large
3484 majority of the funds collected via that fee are used for
3485 other purposes. And we raised questions as to whether or not
3486 this still legitimately constitutes a user fee. We pointed
3487 out that the Senate Appropriations Committee and the
3488 Transportation, Housing and Urban Development bill
3489 highlighted this issue. So I think it is an effective
3490 mechanism to fund the program, however, the equity of it in
3491 terms of the collection and the beneficiaries is something I
3492 think that needs to be addressed both as a matter of policy
3493 and also to continue to satisfy the law.

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3494 Mr. {Green.} Would that be something we could do in a
3495 pipeline safety reauthorization?

3496 Mr. {Santa.} Yes, sir, I believe it is. It is
3497 something that--in that language in the Senate Appropriations
3498 Bill, they noted that it was something for the authorizing
3499 committees to address.

3500 Mr. {Green.} Okay. Thank you, Mr. Chairman.

3501 Mr. {Whitfield.} Thank you.

3502 At this time, I would recognize the gentleman from
3503 Illinois, Mr. Rush, for 5 minutes.

3504 Mr. {Rush.} Mr. Chairman, I know I am--I am going to be
3505 brief.

3506 I just have a question for Ms. Black.

3507 Mrs. Black, I want to thank you for being here, and all
3508 of our thoughts and prayers are with you and the Santa
3509 Barbara area as you continue to deal with the spill that
3510 caused so very much damage to your community.

3511 What was your initial reaction when you heard that
3512 Plains America, the same owners of the pipeline that ruptured
3513 in Santa Barbara just 2 months ago, was also responsible for
3514 another, although smaller, leak in Illinois this past
3515 weekend, and are you satisfied with the corrective action

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3516 that PHMSA imposed on Plains America? And lastly, do you
3517 feel that there is more to be done either from the standpoint
3518 of information-sharing, regulatory authority, additional
3519 resources, or any other area that could help empower local
3520 communities and help prevent future disasters?

3521 Ms. {Dianne Black.} That was a long question.

3522 Mr. {Rush.} Yes, it was.

3523 Ms. {Dianne Black.} So I will try to piece it apart and
3524 answer it.

3525 Mr. {Rush.} Yes, ma'am.

3526 Ms. {Dianne Black.} Please feel free to follow up if I
3527 miss pieces of it.

3528 Mr. {Rush.} Um-hum.

3529 Ms. {Dianne Black.} So reaction. I felt sorry for the
3530 community that also suffered. So that was really personal
3531 reaction.

3532 In terms of satisfaction with the corrective order, I
3533 will let you know. It depends on what sort of process is
3534 undertaken to recommission line 901. I am satisfied that it
3535 shut in right now. I am satisfied that Plains has not
3536 recommissioned line 903, at least as to the Sisquoc Pump
3537 Station. So I am satisfied with that right now, but I don't-

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3538 -I am concerned about recommissioning that line without
3539 having the protection systems in place that are in place for
3540 other pipelines within the county. So I would be very
3541 satisfied if an automatic shut-off system were put into place
3542 on that pipeline. And I would be very satisfied to see the
3543 smart pig results and the interpretation of those results to
3544 see if there are other issues within the line.

3545 Mr. {Rush.} So you--the company--are you satisfied then
3546 with the level of responsibility that the company assumed--
3547 that Plains America assumed and their subsequent actions in
3548 Santa Barbara, were they strong actions, corrective actions?

3549 Ms. {Dianne Black.} So the response in Santa Barbara
3550 County so far has really been clean-up efforts. And yes, I
3551 think that under unified command, Plains has done a good job
3552 of addressing clean-up concerns. What we haven't seen yet is
3553 the recommissioning efforts; what is going to happen when
3554 that pipeline is put back into service, and what sorts of
3555 systems will be in place then.

3556 Mr. {Rush.} Um-hum. Thank you very much.

3557 Mr. Chairman, these witnesses have been in the chair for
3558 a long time, and you have been in the chair for a long time,
3559 so in the interest of time I am going to yield back the

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3560 balance of my time.

3561 Mr. {Whitfield.} You know what, you are a fine
3562 gentleman.

3563 Mr. {Rush.} I thought so. I thought so.

3564 Mr. {Whitfield.} Well, I want to thank the witnesses
3565 for being with us today. We do value your input. And as we
3566 move toward reauthorization, of course, your comments will be
3567 useful.

3568 I am also inserting into the record, at the request of
3569 Mrs. Capps, the corrective action orders from the Pipeline
3570 and Hazardous Materials Safety Administration to the Plains
3571 Pipeline Company, without objection.

3572 [The information follows:]

3573 ***** COMMITTEE INSERT *****

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|

3574 Mr. {Whitfield.} And then we will keep the record open
3575 for 10 days for any additional materials. I know that one of
3576 the Democratic members had asked to submit some questions, I
3577 think, to Ms. Cummings, so that will be done as well.

3578 But thank you all. We look forward to working with you
3579 as we move forward, and thanks for coming all the way from
3580 California and Washington State.

3581 And with that, the hearing is dismissed--adjourned,
3582 over.

3583 [Whereupon, at 1:25 p.m., the Subcommittee was
3584 adjourned.]