



February 26, 2016

TO: Members, Subcommittee on Energy and Power
FROM: Committee Majority Staff
RE: Legislative Hearing to Examine Pipeline Safety Reauthorization

I. INTRODUCTION

On Tuesday, March 1, 2016, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled “Legislative Hearing to Examine Pipeline Safety Reauthorization.”

II. WITNESSES

Panel I

- **The Honorable Marie Therese Dominguez**, Administrator, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation.

Panel II

- **Donald Santa**, President and CEO, Interstate Natural Gas Association of America;
- **Ron Bradley**, Vice President of Gas Operations, PECO Energy, (on behalf of the American Gas Association);
- **Andrew Black**, President and CEO, Association of Oil Pipe Lines;
- **Norman J. Saari**, Commissioner, Michigan Public Service Commission, (on behalf of the National Association of Regulatory Utility Commissioners); and
- **Carl Weimer**, Executive Director, Pipeline Safety Trust

III. BACKGROUND

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is charged with developing and enforcing regulations to ensure the safe, reliable, and environmentally sound operation of the nation’s 2.6 million mile pipeline transportation system.¹ PHMSA also

¹ See: <http://www.phmsa.dot.gov/about/agency>

implements programs and provides resources to States and local governments to increase safety, including grants to States with pipeline safety programs, emergency response training, and collaborative research and development. PHMSA's inspection and enforcement activities rely heavily upon partnerships with State pipeline safety agencies. The vast majority of PHMSA's programs and activities are funded through user fees paid by pipeline operators, in accordance with appropriations acts.

Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011

The most recent pipeline safety law passed by Congress, the "Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011" (P.L. 112-90, Pipeline Safety Act of 2011), contained spending authorizations that expired in 2015. In addition to spending authorizations, the Pipeline Safety Act of 2011 imposed 42 mandates on PHMSA, including studies, new regulations, updated maps, and other elements of the Federal pipeline safety program. While PHMSA fulfilled some of these mandates, 16 mandates remain incomplete well beyond the statutorily imposed deadlines. Some examples of overdue regulations that could significantly improve pipeline safety include: regulations related to leak detection and emergency shutoff valves, integrity management for natural gas pipelines, public education and awareness efforts, and accident and incident notification.^{2,3}

IV. EXPLANATION OF DRAFT LEGISLATION

Section 1. Short title; References; Table of Contents.

Section 1 provides the short title, the "Pipeline Safety Act of 2016."

Section 2. Regulatory Updates.

Section 2 requires the Secretary of Transportation to report to Congress on outstanding legislative mandates for which no interim or final rule has been issued. The contents of the report shall include, for each outstanding regulation, a description of the work plan, timeline, current staff allocations, resource constraints, and any other details that affect the progress of the rulemaking process.

Section 3. Statutory Preference.

Section 3 requires the Administrator of the PHMSA to complete the rulemaking process for regulations required by the Pipeline Safety Act of 2011 or any other law for which more than 2 years have passed since the statutory deadline before beginning any new rulemaking process. This section provides an exception to allow the Administrator to begin a new rulemaking if the Secretary of Transportation determines there is a significant need and notifies Congress.

² According to a chart tracking PHMSA's progress on implementing the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 available at: <http://www.phmsa.dot.gov/pipeline/psa/phmsa-progress-tracker-chart>

³ See: Committee and Energy and Commerce hearing entitled "[Oversight of Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 and Related Issues](#)" held on July 14, 2015.

Section 4. Integrity Management Review.

Section 4 requires the Comptroller General to report to Congress on integrity management programs for natural gas and liquid pipeline facilities. The contents of the report shall include analysis of the extent to which integrity management programs have improved safety; an analysis of, and recommendations regarding, ways to enhance pipeline safety; and a description of any challenges affecting regulators in their oversight and operators in complying with the requirements of the integrity management programs.

Section 5. Technical Safety Standards Committees.

Section 5 requires the Secretary to consult with “utility regulators,” in addition to a national organization representing State commissioners, when choosing participants for technical safety standards committees.

Section 6. Inspection Report Information.

Section 6 requires the Secretary of Transportation, no later than 30 days after the completion of a pipeline inspection, to conduct a post-inspection briefing with the operator outlining any concerns and, to the extent practicable, provide written findings of the inspection. The written findings may include a final report, notice of amendment of plans or procedures, safety order, corrective action order, or any other applicable report, notice, or order.

Section 7. Improving Damage Prevention Technology.

Section 7 requires the Secretary of Transportation to conduct a study and report to Congress on methods to improve damage prevention programs for pipeline facilities.

Section 8. Direct Hire Authority for Pipeline and Hazardous Materials Safety Administration

Section 8 provides the Administrator of PHMSA with the authority to appoint qualified candidates to positions without regard to sections 3309 through 3319 of title 5, United States Code until December 31, 2019. This section also requires a report to Congress on the use of the authority provided and efforts to hire women, minorities, and veterans as inspectors.

Section 9. Information-Sharing System.

Section 9 requires the Secretary of Transportation to convene a working group to consider the development of a voluntary information-sharing system to encourage collaborative efforts to improve inspection information feedback and information sharing. The working group shall include representatives from PHMSA, industry stakeholders, safety advocates, research institutions, State pipeline safety inspectors, and labor representatives.

Section 10. Nationwide Integrated Pipeline Safety Regulatory Database.

Section 10 requires the Secretary of Transportation to report to Congress on the feasibility of establishing a nationwide integrated pipeline safety regulatory inspection database to improve communication and collaboration between PHMSA and State pipeline regulators.

Section 11. Underground Gas Storage Facilities.

Section 11 requires the Secretary of Transportation to issue minimum, uniform safety standards for the operation and integrity management of underground gas storage facilities no later than 2 years after the date of enactment.

Section 12. Requirements for Certain Hazardous Liquid Pipeline Facilities.

Section 12 requires operators of onshore, underwater pipeline facilities located at depths greater than 150 feet below the surface to conduct internal inspections (also known as “pigging”) annually, and other types of integrity assessments on a risk-based schedule.

Section 13. Response Plans.

Section 13 requires PHMSA and the pipeline operator to ensure that emergency response plans include procedures and a list of resources for responding to a worst case discharge of oil, including when it may impact navigable waters or adjoining shorelines that may be covered in whole or in part by ice.

Section 14. High Consequence Areas.

Section 14 provides that the Secretary of Transportation shall consider the Great Lakes to be a USA ecological resource (as defined in section 195.6(b) of title 49, Code of Federal Regulations) for the purposes of determining whether a pipeline is in a high consequence area (as defined in section 195.450 of that title).

Section 15. Actions by Private Persons.

Section 15 clarifies that a person may bring a civil action to compel PHMSA to perform a nondiscretionary regulatory duty.

Section 16. Authorization of Appropriations.

Section 15 reauthorizes PHMSA’s gas and hazardous liquid programs, One-Call Notification program, Emergency Response Grants, Community Pipeline Safety Information Grants, State Damage Prevention programs, and Pipeline Integrity programs.

V. ISSUES

The following issues will be examined at the hearing:

- Implementation of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011;
- Pipeline safety reauthorization goals; and,
- Stakeholder views on the draft legislation.

VI. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Brandon Mooney or Tom Hassenboehler of the Committee staff at (202) 225-2927.