



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Bill Shuster
Chairman

Washington, DC 20515

Peter A. DeFazio
Ranking Member

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

February 19, 2016

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on “Reauthorization of DOT’s Pipeline Safety Program”

PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Thursday, February 25, 2016 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony from the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Association of Oil Pipe Lines (AOPL), the Interstate Natural Gas Association of America (INGAA), the American Gas Association (AGA), and the Pipeline Safety Trust on matters relating to the reauthorization of the Department of Transportation’s (DOT) pipeline safety program.

BACKGROUND

PHMSA was created under the Norman Y. Mineta Research and Special Programs Improvement Act of 2004 (P.L. 108-426). Prior to enactment of the 2004 Act, DOT’s Research and Special Programs Administration handled pipeline and hazardous materials safety. On the pipeline safety side, PHMSA oversees the safety of the nation’s 2.6 million miles of gas and hazardous liquid pipelines, which account for the transportation of 64 percent of the energy commodities consumed in the United States.

PHMSA regulates the safety of pipeline facilities used in the transportation of gas and hazardous liquids. A state agency that is certified by PHMSA to enforce federal safety standards may adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with federal regulations. A state agency may not adopt or continue in force safety standards for interstate pipeline facilities or interstate pipeline transportation.

PHMSA’s pipeline safety functions include developing, issuing, and enforcing regulations for the safe transportation of natural gas and hazardous liquids by pipelines.

Regulatory programs are focused on ensuring safety in the design, construction, testing, operation, and maintenance of pipeline facilities.

In support of these regulatory responsibilities, PHMSA administers grants to aid states in conducting intrastate gas and hazardous liquid pipeline safety programs; monitors performance for those state agencies participating in the programs; collects, compiles, and analyzes pipeline safety and operating data; and conducts training programs through the Transportation Safety Institute for government and industry personnel in the application of pipeline safety regulations. PHMSA also conducts a pipeline safety technology program with emphasis on applied research for improved safety.

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

The last reauthorization of the DOT's pipeline safety programs was the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (P.L. 112-90), which was enacted on January 3, 2012 and authorized PHMSA's pipeline safety programs until September 30, 2015. The 2011 Act included 42 congressional mandates for PHMSA, the most consequential of which PHMSA has yet to implement. Of the 42 mandates, only 26 are complete. Although PHMSA has released a major rulemaking on hazardous liquids requirements, it has not yet issued many other important rulemakings required by the 2011 Act, including a major natural gas rulemaking. Important outstanding mandates in the 2011 Act include:

Automatic and Remote-Controlled Shut-Off Valves for New Transmission Pipelines: Section 4 of the 2011 Act directs the Secretary, if appropriate, to require by regulation the use of automatic or remote-controlled shut-off valves, or equivalent technology, where economically, technically, and operationally feasible on transmission pipeline facilities constructed or entirely replaced after the date on which the Secretary issues the final rule.

Maximum Allowable Operating Pressure: Section 23 of the 2011 Act directs the Secretary to require each pipeline owner or operator of an interstate and intrastate gas transmission pipeline in high consequence areas (HCA) (populations of 50,000 or more, environmentally-sensitive areas, and commercially navigable waterways) or within close proximity of homes, buildings, or an area that is frequently occupied to: (1) verify the physical and operational standards of each pipeline segment; (2) identify and submit documentation to the Secretary on the maximum allowable operating pressure (MAOP) of each pipeline segment; and (3) report any exceedances of MAOP within five days of when the exceedance occurs. The 2011 Act also requires the Secretary to issue regulations for testing the material strength of previously untested gas transmission pipelines in HCAs. PHMSA has issued three advisory bulletins to industry on establishing and reporting of MAOP and verification of records. A rulemaking is still under consideration.

Integrity Management: Currently, owners or operators of gas and hazardous liquid pipelines are required to develop and implement written integrity management programs to ensure the integrity of their pipelines in HCAs and to reduce risk of injuries and property damage from pipeline failures. These programs must include procedures and

processes to identify HCAs, determine likely threats to a pipeline within a HCA, evaluate the physical integrity of a pipe within a HCA, and repair or remediate any pipeline defects found.

Section 5 of the 2011 Act requires the Secretary to transmit a report to Congress evaluating (1) whether gas and hazardous liquid pipeline integrity management programs should be expanded beyond HCAs; and (2) whether applying integrity management program requirements to additional areas would mitigate the need for class location requirements (with respect to gas transmission pipeline facilities). Additionally, the 2011 Act directs the Secretary to issue final regulations, if the Secretary finds, in the report, that integrity management requirements should be expanded beyond HCAs. Though the Congressionally-mandated deadline for the report was January 3, 2014, the report has not been completed.

Leak Detection: Section 8 of the 2011 Act required the Secretary to study and transmit a report to Congress on leak detection systems utilized by operators of hazardous liquid pipelines and transportation-related flow lines to detect ruptures and small leaks. In conducting the study, the Secretary must analyze the technical limitations of current leak detection systems and consider the practicability of requiring technical, operational, and economically feasible leak detection standards for operators.

The Secretary completed the study, submitted the report and found that it was practicable to establish such standards, and therefore the Administration plans to issue final regulations to require operators to use leak detection systems where practicable and establish standards for the capability of such systems to detect leaks. PHMSA reports a rule is currently under agency review.

A chart detailing PHMSA's progress in meeting the mandates of the 2011 Act is attached to this memorandum. As evidenced in the chart, PHMSA has yet to complete 26 of the 42 mandates from the 2011 Act. For proper enforcement, inspection, safety, and productivity in the industry, these mandates need to be implemented by the agency. The Subcommittee looks forward to hearing from the agency, industry, and safety advocates on the status and impact of the 2011 Act's mandates and what matters are important to them in light of the upcoming reauthorization.

WITNESS LIST

The Honorable Marie Therese Dominguez
Administrator
Pipeline and Hazardous Materials Safety Administration

Mr. Andrew Black
President and CEO
Association of Oil Pipe Lines (AOPL)

Mr. Donald Santa
President and CEO
Interstate Natural Gas Association of America (INGAA)

Ms. Cheryl Campbell
Senior Vice President, Gas
XCEL Energy
On behalf of the American Gas Association

Mr. Carl Weimer
Executive Director
Pipeline Safety Trust