

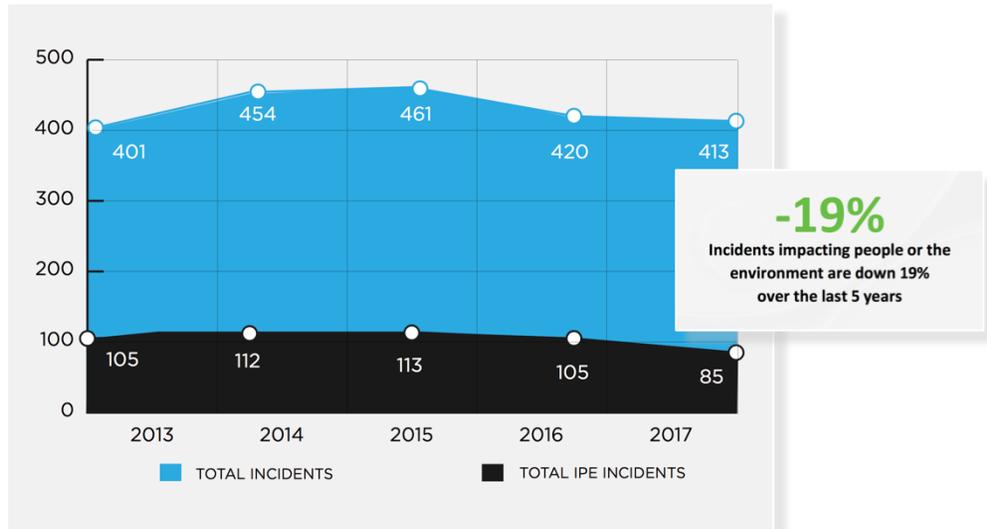
Testimony of Andrew J. Black
Association of Oil Pipe Lines, President & CEO
before the
U.S. House Committee on Transportation & Infrastructure
Subcommittee on Railroads, Pipelines and Hazardous Materials
June 21, 2018

Thank you. I am Andy Black, President and CEO of the Association of Oil Pipe Lines (AOPL). We represent transmission pipeline operators who deliver crude oil, refined products like gasoline, diesel fuel and jet fuel, and natural gas liquids such as propane and ethane. Our U.S. pipelines extend over 212,000 miles throughout the country, safely delivering more than 18 billion barrels of crude oil and energy products per year.

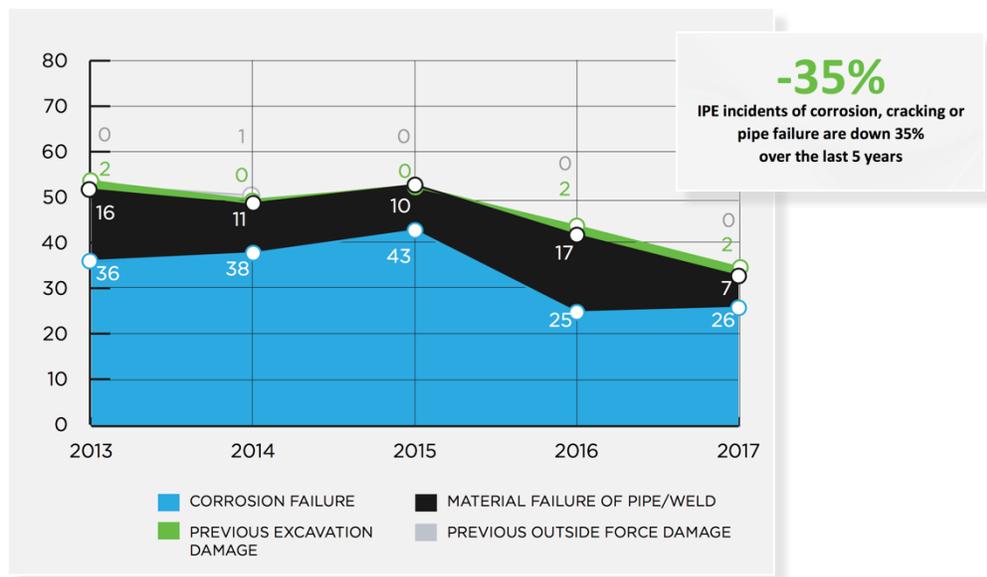
Pipelines play a critical role in delivering energy to American workers and families. Americans use the energy our pipelines deliver in their cars and trucks to commute to work or drive on the job. Our pipelines also transport products like propane that farmers use for rural heating and crop drying and raw materials such as ethane that American workers use for their good-paying manufacturing jobs.

Pipelines are an exceedingly safe way to deliver the energy America needs. The average barrel of crude oil or petroleum products reaches its destination safely by pipeline greater than 99.999 percent of the time. As Congress and the American people debate alternatives for transporting energy across the country from where it's produced, to where it's refined, to where it's consumed, you can know that pipelines are the safest way for the American people to get the energy they need.

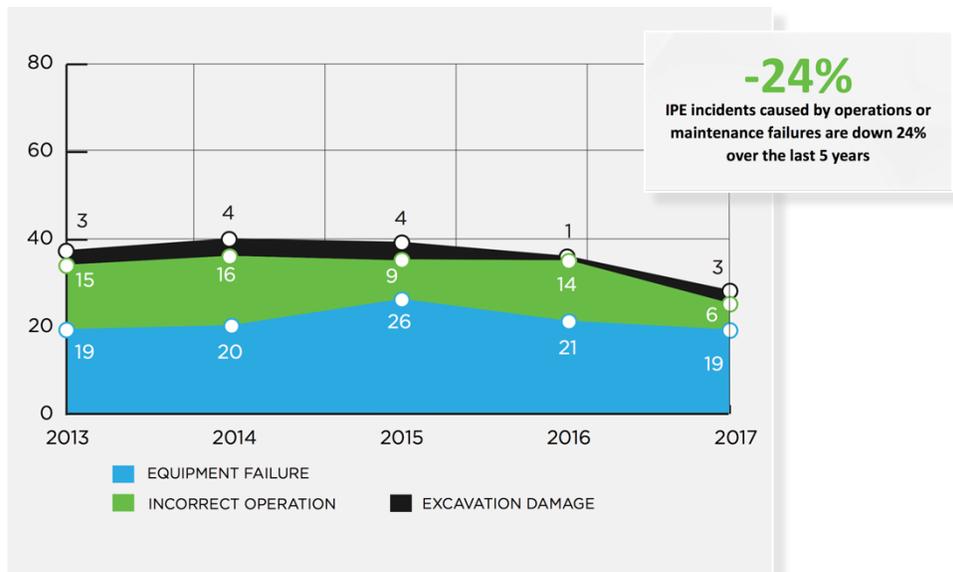
According to data collected by the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), the safety of liquids pipelines has improved dramatically over the last 5 years.



Liquids pipeline incidents impacting the public or the environment are down 19% since 2013.



Incidents impacting the public or the environment caused by corrosion, cracking or pipe failure are down 35% over the last 5 years.



Incidents impacting the public or the environment caused by operations or maintenance failures are down 24% over the last 5 years.

This key performance indicator, Incidents Impacting the Public or the Environment, was recently developed jointly by PHMSA, the Pipeline Safety Trust and the liquids pipeline industry, in response to a recommendation by the U.S. National Transportation Safety Board (NTSB) to develop more meaningful metrics for tracking pipeline safety. NTSB recognized PHMSA collects hundreds of different data points on pipeline safety and pipeline incident causes. NTSB challenged the pipeline community to develop a finite set of metrics that would describe pipeline safety in a meaningful way. While there are many metrics available and PHMSA will continue to collect many data points, we support measuring our performance for consistency with our overriding mission -- protecting the public and the environment.

Each of these safety performance metrics are included in our annual performance report we issue jointly with the American Petroleum Institute. I encourage each member of the subcommittee to read through our *2018 API-AOPL Pipeline Safety Excellence Report* available at www.aopl.org¹. In addition to discussing our progress reducing incidents impacting people or the environment, the annual report reviews incidents by location, size, commodity, and cause, with the raw data on each of these measures. Self-reporting on industry-wide safety performance is part of our effort to be transparent about our safety progress and invite a conversation on how we can best tackle remaining pipeline safety issues.

We use performance data, recommendations from regulators and safety investigations, and lessons learned from incidents and near misses to guide our industry-wide safety efforts. Based on this information, personnel from AOPL and API member companies participate in nearly two dozen industry-wide pipeline groups to improve pipeline operations and safety. We are also funding research and development on pipeline inspection technologies, enhancing our threat detection and response capabilities, expanding safety culture and management systems, and boosting our emergency response capabilities.

Through our Pipeline Safety Excellence program member companies working together through our industry associations have completed development of a number of industry-wide recommended practices and technical reports to improve our ability to detect pipeline cracking, integrate safety data, manage safety efforts holistically, manage leak detection programs, and better plan for and respond to pipeline emergencies.

¹ <http://www.aopl.org/wp-content/uploads/2018/04/2018-API-AOPL-Annual-Pipeline-Safety-Report-small.pdf>

We are now actively engaged in implementation efforts to educate, encourage and help member companies implement these best practices. A prime example is our effort to encourage and assist implementation of the API Recommended Practice (RP) 1173 for Pipeline Safety Management Systems. Recommended by NTSB and developed in conjunction with PHMSA and state pipeline regulators, Pipeline Safety Management Systems are helping pipeline operators comprehensively and holistically manage all the safety efforts underway across a company. Other industry sectors, such as aviation, nuclear power and chemical manufacturing, have benefited from safety management systems. Now, more pipeline operators are benefiting, too. The NTSB formally said the industry response to the recommendation “exceeded expectations.”

In addition to these implementation activities, pipeline operators within AOPL and API will complete updates of industry-wide guidance on how to proactively inspect and when to perform preventive maintenance on pipelines, how to protect our companies and systems against cyber-attacks and how to safely manage idled pipelines.

As we move closer to the next reauthorization of the national pipeline safety program, our improved safety record is clear. Pipeline operators have learned the lessons of past pipeline incidents and are developing new technologies and innovative safety methods to prevent the incidents of the future. Pipeline operators have implemented past mandates from Congress, including: notification of incidents within 1 hour of confirmed discovery, sharing safety data sheets in the early hours of an incident, and more frequent inspections of inland deep-water pipelines.

Looking ahead, we look forward to working with the committee on how best to improve pipeline safety. There is great potential to harness the safety benefits of new technologies and innovative methods for keeping pipe safe. A continuing challenge is to ensure that federal oversight of pipeline safety keeps pace with technology and innovation. Federal pipeline safety regulations developed 10 or 20 years ago sometimes do not reflect modern improvements to safety inspection technologies and capabilities.

We look forward to working with the committee on these issues and I look forward to answering any questions you may have for me today. Thank you.

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