

**House Energy and Commerce Committee
Subcommittee on Energy and Environment Hearing
Pipeline Safety Oversight and Legislation
Rep. Jim Matheson – Opening Statement
September 23, 2010**

BACKGROUND

On September 15th President Obama forwarded draft pipeline safety reauthorization legislation to Congress for consideration. The draft is intended to tighten oversight and increase penalties for safety violations by staffing 40 additional federal pipeline inspectors at the DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) and increasing the maximum fine from \$1 million to \$2.5 million. However, in a hearing on September 16th Chairman Oberstar said the bill did not go far enough and he was going to prepare a bill for consideration after the election. The current PHMSA authorization, which was last reauthorized in 2006, expires at the end of this year.

Rep. Schauer has also introduced legislation in response to the Michigan oil spill on an Enbridge pipeline, which may come up under suspension this week. His bill, H.R. 6008, the Corporate Liability and Emergency Accident Notification Act (the CLEAN Act), will clarify the Congressional intent of the term "immediately" in the reporting requirements of a spill incident to the National Response Center. The CLEAN Act will define "immediately" as no more than one hour after the discovery of an incident and will also increase the current fines if a spill is not reported "immediately" to the National Response Center. Additionally, H.R. 6008 would increase transparency by directing the U.S. DOT to create a searchable, public database of all reportable hazardous liquids incidents.

PHMSA is currently still working on their own investigation and final report on the causes of the Red Butte oil spill in Salt Lake. We have been told a final report is expected by the end of September, though no details have been released.

OPENING STATEMENT

Thank you, Chairman Markey and Ranking Member Upton for holding today's hearing. I want to also thank Congressman Schauer for testifying about his legislation to ensure more timely reporting of spills, PHMSA Administrator Quarterman and NTSB Chairman Hart, and the panel of witnesses here today.

The tragedy in the Gulf over the summer and the recent series of oil and natural gas pipeline accidents are sad and unfortunate reminders that we must continue to be vigilant in our oversight of our energy infrastructure and in evaluating the effectiveness of our current pipeline safety laws and regulations.

This reality hit home for me earlier this summer when a Chevron oil pipeline burst in Salt Lake City, ultimately leaking 33,000 gallons of oil into the Red Butte Creek, which runs through downtown Salt Lake City and eventually empties into the Great Salt Lake. Fortunately no lives were lost in this accident, but it still raises many similar questions as the recent accidents in Michigan, Illinois, and California do about strength of our pipeline safety programs and health of our national pipeline infrastructure.

Right now the purported cause of the Salt Lake leak is that a tree branch fell during a heavy windstorm, created an electric arc, which hit a metal fencepost that was driven to the ground just inches from the pipeline. The electrical arc burned a small hole in the pipe, through which the oil leaked. This raises an important question of why was the fencepost within inches of the pipeline? In addition, it appears that the monitoring equipment on the pipeline failed to indicate there was a leak for several hours after the hole was created, and the first time Chevron was aware of the leak was when the Salt Lake City Fire Department called them the next day. This raises another important question of how effective pipeline monitoring equipment is.

A final report on the cause of the Salt Lake leak has yet to be completed by PHMSA, so I won't press for those details, but I hope Administrator Quarterman can speak later in this hearing to the general investigation process and whether questions related to overall pipeline integrity, adequacy of current pipeline inspections, and how thorough industry is being in their pipeline integrity plans, will be addressed in this report, and the reports on the accidents in Michigan, Illinois, and California.

If it turns out some of the factors contributing to the leaks were poor pipeline integrity management plans, inadequate pipeline patrolling and inspections, particularly in high-population areas, and faulty leak detection equipment, then I will work with my colleagues to ensure that steps are taken to resolve these issues through pipeline safety reauthorization.

Again, thank you Chairman Markey and Ranking Member Upton for holding this hearing today. I yield back.