Testimony of
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on Behalf of the
Association of Oil Pipe Lines (AOPL) and the American Petroleum Institute (API)

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Introduction

I am Andy Black, President and CEO of the Association of Oil Pipe Lines (AOPL). I appreciate this opportunity to appear before the subcommittee today on behalf of AOPL and the American Petroleum Institute (API).

AOPL is an incorporated trade association representing 51 liquid pipeline transmission companies. API represents over 400 companies involved in all aspects of the oil and natural gas industry, including exploration, production, transportation, refining and marketing. Together, our organizations represent the operators of 85 percent of total U.S. oil pipeline mileage in the United States.

Pipelines are the safest way to transport liquid fuels. A reminder of the strong safety record of pipelines may seem discordant in the aftermath of a pipeline release, but is important to keep in perspective. I will discuss the industry's commitment to safety, our improved safety record, and our view that pipeline safety reauthorization should be narrowly focused on existing programs, specifically damage prevention.

Liquid pipelines overview

Pipelines are the safest, most reliable, economical and environmentally favorable way to transport oil and petroleum products, other energy liquids, and chemicals, throughout the U.S.

Liquid pipelines bring crude oil to the nation's refineries and petroleum products to our communities, including all grades of gasoline, diesel, jet fuel, home heating oil, kerosene, and propane. Some of our members transport renewable liquid transportation fuels via pipeline, as well. Our members transport carbon dioxide to oil and natural gas fields, where it is used to enhance production. In addition to providing fuels for the transportation sector (including cars, trucks, trains, ships and airplanes), we provide hydrocarbon feedstocks for use by many other industries, including food, pharmaceuticals, plastics, chemicals, and road construction. America depends on the network of more than 170,000 miles of liquid pipelines to safely and efficiently move energy to fuel our nation's economic engine.

Hazardous liquid pipelines transport more than 17 percent of freight moved in America, yet pipelines account for only 2 percent of the country's freight bill. Approximately 2.5 cents of the cost of a gallon of gasoline to an end-user can be attributed to pipeline transportation[1], resulting in a low and predictable price for pipeline customers (referred to as "shippers"). Liquid pipeline transportation rates are regulated by the Federal Energy Regulatory Commission (FERC). Rates are generally stable and predictable, and do not fluctuate with changes in crude oil and gasoline or other fuel prices. Typically, pipelines only take custody of the product tendered for transportation and, as such, are unaffected by changes in the price of commodities being transported.

[1] "Liquid Transportation Fuels from Coal and Biomass: Technological Status, Costs, and Environmental Impacts", National Academy of Sciences, 2009.

Pipelines are the preferred mode of transportation for crude oil and refined petroleum products. The approximate share of domestic shipments, measured in barrels of product moved per mile, is:[2]

- Pipelines – 68 percent
- Water Carriers – 25 percent
- Trucks – 4 percent
- Rail – 3 percent

Our industry had a wake-up call after the Bellingham, Washington fatalities in 1999. Congress and the Office of Pipeline Safety (OPS) asked more of pipelines, and industry has answered the call. As a result of enhancements to pipeline safety laws, implementing regulations, and vigorous industry efforts, liquid pipeline spills along rights-of-way have decreased over the past decade, in terms of both the number of spills and the volume of product released.

In addition to its record of fewest releases, pipeline transportation enjoys the lowest input energy requirement and carbon footprint as compared to other transportation modes (barge, truck, rail, and marine). Replacing a medium-sized pipeline that transports 150,000 barrels of gasoline a day would require operating more than 750 trucks or a 225-car train every day. Use of trucks or trains would increase mobile source greenhouse gas emissions, wear and tear on our roads, highways, rails, and bridges, and the number and volume of releases.

Pipeline operators insist on safety

Pipeline operators have every incentive to invest in safety. Indeed, in our members' view, there are no incentives to cut corners on pipeline safety. Most important is the potential for injury or loss of life to members of the public and their employees and contractors. If a pipeline experiences a failure or a release, there are numerous consequences for the operator. The operator could also incur potentially costly repairs, cleanup, litigation, and fines. Next, the pipeline may not be able to accommodate its customers. Finally, the pipeline company's reputation could be hurt.

Operators of liquid pipelines invest millions of dollars annually to maintain their pipelines and comply with federal pipeline safety laws and regulations. A large percentage of liquid pipeline assets are inspected regularly and all are monitored continuously, using a combination of practices. Pipeline operators continually seek to reduce the risk of accidental releases by taking measures to minimize the probability and severity of incidents. These measures include proper pipeline route selection, design, construction, operation, and maintenance, as well as comprehensive public awareness and excavation damage prevention programs.

In recent years, there has been increasing regulatory and industry attention to the role of corrosion, a leading cause of pipeline failures. There are two ways in which pipe is protected from external corrosion: through the use of coatings and by an impressed electrical current that makes a pipe act as a cathode. Since corrosion is an electro-chemical process, this electrical charge inhibits corrosion even if the protective coating has been damaged. A protective coating is applied to steel pipe at the pipe mill to help prevent corrosion when placed into service. During the pipeline construction process, construction crews apply protective coatings to joints to safeguard the outside surface of pipeline girth welds from corrosion.

[2] Association of Oil Pipe Lines, *Shifts in Petroleum Transportation*, 2009.

Pipeline supervisory control and data acquisition (SCADA) systems use various techniques to monitor for pipeline leaks. Software monitors pipeline pressure instruments and volumetric metering equipment and uses algorithms to search the data for a signal that may indicate a leak on the pipeline. However, these systems are not perfect, particularly on pipelines moving lower volumes than the capacity for which they are designed.

Pipeline companies perform visual inspections along rights-of-way, including from the air, for signs of damage, leakage, and encroachment. Pipeline controllers are also trained to identify signs of leaks and respond quickly to shut off pipeline flow, contact first responders (company and local government emergency response), and government officials.

In some cases, an operator will install check valves, which automatically prevent backflow into a pipeline during a shutdown, or remote control valves that can be monitored with SCADA systems from a control room and closed if an accident occurs. These valves must be installed if an operator determines they are needed to protect a High Consequence Area (HCA) in the event of a release.[3] Special attention is given to waterway crossings, as it is a common practice to locate block valves on each side of a waterway.

Pipeline safety laws and regulations

In 1979, Congress enacted comprehensive safety legislation governing the transportation of liquids by pipeline in the Hazardous Liquids Pipeline Safety Act of 1979 (HLPSA, 49 U.S.C. 2001). HLPSA added to previous laws and regulations and expanded the existing statutory authority for safety regulation. Since then, several new laws have been passed to govern the liquids pipeline industry, including: the Pipeline Safety Act (PSA) of 1994, the Pipeline Safety Improvement Act of 2002 (PSA), and the Pipeline Inspection Protection, Enforcement, and Safety Act of 2006 (PIPES).

Pipeline safety is closely regulated by the Pipeline and Hazardous Materials Safety Administration (PHMSA) which includes OPS. PHMSA's OPS is responsible for establishing and enforcing regulations to assure the safety of liquid pipelines (Title 49 CFR Parts 190-199). OPS sets stringent performance-based regulations and standards that are intended to address the dynamic nature of pipeline operations. Operators of liquid pipelines invest millions of dollars annually to assess and maintain their pipelines and comply with federal pipeline safety laws and regulations. OPS is an aggressive regulator, conducting rigorous inspections and vigorously enforcing compliance with pipeline safety laws.

Operators face a rigorous set of federal government requirements for construction, operation, and maintenance of a pipeline. Regulations also cover public awareness, reporting, design standards, construction methods, operational controls and limitations, pressure testing, maintenance standards, qualification of personnel, and emergency response. Laws and regulations address the leading causes of pipeline failures, including corrosion, excavation damage, materials and equipment failure, and operations. Both industry and government continue to do research in all of these areas to improve this record further.

[3] 49 CFR Part 195.452.

Integrity management

In addition to all of the other provisions, pipeline operators are required under federal regulations (Title 49 CFR, Part 195.450 and 452) to develop an Integrity Management Plan (IMP), for pipelines that could affect High Consequence Areas (HCAs). HCAs for liquid pipelines include any of the following:

- Population centers, urbanized areas, or areas with large population density;
- Commercially navigable waters; and
- Unusually sensitive areas such as water supplies and ecological reserves.

Liquid pipeline operators are required in their IMPs to identify segments that could impact HCAs, conduct periodic integrity assessments on those segments at intervals not to exceed five years, and review assessment results to make mitigation and repair decisions. A risk-based approach establishes the appropriate assessment interval within the five-year period for liquid pipelines. When identifying segments which could affect HCAs, operators conduct risk assessments and consider local topographical characteristics, operational and design characteristics of a pipeline, and the properties of transported commodities in determining potential impacts of an incident. These assessments set a point of comparison so that operators may gauge the impact of time-dependent threats, like corrosion. This is an extra layer of oversight based on the fact that the consequences of a release are potentially greater if there is impact on HCAs. Many operators use these same techniques beyond pipeline segments which could affect HCAs. Liquid pipeline baseline assessments for pipelines that could affect HCAs were completed for existing pipelines by March 2008. Operators are now on their second or third round of assessments.

Assessments include in-line inspection by "smart pigs", which detect features in the pipe that need to be addressed, such as corrosion, pipeline deformation, cracking and other anomalous features. This technology includes sensitive internal detection devices, such as magnetic flux leakage tools (MFL) and ultrasonic testing, to examine pipeline wall thickness and detect other anomalies. Another assessment method used by pipeline operators is pressure-testing.

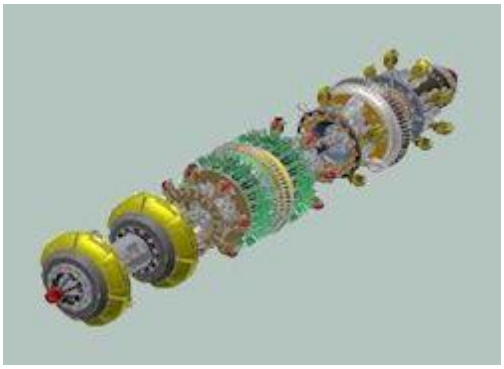

Diagram of a smart pig

It is important to note that as integrity management tools become more sophisticated, they are more effective at identifying issues for pipeline operators to consider and more expensive. As a result, integrity management compliance costs have trended upward since implementation of the IMP regulations, a trend that the industry expects to continue in the coming years. Liquid

pipeline operators representing approximately 75 percent of the OPS-regulated pipeline mileage report spending approximately $2.7 billion on pipeline integrity management activities, and approximately $600 million on integrity management related to pipeline-owned tankage, from 2004 to 2009.

With customer pressure to keep transportation costs, and hence, liquid fuel costs, as low as possible, pipeline operators need to be able to rank risk and consequence, and apply scarce resources accordingly. Pipeline operators should not be required to treat every mile of pipe with the same level of oversight. Extending the prescriptive integrity management plan investigation and mitigation schedules beyond HCAs areas could imperil the appropriate risk-based focus on protecting people and the environment within HCAs.

Liquid pipeline safety record has improved

If properly constructed, maintained, and protected, pipelines should have extraordinarily long lives. Old age in a pipeline does not automatically mean a pipeline segment should be replaced or is unsafe.

The frequency of releases from liquid pipelines decreased from 2 incidents per thousand barrel-miles[4] transported in 1999-2001 to 0.7 incidents per thousand barrel-miles in 2006-2008, a decline of 63 percent. Similarly, the number of barrels released per thousand barrel-miles decreased from 629 in 1999-2001 to 330 in 2006-2008, a decline of 48 percent[5]. The industry is proud of this record, but continues to strive for zero releases, zero injuries, zero fatalities and no operational interruptions.

Each of the major causes of pipeline accidents showed decreases during this time period, reflecting the success of several different strategies to manage risk.

Cause	*Decrease from 2001 to 2008 (3-year averages)*
Corrosion	74 percent
Third-party damage (excavation or other mechanical damage)	62 percent
Equipment	55 percent
Pipe materials and seams	34 percent
Operator error	51 percent

[4] One barrel mile equals one barrel (or 42 gallons) transported one mile.

[5] These figures are from the Industry's Pipeline Performance Tracking System, an industry-led reporting system that tracks pipeline system spills.

Liquid pipeline operators learn from release incidents and pursue continuous improvement

Pipeline accidents provide opportunities to learn lessons, and pipeline operators seize those regrettable opportunities. The U.S. oil pipeline industry participates in an Environmental and Safety Initiative (ESI) to make further improvements in spill and accident prevention. Led by pipeline executives, the ESI promotes achievement of operational excellence through sound risk management approaches, implementation of proven pipeline safety technologies, and investment in new technologies.

The Performance Excellence Team (PET) of the ESI pursues environmental and safety excellence in operations and system integrity. PET promotes inter-company learning and high quality, accurate and useful data analysis leading to actionable recommendations to the pipeline industry for continuous performance improvement. PET members from operations, engineering, regulatory compliance and environment, health and safety offices meet regularly to share information and capture and document good practices.

The liquid pipeline industry collects and analyzes data on pipeline spills. Every spill of at least five gallons is reported to the U.S. Department of Transportation. In addition, industry members contribute more detailed spill data to the Pipeline Performance Tracking System (PPTS). The stated philosophy of PPTS is to measure, learn, manage and improve. Through PPTS, the industry develops metrics for evaluating changes in pipeline performance, evaluates and sets leading performance measures for the pipeline industry, and identifies leading indicators that may predict future performance. PPTS data helps provide actionable recommendations to the pipeline industry targeting continuous performance improvement and solutions addressing today's and tomorrow's challenges.

Hazardous liquids pipeline employees also participate in the annual Pipeline Information Exchange workshop, a confidential forum in which operators can share learning opportunities from specific pipeline incidents or near misses. Attendees include control room operators, safety managers, and executives. The objective is for participants to take these learnings back to their respective companies to help prevent similar situations from occurring.

Finally, pipeline operators invest in research to identify new technologies and practices to improve pipeline safety. In addition to company research, pipeline operators and associations fund research conducted by Pipeline Research Council International (PRCI), a global cooperative R&D organization for the energy pipeline industry. PRCI members contribute technical and operations experts from their companies to work with expert consultants, maintain a research forum of ideas, and produce tangible solutions companies can implement. Over the last five years, liquid and natural gas pipelines and the federal government contributed more than $35 million toward PRCI pipeline research.

Pipelines need to be restarted soon after safe operation is assured

Pipeline accidents are rare. In the event of an accident, a pipeline operator has three major goals. The first goal, of course, is to contain the spill, complete any clean up, and help the affected community. A second objective is to repair the pipe, determine when operations can resume safely, and restart the pipeline. A third objective is to take steps elsewhere along the pipeline to avoid a similar occurrence.

Pipeline operators recognize the importance of restarting safely as soon as possible. While a pipeline sits idle, the products it carries are not being delivered to customers. Refineries can run short of crude oil and distribution terminals can run short of supplies of gasoline, diesel fuel, jet

fuel, or other refined products. This can prompt local gasoline shortages and price spikes. Airlines can face fuel shortages at certain airports. Military bases and manufacturing can see supply levels threatened.

After Hurricane Katrina briefly disrupted power to pipeline pump stations and refineries along the Gulf Coast, drivers in the southeast experienced lines at gasoline stations and abnormally high prices at the pump. When the affected pipelines and refineries got back into service, the problems quickly ceased. More recently, when Enbridge's Line 6A was down after an outage (apparently caused by local conditions, not the general integrity of Line 6A), retail gasoline prices spiked in Michigan and Ohio due to fears of a prolonged outage. Refineries dependent upon Enbridge's Line 6B for crude oil have reported shortages of crude oil after the Marshall, Michigan release, hampering productivity and threatening employment temporarily. As of this writing, Enbridge Line 6B has not yet been approved for a restart, but Enbridge has submitted a revised plan and additional requested information. The restart plan for Enbridge's Line 6B calls for lower operating pressure, which offers an extra margin of safety.

Despite the rarity of pipeline accidents, pipeline operators are skilled at repairing or replacing pipe and preparing the line for resumption of safe operation. Most pipeline transportation service interruptions are brief, because delaying a restart any longer than necessary hurts customers and can even disadvantage the people and businesses located near the accident. We encourage OPS to approve pipeline restarts as soon as possible once safe operation can be assured.

Damage prevention and One-Call

Excavation damage to pipelines is less frequent today, but often results in extremely high consequences. Incidents from excavation damage by third parties accounted for only 7 percent of release incidents from 1999 to 2008. However, 31 percent of all significant incidents (those that result in spills of 50 barrels or more, fire, explosion, evacuation, injury or death) come from excavation damage by third parties. Further, at an even higher frequency, pipelines suffer damages from third parties that are not severe enough to cause a release at the time of excavation.

To protect communities, sensitive environmental areas, as well as the pipeline itself, the pipeline industry and other operators of underground facilities joined together to create notification centers that are used by those preparing to conduct excavation close to underground facilities. These centers – called One-Call Centers – serve as the clearinghouse for excavation activities that are planned close to pipelines and other underground utilities. Established by federal law in 2007, 811 is the national "call-before-you-dig" number which informs operators when someone wants to dig near the pipeline, and homeowners, and excavators about the location of underground utilities before they dig to prevent unintentional damage to underground infrastructure, including pipelines.

When calling 811 from anywhere in the country, a call is routed to the local One-Call Center. Local One-Call Center operators discern the location of the proposed excavation and route information about the proposed excavation to affected infrastructure companies. Under One-Call regulations, excavators must wait a specified amount of time before beginning any excavation project, to allow operators of underground infrastructure time to locate and mark underground infrastructure to protect it from excavation-related damage.

In addition, pipeline operators, associations, state regulators and federal and state agencies take part in the Common Ground Alliance (CGA), an association that promotes effective damage

prevention practices for all underground utility industry stakeholders to ensure public safety, environmental protection, public awareness and education to guard against excavation damage. Membership in CGA spans 1,400 members and sponsors, demonstrating that damage prevention is everyone's responsibility. Industry has worked closely with CGA to develop best practices and participates fully in its damage prevention programs, including the establishment and implementation of 811.

The need for improved damage prevention enforcement

We believe more must be done to encourage adherence to state damage prevention laws and strengthen state and national programs already in place. We recognize and support the role of the states in preventing damage to pipelines. However, in some cases, state excavation damage prevention laws are weak or incomplete, or are not adequately enforced.

In many states, state agencies, municipalities and other local entities are exempted from requirements to use the One-Call system before they undertake excavation activities. These exemptions create a gap in enforcement and safety, because the threat of pipeline damage is the same regardless of who the excavator is or who he works for.

The OPS could close the gap by exercising its One Call Civil Enforcement authority as modified by Section 2 of the PIPES Act of 2006 (Public Law 109-468). The Secretary of Transportation has authority to conduct enforcement proceedings for a violation within the boundaries of a state if the Secretary "has determined that the State's enforcement is inadequate to protect safety" after the Secretary "issues, through a rulemaking proceeding, the procedures for determining inadequate State enforcement of penalties."

The DOT's OPS commenced such an undertaking in October of last year with an Advanced Notice of Proposed Rulemaking.[6] Under the proposed rule, OPS would assess a state's damage prevention program and make the determinations of adequacy or inadequacy called for by Congress. As AOPL and API commented in the rulemaking,[7] we recommended that as a minimum requirement in a state damage prevention program, <u>all</u> excavators, including state agencies and municipalities:

> (1) use state One-Call systems prior to excavation;
>
> (2) follow location information or markings established by pipeline operators;
>
> (3) report all excavation damage to pipeline operators; and
>
> (4) immediately notify emergency responders when excavation damage results in a release of pipeline products.

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[6] 74 Fed. Reg. 55797-55803; October 29, 2009; Pipeline Safety: Pipeline Damage

Prevention Programs; Advance notice of proposed rulemaking;

Docket #: PHMSA-2009-0192

[7] December 14, 2009 letter to Jeffrey D. Wiese regarding 74 FR 55797 (October 29, 2009).

Similarly, we believe OPS should promulgate a final rule that prohibits state programs from being determined "adequate" if they allow One-Call exemptions for state agencies, municipalities, and other commercial excavators.

AOPL and API believe Congress has given the Department of Transportation the authority to close the safety gap caused by state-granted exemptions to One-Call damage prevention laws. We believe OPS should use that authority to close that gap and that Congress should consider directing OPS to do so expeditiously. We recommend OPS move forward soon with a final rule to promote more effective and streamlined damage prevention rules that will promote safety and respect for pipelines. We support more aggressive enforcement, recognizing it will apply equally to pipeline operators should they fail to adhere to excavation damage prevention laws.

Additionally, we believe OPS should withhold damage prevention grant funds from states with programs that do not meet the fundamental minimum requirements we suggested. This is fully consistent with the intent of Congress in Section 2 of the PIPES Act of 2006, which allows the Secretary to make a grant to a state authority to assist in improving damage prevention programs. The Secretary is to "take into consideration the commitment of each State to ensuring the effectiveness of its damage prevention program, including legislative and regulatory actions taken by the state."

Pipeline safety reauthorization

AOPL and API are ready to work with Congress, OPS, and stakeholders to reauthorize pipeline safety laws. We believe Congress should focus on prevention of excavation damage, the leading cause of injury and death from pipeline accidents. Congress should encourage or direct OPS and the states to improve damage prevention laws, regulation and enforcement where necessary.

We believe Congress should think carefully about the consequences of overhauling a regulatory model that is driving down the number of releases and incidents from pipelines. First, the causes of the recent releases in Marshall, Michigan, and San Bruno, California have not been reported by the National Transportation Safety Board. It would be premature to suggest that any recent incident means current safety regulations need to be changed, let alone to know what those changes should be. Existing laws and regulations cover the major causes of releases; we may find that these recent incidents do not reveal any gaps.

Second, the upcoming "lapse" in authorization for OPS programs in the PIPES Act of 2006 will have no real effect upon the ability of OPS to inspect or enforce safety regulations on pipelines. User fees will continue to be collected from pipeline operators. OPS programs will continue subject to appropriations. No safety laws or regulations will be suspended.

The PIPES Act and previous legislative efforts have given OPS a thorough set of tools and authorities to effectively regulate the safety of liquid pipelines. The vigorous actions of OPS in response to Enbridge's release in Marshall, Michigan, demonstrate this. We believe there is no reason for Congress to greatly expand the pipeline safety program or impose significant new mandates upon OPS or the industry in a new reauthorization bill.

AOPL and API staff have begun to review the pipeline safety reauthorization proposal announced last week by Deputy Secretary of Transportation John Porcari. While the associations and its members have not had sufficient time to carefully review the proposed "Strengthening Pipeline Safety and Enforcement Act of 2010," (SPSEA) we offer some initial comments.

SPSEA proposal - New fees for construction reviews funded for 25 years by user fees

We oppose Section 9 of the proposal, which gives OPS authority to receive compensation through a fee on natural gas and liquid pipeline operators for "design review, consulting, and field support" that the agency provides for new pipeline construction over 10 miles in length.

OPS manages a rigorous set of construction codes and enforcement activities by its inspectors. Judging from the intensity of OPS inspection activities during construction, there does not appear any funding constraint on OPS' ability to be actively engaged in construction oversight. Since FY 1986, OPS has received user-fees from the pipeline industry to cover costs, including those associated with inspection activities. Pipeline operators pay user fees for the life of the asset, once product begins to flow through the pipeline. Last year, OPS received approximately $37 million from the liquid pipeline industry with nearly half of that revenue coming from user-fees and half from the Oil Spill Liability Trust Fund, which the industry pays into. We believe OPS should continue to fund its construction inspection activities out of user fees, as they have done since 1986. The unsubstantiated construction fee proposal would serve only to increase costs for pipeline infrastructure construction, and ultimately increase consumer costs, with no apparent benefit. Section 9 would also require a 120-day notice of intent before any pipeline construction can begin, without any justification.

SPSEA proposal - Transfer of gathering lines regulation to OPS

We oppose Section 6 of the proposal, which would remove the statutory exemption from OPS regulation for natural gas and liquids gathering lines, and then direct a rulemaking to review <u>all</u> regulatory exemptions for these lines. Upon the completion of the review on or before October 1, 2012, the Secretary of Transportation would issue exemptions as he or she sees fit.

Gathering lines are very small pipelines usually from 2 to 8 inches in diameter in the areas of the country in which crude oil is produced. These small lines gather the oil from many wells, both onshore and offshore, and connect to storage facilities or larger trunk lines measuring from 8 to 24 inches in diameter. Many gathering lines are not large enough for the use of "smart pigs". These lines are currently subject to regulation by EPA under the Clean Water Act, and by the States in which they are located. These lines are local in nature, with local effects and ideally suited for local regulation, not federal regulation. This regulatory framework has not failed. The value of subjecting these gathering lines to OPS regulation is unclear.

H.R. 6008 proposal on notification deadlines

The pipeline industry supports prompt notification to the National Response Center (NRC) of pipeline releases, which is the intent of H.R. 6008, the "Corporate Liability and Emergency Notification Act." We recommend a change to the bill to address a conflict presented by the proposed notification deadline.

Pipeline operators are currently required by federal regulation to notify the NRC of a pipeline release at "the earliest practicable moment.' The NRC, in turn, provides notice to agencies, federal responders and other appropriate entities. The introduced bill would replace a technically-based administrative interpretation of "earliest practicable moment" with an arbitrary and inflexible one-hour deadline. When a pipeline operator contacts the NRC to report a release, it is required to estimate the volume of the release. Currently, a pipeline operator is not allowed to revise the estimate later. This can cause operators to use much of the notification period to develop more precise estimates which may not be immediately necessary.

Pipeline operators believe notification provisions should be changed to provide the NRC and federal responders information they need to calibrate responses, and eliminate the hesitancy and estimation challenges inherent in initial estimates so soon upon the occurrence of an event. We believe a pipeline operators should be 1) allowed to tell the NRC during initial notifications whether a suspected release could be small, medium, large, or very large, and 2) provide an improved volume estimate later in the required accident report. That change could help facilitate the earlier responses sought by those who support H.R. 6008. Alternatively, the National Response Center could be required to allow revisions of volume release estimates.

We also want to make sure future versions of this or other legislation do not increase the potential of false alarm notifications. When pipeline control system alarms indicate changes in pressure, flow rate, and other operation parameters, controllers quickly institute established procedures to investigate the alarm and if necessary, shut in the pipeline system. In many cases, a pipeline operator finds an alarm is not, in fact, a pipeline release but is due to other changes in operations. With good reason, the administrative interpretation allows the operator to verify that a release has occurred before notifying the NRC, and to produce the volume estimate that can never be adjusted. It is not a perfect system since it relies on human interpretation of response to information but it does ensure that notifications are thoughtful and as accurate as possible. Advancing the statutory notification deadline earlier than might be appropriate would likely cause pipeline operators to notify the NRC of potential releases even before definitively or even reasonably concluding a release has occurred. False alarm notifications cause false alarm deployments of first responders, an unwarranted expenditure of resources and manpower. In order to comply with an impractical standard, operators would likely treat any abnormal condition as a suspected release even before concluding a release is actually occurring.

We are prepared to work with the author, cosponsors, and committees of jurisdiction on these issues.

Conclusion

Pipelines are the safest way to transport liquid fuels. The safety record for every major release cause has improved over the last decade. Liquid pipeline operators strive for zero releases, zero injuries, zero damages to property and the environment, and continuous improvements in pipeline safety. Every spill is one too many.

Pipeline operators work hard to learn from pipeline incidents and share ideas for improvements and best practices throughout the industry. The industry has standing teams and workshops to discuss incidents and misses, analyze data, share best practices, and make recommendations to executives. The industry invests in research and development to develop new technologies and practices to confront pipeline challenges.

Operators of liquid pipelines invest millions of dollars annually to assess and maintain their pipelines and comply with federal pipeline safety laws and regulations. They face a rigorous set of federal government requirements for construction, operation, and maintenance of pipelines. Regulations also cover many aspects of pipeline construction, operation, maintenance, and awareness. Laws and regulations address the leading causes of pipeline failures, including corrosion, excavation damage, materials and equipment failure, and operations.

To assist the cause of pipeline safety, Congress should expand on earlier steps to prevent excavation damage to pipelines, the leading cause of significant pipeline accidents. Congress and the Office of Pipeline Safety should assist damage prevention by improving enforcement in the states and eliminating exemptions from One-Call "call before you dig" requirements.