



**Spoken Testimony of Andrew J. Black, President & CEO, Association of Oil Pipe Lines (AOPL)
to the U.S. House Committee on Energy & Commerce Subcommittee on Energy
Hearing on “Legislative Solutions to Make Our Nation’s Pipelines Safer”
June 19, 2019**

Thank you, Mr. Chairman, Ranking Member. My name is Andy Black and I am President and CEO of the Association of Oil Pipe Lines. AOPL represents liquids pipeline owners and operators transporting crude oil, petroleum products like gasoline, diesel, jet fuel, and home heating oil, and industrial products like propane and ethane.

Pipeline safety reauthorization legislation offers us an opportunity to continue improvements in pipeline safety. We all seek safer pipelines, as the Subcommittee’s Discussion Draft title calls for. Reauthorization should be a place where we can collaborate, work on proposals that bring stakeholders together, and protect each other from harm. Unfortunately, the Discussion Draft misses some opportunities for a shared path of collaboration and eliminates other opportunities in the law today.

Instead, the liquid pipeline industry asks that we move forward with positive solutions to harness the benefits of innovation and technology to improve pipeline safety, bring stakeholders together to improve PHMSA programs and regulations, and protect the public from harm.

Technology and innovation offer opportunities to move pipeline safety forward. Hi-tech inspection tools can now scan pipelines like an MRI or ultrasound at the doctor’s office. And yet crucial sections of PHMSA’s inspection and maintenance regulations are nearly 20 years old and have gaps that fail to address problems like cracking in pipelines. AOPL recommends Congress authorize a pilot program to provide PHMSA the data it needs to modernize and fill gaps in its regulations.

Improving how PHMSA performs its pipeline safety mission is important to liquids pipeline operators. The pipeline industry joined with PHMSA, state regulators, pipeline safety advocates, environmental advocates, and representatives of organized labor to recommend creation of a Voluntary Information Sharing program. This collaborative program modeled after a successful FAA program for the aviation industry and recommended by a past Congress would empower pipeline safety stakeholders to jointly solve pipeline safety issues.

Unfortunately, authorization for this program is not in in the Discussion Draft. Instead, there are proposals that drive stakeholders apart and make it harder for PHMSA to solve pipeline safety problems. The Discussion Draft eliminates requirements for PHMSA to benefit from its technical advisory committees and takes away seats at the table for safety advocacy groups, environmental groups and pipeline operators during the rulemaking process. The Discussion Draft would deprive the public of expert discussion of the costs and benefits of its proposals. The Discussion Draft would even eliminate requirements that PHMSA consider whether its pipeline regulations would be reasonable. I can hardly imagine the subcommittee wants PHMSA to consider only unreasonable proposals.

The Discussion Draft proposal to add a criminal reckless standard would chill a core component of pipeline safety. Operators assess and rank the risks of their pipeline systems and then perform preventive maintenance based on a prioritization of risk. Comprehensive risk management is at the heart of safety management systems encouraged by the NTSB and PHMSA. Changing the standard to reckless would lead to second guessing technical risk assessment decisions with the use of 20/20 hindsight to make a case that an operator should have known that a risk would cause an incident. Pipeline operators may be discouraged from openly sharing information about incidents, a key component of our programs to continuously improve industrywide safety. Applying an ambiguous legal standard of recklessness by criminalizing pipeline risk assessment will not advance pipeline safety.

The discussion draft provision to require automatic shut-off valves on liquids pipelines would actually hurt pipeline safety, by creating the risk of quickly forcing closed pipeline valves in an uncontrolled way, leading to a pressure surge and possible pipeline rupture. The GAO study requested by Congress on this issue confirmed several cases in the past where similar conditions led to ruptures and releases of gasoline and crude oil.

Finally, the pipeline industry believes it is important to protect the surrounding public and the environment from attacks on pipelines. There are loopholes to close in federal law that prevent enforcement against dangerous valve-turning activity condemned by pipeline safety advocates, as well as the pipeline industry. We commend PHMSA for putting forward a proposal to protect the public and environment from these attacks. Yesterday, organized labor through the International Union of Operating Engineers, the Laborers International Union of North America, North America's Building Trades Unions, and the United Association of Plumbers and Pipefitters added their support to this effort, writing, "[f]or the safety of American families, the environment and the skilled trade workers dedicated to safely building and maintaining our pipeline infrastructure, Congress should prioritize closing the[se] loopholes in federal law." We hope to work with the subcommittee on tailored legislation addressing this safety priority.

I hope we can come together around these proposals for greater stakeholder collaboration, greater use of new technologies and innovation, and greater ways to improve PHMSA programs and protect the public from harm. Thank you and I look forward to your questions.

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