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DCMN BURRELL

HEARING ON PIPELINE SAFETY

OVERSIGHT AND LEGISLATION

THURSDAY, SEPTEMBER 23, 2010

House of Representatives,

Subcommittee on Energy and Environment,

Committee on Energy and Commerce,

Washington, D.C.

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The subcommittee met, pursuant to call, at 2:10 p.m., in Room 2123, Rayburn House Office Building, Hon. Edward J. Markey [chairman of the subcommittee] presiding.

Present: Representatives Markey, Inslee, Butterfield, Matsui, McNERNEY, Dingell, Green, Harman, Matheson, Barrow, Upton, Stearns, Shimkus, Pitts, Burgess, Scalise, and Barton (ex officio).

Staff Present: Greg Dotson, Chief Counsel, Energy and Environment; John Jimison, Senior Counsel; Jeff Baran, Counsel;

Joel Beauvais, Counsel; Melissa Cheatham, Professional Staff Member; Caitlin Haberman, Special Assistant; Lindsay Vidal, Deputy Press Secretary; Mitchell Smiley, Special Assistant; Aaron Cutler, Minority Counsel; Andrea Spring, Minority Professional Staff; Peter Spencer, Minority Professional Staff; and Garrett Golding, Minority Legislative Analyst.

Mr. Markey. Welcome, ladies and gentlemen, to the Subcommittee on Energy and Environment and this very important hearing on pipeline safety oversight and legislation.

This week marks the end of a summer of fossil fiascos for the U.S. oil and gas industry. From April to August the country watched with horror as the BP disaster unfolded, leaving 11 workers dead and spilling nearly 5 million barrels of oil into the Gulf of Mexico.

What has gone less noticed by many is a wave of major accidents during the same period on the country's aging oil and pipeline system.

In June, a Chevron pipeline burst near Salt Lake City, spilling over 20,000 gallons of crude into a creek that feeds the Great Salt Lake.

On July 26th, a pipeline owned by Enbridge ruptured near Marshall, Michigan, spewing nearly 1 million gallons of crude oil into Talmadge Creek and the Kalamazoo River. The oil ultimately was contained just 80 river miles from Lake Michigan, but only after doing massive damage to local communities and the environment.

Earlier this month a PG&E natural gas pipeline exploded in the San Francisco suburb of San Bruno, leaving seven people dead or missing, destroying several dozen homes and damaging over 100 others.

The very same day yet another Enbridge oil pipeline burst near Chicago, spilling over 250,000 gallons of crude.

There are over 2.5 million miles of oil and natural gas pipelines in this country, many of them laid a half a century or more ago. Some of these pipes appear nearly as fossilized as the fuel they transport. This summer's tragic accidents underscore the potential danger they present if not properly maintained.

Here, as with the BP disaster, it is critical that we unearth the causes of these accidents and hold the responsible parties fully accountable. Just as important, we must reexamine and strengthen our laws to ensure that accidents like these do not happen again. Now is the time for that discussion, as the Federal pipeline safety law is due for renewal this year, a duty that this committee and subcommittee shares with the Transportation and Infrastructure Committee. That is what today's hearing is about.

We are grateful to have before us Congressman Mark Schauer in whose district the Marshall spill occurred. He has been heavily involved in response to the Marshall spill. He is also the lead sponsor of H.R. 6008, the Corporate Liability and Emergency Accident Notification, or CLEAN Act, a bipartisan pipeline safety bill cosponsored by our ranking member, Fred Upton from the State of Michigan, and others that the House will vote upon today.

We will hear from the head of the Pipeline and Hazardous Materials Safety Administration, the Federal agency in charge of pipeline safety regulation, about the recent accidents and the

Obama administration's proposal to strengthen the Federal pipeline safety law.

We also welcome the Vice Chairman of the National Transportation Safety Board, which is responsible for investigating the recent accidents in Michigan, California, and elsewhere.

We will hear from Steve Wuori, the man in charge of Enbridge's pipeline operations and its response to the Marshall and Romeoville spills. In addition to these two accidents Enbridge has had over 160 pipeline incidents since 2002. Enbridge has had over 200 -- over 160 pipeline incidents since 2002 and was recently fined \$2.4 million for a 2007 accidents in which two workers were killed. I trust that the subcommittee will have many questions for Mr. Wuori.

Finally, we will hear from the Pipeline Safety Trust, which seeks to improve pipeline safety and from the three major trade associations representing pipeline owners.

I look forward to the testimony of our distinguished witnesses. I thank all of the members for their participation. I now turn to recognize the ranking member of the subcommittee, the gentleman from Michigan, Mr. Upton.

Mr. Upton. Thank you, Mr. Chairman. I appreciate having this hearing today, which perhaps will be the last of this Congress, so we will see.

Pipeline safety is an issue that is certainly important to

every community in our country. The U.S. currently has over 200,000 miles of oil pipelines and 260,000 miles of natural gas pipelines, an often unseen underground labyrinth that allows our communities to function and prosper. The safety security and integrity of this infrastructure is of the highest importance to our Nation and certainly worthy of this committee's oversight. Unfortunately, as southwest Michigan recently found out firsthand, communities cannot fully appreciate the importance of pipeline safety until something goes wrong, and in our case it was an 800,000-gallon pipeline leak.

We are still waiting on answers. It is vital that we receive the answers promptly from the Department of Transportation's Pipeline and Hazardous Materials Safety Administration, as well as Enbridge, regarding the Michigan spill. We must continue to work aggressively to ensure that there are no delays at the Federal level.

Thankfully, the emergency response was swift and decisive. Our local emergency responders and volunteers certainly stepped up to the plate, and I commend them on the wonderful job that they continue to do.

Pipelines are the arteries of our Nation's energy infrastructure. Through our hundreds of thousands of miles of pipelines we transport the energy that fuels our economy, heats our homes, and powers our daily lives. Unfortunately, recent accidents have thrust this vital infrastructure into the headlines

for the wrong reasons and perhaps highlighted the need for safety reassessments.

Given the vast size of our pipeline system and the limited resources at our disposal, it is imperative that safety inspections and regulations are as efficient and as productive as possible.

While today's hearing is rightly focused on oversight issues, attention should also be given to allocating these finite resources in a more cost effective and efficient manner to assure that we maximize our safety efforts.

Legislation has to be sensible and improve safety rather than impose arbitrary mandates that sometimes increase costs and only creates the appearance of safety.

As we are not too long away from adjournment, I hope an issue as important as PHMSA reauthorization goes through the regular and proper order rather than being jammed through a lame duck session which may only be a day or two.

This committee does have a vital role to play in the legislative process. This issue is certainly worthy of more than just one hearing. Just ask the folks in southwest Michigan. They will tell to you get the job done right to protect our communities.

Again, pipeline safety is an important bipartisan issue, and I look forward to hearing from our witnesses today on the issues. I yield back the balance of my time.

Mr. Markey. I thank the gentleman very much. We recognize the gentleman from Washington State, Mr. Inslee, for an opening statement.

Mr. Inslee. Thank you. One of the great painful things is to see these tragedies repeated. We had a horrendous incident in Bellingham, Washington on June 10, 1999, where a pipeline explosion killed three young men, and I got to know the families quite well and they were courageous people who helped Congress fashion at least one approach to try to improve pipeline safety. So to continue to see other families suffer from the failure of the industry to adequately inspect and maintain the lines is deeply painful.

I think the frequency of these events clearly call on us to review additional action. I will just mention two things that I think we ought to at least listen to people about, and that is the rate and type of inspections in non-dense, non-urban areas, which still can be dangerous; second, whether there are additional types of testing that we ought to be talking about.

During our original debate in 2000 and later than that we talked about the benefits of hydrostatic testing, to actually exposing pipelines to pressure with water in them that can be a built-in suspenders approach. I think this is something we have to consider.

Thank you, Mr. Chair.

Mr. Markey. I thank the gentleman. The chair recognizes the

gentleman from Texas, Mr. Burgess.

Dr. Burgess. Thank you, Mr. Chairman, and thank you for having the hearing today. It is certainly an important one for this committee to hold.

For several months we have actually watched as other committees held hearing after hearing on pipeline safety, chipping away at the jurisdiction that rightfully belongs in this committee. Pipeline safety is a matter of energy policy, and it is crucial to what we do here.

The events in Michigan and California have been tragic reminders that safely maintaining our Nation's energy infrastructure is an ongoing process and we must be diligent in protecting the lives in and around those pipelines.

It is true in many areas of the country, including my backyard in north Texas, civilization is encroaching on pipelines just as pipelines are encroaching on civilization. Homes are being built closer and closer to the infrastructure that was laid decades ago in what used to be rural areas. Now the population has increased and urban density is forcing people to move further and further into the country, and pipelines that were once miles from anywhere are suddenly right beneath residents' backyards.

More and more people require natural gas. It is one of the cleaner fuels on the market. And more pipelines and infrastructure will be needed to meet that demand. What is not clear how to best move forward with regulating this increased

infrastructure.

Some on this committee are calling for new Federal regulations as we revise and reauthorize the existing pipeline statute. Certainly that might be required, but investigations into the pipeline explosions are still months from being completed, and perhaps they will have some useful data to share with us at some point and perhaps we should look at that.

We see this time and again with this committee. We never let a crisis go to waste, but not all regulations need to be at the Federal level. A consortium of mayors in my district collaborated on a pipeline best practices guideline. Mr. Chairman, I would like unanimous consent to insert into the record --

Mr. Markey. Without objection, it will be so included.

Dr. Burgess. -- the pipeline best practices developed by the mayors of Denton and Dish, Texas, Argyle and Bartonville.

[The information follows:]

***** COMMITTEE INSERT *****

Dr. Burgess. We don't want to be continuing to study a problem when another crisis occurs. But we are also obligated to get the correct regulations.

So, Mr. Chairman, I am glad we are here today. We need to be looking into what is causing these explosions. Is it just a coincidence that the incidents have occurred within a short span of each other or is there a fundamental flaw in how we monitor and design our pipelines? We need firm answers to questions like these in order to best know how to move forward with balancing our need for increased clean energy with the health and lives of those who live so close to the energy infrastructure.

I thank you for the courtesy and I will yield back the balance of my time.

Mr. Markey. The gentleman's time is expired. The chair recognizes the gentleman from North Carolina, Mr. Butterfield.

Mr. Butterfield. Thank you. I too want to thank you for convening this very important hearing and thank the witnesses for their testimony today.

Mr. Chairman, I am going to talk as quickly as I can. We just got notice that we may be having votes in just a few minutes.

Let me extend my sympathies to the families of those who lost their lives in San Bruno in the pipeline explosion. It was a terrible tragedy by any estimation. Hopefully it will focus our discussion and make us more exact in the pursuit of good policy.

In addition to the San Bruno PG&E explosion, the two Enbridge spills this year certainly demands this body's attention. This is an issue that effects nearly every Member of this body as the millions of miles of pipeline in this country are literally in our constituents' backyards. We have a responsibility to guarantee that the rules that these companies operate under are sufficiently crafted to maintain the integrity and safety of the pipelines and to protect our communities from environmental disaster or even death.

I am particularly interested in the testimony of the Administrator. The latest incident suggests the pipeline safety program is in need of serious attention. I look forward to her suggestions on how to improve this program.

I yield back.

Mr. Markey. The gentleman's time has expired. The chair recognizes the gentleman from Pennsylvania, Mr. Pitts.

Mr. Pitts. Thank you, Mr. Chairman. Thank you for holding this important hearing on pipeline safety oversight and related legislation.

Like all of us, I believe that it is critical to ensure the safety and security of our Nation's pipelines. The tragic events in San Bruno, California, and the Enbridge incident highlight the high stakes and potential consequences of the faulty lines.

In my congressional district there are several natural gas pipelines that run through beautiful countryside and in close

proximity to neighborhoods. It is of the utmost importance to me that these pipelines are functioning safely and effectively.

The safety of the 2-1/2 million miles of natural gas and hazardous liquids pipelines in the United States is overseen by the Pipeline and Hazardous Materials Safety Administration. The pipeline safety statute, which is generally reauthorized every 4 years, is up for consideration this year. Clearly ensuring the safety of our pipelines is a bipartisan issue, and I want to work with my colleagues on the other side of the aisle on prudent regulations. We need clear regulations and robust safety standards.

Before we legislate I think it is important to first learn the facts about what happened in California and Michigan so we know what steps to take. We want to ensure that we are prudently legislating and addressing issues that will contribute to reliable and secure pipelines which deliver their products to American households and businesses every day.

I look forward to hearing from our witnesses today, and thank you and yield back.

Mr. Markey. We thank the gentleman. The chair recognizes the chairman emeritus of the Energy and Commerce Committee, the gentleman from Michigan, Mr. Dingell.

Mr. Dingell. Mr. Chairman, thank you for your courtesy and thank you for holding this hearing today.

Pipeline safety is a most serious issue, and I commend you

for your attention to this matter. This has been a matter of concern to this committee for a long time. For years pipeline safety was largely disregarded by the executive branch no matter who happened to control that particular part of our government, and it was only after this committee interested itself very vigorously in these matters that the matter began to be set aright.

If my colleagues will remember, we had a number of years of difficulty during which this committee had a vigorous duel with the industry to see to it that we finally came to something that would in fact assure the necessary protections to the American public.

Pipeline failure can take many forms. It can be an explosion that comes close to reminding one of an atom bomb, or it can be a slow leak, or it can be something which pollutes and contaminates our waters and our lands. It can have an enormously destructive effect to humans, wildlife, the environment, and indeed to all the things that we care about.

I am particularly pleased that our good friend and colleague, Mr. Schauer, is here before us today. He is an extremely valuable member of the Michigan delegation and serves Michigan Seventh Congressional District just to the west of the district that I have the honor to serve. He serves his district with distinction and honor and has particular concern about the events associated with pipeline failure because of the enormous consequences that a

recent failure has had in his district.

I also would like to welcome an old friend of mine, former member of the staff of this committee, our good friend Rick Kessler, who, as many will remember, used to staff this committee on these very issues.

In late July, Enbridge's pipeline known as 6B ruptured just south of Marshall, Michigan. The end result of the rupture was the release of nearly a million gallons of crude oil, which flowed into the Kalamazoo River, a tributary of Lake Michigan.

Again, on September 9th Enbridge reported a second pipeline spill, this time in Illinois. This time 256,000 gallons of oil were released before the pipeline was shut down. On the same day a natural gas pipeline operator by PG&E exploded in San Bruno, California. Like far too many pipeline explosions over the years, this one saw the tragic loss of life.

I have spent much time over the years on this issue of pipeline safety. We, and I mean this committee, have made tremendous improvements, and we have been able to do so in a bipartisan manner. I am pleased to be a cosponsor of Mr. Schauer's bill, which is scheduled for floor consideration on the suspension calendar today. This legislation moves the ball forward some more.

The common sense legislation does three simple and necessary things: One, a company must report a leak within an hour of discovery; two, increases fines for failure to report; three,

requires DOT to maintain a searchable database of all reportable accidents and incidents involving hazardous liquids. I think we should strongly support this legislation, but I want to make it clear it is no replacement for reauthorization and reform of the Pipeline Safety Act.

I am still concerned about the historically lax enforcement by the Pipeline and Hazardous Safety Material Administration. I look forward to hearing from PHMSA about their actions with regard to the aforementioned incidents.

The Department recently released a draft proposal for reauthorization. It is quite possible this is a good starting point, but it is also something which must be carefully scrutinized to see whether it meets the needs of the country.

As currently goes on, only about 7 percent of natural gas pipelines are subject to integrity management programs that this committee put in place in 2002, clearly insufficient. The administration draft does nothing to address this matter. The granting of waivers remains all too real a possibility. The draft lacks sufficient improvements to the matter of inspections and repairs. It does nothing to address the issues that we should have dealt with years ago, including remote shut-off valves for natural gas and making pipelines more able to accommodate smart pigs, which is still the best technology for addressing the question of pipeline safety.

I look forward to hearing from our witnesses today, Mr.

Chairman, and I look forward to working with you and my colleagues on the committee for reauthorization that will make further needed and significant improvements to the law. Thank you, Mr. Chairman.

Mr. Markey. We thank the gentleman. The chair recognizes the gentlelady from California, Ms. Matsui.

Mr. Matsui. Thank you, Mr. Chairman. Thank you for calling today's hearing, and I would also like to thank the witnesses for appearing before us today.

The recent explosion that devastated the San Bruno neighborhood captured the Nation's attention. It was hardly the first tragedy involving a PG&E natural gas pipeline in northern California. I want to express my sympathy to the families of those who lost their lives, their homes, and the many who were injured.

I will never forget being alerted on Christmas Eve 2008 about another natural gas pipeline leak that caused an explosion and a fire in Rancho Cordova, California that killed one of my constituents Wilbert Pena and hospitalized five others.

As the NTSB and the California Public Utilities Commission continue their investigations into the cause of the San Bruno incident, it is critical that we ensure that the pipeline safety program protects consumers and meets the needs of our Nation's energy requirements. Failure to take the necessary steps to do so will significantly endanger our public health and our economy.

As oversight of pipeline safety and security continues, we

should question the manner in which safety corresponds with ongoing efforts to secure the nearly half a million miles of oil and natural gas transmission pipeline nationwide and other infrastructure. It is also important that we examine the effectiveness of existing regulatory authorities and the current pipeline safety regulations and enforcement mechanisms.

This committee is well positioned to scrutinize these matters and has already received a proposal from the administration suggesting ways in which we might address them.

I look forward to hearing from the panelists today and working with the committee's stakeholders on these important endeavors. I thank you, Mr. Chairman. I yield back the balance of my time.

Mr. Markey. Thank you. We thank the gentlelady. The chair recognizes the gentleman from Illinois, Mr. Shimkus.

Mr. Shimkus. I will waive for questions, Mr. Chairman.

Mr. Markey. The chair recognizes the gentleman from Florida, Mr. Stearns.

Mr. Stearns. Thank you, Mr. Chairman, and thank Ranking Member Upton for calling this important hearing, examining the recent oil and gas pipeline accidents in Michigan and California as well as the pipeline safety legislation that is being proposed by the Obama administration.

The development and distribution of our oil and natural gas resources is vital to our economy, and transporting these fuels

through pipelines remains the safest means of distribution to families and businesses throughout this country. However, recent pipeline failures have highlighted a catastrophic effect a release can have on a community and the environment.

In July, Enbridge reported the rupture of a 30-inch pipeline resulting in the release of 800,000 to 1 million gallons of oil that contaminated nearby creeks and rivers before being contained.

Enbridge also reported a second incident on September 9th, which they estimated released over 256,000 gallons of oil before the pipeline was shut down. On the same day a 30-inch natural gas pipeline operated by PG&E exploded in San Bruno, California, resulting in a fire that took the lives of at least seven people and injured dozens more.

In all three cases the National Transportation Safety Board has instigated a safety investigation to determine what went wrong. The investigators have stated it could take up to 18 months for a full report to be released. So I believe we owe it to the families and those killed in the explosions and those affected by the Enbridge leaks to fully understand what caused the leaks and how best to mitigate the risk of another disaster. Proceeding with legislation without all the facts will only serve to give a false sense of security to anyone who lives near an oil or natural gas pipeline without addressing the actual causes of these disasters.

So, Mr. Chairman, thank you for calling this hearing. I look

forward to the testimony from the witnesses.

Mr. Markey. We thank the gentleman. The chair recognizes the gentleman from California, Mr. McNerney.

Mr. McNerney. Well, thank you, Mr. Chairman, for convening today's hearing.

Everyone from California was shocked and saddened by the tragedies at San Bruno, and our thoughts and prayers are with the victims and their families. I am closely monitoring the ongoing response efforts and will hold all parties accountable for any actions or omissions that contributed to this horrible accident.

Today's hearing is an important opportunity to investigate the causes of this and similar disasters and how we can prevent this kind of occurrence from happening again. I am grateful for the opportunity to hear from today's witnesses and evaluate legislative proposals that could improve the safety of pipelines.

I commend Representative Schauer for working across party lines to develop the CLEAN Act, and I also thank Ranking Member Upton for his commitment to a bipartisan process on this matter.

I also hope to hear from today's witnesses about the evaluation, about their evaluation of the administration's proposal to reauthorize pipeline safety regulation legislation. We should closely analyze this proposal and continue working in a bipartisan fashion to achieve a high quality reauthorization bill.

With that, Mr. Chairman, I yield back.

Mr. Markey. I thank the gentleman. The chair recognizes the

ranking member of the full committee, the gentleman from Texas, Mr. Barton.

Mr. Barton. Thank you, Chairman. I am going to put my statement in the record and just say that we appreciate you holding this hearing. It is very important.

We have historically operated in a bipartisan fashion on the reauthorization of the Pipeline Safety Act, and I hope that this is not an exception.

I want to give special recognition to one of our witnesses, Andy Black, who used to work for the committee, and before that worked for me on my personal staff. He is one of our witnesses this afternoon and we welcome the hearing and welcome hopefully a bipartisan effort to reauthorize a very important piece of legislation.

[The prepared statement of Mr. Barton follows:]

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Mr. Markey. We thank the gentleman very much, and one of my former staffers, William Meyer, is out in the audience. I would like to recognize him. And any of the other members that want to recognize anyone who used to work for them out in the audience, I think you should be able to do that as well.

Let me turn now and recognize the gentleman from Texas, Mr. Green.

Mr. Green. Thank you, Mr. Chairman. I have no former staffers in the audience as I can tell. I want to thank you for holding the hearing today and I welcome our three panels. I appreciate the opportunity to discuss this important issue, in particular Congressman Schauer's H.R. 6008, the Corporate Liability Emergency Accident Notification Act, and the administration's legislative proposal for reauthorization of the pipeline safety statute that was presented to Congress last week.

The recent leaks in Michigan, Illinois, and then the tragic explosion in San Bruno, California, remind us of the importance of maintaining a safe pipeline system, and my thoughts and prayers go out to the families and friends of those tragically lost in San Bruno.

As we consider these proposals, I ask we keep in mind that transporting our fuels through pipelines is the safest, most reliable, economically and environmentally friendly way to transport fuels. Our job and Nation's job, industry's job is to

ensure that this transport is as safe as it can be, and we all agree that one leak is one leak too many.

I am concerned that it has taken three accidents for Congress and the administration to look at this important issue, even with the current law up for the reauthorization. As such, we are now in a situation where we are moving to deal with very serious legislation such a few short legislative weeks, all the while investigation results on three leaks are still coming in.

I appreciate the comments from our panelists on both these proposals and then their take on the status of our pipeline infrastructure at large.

I come from an area where I have lived along pipeline easements literally my whole life, and it is part of our life in my area, and so we take pipeline safety very seriously in our community.

Again thank you, Mr. Chairman. I look forward to the testimony of our witnesses.

Mr. Markey. We thank the gentleman. The chair recognizes the gentleman from Louisiana, Mr. Scalise.

Mr. Scalise. Thank you, Mr. Chairman.

First, I would like to also extend my deepest condolences to the families and friends of those who lost their lives in California as a result of the explosion in San Bruno.

I appreciate the opportunity to discuss the important issue of pipeline safety today. I look forward to hearing the panel and

welcome our colleague from Michigan.

In my home State of Louisiana, tens of thousands of miles of pipeline crisscross throughout the State and provide critical energy resources, not just to Louisianians but also to the rest of the country.

While transport by pipe is still the safest way to get our energy supplies from one place to another, it is imperative that we continuously review and improve our inspection systems and work with industry officials at all levels of government to keep our communities safe from accidents.

I am committed to working with my colleagues to ensure that strong inspection and enforcement laws are on the books as we consider the reauthorization of our pipeline safety laws. However, as we consider reauthorization and as we continue to investigate the causes of both the San Bruno explosion and Enbridge incident in Michigan, we must be very deliberate to make sure that any changes we make to current laws actually improve safety, and we must avoid acting hastily on changes that may leave us more vulnerable to accidents and disasters.

Of course, in my home State of Louisiana we are experiencing this directly. As a supposed answer to the BP oil explosion in the Gulf of Mexico, the President came and put an arbitrary ban on all Outer Continental Shelf drilling, which actually, according to the President's own scientists, reduces safety of drilling in the Gulf and actually leaves us more vulnerable to oil leaks because

70 percent of all the leaks of oil come from oil that is imported on tankers. And so that was a bad policy, that was a wrong reaction to the tragic disaster in our State, and hopefully as we move forward we do it in a much smarter way that actually addresses the problem.

So thank you. I look forward to hearing from the panel, and I yield back.

Mr. Markey. We thank the gentleman. Our final opening statement is from the congressman from Utah, Mr. Matheson.

Mr. Matheson. Thank you, Mr. Chairman. I will be brief. I know we have votes coming up on the floor.

The tragedy in the Gulf and these recent series of oil and natural gas pipeline accidents are unfortunate reminders that we always need to be vigilant in oversight of our energy infrastructure in this country and we should always be evaluating the effectiveness of our current safety laws and regulations.

The incident in Utah when a Chevron pipeline burst in Salt Lake City ultimately leaked 33,000 gallons of oil into Red Butte Creek, which runs through downtown Salt Lake and eventually empties in the Great Salt Lake. In this case fortunately no lives were lost and the oil was basically contained before it get to the Great Salt Lake. But it raises similar questions to a number of these recent accidents referred to in the hearing that need to be addressed.

Right now the cause of the Salt Lake leak that has been

reported in the press is that a tree branch fell during a heavy windstorm, hit a power line, which created an electric arc, which hit a metal fence post, and that fence post happened to be driven into the ground just inches away from the oil pipeline. The electrical arc burned a small hole in the pipe through which the oil leaked. So this raised an important question, why was a fence post within inches of the pipeline?

In addition, it appeared that the monitoring equipment on the pipeline failed to indicate there was a leak for several hours after the leak started, 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 an important question about how effective pipeline monitoring equipment is.

Now the 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 do I hope the Administrator can speak later in this hearing to the general investigation process and whether questions related to over pipeline integrity, adequacy of current pipeline inspections and how thorough industry is being in their pipeline integrity plans will be addressed in the report and reports on the accidents in Michigan, Illinois, and California, if it turns out some of the factors contributing to the leaks are poor pipeline integrity management plans, inadequate pipeline patrol and inspections, particularly in high population areas, and faulty leak detection equipment, and I look forward to working with my colleagues to

ensure the steps are taken to resolve these issues through pipeline safety reauthorization.

Mr. Chairman, with that I will yield back.

Mr. Markey. We thank the gentleman very much. That completes all time for opening statements of members.

Now, Congressman Schauer, you are our opening witness, but there are only 5 minutes left to go before the roll call is on the floor. We give you the option. You can give us your condensed kind of 3-minute summary or you can come back and do the more extended version. I leave it up to you.

We recognize then Congressman Mark Schauer, within whose district the Enbridge spill occurred. Since July he has been a leader on the legislation, along with Mr. Upton, to deal with that catastrophe. We yield to you 3 minutes.

**STATEMENT OF THE HON. MARK SCHAUER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MICHIGAN**

Mr. Schauer. Thank you, Mr. Chairman, Ranking Member Upton, all members of the subcommittee.

Enbridge Energy Partners is the largest oil pipeline company in North America; 286 miles of its lakehead system flows through Michigan through Line 6B.

On July 15th, 2010, 10 days before this incident occurred in Marshall, Michigan, their Vice President told the Transportation and Infrastructure Pipelines and Hazardous Materials Subcommittee

that their response time for release in incidents can be almost instantaneous, and our large leaks are typically detected by our control center personnel.

You will hear from the NTSB, they will walk you through timeline. Thirteen hours of alarms were occurring in Edmonton, Alberta, at their control center. Their leak detection system failed. Finally, after 911 calls in the local community on the gas odor, 11:00 a.m. the next morning another local utility company informed Enbridge that heavy crude oil was leaking into Talmadge Creek. Soon after Enbridge began lowering boom in Talmadge Creek, but it took almost 2 hours later before the National Response Center was called.

Every second counts in an incident like this, and nearly 1 million gallons of heavy crude oil was spilled into the Kalamazoo River.

My good friend and colleague, your ranking member knows full well and can explain the fear of this oil heading to a lake which is an EPA Superfund site with PCBs. The cause of this spill, a 6-1/2 foot tear in a 41-year old carbon steel pipe, 30 inches in diameter.

This incident should never have occurred. Since 2007 Enbridge has been aware of 390 anomalies; 329 went unfixed. That is unacceptable. That is what regulation will hopefully fix.

In the remaining time let me touch on the CLEAN Act. This bill would 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 1 hour after the discovery of an incident. The CLEAN Act will also increase current fines if a spill is not reported immediately to the National Response Center.

Additionally, my bill seeks to increase transparency by directing the U.S. Department of Transportation to create a searchable public database of all reportable hazardous liquid incidents.

Mr. Chairman and Ranking Member Upton and members of the subcommittee, thank you for holding this hearing. It is my sincere hope that with proper standards and oversight for pipeline inspections and repairs, leak detection and spill reporting, we can work toward preventing such devastating spills and protect the safety of our communities and our environment.

Thank you.

[The prepared statement of Mr. Schauer follows:]

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Mr. Markey. Thank you, Congressman Schauer, for your historic work. You and Congressman Upton have demonstrated bipartisanship at its highest level in the production of this legislation. We thank you for your testimony.

We are going to stand in recess while we cast these 5 votes on the House floor and then we will come back to hear from our witnesses. The subcommittee stands in recess.

[Recess.]

Mr. Markey. Welcome back to the Subcommittee on Energy and Environment.

Our next witness is Cynthia Quarterman. Ms. Quarterman is the Administrator for the Pipeline and Hazardous Materials Safety Administration, also known as PHMSA. Got that, everybody listening? You are going to hear PHMSA for the next hour or so. So that is the Administrator for Pipeline and Hazardous Materials Safety Administration, PHMSA.

Prior to her nomination, Ms. Quarterman was a partner in the law firm of Steptoe & Johnson and a member of the Obama administration transition team at the Department of Energy. We welcome you, Administrator Quarterman. Whenever you feel ready, please begin.

**STATEMENTS OF THE HON. CYNTHIA L. QUARTERMAN, ADMINISTRATOR,
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION; AND THE
HON. CHRISTOPHER A. HART, VICE CHAIRMAN, NATIONAL TRANSPORTATION
SAFETY BOARD**

STATEMENT OF THE HON. CYNTHIA L. QUARTERMAN

Ms. Quarterman. Thank you. Chairman Markey, Ranking Member Upton and Members of the Committee, thank you for the opportunity to appear today and discuss the oversight responsibilities of the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration and the Obama administration's legislative proposal for the Department's pipeline safety program.

Before I discuss these topics, I would like to extend my sincere condolences to the families of all of those whose lives were forever changed by the September 9th Pacific Gas & Electric pipeline failure in San Bruno, California.

Last week I joined PHMSA investigators on the scene in San Bruno, supporting the efforts of the NTSB and the California Public Utility Commission. I saw firsthand the devastating impact this incident is having on that community. Incidents such as this and the recent oil pipeline failure in Marshall, Michigan, must not happen.

As the sole Federal agency with regulatory oversight for the safety of pipelines, we must do our part to keep communities free of risk and exposure to pipeline failures and enhance public confidence in the safety of the Nation's energy pipelines. To ensure safety is not only the Department's top priority, but also the top priority of those we regulate.

Secretary LaHood unveiled a legislative proposal last week that would strengthen the Department's regulatory oversight capabilities for pipelines. The proposal is designed to hold all operators accountable for operating their pipelines in a safe and environmentally sound manner.

Among other things, the proposal would ways the maximum penalty for the most serious violations from \$1 million to \$2.5 million. It would authorize 40 additional Federal inspection enforcement experts over the next 4 years. The legislative proposal will also complement additional regulatory initiatives under development to continue to improve pipeline safety.

Specifically, PHMSA is considering identifying additional areas along pipelines that should receive extra protection; establishing minimum requirements for point-to-point leak detection systems for all pipelines; and requiring the installation of emergency flow restricting devices that would isolate leaking pipeline sections, minimizing the amount of product released, among other initiatives.

Mr. Chairman, ensuring the safety and reliability of the

Nation's hazardous liquid and natural gas pipeline network is an enormous task. The recent pipeline failures in California and Michigan show that prompt passage of this legislation is more important than ever.

The Department and PHMSA look forward to working closely with you and the other members of the subcommittee to ensure the Nation's pipeline network is safe, reliable, and subject to the most stringent oversight feasible.

Thank you. I will be pleased to answer any questions you might have.

[The prepared statement of Ms. Quarterman follows:]

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Mr. Markey. Thank you very much.

Our next witness is Christopher Hart, who is the Vice Chairman of the National Transportation Safety Board, which will be known henceforth as the NTSB, not to be confused with PHMSA, for those who are watching on C-SPAN.

He served As Deputy Administrator of the National Highway Traffic Safety Administration, Deputy Director for Air Traffic Safety Oversight at the FAA and has had a very distinguished career.

Mr. Hart, we welcome you. Whenever you feel comfortable, please begin.

STATEMENT OF CHRISTOPHER A. HART

Mr. Hart. Thank you. Chairman Markey, Ranking Member Upton, members of the subcommittee, I join in also thanking you for the opportunity to address you today on the reauthorization of the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration, or PHMSA.

I would start, on behalf of NTSB, to express our condolences as well to the friends and families of those who suffered in these incidents we will be speaking about.

As you know, the National Transportation Safety Board investigates accidents to determine the probable cause and makes recommendations to prevent recurrences, and some of those recommendations go to regulatory agencies such as PHMSA. So thank you for inviting us today to talk about our recommendation history with PHMSA.

PHMSA has made significant improvements in the past 5 years, many of which have been guided by the Pipeline Safety Improvement Act of 2002 and the PIPES Act of 2006. In addition, they have been fairly responsive to the Safety Board's recommendations. In particular, since 2002 we have issued 24 recommendations to PHMSA, and only nine of those remain open and only one from prior to 2002.

Their more notable accomplishments in recent years include

Integrity Management Program regulations for various types of pipelines, regulations for improved education among regional emergency response agencies and the public, and implementation of the 811 One-Call System for excavation.

We do have some remaining concerns, however; for example, regulation of low stress pipelines. Our bottom line is that regulations should be based primarily upon the level of risk that the pipeline poses to the public and to the environment. PHMSA has made some good progress in recent rulemakings in that direction, but there are still many types of pipelines that are not addressed and not regulated that pose risk that are comparable to pipelines that are regulated.

In addition, the integrity management programs, there already are integrity management programs for transmission lines, but the PIPES Act expands that to include distributions lines, and that requires some different techniques and we are looking at some of those different techniques. Also, one of the things that is important to that is excess flow valves. We had an example in nearby South Riding, Virginia in 1998 regarding a gas pipeline explosion in a residence due to not having any excess flow valve. So the PIPES mandates excess flow valves for single family residences, but we recommend that it also apply to apartments, other multifamily dwellings, and commercial properties.

And last but not least, the oversight of integrity management programs, we think it is very good that operators have flexibility

and responsibility to develop their own integrity management programs because one size doesn't necessarily fit all, but what that does is it creates an enormous responsibility for the operator to scrutinize whether the program is effective, identify areas where it is not sufficiently effective and need improvement, and implement corrections.

PHMSA, on the other hand, must determine that operators are implementing and correcting the programs as needed. So it is a good system, but it imposes huge responsibilities on both the operators and PHMSA, and we have examples where that process broke down.

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[4:05 p.m.]

Mr. Hart. In Kingman, Kansas, it broke down because the operator didn't include the leak history in prioritizing which pipelines to inspect. We have other examples in Carmichael, Mississippi, in 2007 and in Palm City, Florida, in 2009 where the process broke down. So that is very important as to keep that process going.

Since June, the Safety Board has been involved in investigating four pipeline accidents, and you have already heard reference to all of them. Two weeks ago, the 30-inch natural gas transmission pipeline exploded in San Bruno, California, killing at least seven and destroying many of the surrounding homes. I accompanied our investigators to San Bruno as the Board member on the scene.

The 28-foot section of pipe that you see in this picture was thrown 100 feet from where it was buried in the ground. We have transported that section here to D.C. where it will be tested in the metallurgy labs. The other picture you see is the pipe underground from which that pipe was blown.

Also in this month, a crude oil pipeline operated by Enbridge ruptured in Romeoville, Illinois, and we have begun to investigate that event. And the previous event in July, the reason it got as

much attention as it did was because of the previous event in July of the same company, a 30-inch diameter crude oil pipeline also operated by Enbridge that ruptured in Marshall, Michigan, that we are hearing about much today that spilled as much as 1 million gallons of oil into the Talmadge Creek and the Kalamazoo River. So pipe sections from both of those are also transported to D.C.

So while our investigations are still underway we expect that they may focus on several areas that we will look at, the control of the pipeline, the pipeline operators, the notification after the emergency, the response, a number of areas that we will be looking at.

So we have had a good relationship, working relationship with PHMSA. They are generally responsive to our recommendations. We look forward to working with them in addressing these areas of concern that I have mentioned.

Thank you, and I would be pleased to take any questions.

[The prepared statement of Mr. Hart follows:]

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Mr. Markey. Thank you, Mr. Hart, very much. I ask unanimous consent to include in the record a statement from the American Public Gas Association and a letter from the Sierra Club and other environmental organizations. Without objection, so ordered. And I ask unanimous consent that all members have 5 days to include in the record their opening statements which they might not have had an opportunity to make this afternoon.

[The information follows:]

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Mr. Markey. The chair now recognizes himself for a round of questions.

Vice Chairman Hart, is the NTSB investigating whether there were any alarms or other indications of a problem in Enbridge's Line 6B prior to 5:58 p.m. on July 25?

Mr. Hart. Yes, we are looking in great detail at the timeline because that is an important aspect of our investigations, how quickly did the operator become aware of the problem and how quickly did they respond to the problem. That one is perhaps partially complicated by the fact that the pipeline was in the course of a scheduled shutdown at the time, and that may complicate the detection and response. But we are looking at that issue in great detail.

Mr. Markey. Vice Chairman Hart, it has been reported that PG&E's gas line that ruptured in San Bruno, California, was unusual in that it had a longitudinal seam and numerous wells, indicating that it was made from multiple smaller sections of pipe.

What is the potential significance of this fact, and what do we know about how common this type of pipe may be in PG&E and other pipe systems?

Mr. Hart. The piece of pipe that was shipped back to D.C. is a piece of pipe that contains those multiple sections you are talking about. It appears that there were multiple sections

because the pipe was negotiating a curve at that point and the multiple sections are the slightly slanted sections that were welded together to negotiate that curve. So that is one of the things we will be looking at in the metallurgy lab is to look to see whether those welds were compromised in the course of this event.

Mr. Markey. Thank you.

Administrator Quarterman, some industry groups are lobbying against H.R. 6008, the bipartisan CLEAN Act sponsored by Representative Schauer and Ranking Member Upton. They say that the bill would require pipeline operators to report a spill based on just the rumor of a spill, but the bill only requires reporting within 1 hour of the discovery of the spill.

Aren't they misleading Members of Congress about what this bill does?

Ms. Quarterman. Mr. Chairman, in the body of my written testimony, you will see that the administration is supporting the CLEAN Act and it is consistent with our current requirements that we be notified about an incident or the NRC be notified within an hour or two of the discovery of an incident.

Mr. Markey. Administrator Quarterman, in the case of the Marshall spill, nearly 20 hours went by between the time when Enbridge received the first alarm on its system and when it discovered and reported the leak. I recognize that you can't speak to the Enbridge spill specifically. But isn't it clear that

we need to establish mandatory standards to improve leak detection now? Will you commit to promulgating such standards within the next year?

Ms. Quarterman. Mr. Chairman, I mentioned in my opening statement that the administration in complement to the piece of legislation that was offered is working on a regulatory proposal, an Advanced Notice of Proposed Rulemaking, which we hope to have out within the next few days that addresses several questions to leak detection issues.

I think one question that we will be asking is whether we should put in place a particular standard that all companies have to meet across the Board. Currently, it is subject to the discretion of the individual companies to determine what the appropriate leak detection system is. We want to put in place a hard standard.

Mr. Markey. Administrator Quarterman, it seems to me like simple common sense that your agency should retain and make public the oil spill response plans that pipeline operators are required to prepare. Why doesn't the agency do that now? And are you going to commit to changing that as soon as possible?

Ms. Quarterman. We do retain copies of the oil spill response plans. They have not been made public for no particular reason. I think they have probably not been made public because there hasn't been much of a request for it. We certainly have no problems with providing those publicly.

Mr. Markey. And they will be retained?

Ms. Quarterman. And they will be retained, yes.

Mr. Markey. The industry groups testifying today have argued against extending integrity management requirements beyond high consequence areas limited to population centers and ecological reserves.

Isn't it true that spills outside of high consequence areas can and do have serious impacts on human health and the environment?

Ms. Quarterman. Of course they do. In our legislative proposal, there is a provision that we should do a report about what the next steps should be with respect to the integrity management rule and in specific how it is dealt with with respect to high consequence areas. In addition to that, in our regulatory initiative, we will be asking questions about whether the definition of a high consequence area is adequate, and as well as whether or not the repair criteria that are in place for the high consequence area should be extended to all areas that have been subject to an inspection.

Mr. Markey. And finally, the industry groups testifying today have argued against the administration's proposal to eliminate the blanket regulatory exemption for gathering lines. Can you expand on why you are seeking to gain authority, to regulate at least some subset of gathering lines?

Ms. Quarterman. Well, I think it is important for the public

to know that all pipelines, hazardous liquid pipelines that exist in this country are subject to someone's regulatory authority. Right now there are primarily two exceptions or exemptions in the law. One is for production-related facilities or refinery facilities. And those are being regulated by different entities.

With respect to gathering lines, some of them may be regulated. Some of them may not. We want to ensure that we know that those lines are subject to somebody's authority.

Mr. Markey. Okay. Thank you. And what percentage of pipeline incidents caused by excavation are caused by State or local agencies or railroads that are exempt from "call before you dig" requirements?

Ms. Quarterman. That number I will have to get for you. I don't know it off the top of my head.

[The information follows:]

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Mr. Markey. We would appreciate that. The chair's time has expired. I will turn and recognize the ranking member, Mr. Upton.

Mr. Upton. Thank you, Mr. Chairman. Thank you both for testifying. And although we didn't get to ask our colleague Mr. Schauer questions, it was certainly an issue that he and I worked on, shoulder to shoulder on, both in July and August to try to do all that we could to minimize the damage. As I said in my opening statement, we had a great response by our local people and they really did work together. There was a true fear that this would spill into a man-made lake and disturb a large PCB-filled lake and, even worse, get into Lake Michigan. So every minute really did count. I know that a little bit later this afternoon his bill was going to be on the House floor.

So just really, really quickly, you support the bill that is going to be on the House floor this afternoon. Do you think that it is feasible that, in fact, when there is a spill within an hour that they can in fact make that notification?

Ms. Quarterman. Yes. The administration does support the bill. We believe that they should be able to make it within an hour or provide some rational justification for why they were unable to do so.

As I mentioned earlier, we do require, subject to the safety advisory, that they respond within an hour or two.

Mr. Upton. Mr. Hart, do you accept that? I mean, do you

believe that they -- companies within an hour should be able to make that call?

Mr. Hart. We look at that question with respect to each specific event and determine what appears to be appropriate with respect to each event, and we are doing that in these events.

Mr. Upton. The last question that I have is that back in the early nineties, the Congress took up major oil spill legislation as it related to responses. I was actually then a member of the Transportation Committee. As part of the effort, I was put on the conference committee and fought successfully to have an oil spill response team for the Great Lakes. At the time we had a major oil spill on a tanker over in Bay City, Jim Barcia, a former colleague, it was in his district, and a tanker pulled off the moorings and there was a major spill on that side of the State.

As we look at this spill, you know, anything that involves particularly a waterway, do you feel that because of the legislation not only for the Great Lakes but around the country that, in fact, there are the appropriate amounts of boom and other material to address situations like this in the future, if in fact they happen? As we did this particular scene, I was in touch with the Coast Guard and with EPA, and they were terrific in terms of getting the right sized boom and everything there that they thought everything -- but what is your sense as it relates to the rest of the country in terms of the inventory of boom in case something happens, period?

Ms. Quarterman. PHMSA is not responsible for --

Mr. Upton. I know EPA is.

Ms. Quarterman. EPA is, yes. And I don't have a survey of the amount of boom across the country.

Mr. Upton. Might we be able to get that? Would you be able to get that and then give it to us for the record?

Ms. Quarterman. I am certain that we can follow up on that issue. If we know the answer ourselves, we can follow up with our sister agencies.

[The information follows:]

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Mr. Upton. Thank you. I yield back.

Mr. Markey. The gentleman's time has expired. The chair recognizes the gentleman from Vermont.

Mr. Welch. Thank you, Mr. Chairman.

Mr. Markey. Well, with the thanks of the committee, we will be submitting additional questions to the two of you and your agencies, and we would very much appreciate prompt responses. We thank you for your service.

Mr. Hart. Thank you.

Mr. Markey. This panel is completed. So let's turn to the next panel, if we may. And that is a panel that will begin with Mr. Stephen Wuori, who is the Executive Vice President of Liquids Pipelines at Enbridge Incorporated.

Enbridge operates the longest pipeline system in the world. Mr. Wuori is responsible for all of Enbridge's crude oil and liquids pipeline operations in North America. He has over 27 years of experience with Enbridge, including 20 years in the liquids pipeline business.

Mr. Wuori, whenever you feel comfortable, please begin.

STATEMENTS OF STEPHEN WUORI, EXECUTIVE VICE PRESIDENT, LIQUIDS PIPELINES, ENBRIDGE INC.; RICK KESSLER, VICE PRESIDENT, PIPELINE SAFETY TRUST; DONALD F. SANTA, JR., PRESIDENT, INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA; ANDREW BLACK, PRESIDENT, ASSOCIATION OF OIL PIPE LINES; AND LORI TRAWEEK, SENIOR VICE PRESIDENT AND CHIEF OPERATIVE OFFICER, AMERICAN GAS ASSOCIATION

STATEMENT OF STEPHEN WUORI

Mr. Wuori. Mr. Chairman, Ranking Member Upton, and members of the subcommittee, thank you for the opportunity to discuss Enbridge's approach to pipeline safety.

Mr. Chairman, I want to be absolutely clear, no spill is acceptable to Enbridge. Enbridge operates the largest and most complex liquids pipeline system in the world, and we are committed to upholding the highest standards for pipeline safety and integrity. For that reason, we invest heavily in pipeline integrity and safety management.

Our central mission is to assure that our pipeline networks have the strength and operating fitness to perform safely, reliably, and in an environmentally responsible manner.

I am proud to say that we have approximately 2,200 employees in the United States, and we deliver about 12 percent of the total daily imports of crude oil into the U.S., delivering more crude

each day than any other country or jurisdiction, including Venezuela and Saudi Arabia.

Even though we built our business in the transportation of oil and gas, we are also investing heavily in green energy, including seven wind farms, a hybrid fuel cell system, and North America's largest photovoltaic solar facility. Through our neutral footprint initiative, we are seeking to grow our business without increasing our impact on the environment; and therefore, we intend to plant a tree for every tree we remove, conserve an acre of land for every acre we permanently impact, and produce a kilowatt of green energy for each kilowatt of energy that we use to power our operations.

With respect to Line 6B in Michigan, we have taken full responsibility for cleaning up the spill and addressing all impacts on the environment, on the individuals and on the businesses in the Marshall, Battle Creek, and surrounding area.

Congressman Upton, we recognize that this incident has been a very high priority for you. You earlier reflected on the cooperation with the local agencies, and we have experienced tremendous cooperation with our company, and I want to take this opportunity to extend my thanks to all of those agencies for the cooperation that we have received. Thanks to the dedication of all personnel involved in the response, including the 500 Michigan residents we put to work, the spill was quickly contained and we are now well on our way to remediating it. As a native of

Michigan myself, I understand the importance of the affected waterways.

Upon first notification of the release of oil on July 26, the pipeline was isolated. Crews began installing containment boom that is stored in Marshall, and response teams from our regional offices throughout North America arrived that day. Our CEO, Pat Daniel, and I arrived that evening, and we have been based in Marshall since that time.

We mobilized as quickly as we could so that anyone affected would have housing and medical care at our expense. We provided direct assistance for prepaid hotel stays, equipment and services, and we reimbursed individuals for cost of living and other expenses. We also established a home purchase program to help assure affected homeowners that their property values will not go down as a result of the spill.

Mr. Chairman, our intention from day one has been to assure that the people and businesses impacted by the incident are made whole. We acted in good faith to establish a claims settlement process that is simple, fast, and fair. But when questions were raised, we engaged former Michigan Supreme Court Justice Dennis Archer to examine our process and make recommendations for improvements, if needed. Justice Archer's review is underway.

With respect to the cleanup in Marshall and Battle Creek, effective August 10, the Environmental Protection Agency announced that the emergency phase of the incident was over, and by next

week we will have completed the bulk of the cleanup. We received PHMSA approval for our restart plan last evening, and we now anticipate that we will meet the restart plan requirements and return Line 6B to service on Monday morning, September 27, subject to receipt of final PHMSA approval.

With respect to Line 6A in Romeoville, Illinois, we focused on rapid cleanup of the spill and addressing the needs of affected residents and businesses. The pipeline was shut down immediately after Enbridge was notified on September 9. Repairs were completed and the line was safely returned to normal service on September 17. The NTSB is investigating, as you have heard, the cause of the leak and also a separate rupture of a water main directly underneath our pipeline. NTSB has reported that both pipes had been punctured.

Mr. Chairman and Mr. Upton, I want to reiterate that for Enbridge, no spill is acceptable. We understand that we must hold ourselves accountable and to the highest standards of openness and care in all the communities where we operate. We have been serving America's energy needs for 60 years, and we intend to continue to be a good neighbor for many decades to come.

Thank you again for providing us this opportunity to share our perspective.

[The prepared statement of Mr. Wuori follows:]

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Mr. Welch. [Presiding.] Thank you very much.

And our next witness is Rick Kessler, Vice President of the Pipeline Safety Trust, a nonprofit organization well known to the committee. Mr. Kessler is well known to the committee, having served as Chief of Staff to Chairman Emeritus Dingell. Sorry he is not here, but that is quite a recommendation around here.

He currently serves as President of Dow Lohnes Government Strategies. And welcome, Mr. Kessler. We look forward to your testimony.

STATEMENT OF RICK KESSLER

Mr. Kessler. Thank you, Mr. Welch, and thank you, Ranking Member Upton. As you have just heard, I am Rick Kessler, and I am here in my purely voluntary and uncompensated role as the Vice President of the Pipeline Safety Trust.

My experience with pipeline safety stems from my years as a staff of this committee on such issues, starting in 1994 after a natural gas explosion in Edison, New Jersey, all too similar to what just occurred in California. It destroyed the whole apartment complex, left one person dead and many people homeless.

The events of the last 2 months, the Enbridge pipeline environmental catastrophe in Michigan that made houses uninhabitable and, more recently, the devastation and tragedy brought about by the PG&E explosion in San Bruno, drive home the need for significant comprehensive changes to our pipeline safety laws as part of any reauthorization.

Transporting fuels through pipelines is without a doubt the safest way to move these highly dangerous substances, but the question isn't whether pipelines are a safe mode of transportation. It is whether they are as safe as they could and should be and whether they are being regulated in a manner that is efficient, effective, and protective. Unfortunately, the answer to both questions is no.

You have asked the Trust to comment on two legislative proposals currently before the committee, H.R. 6008, the CLEAN Act, and the reauthorization proposal released last week by the Obama administration.

It is our understanding that Mr. Schauer, Ranking Member Upton, and others introduced H.R. 6008 in response to the Enbridge pipeline accident that affected both their districts. The bill's main provisions require pipeline owners and operators to notify the Secretary and the National Response Center within 1 hour of discovering a hazardous liquid or natural gas leak. It would not expand the category of leak required to be reported nor require a leaking line be shut down, as some have erroneously asserted. Rather, it merely directs releases that are required to be reported today be reported more quickly in the future, no more than an hour from when they are first discovered by the pipeline operator.

The second major provision in the bill raises the cap on civil penalties, and we applaud the increase but caution that it is not a panacea.

The CLEAN Act's third major provision requires the Secretary to establish a database of all reportable incidents. While PHMSA already makes incident data of this sort available for download, we think this provision would be a step forward if the intent is that PHMSA makes such information available in a more user-friendly format on their Web site.

Of course, the CLEAN Act isn't intended to be a vehicle for full scale reauthorization. It is a narrowly crafted but useful step forward to address a number of issues raised by the recent accidents, and we support it as such. We hope, however, the bill is amended to require enhanced leak detection on pipelines and urge you to include such a reasonable provision in the bill or in any reauthorization package.

Last week, the Obama administration released a draft pipeline safety reauthorization proposal. Had this 12-page bill been unveiled a year ago, it might have been a nice first step on the long road to reauthorization. However, coming as it has on the heels of major catastrophic accidents and with only a short time left to reauthorize the act, the only way to characterize it is too little, too late.

Certainly there are positive provisions in the bill, including increased staffing and funding for PHMSA. The bill also takes baby steps towards regulating gathering lines by removing the provision in the law that prohibits PHMSA from acting in this area. However, even this is flawed because it requires no further regulatory action.

Also, the bill would merely study expansion of integrity management in high consequence areas, but doesn't expand inspections beyond the 7 percent of natural gas transmission lines covered by the 2002 act, nor does it address the quality of those inspections or the repairs made in their wake. One generally

positive development is the administration's proposed changes to the overly broad provisions of the existing law dealing with waivers.

The last time I appeared here, I stated the Trust's support for the sensible use of waivers so long as certain commonsense standards were put into place to protect public health and the environment. Section 10 of the administration proposal addresses some of our concerns by imposing higher standards for waiver applicants, time limiting the duration of a waiver, explicitly requiring PHMSA to recover processing costs, and directly authorizing the Secretary to revoke waiver for cause.

Ultimately, as I indicated earlier, the problem of this proposal has little to do with what is in it but rather what is not in it. For instance, there is little or nothing to do in the proposal that would address issues raised by the Michigan and California incidents or the many other accidents that have occurred during the same period.

The good news is that with significant additions, this proposal could be part of the kind of bipartisan, proactive reauthorization package that emerged from this committee in both 2002 and 2006. Such a package must address, in addition to the things I previously mentioned, expanding the miles of pipelines that fall under integrity management, making more pipeline safety information publicly available, requiring a remote or automatic shutoff valves for gas transmission, and emergency flow

restrictions devices on hazardous liquid pipelines, enhanced requirements for accommodating internal inspection devices, or smart pigs, and a number of other equally important issues raised in my written testimony.

I see I am running out of time. I just want to thank you again for this opportunity to testify and note that over the last decade this committee has proven to be a bipartisan bastion of common sense in the realm of protecting the public and the environment from unsafe pipelines. We urge the committee to continue its leadership role on the issue and look forward to working with you in the future.

[The prepared statement of Mr. Kessler follows:]

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Mr. Welch. Thank you, Mr. Kessler.

Our next witness, Mr. Santa, President of Interstate Natural Gas Association of America. Previously I understand you served as Commissioner at the Federal Energy Regulatory Commission and have also served as Majority Counsel to the U.S. Senate Committee on Energy and Natural Resources. We around here think that is a little bit of a demotion compared to Mr. Kessler. But thank you for joining us. When you are ready, please begin.

STATEMENT OF DONALD F. SANTA, JR.

Mr. Santa. Thank you, Mr. Welch and Ranking Member Upton, for the opportunity to appear here today on behalf of the Interstate Natural Gas Association of America, or INGAA. INGAA represents the interstate natural gas pipeline industry, and it also is INGAA's members that operate the natural gas transmission pipelines, the interstate pipelines that are subject to the Pipeline Safety Act and direct regulation by PHMSA. There also are interstate -- intrastate, excuse me, natural gas transmission lines that are subject to the Pipeline Safety Act but are typically regulated by State agencies.

On behalf of INGAA and its members, we would like to express our condolences to those who have suffered a loss as a result of the tragic San Bruno accident. Clearly we need to discover the

facts and the causes of that accident, and we pledge to work on effective solutions as a result of those lessons to improve pipeline safety.

The first point that I would like to make to the subcommittee is that transmission pipelines are very safe compared to other modes of transportation and energy delivery. This is borne out by the Department of Transportation Bureau of Transportation Statistics Figures. Interstate pipelines typically are buried and in remote locations. Fatalities and injuries to the general public from pipeline accidents are rare, as is damage to public property. Still, protection of the public in highly populated areas is and always has been a high priority in the pipeline safety programs. Over the past 10 complete years -- that is 2000 through 2009 -- excavation damage is the leading cause of serious pipeline accidents; that is, the accidents that cause a fatality or an injury.

Detailed statistics from PHMSA are included in INGAA's written testimony, and I would note that these statistics do not include the 2010 accidents. Those are the two excavation accidents on intrastate pipelines in Texas and the San Bruno accident.

The second point I would like to emphasize is that the Integrity Management Program, or IMP, has made the natural gas transmission pipeline network safety. Protection of the public from the risk of pipeline accidents has always been a priority,

and the IMP program was preceded by the class location system that required an extra measure of safety in urban areas.

The IMP program, mandated by the Congress in the Pipeline Safety Improvement Act of 2002, is modeled on industry best practices that preceded that standardized program. This program has produced significant results. IMP requires integrity management inspections of natural gas transmission pipelines located in close proximity to population centers. These are referred to as high consequence areas, or HCAs. All HCAs must be inspected in 10 years by the end of 2012 and all must be reinspected within 7 years of that baseline assessment. We are now over three-quarters of the way through those baseline assessments and over 19,000 miles of pipelines within HCAs have been inspected. As a result of those inspections, over 3,000 repairs have been performed to address actionable anomalies.

Pipelines are now beginning the reinspection of segments that were inspected early in the program. It is noteworthy that the rate of actionable anomalies being discovered in these reinspections is far lower than what was discovered during the baseline assessments. I would also note that over 90 percent of the assessments being performed by INGAA members are being done using inline inspection devices. That is smart pigs.

Still, it is a cause for concern that the San Bruno accident occurred in a high consequence area that is covered by the IMP program. We need to understand the root cause of that accident,

what it tells us about the effectiveness of the IMP program in that case, and what lessons should be apply to other similarly situated pipelines.

Finally, with regard to the IMP program, many recent stories have emphasized the point that only 7 percent of the transmission pipeline mileage in the U.S. is being inspected. Let me respond.

First, the industry and the regulator are doing exactly what the Congress directed. The emphasis of the program is to focus on highly populated areas where the consequences to the public from a pipeline accident would be the greatest.

Second, IMP is but one layer of a multifaceted pipeline safety program that covers everything from pipeline design and construction to pipeline operation and maintenance to control room operators. And in addition, integrity management is just one kind of inspection.

Third, as a practical consequence of the logistics and economics of operating inline inspection tools, much greater mileage has been inspected with these tools than just the mileage in HCAs. Compared to the mileage inspected within HCAs under the program, seven times more mileage has been inspected outside of HCAs during the same period and this has been reported to PHMSA, and any actionable anomalies discovered in these non-HCA pipelines have been repaired.

Mr. Chairman, I see that I am running out of time here. My written statement includes INGAA's positions on both the

administration's draft reauthorization bill and the CLEAN Act, and in the interest of time I will conclude my remarks now and look forward to your questions.

[The prepared statement of Mr. Santa follows:]

***** INSERT 2-4 *****

Mr. Welch. Thank you very much. Our next witness is Andrew Black, President of the Association of Oil Pipelines. Like Mr. Kessler, Mr. Black is also known to the committee, having served as the Republican Deputy Staff Director of Policy for the committee. Welcome. And Mr. Black has also served as the Director of the Office of External Affairs for the Federal Energy Regulatory Commission and Director of Federal Government Relations for the El Paso Corporation.

Mr. Black, welcome.

STATEMENT OF ANDREW BLACK

Mr. Black. Thank you, Mr. Chairman. Congressman Upton, it is good to be back. I am Andy Black, President and CEO of the Association of Oil Pipe Lines. I appreciate the opportunity to appear on behalf of AOPL and API. I will discuss the oil pipeline industry's commitment to safety, our improved safety record, and the importance of improving damage prevention programs in pipeline safety reauthorization legislation.

Pipelines are the safest way to move crude oil and refined petroleum products, such as gasoline, diesel fuel, jet fuel, home heating oil, and propane. A reminder of the strong safety record of pipelines may seem discordant in the aftermath of a pipeline accident, but it must be kept in perspective. Pipelines are also

the most reliable, economical, and environmentally favorable way to move these fuels. Pipeline operators have every incentive to invest in safety. Most important is the potential for injury to members of the public, employees, contractors. Operators could also incur costly repairs, cleanups, litigation and fines in the event of accidents. And the pipeline may not be able to accommodate customers, losing the business use of the pipeline asset if the facility needs to be shut down.

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, operational controls, pressure testing, maintenance standards, qualification of personnel, emergency response and more. While we do not know the cause of the major recent pipeline accidents, it is important to note that laws and regulations already address the leading causes of pipeline failures, including corrosion, excavation damage, materials and equipment failure, and operations.

This industry had a wakeup call after a fatal incident in 1999 that Mr. Inslee described earlier. Congress and the Office of Pipeline Safety asked more of pipelines, and pipelines answered the call. As a result of new laws and 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. Each of the major

causes of pipeline accidents also showed decreases during this time period, reflecting the successes of multiple different strategies to manage risk. We are proud of this improved record, but we are not content. We still strive for zero accidents.

Operators invest millions of dollars annually to maintain their pipelines and comply with Federal pipeline safety laws and regulations. In one recent survey, liquid pipeline operators representing three-fourths of U.S. mileage reported spending approximately \$2.7 billion on integrity management activities in the past 6 years. These costs will only increase as integrity management tools become more expensive, more sophisticated, and more effective at identifying issues for pipeline operators to address.

Operators work hard to learn lessons from pipeline incidents and share ideas for improvement and best practices throughout the industry. The industry has standing teams and workshops to discuss integrity management issues, review incidents, analyze data, and make recommendations to executives. The industry invests in research and development at the company and consortium level to develop new technologies and practices to confront pipeline challenges.

As attention turns to reauthorization of the pipeline safety laws, we ask for the help of Congress to protect pipelines from excavation damage. Third party damage is less frequent today but still accounts for 31 percent of all significant liquid pipeline

accidents, the leading cause.

In some States, State laws requiring the use of the 811 "call before you dig" number do not exist, are weak or inadequate, or are not adequately enforced. Some State agencies, municipalities, and other local entities are exempted from requirements to use the One-Call System. These exemptions create a gap in enforcement and in safety because the threat of pipeline damage is the same, regardless of who the excavator is. The Office of Pipeline safety can close the gap by exercising One-Call civil enforcement authority granted by Congress in 2006. They can conduct enforcement proceedings for a One-Call violation within the boundaries of a State if the Secretary has determined that a State's enforcement is inadequate to protect safety.

We urge OPS to complete their rulemaking to implement this authority, and we encourage Congress or OPS to require termination of these exemptions by the States or risk Federal enforcement and loss of grant funds.

We continue to study the recent pipeline safety proposal by the administration. Although there is much we do not oppose, I note significant concerns with two provisions. First, we oppose the proposal to create a fee for OPS inspections of pipeline construction. OPS has long had construction-related authority and their activities had long been paid for by pipeline user fees for decades. We see no reason for the new fee, which will ultimately increase costs passed on to consumers.

Secondly, we oppose a proposal to transfer a regulation of certain gathering lines from States and other Federal agencies to the OPS. Gathering lines gather crude to be sent to processing facilities. They are small pipelines in areas where crude oil is produced. They are often not large enough to accommodate smart pigs. They are local, with local effects and not transportation lines. This regulatory framework has not failed under the oversight of EPA or other Federal agencies and the States.

Moving to H.R. 6008, pipeline operators certainly support prompt notification to the National Response Center of a pipeline release. We support the intent of the bill. We do not oppose the bill and are not lobbying against it in its current form. We recommend additions to the bill that would eliminate a rigid volume reporting rule that can cause a pipeline to hesitate before notifying the government of a release. We will also stand on guard against changes that might mistakenly increase the potential for false alarm notifications just to comply with an arbitrary deadline.

Congress has provided OPS with a thorough set of tools to regulate pipeline safety. They are an aggressive regulator conducting rigorous inspections and vigorously enforcing compliance. We lament the recent accidents and have sent condolences to those who are affected but see no reason to greatly expand the pipeline safety program.

Thank you.

[The prepared statement of Mr. Black follows:]

***** INSERT 2-5 *****

Mr. Welch. Thank you very much. And our final witness is Lori Traweek, Senior Vice President and Chief Operating Officer at the American Gas Association. Ms. Traweek's experience includes work as an offshore and onshore engineer for ARCO Oil and Gas Company in Texas and Louisiana.

Welcome. We look forward to your testimony.

STATEMENT OF LORI TRAWEEK

Ms. Traweek. Thank you very much, Mr. Chairman. The advantage of going last is that I will be able to reiterate much of what you have heard this afternoon.

My name is Lori Traweek, Senior Vice President and Chief Operating Officer at the American Gas Association. We represent 195 energy utilities that distribute natural gas throughout the country.

Our hearts also go out to those who are suffering, who lost loved ones, homes as a result of the tragic San Bruno accident.

No incident is acceptable. Every incident is one incident too many. As I speak, senior executives and safety leaders from around the country working at natural gas utilities are now in Boston at the fourth annual AGA Executive Safety Leadership Summit. They are there to discuss employee safety, public safety, contractor safety, and customer safety. Not surprisingly, this

year, San Bruno and the tragedy there is a focus of those conversations.

We hold these best practices forums and exchange because first and foremost, the industry's goal is safely reliably and efficiently delivering natural gas to the more than 70 million customers in the United States who rely on this fuel for their energy needs. When there is a tragic incident like this, similar to Congress, the regulators, the public, we too want to determine what could have been done to prevent the incident and then take appropriate actions to prevent a recurrence.

Until the NTSB has concluded its investigation, however, it is best we not speculate about the causes of the accident and possible solutions. Any speculation could result in ineffective or unnecessary reactions. While the cause of the incident is being determined, we encourage all who are interested in learning about the safe delivery of natural gas to visit our Web site. Also, it is equally important that all citizens are aware of the industry's One-Call safety program, 811 "call before you dig."

The natural gas industry spends an estimated \$7 billion each year in safety-related activities. The design, construction, operation, inspection, and maintenance of all operating natural gas pipelines are subject to rigorous oversight by Federal and State regulators. This includes the promulgation of the transmission integrity management rule that adds a layer of protection for pipelines in high consequence areas in addition to

the multitude of periodic inspections/maintenance performed on all pipelines throughout the system.

In 2006, Congress passed the PIPES Act, which included four core provisions key to enhancing the safety of pipelines operated by utilities: First, excavation damage, the single greatest threat to distribution system safety and reliability. Our combined efforts of regulators, stakeholders, and natural gas operators have been successful. Improvements have been made. But as you have heard from Mr. Black, more can be done.

Second, the DOT has promulgated an Integrity Management Program for distribution pipelines. Operators have been and continue to aggressively write and implement integrity management programs to meet the August 2011 implementation date. 1,450 operators, 2.1 million miles of pipe, and 70 million customers will be positively impacted by this rule.

Third, DOT now requires distribution gas utilities to install an excess flow valve on new and replacement service lines for single family residences. Millions of EFVs have been installed by operators.

And fourth, DOT has promulgated a regulation for control room management which natural gas pipeline operators are implementing on an accelerated schedule.

Finally, on a personal note, gas transmission pipelines run through my neighborhood. Therefore, my husband, two children and I live in a high consequence area. I can say without hesitation

that because of the safety -- the record of this industry and because of the regulations that are in place, I do not feel compelled to move because of the tragic incident in San Bruno. I do, however, want to know what happened. We all want to know what happened so we can consider what appropriate actions can be taken to avoid a similar occurrence in neighborhoods across the country.

That is why AGA is committed to working with Congress and Federal and State regulators to ensure that natural gas distribution and transmission systems continue to be the safest and most reliable method, delivering a clean and reliable energy source.

Thank you.

[The prepared statement of Ms. Traweck follows:]

***** INSERT 2-6 *****

Mr. Welch. Thank you very much for your testimony. We appreciate the testimony of all the members of the panel. The chair will recognize himself for 5 minutes for a few questions.

Mr. Wuori, on July 15, 10 days before the spill, near Marshall, Michigan, an Enbridge executive testified before the Transportation and Infrastructure Committee that the company's response time for release incidents can be almost instantaneous. It turned out that not only did Enbridge not discover the spill, but we understand Enbridge also did not report the spill to the National Response Center for nearly 2 hours after confirming the existence of the leak, nearly 20 hours after the first pressure alarm, after 10 separate alarms, and over 16 hours after people began calling 911 to report oil or gas odors.

So the obvious question is this: How is it possible that it took this long for Enbridge to discover and report what was a very massive leak?

Mr. Wuori. Mr. Chairman, the systems that were described by Rich Adams in his testimony are the systems that we have installed in the company both with regard to the pipeline operation and leak detection in the company, and for years we have been striving to improve upon those.

Mr. Welch. The question is, why not the report? The discovery in the report. The systems apparently worked to send a signal that something was wrong. So the question was, what took

so long?

Mr. Wuori. As you know, we are a participating party in the NTSB investigation. We have our own investigation underway, and all of the timeline events are part of that investigation. And I really can't speculate, and it wouldn't be fruitful for me to try to draw conclusions too early based on the early data.

Mr. Welch. So you don't know or you won't say?

Mr. Wuori. I do not know at this time. We haven't finished our investigation. And when we do, we will draw the right conclusions, and then we will apply those learnings to the system.

Mr. Welch. Let me ask you this: Were there any alarms or other anomalies detected by Enbridge or its employees with regard to Line 6B prior to 5:58 Eastern Daylight Time on July 25, 2010?

Mr. Wuori. What we do know is that we have an internal inspection tool, an inline inspection tool that is in the line. And that was in the process of being run prior to the Sunday evening. But yet there is nothing that I can speculate on in terms of that time frame. We had a lot of communication going on between the field and the control center during that period.

Mr. Welch. The question is simple. 5:58 was the event. Were there any alarms or other anomalies that were detected prior to 5:58? I mean, that is a known answer. There were or there weren't, right?

Mr. Wuori. Yes. I think we heard earlier though from Vice Chairman Hart that that is part of the investigation and therefore

I can't draw conclusions on that either.

Mr. Welch. That is the point of the question. I am not asking you for a conclusion. I am asking you for just a factual report as to whether there was an anomaly or an alarm that occurred before 5:58.

Mr. Wuori. I am not aware, Chairman, of any alarms or anomalies prior to that time.

Mr. Welch. And you would know?

Mr. Wuori. I would not necessarily know every single alarm from where I sit, no.

Mr. Welch. Okay. The chairman yields to the ranking member.

Mr. Upton. Thank you, Mr. Chairman. I appreciate your testimony, all of you. Mr. Black and Ms. Traweek, I appreciated your comments as it related to the One-Call. And certainly I think those are very good ideas that as we look at the reauthorization to take into account, I just wonder, Mr. Black, if you might be able to provide our subcommittee with information as it relates to municipalities, State agencies, if you can identify those which are exempt in some number or State so that we can have that as we work with our Members from those States to make sure that they can be onboard to really have a uniform system that works and so that folks in any community will have some sense of order if that call is made. I don't know if you can prepare that for us in the next couple of weeks or whatever as we look to do this, whether it be in this Congress or the next.

Mr. Black. Last time we looked, 41 States had some kind of exemptions from One-Call laws. We got that information from NAPSR, National Association of Pipeline Safety Representatives, State regulators. Congress has given the DOT the authority to eliminate those to determine that exemptions do not meet the minimum standard of what an adequate State damage prevention plan is. We encourage Congress, when you are considering reauthorization, to direct DOT or encourage and persuade them to continue on the road that they already appear on, which is really pushing the States to eliminate those. If they can't successfully get the States to eliminate those, we think DOT, with Congress' direction, should weigh in and should do Federal damage prevention enforcement in the States, which you have already given that authority to do.

Mr. Upton. Ms. Traweek, do you agree? If any of you have information that might be useful for us, I think that would be helpful.

Mr. Wuori, we are all aware of the Department of Transportation release, and I am looking at one here. I will put it in the record if you haven't seen it, which calls for the gradual -- the is the headline -- gradual restart plan for Enbridge Line 6B in Michigan, approved by PHMSA under strict oversight. As I understand it, it is expected that this line will open on Monday next week. Is that still your assessment?

Mr. Wuori. That is our current assessment, Congressman. We

do need final PHMSA approval on the steps that we are now taking between last night's approval of the plan and the final approval to restart. So we will require their final approval before we restart. We have projected Monday the 27th.

Mr. Upton. Do you know if it is early Monday, late Monday?

Mr. Wuori. Typically on a line restart, we would do it in daylight hours, so it would likely be Monday morning.

Mr. Upton. The last question that I have, you all are aware of the legislation that we are going to be debating yet this evening, a bill that I have cosponsored with other Members on both sides of the aisle that calls for -- the main element of it is the requirement that within an hour of knowledge of a mishap that that call be made. I would like to know from each of you if you support that idea, do you think that it is workable? Yes or no is sufficient.

Mr. Wuori.

Mr. Wuori. I think the only tradeoff in the 1 hour is the accuracy of the volume estimate. When you call the National Response Center, you are asked to give a volume estimate for good reasons. And typically our policy has been it is a two-hour time frame in which to develop the volume estimate of any spill and also any other conditions that should be reported. Shortening it to 1 hour would then require an understanding that the volume estimate process may not be as accurate.

Mr. Upton. Mr. Kessler.

Mr. Kessler. We do support it, and we understand the concerns about the volume estimate reporting and think those can be worked through. They are reasonable concerns, but they in no way diminish or impact the need or the reasonableness of your legislation.

Mr. Upton. Mr. Santa.

Mr. Santa. Yes, Mr. Upton, in our comments INGAA noted that we would recommend that the time be modified to 2 hours rather than 1 hour in order to provide pipeline operators with an opportunity to discover whether the alarm is accurate, to discover where the release, if it is occurring, is occurring, and also note the tradeoff that -- there is a cost if it is a false alarm and the operator --

Mr. Upton. That is always good news if it was false. Sorry, right?

Mr. Santa. Well, I would just note that you would be notifying first responders and things of that nature. But we are not opposing it, but we are recommending that the time period be extended to 2 hours.

Mr. Black. We are not opposing the bill. We want to help it get better; and if it does get better, we can support it. The volume reporting process, which is very rigid right now, creates a hesitancy for a pipeline. If we can eliminate that -- and I think that we can -- then 1 hour works perfectly. As long as that 1 hour is applied from the pipelines operator's discovery of a

release, not a time a pipeline operator should have known, we think that issue is going to get resolved well either in the legislation or at DOT by a rulemaking.

Mr. Upton. Ms. Traweek.

Ms. Traweek. We also are not opposing the legislation. We would prefer the 2 hours. But most importantly, we think that it is necessary to be able to verify that it is actually an incident before that reporting is made. I know it is good news to be able to say that it was a false alarm. But there can be thousands of calls made that, once checked out, turn out not to be an incident at all. And as Mr. Santa suggested, the thought of having to bring emergency responders out or to trigger the type of responses that you get from that kind of false alarm I think would be more negative results of that than positives.

Mr. Upton. Thank you very much. My time has expired.

Mr. Welch. I want to thank all the witnesses. And on behalf of --

Mr. Markey. Mr. Chairman?

Mr. Welch. On behalf of Mr. Markey, I want to say welcome back.

Mr. Markey. Thank you, Mr. Chairman. May I be recognized?

Mr. Welch. Mr. Upton? Want to vote? Yeah, we vote unanimously. We will recognize the chairman.

Mr. Markey. I thank the gentleman very much.

Mr. Wuori, in 2007 and 2009, Enbridge inspections on Line 6B

identified nearly 400 corrosion defects that required repair under Federal regulations. Both of these inspections also identified metal loss in the area of the rupture in Michigan but, according to Enbridge, did not have to be repaired under Federal regulations.

How is it that there could be nearly 400 corrosion defects on this line that required repair under Federal regulations but the defect in the area where the spill occurred did not meet the repair criteria?

Mr. Wuori. Congressman, that is part of our investigation and part of the NTSB's investigation in looking at exactly the area of the spill and exactly the condition of the pipe there.

I would add that the indications that you note are the result of inline inspection tools that run through the pipeline. If you ran a tool through a brand-new pipeline, you would get a number of indications. And then those are prioritized into a dig program. But the specific indication at the site of the spill is part of the investigation as to what happened.

Mr. Markey. Well, you can imagine why observers would be suspicious, and I just hope that your answers are good answers that you give because it doesn't make any sense on its face.

Mr. Wuori, Enbridge's Line 6B was constructed in 1969, and the pipe was coated in the field using then commonly used polyethylene tape. In a May 21, 2009 pipeline integrity assessment conducted by Enbridge on its 6B line, it states that,

quote, The external corrosion pattern may be attributed to the tinting of the PE coating.

Can PE tape lead to corrosion by allowing water to get under it.

Mr. Wuori. Congressman, polyethylene tape was used commonly in the 1960s, 1970s and into the early 1980s. One of the issues with polyethylene tape-coated pipelines is exactly what you describe, and that is tinting of the coating and then the entry of water underneath that coating which makes it more difficult for the cathodic protection systems to work. As part of the pipeline integrity management plan that our company has -- and I am sure that other companies have also -- to run inline inspection tools to look for areas where that has had any effect.

Mr. Markey. Was the Enbridge 6A line also coated in PE tape?

Mr. Wuori. Yes. The Line 6A is a polyethylene-coated line.

Mr. Markey. What percentage of Enbridge's pipelines are coated with this tape?

Mr. Wuori. I don't know that offhand, Congressman. I would have to get that number for you.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Markey. Mr. Kessler, do you want to comment on this and the preexisting knowledge that they have with regard to this corrosion pattern that is attributable to the tinting of PE tape on pipes?

Mr. Kessler. I think you have actually stated it quite well in terms of its ability to hold water, and it appears to promote corrosion in these instances. So I think you are on a good track asking these questions at this time.

Mr. Markey. Do any of the rest of you wish to comment on this? Is this sufficient warning that there is a problem and that it should be attended to on a systematic basis to ensure that this risk is not posed to other pipes across the system?

Mr. Kessler. I do want to raise -- just reiterate the issue you raised about the lack of standard over the repairs. I think that is an important point, the question of how things can go unrepaired or how they actually are repaired and the need for clarification and set standards and practices for these things under law.

Mr. Markey. Thank you. Mr. Wuori -- and I want to just follow up briefly on a question that Mr. Welch asked earlier -- don't you think that for 20 hours to elapse from the first alarm that something might be wrong to the spill actually being reported is just too long?

Mr. Wuori. That is part of the investigation that is

underway by ourselves and also by the NTSB and other agencies. And that timeline, I assure you, is being looked at very carefully. We don't want to draw -- and I certainly can't draw any conclusions this soon into that investigation.

Mr. Markey. Mr. Kessler, what do you think? Is 20 hours too long?

Mr. Kessler. If that is correct, it is about 19 hours too long. And I think Mr. Upton and Mr. Schauer agree with that. It raises a real question about standards for leak detection on liquid lines and whether they are adequate, whether we should be moving to a more modern standard, maybe based -- we have talked about basing it on the Alaska standard. But something that is technologically and economically feasible, but a standard. So --

Mr. Markey. Mr. Santa, do you think 20 hours is too long to respond? Is there a circumstance where 20 hours could be an acceptable time to elapse?

Mr. Santa. Mr. Chairman, I am not familiar with the exact circumstances of the accident and the reasons that may have caused that and really don't feel that I am in a position to comment about it for the record.

RPTS DEAN

DCMN BURRELL

[5:05 p.m.]

Mr. Markey. Mr. Black, do you want to comment on that? Is 20 hours too long.

Mr. Black. I don't know the details of their incident. I know leaks are difficult to detect in certain situations, like small leaks.

Mr. Markey. Ms. Traweek, you represent the American Gas Association.

Ms. Traweek. Yes.

Mr. Markey. From the perspective of the American Gas Association, do you think that 20 hours is an acceptable amount of time that can elapse?

Ms. Traweek. I think it is critically important to understand what the circumstances were, and once those circumstances are understood if the response time was inadequate, then absolutely they should be held accountable.

Mr. Markey. The report was 16 hours after the 911 calls about odors. It was 4 hours after an Enbridge employee went to the pump station three-quarters of a mile from the spill. Ultimately Consumers Energy, not Enbridge, did cover this leak. As you hear those facts, do you believe that there is any excuse for a 20-hour time period to elapse before there is an actual, you

know, response from Enbridge?

Mr. Wuori.

Mr. Wuori. Congressman, nobody wants to know the answers to those questions more than we do, and that is why we are investigating and the TSB is investigating all of those circumstances, including 911 calls prior to.

Mr. Markey. Well, I am very concerned that this is something that, if it is a pattern, is going to lead to catastrophic conditions, and if the American Gas Association, you know, ultimately accepts this, if there is no credible explanation, then it is a cause for concern, that families across the country should understand that they could be at risk. And I just think that since time is of the essence in these responses that the families are there, believing that there are protocols in place that ultimately lead to rapid responses and they actually don't exist, then that detrimental reliance is ultimately going to lead to catastrophic conditions, ultimately rumbling through these families lives and sending them up on trajectories that will change an entire generation of those families, and I just think it is just not an acceptable standard and it must be changed.

Thank you, Mr. Chairman, very much.

Mr. Welch. I will yield to the gentleman from Massachusetts for any closing comments.

Mr. Markey. I am fine. Thank you.

Mr. Welch. Well, thank you very much, the panelists. We

look forward to working with you.

[Whereupon, at 5:08 p.m., the subcommittee was adjourned.]