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3 HIF208.030

4 MARKUP ON H.R. ____, DISCUSSION DRAFT OF PIPELINE
5 INFRASTRUCTURE AND COMMUNITY PROTECTION ACT OF 2011; AND
6 H.R. 2054, THE ENERGY AND REVENUE ENRICHMENT ACT OF 2011
7 WEDNESDAY, JULY 27, 2011
8 House of Representatives,
9 Subcommittee on Energy and Power
10 Committee on Energy and Commerce
11 Washington, D.C.

12 The subcommittee met, pursuant to call, at 10:14 a.m.,
13 in Room 2123 of the Rayburn House Office Building, Hon. Ed
14 Whitfield [Chairman of the Subcommittee] presiding.

15 Members present: Representatives Whitfield, Shimkus,
16 Walden, Terry, Bilbray, Olson, Gardner, Griffith, Barton,
17 Upton (ex officio), Rush, Dingell, Engel, Green, and Waxman
18 (ex officio).

19 Staff present: Gary Andres, Staff Director; Jim
20 Barnette, General Counsel; Charlotte Baker, Press Secretary;
21 Michael Beckerman, Deputy Staff Director; Mike Bloomquist,
22 Deputy General Counsel; Anita Bradley, Senior Policy Advisor
23 to Chairman Emeritus; Maryam Brown, Chief Counsel, Energy and
24 Power; Allison Busbee, Legislative Clerk; Andy Duberstein,
25 Special Assistant to Chairman Upton; Garrett Golding, Legal
26 Analyst, Energy; Cory Hicks, Policy Coordinator, Energy and
27 Power; Kirby Howard, Legislative Clerk; Carly McWilliams,
28 Legislative Clerk; Jeff Mortier, Professional Staff Member;
29 Kristin Amerling, Democratic Chief Counsel and Oversight
30 Staff Director; Jeff Baran, Democratic Senior Counsel; Phil
31 Barnett, Democratic Staff Director; Jen Berenholz, Democratic
32 Chief Clerk; Greg Dotson, Democratic Energy and Environment
33 Staff Director; Jocelyn Gutierrez, DOE Detailee; and Caitlin
34 Haberman, Democratic Policy Analyst.

|
35 Mr. {Whitfield.} I would like to call this markup to
36 order.

37 Today, we are going to be marking up a discussion draft
38 on the Pipeline Infrastructure and Community Protection Act,
39 which is the reauthorization of the Pipeline Safety Act. The
40 second bill we are going to be marking up is H.R. 2054, the
41 Energy and Revenue Enrichment Act of 2011. The Pipeline
42 Reauthorization Act will be introduced by the full committee
43 chairman, Mr. Upton. As you know, we have been working with
44 a discussion draft. This bill will reauthorize our Pipeline
45 Safety law, which was last reauthorized in 2006.

46 Chairman Upton and in fact all the members on both sides
47 of the aisle and staff has done a great job in working with
48 various interest groups in drafting this bill. Because of
49 some recent accidents, it is imperative that we move this
50 bill quickly to ensure that our pipelines are safe. At the
51 same time, we must make sure that this bill does not have a
52 lot of unintended consequences.

53 One area that I look forward to working with Chairman
54 Upton as well as Ranking Member Waxman and Mr. Rush and
55 others is to address the prohibitions on state exemptions
56 from the one-call section. Basically, this section prohibits
57 states from allowing for any exemptions from their one-call

58 program, which seems logical, but I think there are narrow
59 situations that states may need flexibility for an exemption.

60 For example, farmers annually plow their ground, so
61 there are questions about whether a farmer needs to call
62 before they plow based on the language in this bill, our
63 discussion draft. Another example is routine maintenance of
64 railroads and their ability to work on their ground to
65 maintain their rights-of-way.

66 Questions have been brought to my attention that maybe
67 we should work on regarding the wording of this provision so
68 that we do not have unintended consequences. And I hope
69 Chairman Upton and Mr. Waxman and Mr. Rush and others will
70 work with us to perfect the language at full committee.

71 Despite these minor concerns, this bill is a good bill
72 and one that I hope that we can continue to move through our
73 committee. I urge all members to work with us as we attempt
74 to advance this bill.

75 The second bill relates to depleted uranium tails
76 located in Paducah, Kentucky; and Portsmouth, Ohio. At those
77 two sites there are 60,000 14-ton canisters of depleted
78 uranium tails. GAO recently estimated if those tails were
79 reprocessed and sold that it would generate around \$4 billion
80 in additional revenue for taxpayers. However, because the
81 Department of Energy has failed to act on this and has

82 decided not to act, H.R. 2054 is necessary to direct the
83 Department to move forward.

84 This bill is really not that complicated. It initiates
85 a 2-year pilot program to re-enrich the uranium tails, allows
86 for the sale of the uranium to occur over 4 years so that the
87 sale does not disrupt the uranium market, and it deposits the
88 money into the Uranium Decontamination and Decommissioning
89 Fund to be used for environmental cleanup.

90 Now, there has been controversy about this bill because
91 some people say, well, this is a sole-source bill. No one
92 has an opportunity to do it except the company located at
93 Paducah. Well, this bill, after the initial 2-year pilot
94 project, would go to a totally open, competitive bidding
95 process. The reason we don't do that initially is that there
96 really is no other site in America that at this time is
97 prepared to enrich these tails.

98 So the reason we are trying to move the legislation,
99 this is also directed related to jobs. There are 1,200 jobs
100 at stake at the Paducah plant and in that surrounding area.
101 That is not an insignificant number when you consider what
102 our national unemployment rate is today. And I might also
103 add that 92 percent the uranium coming into America today or
104 being used in America today at our nuclear power plants for
105 enrichment and so forth comes from overseas according to the

106 Energy Information Administration. So there is concern about
107 domestic uranium production, but I believe that this bill is
108 balanced and I am sure we will have more discussion about it,
109 but I look forward to also marking that bill up today.

110 And at this time I would like to recognize the gentleman
111 from California, Mr. Waxman, for his opening statement.

112 [The prepared statement of Mr. Whitfield follows:]

113 ***** COMMITTEE INSERT *****

|
114 Mr. {Waxman.} Thank you, Mr. Chairman.

115 During the last 12 months, a series of tragic failures
116 has reinforced the need for stronger pipeline safety laws.
117 Pipeline failures have occurred all around the country from
118 California and Montana to Michigan and Pennsylvania. We have
119 seen natural gas pipeline explosions and ruptured oil
120 pipelines spilling oil into rivers.

121 We finished a legislative hearing on this topic last
122 Thursday. Just in the last 6 days there was a natural gas
123 pipeline failure in Wyoming and an oil pipeline failure near
124 Tampa, Florida, it is clearly time to update and strengthen
125 our pipeline safety laws. After this month's hearing, there
126 were productive bipartisan discussions on the legislation.
127 Those discussions produced the manager's amendment that we
128 are going to consider today. And I would like to commend
129 Chairman Upton and Mr. Dingell for their hard work on this
130 bill. The manager's amendment is a good compromise and
131 includes a number of important improvements to the initial
132 discussion draft. I support this amendment and look forward
133 to working with our colleagues to report this legislation out
134 of the full committee.

135 The other bill we are considering today is Chairman
136 Whitfield's legislation to direct the Department of Energy to

137 enter into a contract to enrich its depleted uranium tails so
138 that the resulting enriched uranium can be sold on the
139 market. During the legislative hearing on this bill, I
140 raised a number of concerns about whether this legislation
141 would be a good deal for taxpayers. Unfortunately, the
142 manager's amendment suffers from the same basic problems as
143 the original bill. This amendment gives a sole-source
144 contract to a company in the chairman's district. It also
145 ignores other options for disposing of DOE's excess uranium
146 that could provide more value to the taxpayer. For these
147 reasons, I will be opposing this legislation.

148 Thank you, Mr. Chairman, and yield back the balance of
149 my time.

150 [The prepared statement of Mr. Waxman follows:]

151 ***** COMMITTEE INSERT *****

|
152 Mr. {Whitfield.} Thank you. At this time, I recognize
153 the full committee chairman, Mr. Upton.

154 The {Chairman.} Well, thank you, Mr. Chairman.

155 Today, this subcommittee takes up the very important
156 issue of pipeline safety. The Pipeline Infrastructure and
157 Community Protection Act of 2011 is the Energy and Commerce
158 Committee's first step in the reauthorization of federal
159 pipeline safety legislation, an effort that we are pursuing
160 jointly with the Transportation and Infrastructure Committee.
161 This is a subject with a long and bipartisan history, and I
162 am pleased to be working with my friend and colleague John
163 Dingell to jointly sponsor the legislation that we are
164 considering today. This was truly a collaborative process
165 with both the majority and minority that has led to a bill
166 with a number of key improvements over the initial discussion
167 draft.

168 Our State of Michigan is crisscrossed with many
169 pipelines, so pipeline safety is an important issue that hits
170 very close to home. This was especially true last year when
171 a pipeline ruptured and caused a significant spill into a
172 waterway in my district. And as we developed the bill, we
173 have carefully studied the Enbridge spill in Michigan, as
174 well as other recent pipeline incidents, including the one

175 impacting the Yellowstone River. We are learning from those
176 experiences and focused on meaningful reforms that will
177 actually help prevent safety failures.

178 There is no doubt that improving pipeline safety is a
179 challenge, but it also presents an opportunity. The Energy
180 Information Administration projects significant increases in
181 the Nation's demand for energy in the decades ahead,
182 including liquid fuels and natural gas. Those increasing
183 volumes will have to get to their end users somehow, and by
184 many measures, pipelines have a better safety record than any
185 other means of energy transport.

186 I believe that pipelines can deliver growing energy
187 supplies to families and businesses in the years ahead, and I
188 believe they can do it safely. But as recent spills have
189 shown, the status quo is not good enough, and the goal of the
190 Pipeline Infrastructure and Community Protection Act of 2011
191 is to ensure a much stronger safety record in the future.

192 Among its many provisions, the bill requires the use of
193 automatic or remote-controlled shutoff valves. It
194 incorporates new standards for leak detection technologies,
195 replaces outdated safety requirements and inspection regimens
196 with updated ones. It sets a 1-hour time limit for operators
197 to report incidents to the National Response Center. It
198 beefs up the number of pipeline inspectors at the Department

199 of Transportation and increases penalties for noncompliance.

200 In sum, we believe that the bill demands improvements in
201 both technology and personnel that can help prevent leaks
202 from occurring in the first place and reduce the damage if
203 they do so. This bill is a serious, bipartisan effort to
204 reform and update our pipeline safety laws.

205 I appreciate the bipartisan collaboration that helped
206 produce the bill that we are considering today, and I look
207 forward to additional improvements as we move forward.
208 Already the bill includes several important measures not in
209 the original discussion draft. For example, we have added
210 provisions setting maximum allowable operating pressures.
211 This provision directly addresses the problems that led to
212 the fatal pipeline explosion last year in San Bruno,
213 California. And given the vulnerabilities shown by the
214 recent Yellowstone River spill, we have included new
215 provisions for pipelines under waterways. And this is an
216 issue that we will continue to examine as details of the
217 Yellowstone spill come to light.

218 Thanks in part to strong and consistent guidelines,
219 pipeline safety has improved over the last couple of decades
220 for sure. This bill is the first step in taking that
221 progress to a new level as we face the challenge of meeting
222 the Nation's growing demand for energy.

223 Pipeline safety is an issue near and dear to me, but I
224 would be remiss if I didn't also recognize the subcommittee
225 chair, Mr. Whitfield, for his great work on the second bill
226 that we are considering today, H.R. 2054. I appreciate his
227 effort to address members' concerns on the issue of uranium
228 tails and I hope that members of the subcommittee will
229 support the legislation.

230 And I yield back.

231 [The prepared statement of Mr. Upton follows:]

232 ***** COMMITTEE INSERT *****

|
233 Mr. {Whitfield.} Thank you, Mr. Upton.

234 At this time, I would like to recognize the gentleman
235 from Illinois, Mr. Rush, for his opening statement.

236 Mr. {Rush.} I want to thank you, Mr. Chairman. And I
237 must commend you and the majority side for working with the
238 minority side on the Pipeline Infrastructure and Community
239 Protection Act to greatly improve this bill since we held our
240 last hearing. The amendment in the nature of a substitute
241 reflects many improvements to the draft and brings this
242 version more into alliance with the Senate bill, which has
243 also received bipartisan support. And Mr. Chairman, I think
244 that if we continue this, bipartisanship may become a habit
245 of this subcommittee and ever be a good thing, not a bad
246 thing.

247 Some of the highlights of the bill include Section 4,
248 which will require PHMSA to issue regulations subjecting
249 offshore hazardous liquid gathering lines to the same
250 standards as other hazardous liquid pipelines. Section 5
251 requires PHMSA to issue regulations requiring the use of
252 remote-control or automatic shutoff valves or equivalent
253 technology for newly constructed transmission pipelines where
254 economically, technically, and operationally feasible. In
255 fact, this bill goes a step further than the Senate bill by

256 requiring PHMSA to conduct an analysis of a transmission
257 pipeline operator's ability to respond to leaks in high-
258 consequence areas, including a consideration of the costs,
259 risks, and benefits of retrofitting existing transmission
260 pipelines with automatic or remote-controlled shutoff valves.

261 One area where we may continue to work on, however, is
262 Section 8, which does not require PHMSA to ensure the public
263 availability of industry-developed or professional
264 organizational safety standards. However, similar to the
265 Senate bill, Section 10 requires PHMSA to study leak-
266 detection systems and, based on that study, issue a
267 regulation requiring hazardous liquid pipelines to use leak-
268 detection systems.

269 Again, this bill goes beyond the Senate version by also
270 requiring those regulations to establish standards for the
271 capability to leak-detection systems. In fact, I say we
272 should include similar language in Section 21, which requires
273 PHMSA to conduct a comprehensive study for transporting
274 hazardous liquids such as diluted bitumen used for the
275 transportation of tar sands oil but does not include the next
276 step of requiring PHMSA to implement new rules based off of
277 these findings.

278 Overall, Mr. Chairman, I am pleased with the progress
279 that both sides have made on this Pipeline Safety bill. Mr.

280 Chairman, I do have to admit, though, in all seriousness,
281 that I was a little surprised to find out that we were also
282 marking up the Energy and Revenue Enrichment Enhancement Act
283 today. In our last conversation on the bill, we had sent a
284 letter to GAO to find out the best way to move forward on the
285 uranium tails issue to ensure that taxpayers were getting a
286 fair deal. It is my understanding that the GAO letter never
287 went out, so that leaves me in a difficult position here
288 today. While I would like to work with you to address this
289 issue, I need to be sure that we are doing what is in the
290 best interest of the American taxpayer. And many of those
291 concerns that both Mr. Waxman and I have laid out have not
292 been adequately addressed, so I don't know how I can support
293 that bill here today.

294 However, I must give him credit where credit is due.
295 And the majority has worked with our side in addressing many
296 of our concerns in the Pipeline Safety bill, and I am
297 prepared to support that bill here today. However, this bill
298 can and should be a model for future cooperation for future
299 legislation that comes before this subcommittee.

300 And with that, I yield back the balance of my time.

301 [The prepared statement of Mr. Rush follows:]

302 ***** COMMITTEE INSERT *****

|
303 Mr. {Whitfield.} Thank you, Mr. Rush.

304 At this time I recognize the gentleman, Mr. Terry, for
305 purposes of an opening statement.

306 Mr. {Terry.} I just want to thank the gentleman for
307 bringing this up. I think pipeline safety is a key concern
308 making sure that as the chairman of the full committee said,
309 learn from the incidents that have occurred, whether at San
310 Bruno or Yellowstone or his own district.

311 One of the key areas that I want to focus on, Mr.
312 Chairman, is response times. We should have a standard for
313 response times. It should be one that is meetable, but it
314 seems to me the actual response times and the promised aren't
315 matched very well. So I just want to lay that out that we
316 can continue to work on this and appreciate you moving this
317 bill.

318 I yield back.

319 [The prepared statement of Mr. Terry follows:]

320 ***** COMMITTEE INSERT *****

|
321 Mr. {Whitfield.} Thank you, Mr. Terry.

322 At this time I recognize the gentleman from Michigan for
323 the purpose of an opening statement, Mr. Dingell.

324 Mr. {Dingell.} Chairman, I thank you for your courtesy.
325 I commend you for this hearing, and I am delighted to commend
326 you, the majority staff, my dear friend Mr. Upton, the
327 chairman of the committee, for his extraordinary leadership
328 on this matter, and also my dear friend Mr. Rush. We have
329 worked together on this matter in a bipartisan fashion. It
330 does credit to the committee, and I am pleased to report that
331 this committee is continuing to show the leadership that it
332 has shown over the years to ensure that make our pipelines as
333 safe as we can in the interests of the public.

334 And it should be noted that not only is there long-term
335 effects in terms of the environment and the public health from
336 a pipeline failure, but indeed they can function very much
337 like an atom bomb, and you will see a huge ball of fire when
338 some of these things go off with a lot of people being killed
339 or injured and huge property losses.

340 This is a good bill that shows that this committee does
341 know how to provide leadership, and I am pleased to say that
342 under the leadership of our friend Mr. Upton and others who
343 have worked on this, and that includes the staff, so on both

344 sides of the aisle we have done, I think, something very
345 important in the public interest. I urge my colleagues to
346 support the legislation and to help fend off any mischievous
347 amendments so that we might come forward with a good bill and
348 show this body how a good working legislative committee can
349 function.

350 Thank you, Mr. Chairman.

351 [The prepared statement of Mr. Dingell follows:]

352 ***** COMMITTEE INSERT *****

|
353 Mr. {Whitfield.} Thank you, Mr. Dingell.

354 Mr. Griffith, do you seek recognition?

355 Mr. Shimkus?

356 Mr. Green, do you seek recognition for an opening
357 statement?

358 Mr. {Green.} Thank you, Mr. Chairman, for calling up
359 the bill, and I appreciate all the hard work that has gone
360 into this effort by Chairman Upton, Ranking Member Waxman,
361 and Ranking Member Emeritus Dingell. It is not easy to craft
362 a bipartisan bill and I am pleased that this important issue
363 our committee is working on continuing in that legacy of
364 bipartisanship.

365 Markup by this subcommittee is an important first step
366 toward improving pipeline safety regulations. Pipeline
367 safety is particularly important to me. I represent parts of
368 Houston and East Harris County, Texas, where virtually
369 everyone lives on or in close proximity to a natural gas or
370 oil pipeline or even a refined product pipeline. I also have
371 thousands of constituents who rely on the industry for
372 employment and their livelihood. I understand the need to
373 pass a bill that addresses the priorities in ensuring safety
374 along these pipelines and providing regulatory certainty for
375 the operators in the years ahead.

376 However, I am concerned that the bill falls short in too
377 many important ways. I am hoping that as this bill moves
378 through our committee, the committee leadership carefully
379 examines what I believe are much-needed tweaks to the
380 language. Particularly, I hope to pursue changes and have
381 strengthened provisions in sections concerning offshore
382 gathering lines, integrity management, incident notification,
383 and clarify provisions relating to CO2 pipelines. The way
384 this bill is written, it would have a profound impact on
385 areas in the oil and gas industry, but many of these
386 provisions offer no substantial additional protection to the
387 residents or the workers.

388 While I don't have any amendments to this point, I am
389 encouraged by the assurances by bipartisan sponsors of the
390 bill that they are open to working with members of the
391 committee to address our concerns as we head toward a full
392 committee markup. I hope to take them up on this offer and I
393 anticipate a productive and engaging process.

394 Overall, I believe this is a solid first step and good
395 framework for this committee and the Transportation
396 Infrastructure Committee to build upon as we move ahead. I
397 look forward to working with my colleagues on both sides of
398 the aisle to advance a bill that will protect the residents,
399 the environment, and ensure that we have a vibrant and

400 competitive oil and gas industry.

401 And I yield back my time.

402 [The prepared statement of Mr. Green follows:]

403 ***** COMMITTEE INSERT *****

|

404 H.R. ____

405 Mr. {Whitfield.} Thank you, Mr. Green.

406 And that completes the opening statements so the chair

407 will call up the discussion draft and ask the clerk to

408 report.

409 The {Clerk.} Discussion draft H.R. ____ to amend Title

410 49, United States Code.

411 [The information follows:]

412 ***** INSERT 1 *****

|
413 Mr. {Whitfield.} Without objection, the first reading
414 of the draft is dispensed with and the bill will be open for
415 amendment at any point.

416 The {Chairman.} Mr. Chairman, I have an amendment in
417 the nature of the substitute.

418 Mr. {Whitfield.} The chairman recognizes Mr. Upton for
419 the purpose of offering amendment in the nature of a
420 substitute.

421 The {Chairman.} Thank you, Mr. Chairman.

422 Mr. {Whitfield.} The clerk will report the amendment.

423 The {Clerk.} An amendment in the nature of the
424 substitute offered by Mr. Upton and Mr. Dingell.

425 [The amendment follows:]

426 ***** INSERT 2 *****

|
427 Mr. {Whitfield.} Without objection, the reading of the
428 amendment is dispensed with. And the gentleman from Michigan
429 is recognized for 5 minutes in support of his amendment.

430 The {Chairman.} I would note that this is a very strong
431 bipartisan amendment by myself and Mr. Dingell. It is a
432 strong improvement over our discussion draft. We made a
433 number of changes since our legislative hearing a couple
434 weeks ago. And I said in my opening statement, pipeline
435 safety is a subject with long and bipartisan history.

436 This substitute does a number of things. First of all,
437 the amendment takes into account the recent pipeline incident
438 in Montana and asks PHMSA to review its standards for
439 pipelines across waterways. We add new requirements for
440 confirming maximum allowable operating pressure, a regulatory
441 shortfall that led directly to the disastrous pipeline
442 explosion in San Bruno last year. We strengthened the
443 language regarding leak-detection standards to make sure
444 adequate systems are utilized to detect and begin stopping
445 pipeline leaks. We allow regulations of certain offshore
446 gathering lines to ensure large lines in the Gulf remain
447 safe. We modified language in the Incident Notification
448 Section to help prevent false alarms to the National Response
449 Center.

450 We still have probably a number of other improvements as
451 we move forward. Now that we have the debate to discuss
452 today, I look forward to working with all members of the
453 panel and yield my time to my good friend, the coauthor of
454 this, Mr. Dingell from the great State of Michigan. Mr.
455 Dingell, I yield to you to comment on our amendment.

456 Mr. {Dingell.} I thank you. All I can do is to repeat
457 what I have said before about the fine leadership of our
458 friend, Mr. Upton, on this matter and the high quality of the
459 proposal before us. It meets the concerns that we all have
460 with regard to pipeline safety. It takes care of real
461 progress, and I think that it will serve this committee well
462 as we go forward. And again, I want to commend all who have
463 participated, including my friend, Mr. Waxman, for all his
464 support and assistance as we have gone through this process.
465 I urge my colleagues to support the substitute amendment that
466 is offered by our good friend Mr. Upton.

467 And I yield back the balance of my time.

468 The {Chairman.} I yield back.

469 Mr. {Whitfield.} The gentleman yields back his time.

470 Is there further discussion of the substitute?

471 The gentleman from Illinois, for what purpose do you
472 seek recognition?

473 Mr. {Rush.} To strike the last word.

474 Mr. {Whitfield.} The gentleman is recognized for 5
475 minutes.

476 Mr. {Rush.} Mr. Chairman, I support this bipartisan
477 amendment. It significantly stretches the discussion draft
478 in several respects. The discussion draft only required
479 PHMSA to study whether it should regulate gathering
480 pipelines. The manager's amendment requires PHMSA to
481 actually regulate offshore gathering lines and also acts as
482 an agency to collect data on unregulated gathering lines.
483 The discussion draft only required PHMSA to evaluate whether
484 integrity management system requirements should be expanded
485 beyond high-consequence areas. The manager's amendment also
486 requires PHMSA to promulgate regulations to expand these
487 important protections to additional pipelines.

488 The discussion draft did not require PHMSA to ensure the
489 public availability of information about pipeline operator
490 emergency response plans. The manager amendment includes
491 that requirement. The discussion draft allows PHMSA to
492 collect fees to conduct design safety reviews of proposed
493 pipelines, but this was limited to the very small number of
494 pipelines that cost at least \$4 million or that use new or
495 novel technologies or designs. The manager's amendment
496 reduces the threshold to 1 million so that PHMSA has the
497 resources it needs to review pipeline design before the

498 pipelines are actually built.

499 The manager's amendment adds an important provision that
500 addresses a regulatory weakness exposed by the San Bruno
501 incident. This provision requires gas transmission pipeline
502 operators to verify pipeline records to confirm the physical
503 and operational characteristics of the pipeline, as well as
504 their established maximum-allowable operating pressure.

505 Operators also would be required to report any pipelines
506 for which records cannot be verified and reconfirm their
507 maximum-allowable operating pressures. This provision
508 applies to grandfathered pipelines constructed before July 1,
509 1970.

510 At the legislative hearing, we heard testimony about the
511 safety benefits of retrofitting existing pipelines with
512 remote-control or automatic shutoff valves. The discussion
513 draft did not address this issue. The manager's amendment
514 requires PHMSA to conduct an analysis of the cost, risk, and
515 benefits of retrofitting existing transmission pipelines with
516 automatic or remote-control shutoff valves.

517 The manager's amendment also directs PHMSA not only to
518 require the use of leak-detection systems for pipelines but
519 to set standards for the capability of these systems. That
520 is an important advance.

521 Finally, the manager's amendment includes a new section

522 requiring PHMSA to evaluate whether current regulations
523 regarding covered or buried pipeline at river crossings are
524 sufficient to prevent a release of hazardous liquid. This
525 provision is a starting point. As we learn more about the
526 Yellowstone River spill, we may stretch this section also.

527 So, Mr. Chairman, this is a good amendment and with a
528 number of important improvements. And I know that several
529 members have raised additional issues. As we move toward a
530 full committee markup in September, I hope we can continue to
531 work together in a cooperative way to address the concerns
532 raised by our colleagues.

533 I want to thank you, Mr. Chairman. I want to thank the
534 ranking member of the full committee, Mr. Waxman. I want to
535 thank the ranking member emeritus, Mr. Dingell. I want to
536 thank the chairman of the full committee. I want to thank
537 you, Mr. Chairman, the ranking member of the subcommittee for
538 all your work on this manager's amendment. It is a good
539 amendment and I encourage my colleagues to support it and I
540 encourage us to continue to work in a bipartisan manner as we
541 provide legislation for the American people far into the
542 future.

543 Thank you and I yield back.

544 Mr. {Whitfield.} Thank you, Mr. Rush.

545 For what purpose does the gentleman from Colorado seek

546 recognition?

547 Mr. {Gardner.} I wish to strike the last word.

548 Mr. {Whitfield.} The gentleman is recognized for 5
549 minutes.

550 Mr. {Gardner.} Thank you, Mr. Chairman, and I apologize
551 for being late to committee. I just wanted to talk a little
552 bit about substitute amendment and where we are moving from
553 here.

554 Areas of Colorado are a spaghetti network of natural gas
555 pipelines, and I think historically we have done a very good
556 job of making sure that our pipelines and we can always do
557 better. Colorado is home to the very promising Niobrara
558 Shale formation, which has the potential to create many jobs
559 and to provide for increased natural gas usage across
560 America. And I know there are other formations throughout
561 the country that show tremendous promise as well.

562 The Pipeline Safety bill, the amendment in front of us,
563 take into account the fact that in the future there will be
564 vast exploration of these formations. It takes into account
565 the construction and transmission issues that will come about
566 as a result of increased exploration opportunities. It is
567 important to Colorado and the natural gas industry in
568 particular.

569 But one area I wanted to highlight as we move forward on

570 the bill today is the issue of gathering lines. Gathering
571 system consists of pipelines that are smaller in diameter and
572 operated at lower pressures than transmission lines and often
573 located in very rural or semirural areas. These are lines
574 that operate throughout my district in eastern Colorado,
575 southeastern, northeastern Colorado, a gathering system that
576 helps move natural gas and liquids from wellhead to the
577 transmission lines or to the processing plants. As the
578 substitute amendment moves forward, I hope to work with the
579 committee to see that the review of gathering systems
580 reflects a risk-based analysis. Section 29 in particular,
581 which requires a study a onshore gathering lines might be
582 improved so that it quantifies if and how applying existing
583 regulations to the gathering system could effectively improve
584 public safety. This kind of risk-benefit analysis is needed
585 to provide meaningful context to a study of hundreds of
586 thousands of gathering lines in Colorado and beyond.

587 Without further discussion or analysis, I am afraid
588 there might be some unintended consequences and look forward
589 to working with you on this bipartisan effort and commend you
590 on the work you have done and making this bill a bill that
591 will improve the safety of pipelines across the country.

592 I yield back.

593 Mr. {Whitfield.} Thank you, Mr. Gardner.

594 Does anyone else seek recognition to comment on the
595 amendment?

596 Mr. {Bilbray.} Mr. Chairman?

597 Mr. {Whitfield.} For what purpose does the gentleman
598 from California seek recognition?

599 Mr. {Bilbray.} To strike the last word.

600 Mr. {Whitfield.} The gentleman is recognized for 5
601 minutes.

602 Mr. {Bilbray.} Yes, and Mr. Chairman, let me commend
603 both sides at working at trying to do what the American
604 people always say they want us to do and usually get nervous
605 when they see us working together.

606 Let me just say we have really addressed in this bill in
607 so many ways what and how something should be built for a
608 certain technology. I just ask that we build on this success
609 and have both sides take a look at the fact that the one
610 thing we don't do is talk about where we want our
611 infrastructure to be cited. I don't care if it is gas, if it
612 is oil, if it is water, if it is electrical power, the
613 easements that we have in our urban areas are set aside and
614 planned ahead of time. And with good planning and with a
615 proactive approach at identifying the need for easements for
616 these kinds of facilities, we can not only help the economic
617 prosperity of stimulating and making it easier to build the

618 projects and get them done, but we also have the opportunity
619 to make them environmentally much more responsible and
620 accountable.

621 So I would just like to say that as we go on this that
622 this committee take a serious look at the fact that the idea
623 that the FERC somehow allows private companies or requires
624 private companies to figure easements and work out every one
625 of those alignments, I think that we see what we have done
626 with the interstate freeway system. We have actually had not
627 only the Federal Government but we require states and local
628 and council of governments to be engaged in finding the best
629 easements for the best economic and the least ecological
630 impact, and that proactive planning is good for the
631 environment, good for the economy. And I think it is
632 something that we need to grapple with.

633 We do it for our freeways, Mr. Chairman. That is one
634 part of our infrastructure. Oil, gas, water, and electricity
635 is the other part, and it is sad when you see transmission
636 systems having to be two or three times longer than what they
637 ought to be with the economic and ecological impact when good
638 planning could streamline that and make it safer and cheaper
639 and more compatible with the local communities. And I just
640 hope that we rise to the challenge of building on this
641 success.

642 And I yield back.

643 Mr. {Whitfield.} Thank you, Mr. Bilbray.

644 Does anyone else seek recognition to discuss the
645 amendment of the substitute?

646 Are there any other bipartisan amendments? Does anyone
647 have any amendments?

648 If there are no more amendments, then the vote occurs on
649 the amendment in the nature of a substitute. All those in
650 favor shall signify by saying aye. All those opposed no.

651 The ayes have it and the amendment is agreed to.

652 Now, if there are no further amendments, the question
653 now occurs on favorably reporting the discussion draft as
654 amendment. All those in favor shall signify by saying aye.
655 All those opposed no.

656 The ayes have it and the discussion draft is favorably
657 reported.

|

658 H.R. 2054

659 Mr. {Whitfield.} The chair now calls up H.R. 2054, and

660 before I ask the clerk to report, I want to have a little

661 discussion here for a moment. So just a minute.

662 I ask the clerk to report H.R. 2054.

663 The {Clerk.} H.R. 2054, to provide for the--

664 [H.R. 2054 follows:]

665 ***** INSERT 3 *****

|
666 Mr. {Whitfield.} Without objection, the first reading
667 of the draft is dispensed with and the draft bill will be
668 open for amendment at any point. So ordered.

669 The chair now recognizes himself for the purpose of
670 offering an amendment in the nature of a substitute and ask
671 the clerk to report the amendment.

672 The {Clerk.} An amendment in the nature of a substitute
673 to H.R. 2054, offered by Mr. Whitfield.

674 [The amendment follows:]

675 ***** INSERT 4 *****

|
676 Mr. {Whitfield.} Without objection, the reading of the
677 amendment is dispensed with.

678 And the chair recognizes himself for 5 minutes in
679 support of the amendment.

680 As I indicated in my opening statement, this bill--and
681 we have amended it in a few ways--basically is a mechanism to
682 help us re-enrich depleted uranium tails at Paducah and
683 Portsmouth, Kentucky. We have 60,000 14-ton canisters. It
684 is costing the Federal Government over \$4 million a year to
685 maintain these canisters and it presents environmental
686 problems. This legislation would establish a pilot project
687 that would allow the depleted tails to be re-enriched for a
688 period of 2 years and to be sold over a period of 4 years.
689 And the purpose of extending it out to 4 years is to not
690 disrupt the domestic uranium market.

691 As I indicated, the uranium that is enriched in the
692 U.S., 92 percent of it comes from outside the country. Once
693 we re-enrich this uranium in the pilot project, it will
694 generate significant income for the Federal Government. This
695 legislation directs that revenue that the Federal Government
696 will attain by enriching these tails to the decommissions and
697 Decontamination Fund, which is handled at the Department of
698 Energy for the purpose of clean up and environmental issues

699 at Portsmouth, at Paducah, and at Oak Ridge, Tennessee.

700 So that basically is what this legislation is all about.
701 We are advocating this because there are 1,200 jobs at stake
702 if the plant closes at Paducah. So this legislation really
703 is a win-win. It helps us get rid of the canisters that is
704 costing the government \$4 million a year, it provides
705 additional revenue for the Federal Government, it provides
706 additional revenue for the Decontamination and
707 Decommissioning Fund to help environmental cleanup at three
708 sites I located, and it also preserves 1,200 jobs at the
709 Paducah plant.

710 So is there any discussion of this substitute amendment?

711 The gentleman from California is recognized.

712 Mr. {Waxman.} Thank you, Mr. Chairman.

713 I oppose the manager's amendment and the underlying bill
714 because I don't believe forcing the Department of Energy to
715 enter into a sole-source contract with USEC to enrich its
716 uranium tails will yield the best deal for the American
717 taxpayer. The manager's amendment does not correct the main
718 flaws of the underlying bill. The primary problem is that it
719 mandates a lack of competition. The amendment requires the
720 Department of Energy to enter into a sole-source contract for
721 uranium enrichment with a uranium enrichment plant owned by
722 DOE, and there is only one enrichment plant owned by DOE.

723 That is USEC in Paducah, Kentucky. This anticompetitive
724 approach is not likely to yield the best deal for the
725 American taxpayers.

726 Mr. Chairman, I have a longer statement and I would like
727 to put that in the record. But I did want to express my view
728 on the subject.

729 Mr. {Whitfield.} Without objection, the statement is
730 entered into the record.

731 [The information follows:]

732 ***** COMMITTEE INSERT *****

|
733 Mr. {Whitfield.} Is there any further discussion on the
734 amendment in the nature of a substitute?

735 If there are no other discussion and if there are no
736 other amendments, all those in favor of adopting the
737 amendment in the nature of substitute shall signify by saying
738 aye. All those opposed no.

739 In the opinion of the chair, the ayes have it.

740 If there are no further amendments, the question now
741 occurs on favorably reporting the bill as amended with the
742 nature of substitute. All those in favor shall signify by
743 saying aye. All those opposed no.

744 In the opinion of the chair, the ayes have it, and the
745 bill as amended is favorably reported.

746 Without objection, staff is authorized to make technical
747 and conforming changes to this discussion draft and the bill
748 approved by the subcommittee today. So ordered.

749 The subcommittee will now stand adjourned. Thank you.

750 [Whereupon, at 10:57 a.m., the subcommittee was
751 adjourned.]