The Mission of the Pipeline Safety Trust

The Pipeline Safety Trust promotes fuel transportation safety through education and advocacy, by increasing access to information, and by building partnerships with residents, safety advocates, government, and industry, that result in safer communities and a healthier environment.

Pipeline Safety Trust Leadership
Board of Directors
Breean Beggs – President
Katherine Dalen – Vice President
Bruce Brabec – Treasurer
Edwin (Skip) Williams – Secretary
Robert Rackleff
Katie Hansen
Rebecca Johnson
Jim Pates
G. “Ram” Ramachandran
Rick Kessler

Staff
Carl Weimer – Executive Director
Marissa Rosati – Program Assistant
Webmaster/Graphics – Chris Coffin

What’s in this issue...

- Page 2 - LNG Siting: States vs. Feds
- Page 3 - Pipeline Safety Information Grants to Communities - Where Are They?
- Page 4 - Read “The Smart Pig,” and we aren’t talking about any high-tech printouts
- Page 5 - News Briefs
- Page 6 - Oil and Ice Mingle on Alaska’s North Slope
- Page 7 - Putting Pipelines Back on the Map
- Page 9 - Who Is Paying Attention to Oil and Gas Field Pipelines?
- Page 11 - Right-of-way Clearing – Why Now?

We think it is important that all legitimate views on pipeline safety are known and discussed. If you would like to provide an article for a future issue, please contact us at: info@pipelinesafetytrust.org

Join Us In New Orleans!

On November 2nd & 3rd, the Pipeline Safety Trust will host perhaps the most unique pipeline safety conference to come along in years. What will make it unique will be the equal mix of experience from the affected public, the pipeline industry, and government regulators all coming together to discuss barriers to safer pipelines. Through such a collaborative approach, the Trust hopes to promote better understanding and trust between these groups, so we can all move forward together in our mutual goal of making pipelines as safe as possible.

The conference will be held in the historic, family-owned Hotel Monteleone in the French Quarter in New Orleans. The agenda is under development but will include topics such as risk assessment, right-of-way clearing, communications between the public and pipeline companies, hurricanes & pipelines, pipeline maps, the need for more pipelines, damage prevention, and what local governments can do. There will also be tours of the hurricane damage in New Orleans, with a particular emphasis on the effects on oil and gas infrastructure.

To learn more about the conference or to register online, visit: http://www.pstrust.org/conference.htm

Hope To See You There!

Secrecy Does Not Increase Trust In Pipeline Safety

On April 17th, people living along Barrington Bridge Place just outside Richmond, Virginia, found out the hard way that they had a high-pressure hazardous liquid pipeline in their neighborhood. For reasons still not explained, the pressure in the pipeline rose over its maximum operating pressure and the pipe split along a longitudinal seam. The pipeline’s failure caused 28,000 gallons of jet fuel to be sprayed into the neighborhood running nearly knee deep through some yards. Fortunately for those living there, the fuel did not ignite.

For the past month, residents have had to endure heavy equipment and trucks removing thousands of yards of contaminated soil. So far, no contamination of the groundwater has been found, so with luck the clean-up will soon be complete, and people’s peace and quiet will return.

Many of these people will never relax in their yards in quite the same way as they did before they learned about the pipeline that runs through their

Continued on page 10
Congressional Reauthorization – A Time For Change?

Every few years, Congress takes a look at the laws it has approved in the past and the agencies that carry out those laws. During this reauthorization process, Congress considers whether it needs to make any changes to the laws, encourage agencies to move more effectively or swiftly in certain areas, and how much funding agencies need to carry out their missions.

This is the year for the federal Office of Pipeline Safety (OPS) to go through the reauthorization process, which also means it is the year that Congress looks for input from a variety of stakeholders on how well OPS has been doing and what changes might need to be made. The Pipeline Safety Trust was invited to testify at two hearings already held before Committees of the U.S. House of Representatives, and we have had numerous meetings with elected officials and their staffs.

When OPS went through reauthorization last time, a huge battle, led to the Pipeline Safety Improvement Act of 2002. This time around, there seems to be much less disagreement on how to proceed between the pipeline industry, safety advocates, states, and federal regulators.

The Trust hopes to convince Congress to make changes that would ensure that local governments and the public have access to already collected information that will allow them to make their own decisions about pipeline safety. This includes making basic pipeline maps, inspection records, and enforcement proceedings easily available. We also hope that Congress will finally provide OPS with money for Public Safety Information Grants to communities (see article on page 3).

OPS hopes to significantly increase funding to state pipeline safety programs with a special emphasis on helping states provide better pipeline damage prevention programs. All stakeholders, including the Trust, support this.

The one issue that has caused some disagreement among stakeholders is the natural gas industry’s desire to relax the interval between required internal inspections on some transmission pipelines. The current law requires inspection every seven years. The industry argues the interval should be more flexible and based on the real needs of individual pipelines. The Government Accountability Office (GAO) is currently studying this inspection interval; the study is supposed to be done this fall. The Trust believes it is too soon to be change this interval, which the industry is still in the first round of testing under. We also think it makes no sense to even talk about making changes until the GAO report is finished.

The Administration’s reauthorization bill is due out soon, and the Senate plans to hold hearings over the summer, so stay tuned.

Interested in what is happening regarding reauthorization? Visit the Trust’s webpages devoted to this important issue at: http://pstrust.org/spotlight/reauthorization_entry.htm

LNG Siting: States vs. Feds

When the Energy Policy Act of 2005 was passed, the power to site liquefied natural gas (LNG) import terminals was handed over to the Federal Energy Regulatory Commission (FERC). Before this act was passed, whether FERC had authority or whether the states had a say in such siting decisions was not clear. The act says the state’s role is to aid the federal government when it comes to safety issues, but this role is a bit hazy and not clearly defined.

Many states are now taking it upon themselves to better define their power regarding the siting of LNG facilities or to find new ways to use state powers to control such siting. The States of California, Louisiana, Massachusetts, and Rhode Island are all taking their limited power and trying to expand it.

On the east coast, many elected officials in Rhode Island and Massachusetts are pulling out all the stops. A U.S Representative from Massachusetts put into the 2005 Federal Transportation Bill a provision preventing the demolition of an old bridge, which would prohibit large LNG tankers from making their way to a proposed Fall River, Massachusetts, LNG import facility. Rhode Island passed a state measure in the House that would... Continued on page 6
When the Pipeline Safety Improvement Act passed in 2002 one important provision survived all the compromise. It was a program to make grants of up to $50,000 available to "local communities and groups of individuals relating to the safety of pipeline facilities in local communities."

Potentially, this important provision would have allowed communities affected by pipeline incidents to receive funding to hire independent experts. These experts could help assure the public that what the government and industry were doing was correct, or the experts could suggest needed changes. Either method would foster more transparency and trust.

Local governments or community groups could also have used these grants to become involved in the various rulemaking and standards development processes that are normally devoid of public participation, and controlled by industry and regulators. In other words, these grants should have begun to allow local government and the public to have a legitimate voice in pipeline safety.

Unfortunately, it appears that neither Congress nor the Office of Pipeline Safety (OPS) had any real intent to let the public gain a voice. For its part, Congress did approve this valuable grant program with one hand but never provided any funding with the other. And the Office of Pipeline Safety never established the competitive procedures and criteria the law required them to establish. This situation offers a handy excuse for both parties. Congress can say, "We aren’t going to fund this program because OPS hasn’t designed the procedures." OPS can say, "we aren’t going to waste our time designing the procedures until we have some funding."

Where does that leave groups like the Pipeline Safety Advisory Committee in Kentucky? The neighborhood association in Virginia where a 30-foot geyser of jet fuel just sprang up in their yards? The City of Tucson, which still has concerns with ground water contamination from a pipeline spill? Or the City and County Pipeline Safety Consortium in Washington State? It leaves these types of groups scraping together whatever funding they can and relying on those who created such pipeline safety concerns in the first place as the main source of information.

We hope someone within Congress or OPS will soon show some leadership to move this valuable program forward, because we believe this will go a long way to help restore local community’s trust in pipeline safety.
Dear Smart Pig,

The recent Plantation Pipe Line incident that occurred outside of Richmond, Virginia, really got me thinking. That rupture sent a geyser of jet fuel 25 feet in the air, showering the land 200 feet away from the pipeline, and spraying 2 houses while polluting their yards. This incident didn’t happen in some rural area away from people; it happened in a neighborhood occupied by families and close to a major interstate highway. As an average citizen who lives near a pipeline, I wonder how citizens are supposed to know that the pipeline transporting jet fuel is safe. How are we to educate ourselves about the pipelines that run behind our houses, our children’s school, or our parent’s nursing home? It was horrible to see property polluted, but it was just luck that no one was injured or worse – killed.

So Smart Pig, how do we, your average citizens, find out if a pipeline in our community is truly safe? How can we be assured that this won’t happen to our community?

Sincerely,
Concerned in Virginia

Dear Concerned,

I had to take a good long mud bath to relax before I tried to answer this question, because often my answer isn’t what people want to hear. I don’t think anyone, even a smart pig, can tell you if the pipeline near your house is safe, because what one person thinks is safe may seem death-defying to someone else. This is why what I may consider to be darn dangerous – such as riding a bike without a helmet, or even worse eating cured meats like ham or pork sausages – is perfectly acceptable to some folks. You need to make up your own mind about that pipeline, but to do that you need good information, which is often where the problem lies.

Here is what I can tell you that I hope will help.

First of all, you are lucky that you live in Virginia. Virginia has what many believe is the best state-run pipeline damage prevention program in the country. Through better education, communication, and enforcement, Virginia has been able to show a marked decrease in the number of pipelines that are damaged by contractors. Hopefully, other states will soon adopt a program like Virginia’s, so people in other states have that added safety edge.

Beyond that, there is little information that you can actually use to measure the safety of particular pipelines. The federal Office of Pipeline Safety (OPS) does not make the results of any of their inspections public, or for that matter even let people know when any pipeline was last inspected. You can look at the past performance of particular pipelines regarding number of spills, property damage and injuries caused. The easiest place to get started with that would be to visit this OPS website: http://primis.phmsa.dot.gov/comm/States.htm. Once the new page opens up click on the “incident and mileage data” for your state, and you will get information about the spills in your state. Be sure to click on “incident details” to get the whole picture. Of course, just like the stock market, past performance is not always the best indicator of future pipeline safety.

If you like to think about this more like gambling, in the past three years the average number of injuries and deaths was about 3.5 for every 100,000 miles of transmission pipeline. So you can see that the chance of one killing you in your backyard is pretty slim, although if you were the family of one of the 440 people that have been killed by pipelines in the past 20 years, this fact might not be very relevant to your decision.

All that being said, let me tell you what I have decided for myself. I really like the natural gas that provides the heat, hot water, and cooking fuel here in my sty. There is a little gas pipeline that runs across my yard to get that gas to my house, and although I do pay close attention to make sure that no one messes with that little pipe I really don’t lose any sleep over the fact that it is there.

On the other hand, I wouldn’t live within 1000 feet of most of the large transmission pipelines.

Well, back to my mud bath now that I have muddied the waters for you. Let me leave you with this one last thought on safety.

“The superior man, when resting in safety, does not forget that danger may come.”

Confucius
Chinese philosopher & reformer (551 BC - 479 BC)

Dear Andy,

How much death and destruction do transmission pipelines actually cause each year?

Sincerely,
Andy (Pipeline in Backyard) Cohen,
California

Dear Andy,

It is hard to measure the amount of environmental damage that pipelines cause, and it is impossible to put a figure on the amount of emotional damage they may inflict on people. What can be measured is the number of injuries and the amount of property damage they cause. Below is a chart for the past five years that shows those things.

Hope this helps!

Pig Out

---

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Accidents</th>
<th>Fatalities</th>
<th>Injuries</th>
<th>Property Damage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>130</td>
<td>0</td>
<td>10</td>
<td>$25,346,751</td>
</tr>
<tr>
<td>2002</td>
<td>147</td>
<td>1</td>
<td>0</td>
<td>$36,812,119</td>
</tr>
<tr>
<td>2003</td>
<td>131</td>
<td>0</td>
<td>5</td>
<td>$51,199,293</td>
</tr>
<tr>
<td>2004</td>
<td>144</td>
<td>5</td>
<td>16</td>
<td>$135,768,079</td>
</tr>
<tr>
<td>2005</td>
<td>135</td>
<td>2</td>
<td>2</td>
<td>$93,837,735</td>
</tr>
<tr>
<td>Totals</td>
<td>687</td>
<td>8</td>
<td>33</td>
<td>$342,963,977</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Accidents</th>
<th>Fatalities</th>
<th>Injuries</th>
<th>Property Damage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>87</td>
<td>2</td>
<td>5</td>
<td>$23,674,225</td>
</tr>
<tr>
<td>2002</td>
<td>82</td>
<td>1</td>
<td>5</td>
<td>$26,543,069</td>
</tr>
<tr>
<td>2003</td>
<td>98</td>
<td>1</td>
<td>8</td>
<td>$45,717,753</td>
</tr>
<tr>
<td>2004</td>
<td>122</td>
<td>0</td>
<td>3</td>
<td>$67,819,911</td>
</tr>
<tr>
<td>2005</td>
<td>181</td>
<td>0</td>
<td>7</td>
<td>$252,117,586</td>
</tr>
<tr>
<td>Totals</td>
<td>570</td>
<td>4</td>
<td>28</td>
<td>$415,872,544</td>
</tr>
</tbody>
</table>

---

Source: U.S. Department of Transportation, Office of Pipeline Safety

---

The Smart Pig
smartpig@pstrust.org

In pipeline parlance, a smart pig is a high-tech device designed to root around inside pipelines. These intelligent little beasts inspect every square inch of the line, calling attention to any needed repairs.

I try to do the same thing for our readers. Send me a question and I’ll root through the labyrinths of modern pipeline prevarications to get you the best answer piggly possible: the straight scoop, as we say back in the sty.

Editor’s Note: The views and opinions expressed by this pig do not necessarily reflect those of The Pipeline Safety Trust, or any human being.
News Briefs

March 2, 2006.—The largest oil spill in the history of oil development on Alaska’s North Slope was discovered leaking from a three-mile long British Petroleum (BP) pipeline that runs between two processing facilities. The current spill estimate is 267,000 gallons. The leak was caused from internal corrosion on a pipeline that was known to have corrosion problems, but which had not been internally inspected since 1998. The leak was not found through the companies leak detection system, but by an employee who was passing by and smelled the oil. It appears that the leak had been active for at least five days before it was found.

March 10, 2006—The Department of Energy held it’s first in a series of Liquefied Natural Gas (LNG) Forums around the County. These forums are the product of the Energy Policy Act enacted in August of 2005. There are to be at a minimum of three forums held in coastal states to at least educate the public about LNG if not foster dialog.

The first of the series was hosted in Boston Massachusetts where LNG is of great community concern since 5 LNG terminals have been slated for the state. The forum was well attended and Massachusetts U.S. and State representatives made an appearance as well as stated their views on LNG. The second DOE LNG forum was held in Astoria, Oregon on March 28th. Five proposals for LNG import terminals are slated for Oregon, with four of them proposed up the Columbia River, which divides Oregon and Washington State. A third DOE public education forum on LNG took place June 1 at the Los Angeles Convention Center in Los Angeles, California. Seven LNG import terminals are slated for California with another 3 either proposed or currently being built across the boarder in Baja California, Mexico.

April 10, 2006.—Kinder Morgan entered a Consent Agreement for the Corrective Action Order that the Office of Pipeline Safety issued in August 2005. Kinder Morgan must make improvements to its 3,900-mile Pacific Operations unit of hazardous liquid pipeline systems located in Arizona, California, Nevada, New Mexico, Oregon, and western Texas. The improvements are said to cost $90 million.

In recent years Kinder Morgan’s pipelines have had some of the nation’s highest profile pipeline incidents which include the April 2004 40,000 gallon diesel fuel rupture that polluted the Suisun Marsh outside of San Francisco, CA; the November 2004 rupture and explosion in Walnut Creek, CA that killed five construction workers; a 70’ geyser of gasoline that spewed for nearly 12 hours between Baker and Barstow off Interstate 15; as well as a 2003 rupture near Tucson, AZ which led to a pipeline shutdown that caused gasoline shortages throughout the Phoenix area.

April 17, 2006.—Henrico County, Virginia – Jet fuel ruptured from the 12-inch diameter Plantation Pipe Line that runs through the neighborhood of Barrington Bridge. Kinder Morgan Energy Pipelines and ExxonMobil own the Plantation Pipe Line. Preliminary investigation shows that the pipeline was operating at a higher pressure than the pipeline was allowed, which may have caused a 2-inch by 38-inch split in the pipeline. The amount of jet fuel that escaped the pipeline is currently estimated at 28,000 gallons. The jet fuel sprayed for 14 minutes at a distance of 200 feet. The fuel sprayed 2 homes and power was shut off to nine homes. The fuel did not ignite and no one was injured. The Office of Pipeline Safety issued a Corrective Action Order to Kinder Morgan on April 20, 2006. To review this Corrective Action Order please go to: http://ops.dot.gov/regions/eastern/CFP_NO_1_2006_5003H.pdf

May 2006.—Tucson, Arizona — In mid-May the Office of Pipeline Safety granted permission for Kinder Morgan to increase the pressure of their pipeline that runs through Tucson back up to 100 percent operating pressure. The pipeline had been ordered to operate at a reduced pressure ever since a rupture occurred in July of 2003. Tucson City Council members were angered that the company was allowed to raise the pressure without notifying the city. The Council members said that Kinder Morgan had promised to keep the city informed of changes to the operation of the pipeline.

Keep Informed!

Want to stay current with what’s happening regarding pipeline safety or LNG facility siting? One way to stay current is to subscribe to either of the list serves below.

More than 450 people are already getting this information via their email everyday.

SAFE Pipelines discussion list
To get current pipeline news join the SAFE Pipelines nationwide email discussion list. The list currently includes over 250 people nationwide, and is dedicated to sharing pipeline safety and pipeline siting information to community activists, government officials, and pipeline experts nationwide. It is our hope that through this sharing, initiatives that will make pipelines safer will be adopted, and that citizens will be given a larger role in the oversight of pipeline safety and pipeline siting nationwide.

To join go to http://groups.yahoo. com/group/safepipelines OR You can join by sending a blank email to: safepipelines-subscribe@ya hoogroups.com

LNG Safety discussion list
This group is dedicated to sharing Liquefied Natural Gas (LNG) safety and siting information among community activists, local government officials, industry experts, and regulators nationwide. It is our hope that through this sharing, initiatives that will make LNG facilities safer will be adopted, and that citizens will be given a larger role in the oversight of LNG safety and siting nationwide.

With the current rush to site LNG facilities, such shared information (including the best available science, technologies, and risk assessment) is needed for communities to make well informed decisions about these potentially dangerous facilities being proposed in their midst.

To join go to http://groups.yahoo. com/group/LNgsafety OR You can join by sending a blank email to: LNGsafety-subscribe@yahoogroups.com
Oil and Ice Mingle on Alaska’s North Slope

The largest oil spill in the history of oil development on Alaska’s North Slope was discovered at a caribou crossing this past winter along a three-mile long British Petroleum (BP) transmission pipeline running between two processing facilities. The current spill estimate is approximately 200,000 gallons. The pipeline was exempt from federal Office of Pipeline Safety regulations because it was a “low-stress” transmission line.

On March 2, the leak was discovered by a BP employee who smelled the oil. Despite four leak detection system alarms (required under State of Alaska regulations), BP did not send anyone out to look for the leak on the ground or via plane. BP photos from a flyover conducted the day the spill was found show a pool of oil.

BP, not the state or federal governments, conducted the incident investigation report. The leak was caused by internal corrosion on a pipeline known to have corrosion problems, but which had not had a smart pig internal inspection since 1998. In addition to releasing approximately 200,000 gallons of oil adjacent to a frozen lake located in caribou habitat, the incident caused the state of Alaska to lose one million dollars in tax revenue each day the pipeline was down.

What can be done to avoid future incidents such as this? Low-stress transmission pipelines in Alaska and elsewhere need to be regulated by OPS in a manner similar to other transmission lines, since low-stress lines can cause extensive environmental damage.

LNG Siting: States vs. Feds

Continued from page 2

establish a safety and security zone that extends two miles in front of the ships, one mile behind them and 1,000 yards on each side. That bill would effectively ban LNG tankers from moving along Narragansett Bay and the Sakonnet River on their way to the Fall River facility.

In Louisiana, Governor Kathleen Blanco, who supports liquefied natural gas terminals, vetoed Freeport-McMoRan’s permit for an offshore import terminal. The 2005 Act states that “nothing affects the rights of States under— ‘(1) the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); “(2) the Clean Air Act (42 U.S.C. 7401 et seq.); or “(3) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.)”. Under this provision the Governor had concerns regarding the technology used in the gasification process. The process that Freeport-McMoRan called for took warm water from the Gulf of Mexico, to turn the super-cold liquid into a gas, then returned the chilled water back to the Gulf of Mexico. Many fishermen and conservationists believe this could be damaging to local fish populations. This technology, commonly known as open loop, was turned down by Region 9 of the US Environmental Protection Agency for a proposed facility off the California coast. Region 9 does, however, support closed loop technology, which continually reuses water by heating it with a small percentage of natural gas to gasify the LNG. This is also the technology Governor Blanco supports.

On the west coast, three California state agencies criticized the Draft Environmental Impact Statement for the proposed Long Beach LNG import terminal, which had been prepared by FERC and the Port of Long Beach. The California Energy Commission, which has been appointed by the Governor to review the facility, the California Public Utility Commission (CPUC), and the California Coastal Commission have submitted their concerns to FERC. These agencies question how the terminal’s safety is being assessed. The most significant request was made by the CPUC, which has critiqued the report and has asked for the report to be withdrawn as well as to be rewritten. Prior to the Energy Policy Act of 2005, the CPUC would have had siting authority in the State of California. Since the Act’s passage, the CPUC can only submit their concerns to FERC, which now holds siting authority.

The struggle of State versus federal authority confounded our country’s forefathers more than 200 years ago, and it is still a very real struggle for today’s government officials and the citizens of this country. Though the problem of providing energy and its transportation are national issues, the issues of public safety and resource protection are local and state issues. It is hard for local citizens to trust that the federal government is looking out for their best interests when their safety and local natural resources are the prices to pay for national energy.
Maps that allow local government emergency responders, planners, and zoning officials to know where pipelines are in relation to housing developments, schools, and a variety of infrastructure are critical to prevent pipeline damage and increase pipeline safety. Maps that allow the public to see what pipelines run through their neighborhoods are also the best way to capture the public’s attention regarding pipeline safety, increase their awareness of pipeline damage issues, and enlist them to be the eyes to help prevent pipeline damage. Maps also allow homebuyers to decide their own comfort level with living near pipelines.

The 2002 Pipeline Safety Improvement Act required that pipeline companies provide the Office of Pipeline Safety (OPS) with data for the National Pipeline Mapping System (NPMS) so such maps could be available for the above purposes. Unfortunately after the September 11th, 2001 terrorist attacks the NPMS system was removed from easy internet access and became a password-protected system that approved users have to agree not to share with anyone else. This new NPMS security removes the maps from the public altogether, and makes the system mainly useless for local government since the map information can not be added to local GIS systems or planning maps because of the required non-disclosure.

This removal of maps out of fear that terrorists may use them to find targets flies in the face of common sense. The location of pipelines is no secret, in fact federal law requires that “Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.” Detailed pipeline atlases are still available for purchase from private companies, and more likely targets are the refineries, tank farms, and other above ground infrastructure at the ends of pipelines. If terrorists want to find pipelines, they will. All that has been accomplished by removing maps from the public is to increase the growing problem of encroachment near pipelines, and of unintentional damage to pipelines.

This removal of the NPMS from the public has also caused some states, such as Washington and Texas, to spend their limited state dollars to duplicate this mapping system so that local government and the public have access to this valuable information.

For these reasons the Trust believes OPS should reinstate access to the NPMS, so local governments can plan safely and the public can be aware of the pipelines that run through their midst. It is our understanding that OPS has commissioned two studies on pipeline maps and security issues, and that both studies have concluded that a general internet-based pipeline mapping system would not create a security threat. We believe that OPS is now willing to make the NPMS available to the public again, but they are waiting for some sort of official blessing from Homeland Security. Hopefully, that blessing will come soon before more pipeline damage or encroachment occurs caused by local communities being kept in the dark about where the pipelines are.

Myths, Misleading Statements, and Convoluted Statistics

Myth: Gas prices are already too high, and any additional pipeline regulations will drive the price even higher.

Fact: As you can see from the pump, only a relatively small percentage of the price of gas comes from the distribution. Depending on where you live, pipelines probably account for about 2 to 4 cents per gallon of the price of regular gasoline. So, even a dramatic increase in safety regulations would have nearly no effect on the cost of gasoline. We are also not so sure that gasoline is even too expensive when compared to these other purchasing choices people make:

### Components of the Price of Gasoline

<table>
<thead>
<tr>
<th>Item</th>
<th>Price/Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refining 18%</td>
<td></td>
</tr>
<tr>
<td>Distribution &amp; Marketing 6%</td>
<td></td>
</tr>
<tr>
<td>Federal, state &amp; local taxes 19%</td>
<td></td>
</tr>
<tr>
<td>Crude Oil 57%</td>
<td></td>
</tr>
</tbody>
</table>

Reporting Over-Pressurization Events

For safety reasons, both natural gas and hazardous liquid pipelines have limits on the pressures at which they are allowed to operate. These limits are based on a variety of factors – mainly the type of pipe used and the location of the pipeline in relation to population. Over-pressurization occurs when a pipeline’s operating pressure exceeds these safety limits.

It is a concern when an over-pressurization event occurs, even when immediate failure of the pipeline doesn’t happen. Such over-pressurization can cause undue stress on the pipe, which can lead to weakening of the pipe over time. Tracking and reporting these events is one of the clearest ways to determine how well a pipeline operator has real control of their pipeline system. Unfortunately, these over-pressurization events are rarely required to be reported to regulators and the public due to a loophole in the law.

During the 1980s, an exemption to the reporting of most of these critical events was passed. Two main reasons led to this exemption. The first was that reporting would be extremely time intensive and costly for the industry. The second concern was that the federal Office of Pipeline Safety had no database that could manage the data in a way that would be valuable for the agency. Fifteen years ago, email, the internet, and integrated databases were a vague dream.

Today, these technologies are common and cheap so the arguments used against the collection of this valuable information no longer apply. Furthermore, with increased capabilities in control room technology, remote communications, and integrity management, the number of over-pressurization events should have declined. Without this reporting requirement, we have no way to know whether a pipeline company is making progress toward safety or is causing unwarranted stress on their pipeline and therefore needs greater scrutiny.

Myths, Misleading Statements, and Convoluted Statistics

Myth: Pipeline contractors, who do most of the construction and maintenance work on the pipelines, have to go through a standardized training and testing period to be certified by the pipeline industry in order to be hired by a pipeline operator.

Fact: The Office of Pipeline Safety (OPS) does require each pipeline operator to develop and adopt a qualification program to ensure that individuals performing construction or maintenance on a pipeline are qualified to do so. OPS does evaluate the acceptability of each individual pipeline company’s qualification program, even though OPS does not set standards for what such a program should include. This means each pipeline operator has a different set of standards for qualification, which the contractors must meet. Since there are no agreed upon uniform industry standards, these contractors must meet qualifications for each individual pipeline operator they serve. If you are a contractor and are hired by five different pipeline operators, you must meet five different sets of qualifications in order to work on those five pipelines.

New Administrator of PHMSA

Vice Admiral Thomas J. Barrett, USCG (Ret.) was sworn in as the first administrator of the Pipeline and Hazardous Materials Safety Administration May 31 by Transportation Secretary Norman Mineta. He was nominated by President Bush in January, and was confirmed by the U.S. Senate on May 26.

Barrett most recently was the Vice President and Chief Operating Officer of the Potomac Institute for Policy Studies. Prior to that, he served 35 years in the United States Coast Guard and attained the position of Vice Commandant. In that capacity, he served as second in command, Agency Acquisition Executive, coordinated the Coast Guard Leadership Council, and co-chaired with the Vice Chief of Naval Operations the Navy-Coast Guard Board, an inter-service policy coordination body.

Previously, he directed Coast Guard operations in the North Pacific, including the Gulf of Alaska, Eastern Bering Sea, and Arctic Ocean. Other assignments included directing Coast Guard training and leadership development programs, and commanding the Coast Guard’s largest base at Kodiak, Alaska. He is a Vietnam veteran.

Barrett earned a B.S. in Biology from Le Moyne College, Syracuse, N.Y., and a Juris Doctor with honors from the George Washington University. He is a graduate of the Army War College and the National Defense University Capstone Course in National Security Strategy and Military Capabilities.
Who is Paying Attention to Oil & Gas Field Pipelines?

Transmission pipelines have been getting all the attention in recent years, and it’s time for oil and gas field pipeline problems to be addressed. This was the theme of a presentation by Lois Epstein, representing the Pipeline Safety Trust, at the Interstate Oil and Gas Compact Commission (IOGCC) midyear meeting May 21–23 in Billings, Montana. This Commission, headed in 2006 by Wyoming Governor Dave Freudenthal, represents oil and gas producing states (see map http://www.iogcc.state.ok.us/memberstates.html) and advocates for environmentally sound ways to increase the supply of oil and gas produced in the U.S.

Anchorage-based Epstein provided evidence from Alaska and around the country of releases from oil and gas field pipelines, also known as “facility piping,” “production lines,” “well lines,” “flow lines,” “gathering lines” and, occasionally, “produced water lines.” Industry and regulators frequently use these terms interchangeably, but the federal Office of Pipeline Safety regulates only non-rural gathering lines. OPS is considering regulating gathering lines in established “high consequence areas.” The federal government defines gathering lines as those pipelines in oil and gas fields downstream of the facilities that separate crude oil, natural gas, and produced water (the briny, contaminated wastewater which comes up from the subsurface with the oil and gas). According to OPS’ interpretation of the federal pipeline safety law, states – not the federal government – regulate pipelines upstream of separation facilities.

As a result of this federal/state regulatory distinction, Epstein urged states at the IOGCC meeting to do as Alaska recently has done and develop regulations to prevent releases from pipelines upstream of separation facilities. She also urged the IOGCC to survey states to obtain release data from oil and gas field pipelines, to compile and analyze state regulations addressing these lines, and to develop a “model” state regulation for release prevention.

According to Epstein, “states now appear more likely to move forward to address this gap in pipeline safety regulation.”

Only non-rural gathering lines and transmission lines are federally regulated

Individual State Pipeline Websites

The Pipeline Safety Trust started off 2006 by developing the start of State-by-State Pipeline Information websites. These websites are designed to give basic pipeline information, plus a bit more, to citizens and local government for their individual states. By citizens and local government becoming more informed and involved on pipeline issues we can all help to make pipelines safer.

To check out our new state websites go to: http://www.pstrust.org/resources/state_info.htm

The Trust so far has developed websites for Washington, Oregon and Kentucky and would like to develop pages for all 50 states. Don’t see your state on our website? Want to make your state the most savvy when it comes to pipeline information? There are two ways to get your state’s website done sooner than later.

One, send us your testimonial at info@pstrust.org on why your state needs more public information on pipelines in your state, and perhaps the website for your state will be next.

Or, send us money! Each state specific website costs the Trust about $1,500 to produce, so the Trust is also looking for financial donors within each state to help us cover the cost of this important endeavor, and to show us that someone in that state cares about pipeline safety and public involvement.

Know an influential person in your state government or on your state’s Utility Commission? Have an extra $1,500 stashed under your mattress, or interested in holding a bake sale? Please, feel free to be our fundraiser in your state! This will allow us to provide people in your state with better information about the pipelines that run through their communities.
Secrecy Does Not Increase Trust In Pipeline Safety

Continued from page 1

neighborhood. Unfortunately, their concerns were heightened because of the lack of information available about the inspections and past history of this pipeline.

What residents did find out on their own was that this was the Plantation Pipe Line, a system including over 3,000 miles of pipeline running from Louisiana to Virginia. They also learned the company that is the majority owner and operator of the Plantation Pipe Line is Kinder Morgan, a Texas-based company. They learned that Kinder Morgan has had numerous pipeline incidents and accidents over the past few years, and six western states along with the federal Office of Pipeline Safety (OPS) recently investigated Kinder Morgan’s western operations and forced them to spend over $90 million to correct poor pipeline testing and maintenance practices. Questions regarding how this west coast investigation might relate to Kinder Morgan's Plantation Pipe Line operation went unanswered.

When residents contacted the Pipeline Safety Trust about their situation, we provided them with as much information as we could find. We gave them Plantation Pipe Line’s spill history, as well as information about Kinder Morgan’s west coast troubles. We told them the Plantation Pipe Line had a relatively good safety record compared to many other pipelines. We also told residents that Kinder Morgan in their annual reports, said the Plantation Pipe Line contained over 900 miles of ERW pipe, (a type of pipe long known to have seam failures), and that they should ask about whether this was ERW pipe in their area. We also provided the residents with a section from Plantation Pipe Line’s required annual report to the Federal Energy Regulatory Agency, which disclosed that the company had pending a “Proposed Civil Penalty and Proposed Compliance Order concerning alleged violations of certain federal regulations…” (see side box)

The residents of this neighborhood, as well as we at the Pipeline Safety Trust, were concerned when we learned that OPS had identified problems with the integrity management system that Kinder Morgan was using on the Plantation Pipe Line nearly three years before this failure. It appeared that these problems might be similar to those identified in Kinder Morgan’s western operations. We searched the OPS websites for information about what was found during the 2003 inspection, which led to a proposed compliance order. No information about the inspection, the proposed compliance order, or the civil penalty was available.

We contacted the Community Assistance and Technical Services people at OPS in the region where the inspection occurred, as well as in D.C. to see what they could tell us about this inspection’s findings or the proposed compliance order, and we received only this short response:

“After checking with our Enforcement staff, I learned that the enforcement document is not published on our web page until “due process” has been completed. As Plantation notes on its FERC Form 6, the process is not yet complete.”

Where does that leave the frightened people in Virginia who found a foot of jet fuel running through their yards on a Monday
Secrecy Does Not
Continued from previous page

Right-of-way clearing –

Why now?

For the past few years pipeline companies around the country have been getting into more conflicts with the public than normal because of renewed clearing of their right of ways. Some of these right of ways have not been cleared for decades, so property owners are understandably upset when large trees in their yards that their families have grown up with are tagged for removal. Others are being asked to move sheds, swimming pools, and other yard enhancements.

Companies clear their right of ways for a number of reasons, but the two most credible reasons are to make it easier for them and area residents to see who is doing what on top of the pipeline, and in some cases to remove trees whose roots may damage the pipeline’s protective coating.

Pipeline companies are required by federal law to inspect their pipeline right of ways on a regular basis, and most often pipeline companies choose to do this from the air. Aerial surveillance of pipeline right of ways is the fastest way for companies to look at what is happening on top of the pipeline, as well as see other activities, such as the expansion of a sewer line, that may be bringing digging equipment towards the pipeline. Aerial surveillance is only effective if the right of way is cleared to allow the pilot to see the ground on top of the pipeline.

Some of the public’s anger over these clearing efforts is because they find that there is no consistency between different pipeline companies. Some companies claim they need a 50-foot clear right of way, while others say 20 or 30 feet is sufficient. Some companies will work with communities to save certain trees, allow certain activities, and preserve park lands on their right of ways, while others demand a one size fits all clear cut. This inconsistency makes people wonder who really knows what they are doing.

Federal law does not give pipeline companies authority to clear their right of ways, that authority comes from the right of way agreement. Continued on back page

Two New Board Members For The Pipeline Safety Trust

Recently the Board of Directors of the Trust invited two new people to join the Board to bring even more breadth of experience to governing our organization. We are thrilled they have accepted the invitation, and we welcome Ram Ramachandran and Rick Kessler to the Board. Below are very brief descriptions of the experience and talents they bring to the Pipeline Safety Trust.

G. “Ram” Ramachandran is a native of Madras, India, but has lived near New Orleans, Louisiana, for over 24 years. He is a three term elected councilman for the St. Charles Parish, and has served as Chairman of the Council. Ram served as Chairman of the National Association of County Officials’ Environment, Energy, and Land Use Steering Committee. Ram retired in 2001 as Principal Engineer at Cytec Industries where he had worked for over 32 years. He then formed his consulting company and serves major industries in the area. The International Society for Measurement and Control elected him a Distinguished Life Fellow in Engineering in 1994, the first Louisiana engineer so honored in 50 years. In 2004 he was appointed to the Outer Continental Shelf Policy Committee of Mineral Management Service to advise the U.S. Secretary of Interior. We are extremely lucky to have Ram’s engineering and local government experience on our Board.

Rick Kessler lives near, and works in Washington DC where he serves as the director of New Jersey’s state office. Previously he held positions as the Chief of Staff for Rep. John Dingell of Michigan, and before that he was staff for the Energy and Commerce Committee of the U.S. House. During the struggle to gain passage of the Pipeline Safety Act of 2002, Rick was instrumental in ensuring that many of the good safety provisions of that bill survived the negotiations and compromise. We are thrilled to have his political know-how and pipeline policy experience on our Board.
Right-of-way clearing – Why now?

Continued from page 11

that the property owner and company are bound by. This agreement is a contract between the property owner and company, and it provides the rules for what both parties can do on the right of way. Things like clearing, how many pipelines are allowed, what can be put on the right of way by the property owner, and the original payment for the right of way are clarified in this contract. If it is not mentioned in this agreement then a pipeline company has no right to do it.

Another piece of the public’s anger is that in some cases the property owners didn’t know they had a transmission pipeline right of way on their property. Some were never told, some didn’t pay attention, and some were led to believe something inaccurate.

New property owners are usually still required to pay the taxes on the right of way even though they did not receive any of the right of way purchase money. This leaves some feeling cheated out of the value of their property. This problem could probably be reduced by agreements that would include phased payments for the right of way over time, or “re-opener” clauses that would allow for compensation every so many years (10?) if the property value had increased by a defined amount.

Whatever the reason for these conflicts, they will continue until pipeline operators catch up with their long delayed efforts to clear their right of ways, and also learn how to communicate better with property owners. Regular inspections of pipeline right of ways, done in a responsible manner, are a valuable tool to keep pipelines safe. We should all support this effort.

The question is what took some companies so long to understand this? Clearly some companies were negligent in their duties, and the Office of Pipeline Safety was not paying attention.

Want to Help?

There are many ways you can help the push for safer pipelines. Stay informed about pipelines by checking our website frequently and joining the safepipelines and/or the LNGSafety listserves. Become aware of the pipelines in your area, and find out about their safety record. If you have technical expertise, help others in your area understand pipeline safety, or contact the Trust to donate your time helping us educate others.

The current return on the investment of our initial settlement money does not generate enough funds to allow the Trust to do all that we would like to do for pipeline safety. If you would like to help us do more, through a financial donation, please cut out the form below and return it to us with your check or go to http://pstrust.org/donate.htm to donate through a secure server online. Donations are tax deductible!

Yes! I want to support the Pipeline Safety Trust’s efforts.

Name________________________ Street Address______________________________
City________________________ State________________________ Zip__________
Phone________________________ Email______________________________

Enclosed is my check made payable to the Pipeline Safety Trust for: $____________________
Mail to: Pipeline Safety Trust
1155 N. State St. Suite 609
Bellingham, WA 98225

Thank You!