



**UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

**Oversight Hearing on
Discussion Draft of the Pipeline Safety and
Reliability Improvement Act of 2006**

**Before the
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives**

**Written Statement of VADM Thomas J. Barrett, USCG (ret.)
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**WRITTEN STATEMENT OF VADM THOMAS J. BARRETT, USCG (RET.)
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U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE
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I. INTRODUCTION

Chairman Hall, Ranking Member Boucher, members of the Subcommittee, thank you for the invitation to appear to discuss your draft proposal to reauthorize the pipeline safety program. I appreciate the Subcommittee's stewardship on pipeline safety and I am pleased to provide my first testimony before this subcommittee on ways to improve an already forward leaning safety program, and to build upon PHMSA's progress to date.

I believe your proposal embodies key concepts that will help us reach our goal of eliminating pipeline safety incidents and provide a foundation for the energy transportation infrastructure we need to continue our strong economic growth into the future.

Americans depend on pipeline transportation for the safe movement of critical energy supplies. This dependence makes it crucial to keep the system safe and reliable. Over 97 percent of the nation's transportation energy needs are met by petroleum products, and 64 percent of these energy products are moved through America's pipeline networks. The system is near capacity all the time. In times of emergencies, this lack of

redundancy and system capacity makes it important for PHMSA to work along with our state partners to assure that energy product transportation is not interrupted. In the years to come, we hope to contribute to increasing the resiliency of this infrastructure.

“The Pipeline Safety Improvement Act of 2002” which you sponsored and the President signed into law was a most important milestone. The Act reinforced the importance of integrity management, operator qualification, public education, research, mapping, construction damage prevention and other initiatives, including one national number for One-Call. Most importantly in my view, the Act set the stage in law for a systems approach to managing and reducing pipeline risks. Over the past five years we have seen a steady decline in the leading causes of pipeline failures and the serious accidents in which people are injured or the environment is harmed. We need to stay the course and step up our efforts.

In the past few years, PHMSA has taken a hard look at incidents, their causes and what can be done to prevent them. One thing is crystal clear- the leading cause of incidents in which people are hurt or killed is construction-related damage causing an immediate rupture or damage which later grows to failure. This occurs most often on the distribution systems which run through the neighborhoods where people live and work. This part of the pipeline system, the distribution network, is almost entirely under the jurisdiction of states, our foremost partners in pipeline safety.

II. ADMINISTRATION PROPOSAL

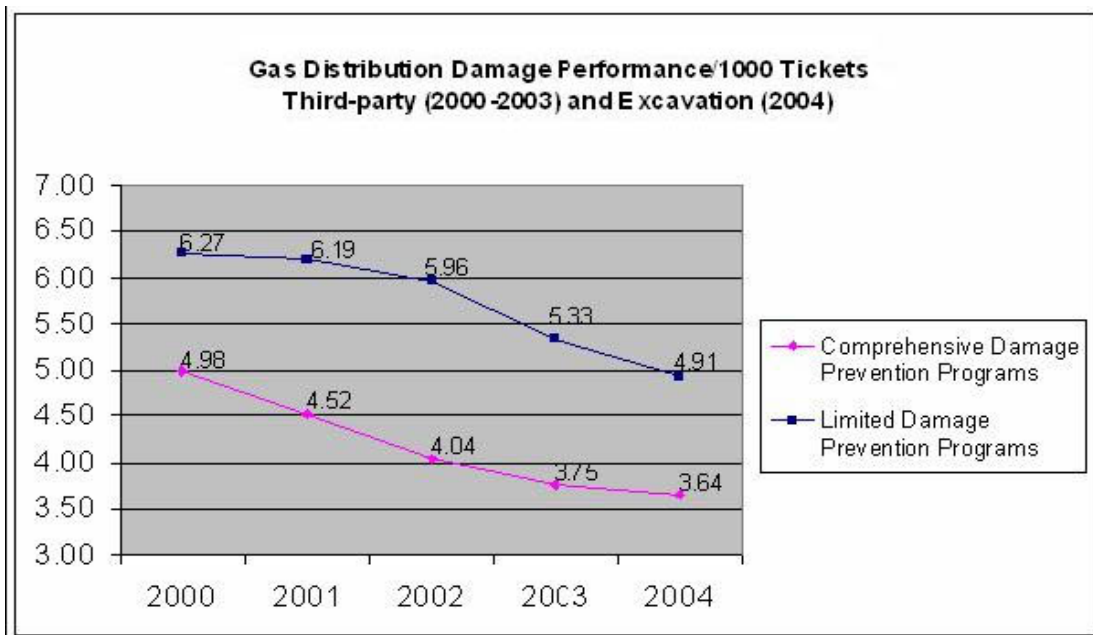
The Secretary of Transportation recently submitted to Congress the Administration's legislative proposal to reauthorize and improve pipeline safety and protection for the environment, and also to enhance infrastructure reliability. The proposal, the "Pipeline Safety and Reliability Improvement Act of 2006" looks to build on our progress in achieving the mandates of the 2002 Act by placing more emphasis on damage prevention, enhancing state programs' oversight of pipelines, and clarifying our responsibilities and emergency waiver authority during natural disasters and other emergencies.

Managing pipeline safety based on system risk clearly suggests we must minimize damage to pipelines associated with construction-damage. Construction damage is almost always preventable and we have worked to find practices that will eliminate this problem. The challenge is managing this activity without damaging a very crowded underground infrastructure – one that gets more crowded every day, not just with pipelines but new telecommunications, electric, water and sewer, and other infrastructure.

Several states including Virginia and Minnesota have led the way with strong damage prevention programs and seen up to 50% reductions in this type of damage. We need to prioritize the resources for pipeline safety to be sure that our state partners have more resources to share responsibility with us in getting this job done. The Committee's proposal recognizes this need by adopting important concepts which the Administration forwarded, including new civil enforcement authority,

incentives for states to improve their damage prevention programs, technology grants to advance the safety and efficiency of the one call notification process, and more funding for state pipeline safety programs.

The following chart from a PHMSA report gives a picture of the progress possible with a strong enforcement program. There are degrees of success with enforcement and two model states, Virginia and Minnesota both have fewer than 3 damages per 1,000 one call tickets by enforcing the practice of calling before digging.



Our proposal addresses this concern by establishing a state grant program to provide more incentives to states to develop effective damage prevention programs. State agencies and PHMSA would also gain authority to conduct civil enforcement actions against anyone who fails to contact “One-Call” prior to digging, with our focus being on state enforcement.

Ensuring the safety of 2.3 million miles of pipelines is an enormous task. Our state partners oversee 90 percent of operator compliance with pipeline safety regulations. We seek to raise the cap on grants provided to state pipeline agencies over 6 years from 50 percent to 80 percent to offset the increasing cost of the programs they execute, consistent with the programs of the Department. State agencies do utilize PHMSA's national regulatory pipeline safety standards to inspect the majority of the pipeline infrastructure and we increasingly invest in state training and decision support as we function as a coordinated workforce. We need them and they need our help to be most effective.

Last year's devastating Gulf Coast storms also taught us lessons about the vulnerability of pipelines to natural and man-made disasters. In the wake of last years storms, PHMSA's inspectors deployed to State emergency operations centers, operator control rooms, and to critical pumping stations across Louisiana and Mississippi to monitor operator efforts to work to keep energy moving without standard electric power.

To assist with recovery of the pipeline infrastructure during future emergency events, the Administration's proposal provides for specific regulatory authority to use emergency waivers when necessary to help operators anticipate or respond expeditiously to national or regional disasters at the earliest possible time. We believe this can help to minimize pipeline system disruption while maintaining safe operations.

Like you, I strongly favor a systems-based approach to assessing and managing risk, especially as the risks to large infrastructure systems like pipelines often change over time. I expect to see an effective systems risk management approach, which this subcommittee helped devise, getting positive results for pipeline safety. The integrity management program has focused operators on making the best use of information as it becomes available. But this must be a dynamic process in which the operator is able to deploy attention and resources against the greatest risks, worst first. Reliance on stipulated retesting intervals, as established in current law, is inconsistent with a systems approach and a disincentive to continuous reevaluation and readjustment.

Reliance on stipulated retesting intervals as established in current law seems a disincentive to the continuous evaluation and readjustment of a dynamic systems approach. It is a basic element of an ongoing “whole-health” review of a pipeline system. The goal is to regularly and systematically utilize the most current information about the pipeline system so that it may be maintained to operate safely in the best condition for the longest amount of time.

These reauthorization concepts have been generally supported across our stakeholder community, including the federal and state family, and we are pleased to see many of the same priorities reflected in the Committee’s proposal.

III. CONCLUSION

I assure the members of this Subcommittee, that the Administration, Acting Secretary Cino, and the dedicated men and women of PHMSA share your strong commitment to improving safety, reliability, and public confidence in our Nation's pipeline infrastructure.

Like you, we understand the importance of our mission to the safety of our citizens and the energy security and continued economic growth of our great Nation.

Thank you.

I would be pleased to answer any questions you may have.

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