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**Subcommittee on Energy  
Committee on Energy and Commerce  
United States House of Representatives**

***The State of Pipeline Safety and Security in America***

**May 1, 2019**

The American Gas Association (AGA) is pleased to provide this statement for the hearing record for the Subcommittee on Energy's, May 1st hearing on *The State of Pipeline Safety and Security in America*. AGA shares the same goals as our industry partners, safety advocates, the public and Congress: Ensuring that America maintains the safest, most secure, most reliable pipeline system in the world.

## **About the American Gas Association**

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 74 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent - nearly 71 million customers - receive their gas from AGA members. Natural gas pipelines, which transport approximately one-fourth of the energy consumed in the United States, are an essential part of the nation's infrastructure. Indeed, natural gas is delivered to customers through a safe, 2.5-million-mile underground pipeline system. This includes 2.2 million miles of local utility distribution pipelines and 300,000 miles of transmission pipelines that stretch across the country, providing service to more than 177 million Americans.

## **Our Number One Priority: Pipeline Safety**

Distribution pipelines (Attachment 1) are operated by natural gas utilities, sometimes called "local distribution companies" or LDCs. The gas utility's distribution pipes are the last, critical link in the natural gas delivery chain that brings natural gas from the wellhead to the burner tip. As such, gas utilities are effectively the "face of the gas industry." AGA member companies are embedded in the communities they serve and interact daily with customers and with the state regulators who oversee pipeline safety locally. The distribution industry takes very seriously the responsibility of continuing to deliver natural gas to our families, neighbors, and business partners as safely, reliably, and responsibly as possible.

The domestic shale revolution has resulted in an abundant supply of clean, affordable, domestically produced natural gas. In turn, robust supply has translated into stable natural gas prices and an increasing number of utility customers who use this resource for residential and commercial applications like cooking, space and water heating. Alongside this tremendous opportunity comes the absolute necessity of operating safe and reliable pipeline infrastructure to help ensure dependable natural gas delivery. Unquestionably, pipeline safety is our industry's number one priority, and through critical partnerships with state and federal regulators, legislators, and other stakeholders to constantly improve pipeline safety, gas utilities continue to advance system integrity and provide increased access to natural gas service for homes and businesses nationwide.

Through the decades, a variety of materials have been used to make natural gas pipelines. The selection of materials varies with the date the pipeline was placed in service, the diameter and pressurization requirements of the pipeline and the characteristics of the local terrain. For much of the 20th century, cast iron was the choice for many utility systems because of its excellent resistance to corrosion. In the 1950s, steel replaced cast iron as the material of choice, mainly because of steel's flexibility and strength. There was a higher risk of corrosion with steel pipes, so many of the pipes had protective coating added and "cathodic" protection systems installed with the pipe to protect against corrosion. During the past 30 years, however, plastic pipe has predominated in gas utility distribution systems. Plastic pipe provides increased safety and integrity to pipeline infrastructure because it is resistant to corrosion, flexible, and may even be

able to be installed in an existing pipeline. Since 2007, nearly 12,000 miles of cast iron main, 15,000 cast iron services, and over 20,000 miles of “bare” steel pipe have been replaced by plastic pipe.

Operators predominantly use “Distribution Integrity Management Programs,” (DIMP) to manage systems that consist of many different types of pipe, of different ages, at different pressures and in different environments. DIMP is a comprehensive regulation that provides an added layer of protection to the prescriptive federal regulations that have been in place since the 1970s, the state regulations that go beyond federal regulations, and the voluntary safety programs being implemented by local distribution companies. DIMP takes into consideration the wide differences that exist between natural gas distribution operators and allows operators to develop a DIMP plan that is appropriate for the operating characteristics of their distribution delivery system and the customers that they serve.

DIMP requires all distribution operators, regardless of size to:

- Understand their system (design, material, operating conditions, environment, maintenance and operating history, etc.)
- Manage the threats that could affect the integrity of the system (excavation damage, corrosion, potential for natural force damage, material defects, fitting failure, etc.)
- Assess and prioritize risks
- Identify and implement appropriate measures to mitigate risks
- Measure performance, monitor results, and evaluate the effectiveness of its programs, making changes where needed
- Periodically report performance measures to regulators

The use of DIMP helps operators prioritize replacement work and other measures that strengthen the gas system. Upgrading the nation’s pipeline system is just one of many steps that are being taken to fulfill the industry commitment to safety. Pipeline replacement projects have been a joint initiative between the industry, state regulators and commissioners, and the U.S. Department of Transportation’s Pipeline & Hazardous Materials Safety Administration (PHMSA). Currently, 43 states and the District of Columbia have established innovative rate mechanisms that allow operators to replace pipe faster. In the past 20 years, due to these efforts, the amount of cast iron pipelines in use has declined by approximately 52 percent, and the amount of cathodically unprotected and bare steel pipelines has decreased by approximately 46 percent. These systems have been replaced by modern plastic pipelines which provide increased gas utility system safety, resiliency and affordability to communities.

With 630,000 new natural gas utility customers being added every year, we are committed to meeting that increased demand with the safest pipeline infrastructure available. Since 1990, the use of modern plastic pipelines has increased by over 200 percent. Today, plastic pipe makes up 58 percent of the nation’s natural gas distribution main and 74 percent of the gas service line infrastructure. Cathodically protected and coated steel make up another 35 percent of the nation’s natural gas distribution main and 19 percent of the gas service line infrastructure.

Safety is a joint effort which engages customers, regulators, and policymakers at every level. We are committed to this partnership and our member companies proactively work with federal and state regulators, public officials, emergency responders, excavators, consumers, safety advocates, and the public to continue improving the industry’s natural gas distribution pipeline system. Our nation’s natural gas utilities invest nearly \$50,000 every minute into enhancing the

safety of natural gas distribution and transmission systems. Furthermore, AGA and its member companies have adopted a *Commitment to Enhancing Safety* (Attachment 2). This commitment identifies actions, beyond regulation, to improve safety, and underscores the actions our member companies are taking every day to help ensure that America's 2.2 million miles of natural gas distribution pipeline operate safely and reliably.

## **Industry's Demonstrated Commitment to Safety**

The natural gas distribution industry has demonstrated that it can increase the delivery of natural gas while continuously making improvements in safety. PHMSA data shows that significant distribution incidents, those that result in a death, injury or property damage of greater than \$50,000, and serious incidents, those that result in a death or injury, have declined over the past 20 years. Significant incidents have declined 16 percent and serious incidents have declined 35 percent. Notably, the primary cause of these incidents is excavation damage, which accounted for 38 percent and 27 percent of significant and serious incidents respectively in 2018. The April 10, 2019, incident in Durham, NC, which resulted in two deaths and 25 injuries was the result of third-party excavation damage.

While we have seen improvements, clearly more needs to be done. One incident is one too many. The National Transportation Safety Board (NTSB) is still investigating the tragic incident that occurred on September 13, 2018, in the Merrimack Valley in Massachusetts, but has stated the incident was due to an over-pressurization of a low-pressure natural gas distribution system.

Following the Merrimack Valley incident, AGA and the industry took quick action based on known information including,

- Holding conference calls to brief members and key stakeholders on what was publically known about the incident
- Issuing a survey to its members to gather practices in place that are intended to prevent over-pressurization
- Collecting information from a variety of sources including technical publications and industry experts
- Holding a roundtable of several hundred operators/service providers to review the practices submitted and gathered and obtain additional options to prevent over-pressurization
- Bringing together subject matters experts from over 30 companies to analyze the cumulative results and identify leading practices

Using this information, AGA and its members developed a white paper: *Leading Practices to Reduce the Possibility of a Natural Gas Over-Pressurization Event*<sup>1</sup>, which was issued just two and a half months after the incident. We have made this white paper widely available, sharing it with AGA members and other parts of the industry, including PHMSA, the NTSB, state regulators and public representatives such as the Pipeline Safety Trust.

Following the incident, AGA also formed a new Board-level Task Force focused on Safety, Resilience, Reliability, and Security. The Task Force is looking at what actions, beyond our current

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<sup>1</sup> *Leading Practices to Reduce the Possibility of a Natural Gas Overpressurization Event* (November 26, 2018) at <https://www.aga.org/globalassets/safety-and-operations-member-resources/leading-practices-to-prevent-over-pressurization-final.pdf>

leading practices, are needed to raise the bar in these key areas. The AGA Board will be discussing additional actions the industry will take at its May 20, 2019 meeting.

AGA also held a Crisis Leadership Summit for its members on April 8-9, 2019. The Summit included a half day workshop conducted by the NTSB focused on its family assistance operations and how pipeline operators can work collaboratively with the broader response community to meet the needs of affected individuals and communities. The Summit also included case studies and presentations on crisis readiness, internal preparation and coordination, stakeholder engagement, lessons learned from significant events and mutual assistance. AGA will also hold a similar workshop in June.

Finally, to address the NTSB recommendation following the Merrimack Valley incident that operators have certain documents or plans sealed by a professional engineer prior to commencing work, AGA created a white paper *Skills and Experience for Effectively Designing Natural Gas Systems*.<sup>2</sup> The purpose of this document is to provide guidance to operators on how to develop, maintain, and enhance the key technical competencies required to safely and effectively perform engineering work functions for natural gas systems.

## **Pipelines Bring Affordability and Opportunity**

American families rely more than ever on natural gas not only for heat in the winter, but year-round for cooking, drying clothes, taking a hot shower, and so much more. American businesses also rely more than ever on natural gas to heat, supply hot water, and run industrial and manufacturing processes. And these numbers continue to increase. Over the past four years, hardworking families who use natural gas for their everyday needs have collectively saved nearly \$66 billion in energy costs. That is an average of \$874 in annual savings per household. American businesses have seen \$105 billion in savings since 2009.

Natural gas provides the best value to families for home heating and on average is more affordable than other major energy sources including electric heat pumps, electrical resistance furnaces, fuel oil furnaces, and propane furnaces. With a national average of roughly \$600 per year, the annual cost for a family using a 90 percent efficient natural gas furnace is just one-third of the annual national average cost of using a 99 percent efficient electrical resistance furnace, which comes in at over \$1800 per year. Despite there being more than 74 million natural gas customers, there are pockets of this country that do not have the option to choose between those costs because they do not have access to natural gas. Extending America's pipelines brings opportunity to the homes, businesses, and communities that have the capacity to efficiently use natural gas but do not have access.

Access to affordable natural gas service should be an option for every American family and business. Expanding our nation's pipeline system would allow every household to access the safe, reliable, affordable and lifesaving benefits of natural gas and allows every business to contribute to the economic development of cities, counties, and states. Across America, state legislators and regulators are recognizing the benefits that natural gas brings to their communities. To date, 43 states have adopted or considered innovative proposals to expand natural gas infrastructure, so more households and businesses can access this affordable and reliable clean fuel source. AGA

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<sup>2</sup> *Skills and Experience for Effectively Designing Natural Gas Systems* (April 8, 2019) at [https://www.aga.org/contentassets/2ebcf84d71484f89a1b30dd26f1721ef/skills-and-experience-for-effectively-designing-ng-systems\\_final.pdf](https://www.aga.org/contentassets/2ebcf84d71484f89a1b30dd26f1721ef/skills-and-experience-for-effectively-designing-ng-systems_final.pdf)

and our member companies routinely work with state regulators and other policymakers to ensure that both the integrity of pipeline expansions and the safety of the communities served.

## **Promoting Energy Efficiency Programs**

AGA and our member companies recognize that rising energy prices and growing concern about the environmental impact of energy use have increased customer interest in using energy more efficiently. By investing in the efficiency of buildings and appliances, promoting smart energy choices, and subsidizing energy-saving efforts for low-income families, natural gas utilities are helping their customers save money and reduce their carbon footprint, while maintaining the comfort and productivity of their home or business.

Even as the number of natural gas customers increases annually, natural gas usage per household has decreased. And as the overall demand for energy has risen, utilities continue to invest in natural gas efficiency programs which has resulted in more customers using less gas due to more efficient home construction, utility-sponsored energy efficiency programs, and the development of increasingly efficient natural gas appliances. Overall, natural gas utility industry investment in energy efficiency programs have nearly quadrupled in the last decade and natural gas utilities in America spend \$4 million every day on energy efficiency programs.

## **Natural Gas is America's Cleanest Fossil Fuel**

AGA member companies are working towards a shared goal of reducing greenhouse gas emissions through increased efficiency and the growth of the renewable natural gas market. Increased use of natural gas has contributed to U.S. energy-related carbon dioxide emissions now reaching among the lowest levels in 25 years. Currently, residential natural gas consumption accounts for just 4 percent of total greenhouse gas emissions in the U.S. As the number of natural gas customers has been steadily increasing, the level of methane emissions continues to decrease. This decrease is a result of increased efficiency by natural gas customers and improved technologies for natural gas appliances, as well as the replacements and upgrades being made along the natural gas pipeline systems throughout America. In particular, an increased focus on pipeline safety has led to significant decreases in methane emissions from our nation's pipeline network; nearly 90 percent of the emissions decline from distribution systems since 1990 are due to pipeline replacement activities.

## **Pipeline Safety Reauthorization**

### **DISTRIBUTION PIPELINE REGULATION**

AGA supports reasonable and practicable federal regulations that improve pipeline safety. Further, AGA supports recommendations from the National Transportation Safety Board that are reasonable, applicable and reflect stakeholder input. AGA also supports relevant recommendations from the U.S. Department of Transportation Inspector General, Government Accountability Office, National Association of Pipeline Safety Representatives (NAPSR) and the National Association of Regulatory Utility Commissioners (NARUC). In addition, per an agreement with the federal government, state public utility commissions are empowered by statute to direct and enforce safety standards for pipeline facilities and to regulate the safety practices of LDCs. Public utility commissions enforce federal safety standards as they relate to design, installation, operation, inspection, testing, construction, extension, replacement and maintenance of pipeline

facilities. State public utility commissions may also prescribe additional standards, beyond those set by the Federal government, provided they are not in conflict.

### **COMMITMENT TO SAFETY**

AGA and its members' safety efforts go far beyond regulation and are driven by our dedication to the continued enhancement of pipeline safety. In fact, AGA's board adopted AGA's *Commitment to Enhancing Safety*, a public declaration that LDC's are committed to proactively collaborating with federal and state officials, emergency responders, excavators, consumers, safety advocates and the public to continue improving the industry's longstanding record of providing natural gas service safely, reliably and efficiently. This document also reflects LDCs' willingness to make safety an intrinsic part of their core business functions, including pipeline design and construction, operations, maintenance and training, as well as more public facing programs like workforce development, pipeline planning stakeholder engagement, and first responder outreach. While these business activities will vary with each operator, it is the consensus of AGA members that implementing these priorities will help enhance pipeline safety, improve gas utility operations, reduce greenhouse gas emissions and provide better public accountability.

AGA's members also participate in peer reviews, benchmarking activities, the development of publications, and industry events that allow for the sharing of leading practices. This includes but is not limited to the following:

- The AGA Peer Review and Gas Utility Operations Best Practices Programs are voluntary safety and operational practice programs that allow local natural gas utilities throughout the nation to observe their peers, share leading safety practices and identify opportunities to better serve customers and communities
- AGA and its members have developed hundreds of technical publications to assist operators. Two of the more recent publications are, *Leading Practices to Reduce the Possibility of a Natural Gas Over-Pressurization Event*<sup>3</sup> and *Guidelines to Understanding Pipeline Safety Management Systems* (Attachment 3)
- AGA's 2019 spring committee meetings, and its Operations Conference and Exhibition will include nearly 20 technical committee meetings, more than 180 speakers, over 275 exhibitors, and more than 2800 attendees, all focused on the sharing of technical knowledge, ideas and practices to promote the safe, reliable, and cost-effective delivery of natural gas to homes and businesses across the country

### **PIPELINE SAFETY ACT REAUTHORIZATION PRIORITIES**

AGA and its member companies support reasonable, flexible, risk-based, and practicable updates to pipeline safety regulation that build upon lessons learned and evolving improvements to safety and pipeline technology. Following this path leads to the sort of regulatory certainty our industry needs to better serve our customers. AGA asks the subcommittee to consider three high-level principles when drafting reauthorization legislation:

**(1) Preserve Industry Engagement in Pipeline Safety Rulemaking.** Reauthorization legislation should avoid legislative prescription and uphold the PHMSA regulatory process which allows all stakeholders a role in developing new safety regulations. Integral to PHMSA's pipeline safety rulemaking capability is the role the Gas Pipeline Advisory Committee (GPAC) plays in providing stakeholders a better understanding of the goals of

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<sup>3</sup> *Leading Practices to Reduce the Possibility of a Natural Gas Overpressurization Event* (November 26, 2018)

proposed regulations by allowing them to ask questions, provide input, offer alternate regulatory language when the proposed language fails to meet intended goals, and come to consensus on final rules that are technically feasible, reasonable, cost effective and practicable.

**(2) Support Appropriate Flexibility in Rulemaking.** Any new rulemakings authorized by pipeline safety reauthorization legislation should recognize that every pipeline distribution system is different in terms of design, use, age, materials, location, external risks, operating history and current operating conditions. Therefore, efforts to reduce risk in one system may not work in a different system. Any new safety rulemaking should recognize the differences between systems and avoid one-size-fits-all safety equipment or process mandates. Due to the distinct differences amongst distribution systems, prescriptive regulations may result in mis-prioritization of safety risks.

**(3) Don't Obstruct Ongoing Pipeline Replacement Programs.** Due in large part to active support by gas LDCs and other pipeline safety advocates, 43 states and the District of Columbia have implemented pipeline replacement programs either via legislation or regulation. These replacement programs offer the public continuously improving pipeline safety, environmental benefits, and more cost effective and consumer friendly gas utility operations. Reauthorization legislation should not saddle effective state replacement and upgrade programs with counterproductive new federal mandates that delay these replacements or require replacement faster than that work can be safely, and cost effectively, accomplished.

AGA intends to leverage the substantial operations and engineering expertise of our more than 200 natural gas member companies to assist Congress in producing practical pipeline safety reauthorization legislation that reflects solid engineering principles and operational realities. To that end, we offer the following comments on a number of issues we anticipate will come up during the debate:

## **Cost-Benefit Analysis Requirements are Necessary in Rulemaking**

Under current law, a cost-benefit analysis must be conducted during the PHMSA rulemaking process. The current requirements promote effective, reasonable, transparent and legally-sound regulations. A cost-benefit analysis provision helps gain consensus on regulations, rather than delay rulemakings. The clear and specific requirements in the Pipeline Safety Act lead to regulations that are more effective and legally sound, with a greater likelihood that PHMSA's rulemakings will survive any legal challenge to the sufficiency of the analysis.

AGA believes that the role PHMSA's Gas Pipeline Advisory Committee (GPAC) plays in subjecting rulemakings to cost benefit analysis is integral to PHMSA's pipeline safety rulemaking capability. Overall, AGA opposes making operational changes to GPAC activities as a method for streamlining the regulatory process. In fact, we believe the PAC process speeds up rulemaking since it provides final rules that have been vetted by industry, other government agencies, and the public for technical feasibility and practicability. Recent interim final rules where PHMSA deviated from the process have resulted in litigation or stays of enforcement to correct issues missed due to the lack of GPAC involvement. Specifically, we oppose eliminating the GPAC cost-benefit analysis for two reasons. First, from a process perspective, none of the recent regulations that failed to meet legislative deadlines were delayed due to the cost-benefit analysis process.



More importantly, cost-benefit analysis serves to protect consumers because regulatory costs are ultimately borne by industry customers.

## **Professional Engineer Licensing Requirements Do Not Enhance Pipeline Safety**

A Professional Engineer (PE) license does not demonstrate that an individual has the specified system knowledge or experience required to understand natural gas systems and make decisions related to public safety. This is especially true since there is not a PE license specifically for natural gas pipelines. For tasks that require an engineer, it is more important for an individual to have both an engineering degree and knowledge of the natural gas system. Having processes in place to ensure applicable technical expertise, designs review and approvals, and Management of Change, will have the greatest impact on pipeline safety.

## **Traceable, Reliable, and Complete Distribution Records Requirements**

Not all records are equal in importance. Data that does not advance pipeline safety should not be managed with the same rigor as data that is essential for pipeline safety. AGA supports traceable, reliable, and complete record requirements for essential records for new or fully replaced distribution pipelines.

## **Effective Emergency Response and Communication Plans are Vital**

Every gas event is unique and establishing communication with first responders as soon as practicable after discovery of an incident benefits public safety. However, mandating communication within 30 minutes may not allow operators time to perform an initial assessment, confirm that the event is related to natural gas, or that the event is on an operator's pipeline.

AGA supports prompt emergency response and enhancing communication with first responders, affected public, and relevant public officials as soon as practicable after discovery of an incident. It is reasonable to require operators to implement their communication plan as soon as practicable after an operator has confirmed discovery of a gas pipeline emergency.

## **Pipeline Safety Management Systems (PSMS) Enhance Pipeline Safety**

American Petroleum Institute Recommended Practice (RP) 1173 (July 2015), PSMS, outlines a systematic approach to managing pipeline safety and continuous monitoring and improving overall pipeline safety performance. The core principal of PSMS, which is the "Plan-Do-Check-Act" cycle, requires operators to determine the steps to be taken to evaluate and enact changes/improvements within 10 specific areas. Ultimately, this requirement drives the industry towards its zero-incident goal by providing that the various components of PSMS are regularly reviewed and continually evolving.

The industry and other stakeholders, including PHMSA, believe that PSMS will enhance pipeline safety and improve safety culture if properly implemented. Significant efforts have been underway since the release of PSMS to promote, pilot and share learning on the benefits of implementing PSMS. Any prescriptive regulatory requirements to implement PSMS will limit the effectiveness of the continuous improvement cycle and could shift the focus from safety culture to compliance

culture. In addition, new regulatory requirements will stall current PSMS implementation efforts to provide compliance with regulations, delaying any potential benefits from implementation.

AGA supports the promotion of PSMS and the development of system(s) that promote self-disclosure and a collaborative culture between regulators and operators, like the program in place with FAA.

## **Management of Change Principles are Important for Significant Work**

Some have argued to include provisions that require natural gas distribution systems have a detailed procedure for a Management of Change. Management of Change is a best practice to ensure that safety, health and environmental risks and hazards are properly controlled when an organization makes changes to their facilities, operations or personnel.

The industry is supportive of Management of Change for significant work, such as capital main installation or replacements, changes to an engineering design, or changes to a standard. This will help to ensure that the change does not inadvertently introduce a new hazard or unknowingly increase the risk of an existing hazard. However, broad application of Management of Change principles diverts resources from additional oversight for processes which enhance pipeline safety.

Each operator's gas system is unique and subject to different system threats and risks. Operators should identify significant work relevant to their unique system and apply Management of Change principles to important work such as changes to technology and equipment, and procedural and organizational changes within their company systems.

These processes should clarify roles and responsibilities and should ensure that personnel have knowledge and skills specific to natural gas pipelines. Management of Change principles should identify industry-specific knowledge, competencies, and skills employees and contractors require to perform work processes.

## **A Mandamus Clause Should Not be Included in 49 U.S.C. Section 60121**

A mandamus clause would allow local and state governments, and others via "citizen lawsuits," to ask the courts to compel PHMSA to carry out its statutory pipeline safety responsibilities. Advocates argue that this is particularly important given PHMSA's alleged inability carry out its mandated responsibilities. AGA believes that expanding citizen suit provisions of Section 60121 to allow mandamus-type actions against PHMSA would result in more litigation, which would require PHMSA to redirect its resources to defending itself in court instead of executing its statutory responsibilities to ensure pipeline safety. Pipeline safety is a highly technical and complex area of the law. The regulatory agencies with specific subject matter expertise, not the courts, are best positioned to make decisions regarding how to regulate pipelines and ensure public safety.

## **Criminal Liability Should Not be Expanded**

Recommendations have been made to amend the Pipeline Safety Act's criminal penalties provision (49 U.S.C. § 60123) to include "willfully and recklessly" language, noting that the current statute that applies to pipeline safety sets an unusually high bar for holding companies accountable for criminal behavior. The current version of 49 U.S.C. § 60123 allows for criminal

prosecution of those accused of knowingly and willfully violating the law. This holds those who engage in egregious, intentional misconduct accountable and ensures compliance with the law. There is no history of conduct in the industry that merits expanding the current criminal liability. As such, AGA does not support expanding criminal liability to include “recklessness” under Section 60123.

## **Civil Penalties Should Not be Increased**

Civil penalties serve as one measure of enforcement available to PHMSA. Furthermore, existing penalties were recently increased as part of the Pipeline Safety Act of 2011. Recent suggestions to amend 49 U.S.C. § 60122(a) to increase the maximum civil penalty available under the Pipeline Safety Act as much as a hundredfold (i.e., from \$200,000 to \$20,000,000 (each violation) and \$20,000,000 to \$200,000,000 (cumulative maximum)) or eliminate the cap on civil penalties are unsubstantiated. Such proposed increases are excessive and will, if implemented, be counterproductive to ensuring pipeline safety and reliability, especially given that most fines and penalties are not used to improve pipeline safety. Existing penalties are sufficient at deterring Operators from violating the law and increases will not advance the goals of deterrence and swift resolution of safety issues.

## **Remote-Controlled and Automatic Shutoff Valves Provide Benefits**

Additional scrutiny has been placed on installing automatic shutoff valves and remote-controlled valves (ASVs and RCVs). Operators have installed ASVs on pipeline segments that have not experienced wide pressure fluctuations and are not expected to experience wide pressure fluctuations in the future, and where the risk analysis indicates the ASV will provide added protection. PHMSA is working to publish its notice for proposed rulemaking (NPRM) which addresses ASVs and RCVs for new and fully replaced transmission pipelines. The primary benefit of an ASV or RCV is the ability to control the amount of natural gas released after the incident has already occurred. AGA supports PHMSA in developing a proposed rule to modify 49 C.F.R. § 192 for ASVs and RCVs on new and fully replaced transmission pipelines.

## **Prohibiting Unintended Releases Under Section 60118 Does Not Advance Pipeline Safety Efforts**

Recommendations have been made to amend Section 60118(5) with language, to prohibit the unintended release of natural gas: However, emissions or releases from non-hazardous leaks, by definition, do not pose a safety hazard. In fact, there are circumstances where a release of natural gas may be required to ensure pipeline safety. Existing law and regulation already require the reporting of natural gas pipeline releases to PHMSA for appropriate response. The focus of any new legislation should enable PHMSA and the regulated community to improve and enhance pipeline safety, not include ambiguous mandates that do little to enhance safety.

## **Critical Resources Should Not be Diverted from Pipeline Safety Efforts to Regulate Methane Emissions**

There have been recommendations to revise the Pipeline Safety Act to abandon its goal of promoting pipeline safety and require PHMSA to regulate methane emissions as a greenhouse

gas issue – diverting critical resources from the agency’s important mission of pipeline safety. There is no need to regulate methane emissions through the Pipeline Safety Act since PHMSA already has in place regulations to inspect for leaks, immediately address leaks that are considered hazardous, and monitor those that have the potential to become hazardous. AGA does not support imposing a mandate requiring PHMSA to regulate greenhouse gas emissions because it is counterproductive to ensuring pipeline safety and reliability.

## **Conclusion**

America’s gas utilities’ commitment to pipeline safety relies on sound engineering principles and technological advance, a trained professional workforce, effective community partnership and a strong partnership with state pipeline safety authorities and PHMSA. As pipeline safety reauthorization legislation is drafted this year, we encourage Congress to (1) embrace PHMSA’s role as regulator and the continuing practical necessity of collaborative stakeholder engagement in the regulatory process, (2) recognize the continuing great strides in pipeline safety engineering and operating practices that natural gas utilities are putting into practice across the country, and (3) exercise discretion as Congress considers changes to law or regulation that may prove tangential or counterproductive to the government and gas industry’s mutual interest in the constant improvement of pipeline safety practices and technology and our mutual interest in overall public safety.