



# **Pipeline Safety Update: A Regulator's Perspective**

## **2011 INGAA Foundation Spring Meeting**

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# Topics for Discussion

- Introductions – Us + You
- Soapbox Issues
- Performance Matters
- Reflections from 2010
- Impacts on Pipeline Safety
- Focus on Pipeline Safety
- Other Simmering Issues
- Upcoming Events



# Office of Pipeline Safety

**OPS and its State Partners  
Regulate Approximately**

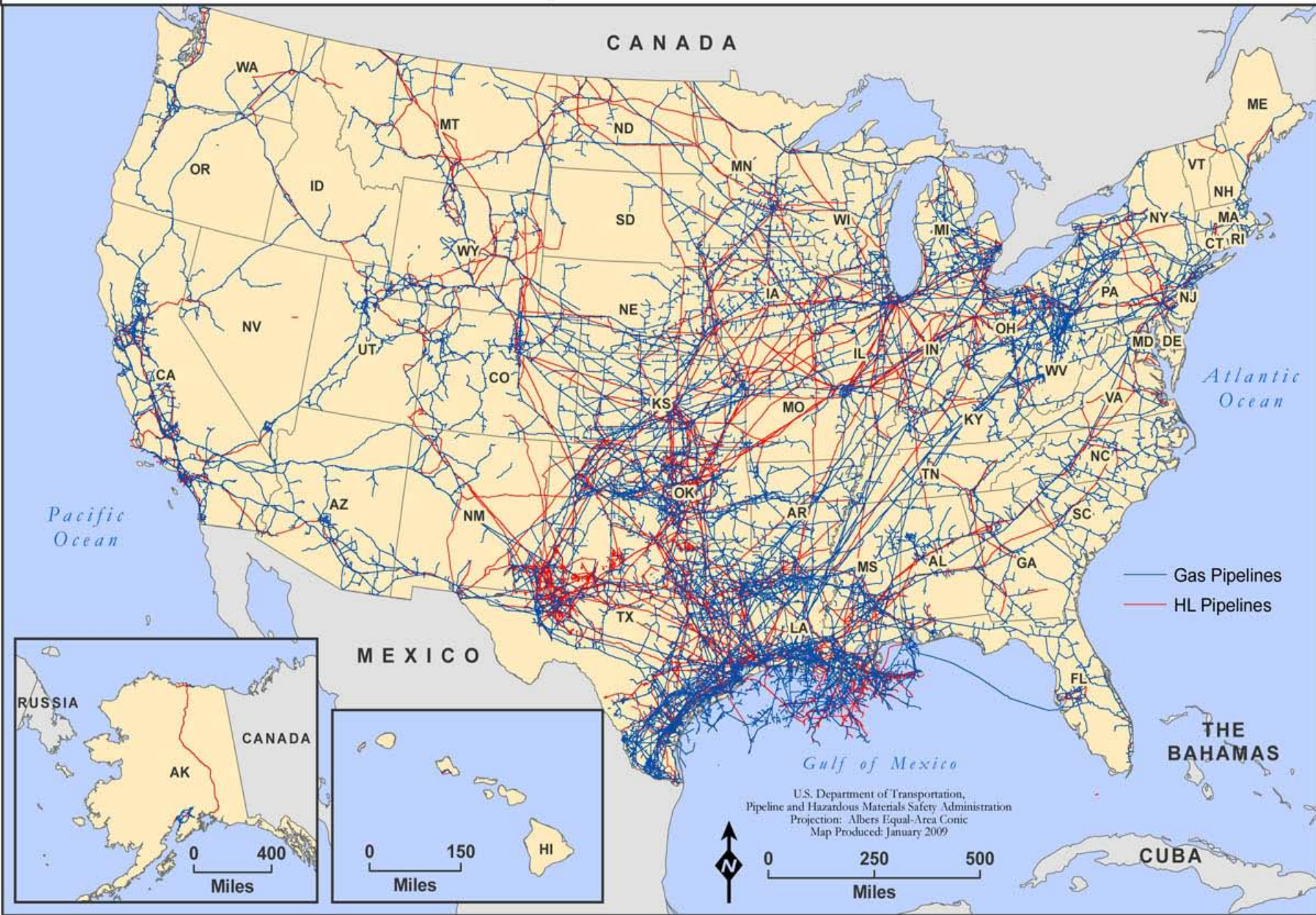
- **2.5 million pipeline miles**
- **2,500 pipeline operators**
- **Natural gas, crude oil,  
refined products, CO<sub>2</sub>, NH<sub>3</sub>**





# Hazardous Liquid and Gas Transmission Pipelines

Pipelines as of 11/10/08





# Introductions

- Personal Introduction
- Audience Show of Hands Please
  - Other Regulators or Government
  - Pipeline Industry or Trade Association
  - Service/Vendor Community
  - Standards Organizations
  - Non Governmental Organizations / Advocacy Groups
  - Media??





# OPS Introductions (cont.)

- **Rounding Out the PHMSA Team**
  - Administrator Cynthia Quarterman
  - Deputy Administrator Tim Butters
  - OPS Deputy Associate Administrators
    - Linda Daugherty – for National Policy and Programs
    - Alan Mayberry – for Field Operations
  - Recent Director-Level Selections
    - Central Region Director – Dave Barrett
    - Southern Region Director – Wayne Lemoi
    - Engineering Director – Jeff Gilliam



# Soapbox Issues

- **Energy – the American Birthright**
  - No perceived connection to it, or desire to pay for it
- **Cultural Myopia** – focus on the here and now and today's \$\$
  - Get 'er done today, worry about consequences tomorrow
  - Underinvestment in infrastructure across the board
  - Pervasive failure to learn and apply lessons preventatively
- **Race to Blame**
  - Fed by media frenzy designed to sell their product and political gamesmanship and need to appear responsive
  - Delays efforts to determine and address causes, and prevent reoccurrence



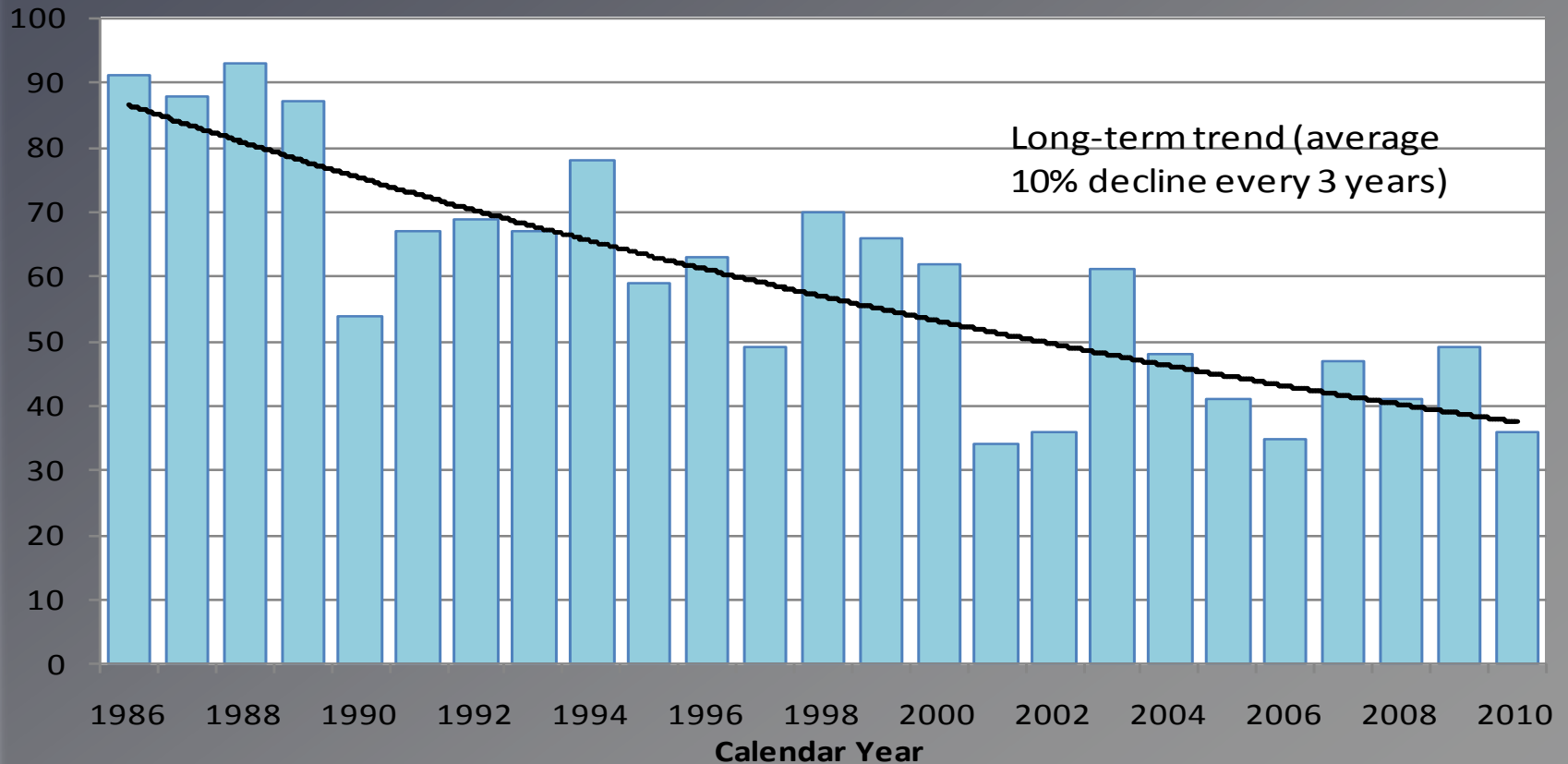
# PERFORMANCE MATTERS

- **Whether you or us, OUR performance has consequences**
  - Both positive and negative
  - All boats need to float – bad apples spoil the whole barrel
  - Performance cannot be solely focused on outcomes, but neither can it ignore them
- **Statistics – requires both frequency and consequence**
  - Frequency trends looking positive
  - Consequence trends, not so much
- **Obsession with compliance with minimum federal standards is not going to net strong performance**





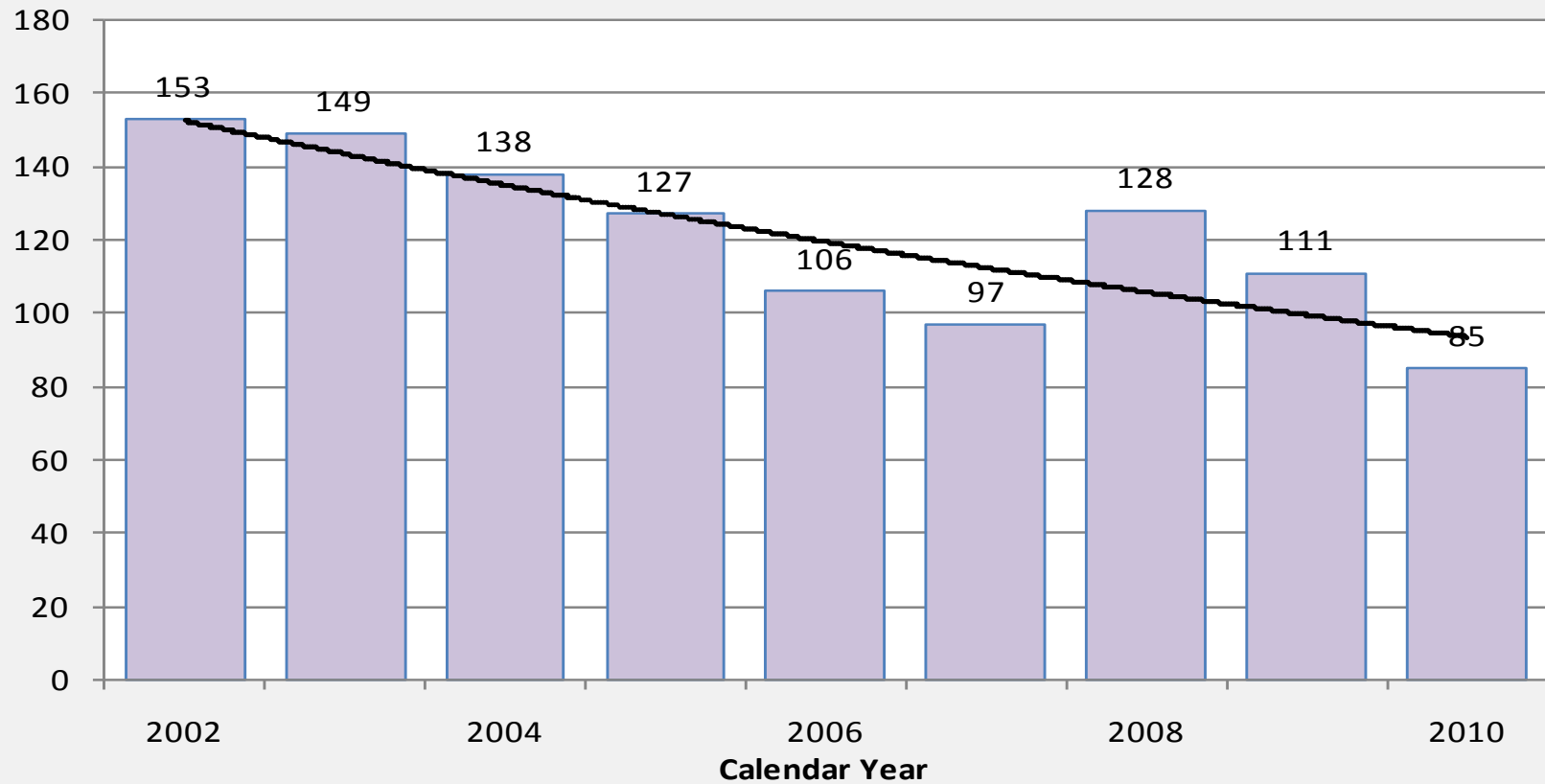
## Pipeline Incidents w/Death or Major Injury (1986-2010)



Data: DOT/PHMSA Pipeline Incident Data (as of Jan. 19, 2011)



## Liquid Pipeline Spills w/Environmental Consequences (2002-2010)



Data: DOT/PHMSA Pipeline Incident Data (as of Jan. 19, 2011)



# Recent High Profile Accidents

- **Deepwater Horizon**
- **Marshal, Michigan (Federally Regulated)**
  - Major Crude Oil Spill Dramatically Impacted Several Communities in Michigan
- **San Bruno, California (State Regulated)**
  - Major tragedy – Unimaginable Proportions
- **Allentown, Pennsylvania (State Regulated)**
  - Major tragedy – causes still being investigated
- **Excavation Damage Fatalities (State Regulated)**
  - Texas, North Dakota, Georgia – to name a few
- **What Do These Have in Common?**





U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration



# **Deepwater Horizon Gulf of Mexico April 2010**





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# Marshall, MI Summer 2010









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# **San Bruno, CA**

## **September 2010**









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# Allentown, PA February 2011







# The Impact of 2010

- Got the Attention of Everyone – White House, Secretary, Congress, media, oversight agencies, and the public – to name a few
- Expect to See More Media Attention to Pipeline Failures – It Plays!
- Expect to See DOJ and EPA Stepping Up Their Attention
- Delayed Reauthorization (more in a minute)
- Sharpened Awareness of Role of Rate Setting in Safety AND the Role of Safety in Rate Setting



# The Impact of 2010

- **On Reauthorization of the Pipeline Safety Program**
  - Quadrennial Congressional scrutiny of **OUR** performance
  - Had hopes of it going better than in 2002 or 2006 - alas
  - 7 hearings last year alone – more to come
  - Many don't understand the recipe – or maybe significance
  - Will set the most of regulatory agenda for the next 4 years
  - Several reauthorization proposals on the table
    - Overall Themes
      - Stronger enforcement (modified process??)
      - More studies, and more prescription for certain items
        - » Valves, valve spacing, data



# The Impact of 2010

- **On Administration Posture and Direction**
  - Administration commitment to tighten regulations
    - Led to Several New Rulemaking Documents:
      - Final: Acceleration of Control Room Mgmt implementation dates.
      - ANPRM: Questions to stakeholders about the adequacy of natural gas transmission regulations.
      - Expect something similar for gathering systems.
  - Several Advisory Bulletins Issued as a Direct Result
    - Emergency Response Preparedness and Planning
    - Sufficiency of Records and Adequacy of Risk Assessment
  - Concerns about Special Permits and Incorporated Standards



# Focus on Pipeline Safety

- Secretary LaHood and Administrator Quarterman while not ALARMED, are very CONCERNED
- Expect to hear a lot from DOT regarding the need to elevate attention at BOTH the STATE and FEDERAL levels on pipeline safety challenges
  - Legacy infrastructure: risk assessments, repair, rehabilitation, and replacement or requalification
- Secretary LaHood will be inviting a cross section of State and Federal legislative and regulatory, industry, advocacy, and emergency response interests to DOT to help report back to the country what “WE” are going to do to ensure public safety





# Focus on Pipeline Safety (cont.)

- **National Transportation Safety Board**
  - 5 active investigations
- **DOT Office of the Inspector General**
  - Hazardous Liquid Integrity Management
  - State Pipeline Safety Program: Performance and Oversight
  - Control Room Management
- **U.S. Government Accountability Office**
  - Unregulated / non-jurisdictional pipeline risk
  - Requests to redefine NGT from 20% SMYS to 30% SMYS



# Other Simmering Issues

- Damage Prevention – Adequacy of State Laws/Programs
- Population Encroachment: getting the PIPA word out
- New Construction
  - OQ & QMS: Role of Contractors in Determining Quality
  - Material Deficiencies
- Public Awareness Programs: Inspections and Effectiveness
- Repair Criteria and Response Times Outside HCA's
- Anemic Research and Development Investment
- Transparency/Adequacy of Consensus Standards – IBR
- Regulation of Underground Natural Gas Storage



# Calendar of Upcoming Events

- DIMP Implementation Workshop – Fall 2010
  - the Rule - Recorded Webcasts – Spring 2010
  - State and Federal Oversight Approach - Summer
- Pipeline Seam Types and Susceptibilities – July 2011
- Pipeline Operator Risk Assessment – July 2011
- Additional Meetings Relating to:
  - Alaska Gas Projects, New Pipeline Construction (materials and quality management system standards)





**Questions**