

Hearing on  
Pipeline Safety Appropriations for Fiscal Year 2008

Before the  
House Appropriations  
Subcommittee on Transportation, Housing and Urban Development and  
Related Agencies



**NAPSR**

Written Statement of Philip Sher, National Chairman  
of the  
National Association of Pipeline Safety Representatives (NAPSR)

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**I. INTRODUCTION**

Chairman Olver, Ranking Member Knollenberg, members of the Committee, thank you for the opportunity to discuss appropriations related to pipeline safety, including The Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 ("PIPES Act"). This Act contains necessary protections that our nation depends on to maintain safety in its energy pipeline network. I am the National Chairman of the National Association of Pipeline Safety Representatives (NAPSR). I very much appreciate the Committee's interest in pipeline safety and I am pleased to provide NAPSR's testimony on the need to pass appropriations that match the intent of the reauthorization bill passed and signed by the President last December.

NAPSR members believe that with some minor adjustments, the proposed level of appropriations embodies key concepts that will help us reach our goal of eliminating pipeline safety incidents. It provides a solid foundation for the energy transportation infrastructure we need to continue our strong economic growth into the future.

The PIPES Act addresses the most important safety concern we face -- the growing rate of excavation-related pipeline accidents, driven by a growing economy. These accidents, the leading cause of pipeline-related injuries and deaths, can and must be prevented.

**II. WHO IS NAPSR AND WHAT IS OUR MISSION?**

The National Association of Pipeline Safety Representatives (NAPSR) was established in 1982 and is a non-profit organization of State agency pipeline safety managers, inspectors and technical personnel who serve to support, encourage, develop and enhance pipeline safety. NAPSR provides an effective mechanism for fostering the Federal/State partnership through 52 State agencies whose mission is, "to strengthen states' pipeline safety programs through promotion of improved pipeline safety standards, education, training, and technology". As part of its efforts in furthering pipeline safety in the United States, NAPSR adopts resolutions to raise serious pipeline safety concerns of national scope to the Secretary of Transportation for consideration in regulatory and enforcement activities. NAPSR also establishes working committees to resolve those pipeline safety problem areas requiring immediate attention and in-depth analysis.

State pipeline safety programs represent approximately 80 percent of the Federal/State inspector work force that oversees pipelines nationwide. States have safety jurisdiction over approximately 78% of all pipelines in the country - 1,827,000 out of 2,347,000 miles. Grant funds are an effective way to leverage resources and increase total inspection capability since States match or exceed Federal funding provided for pipeline safety.

**III. WHAT ELEMENTS IN THE PIPES ACT ARE AFFECTED BY APPROPRIATIONS?**

The PIPES Act authorized raising the State pipeline safety program grants from 50% funding to 80% funding. It is essential that funds actually be appropriated to ensure increased funding to cover this commitment. However, the proposed appropriation is merely a 5% increase over the 2007 appropriation. That appropriation did not cover the full 50% funding States needed. Further, the 5% increase will do little more than cover the normal increased costs of the existing program, and will not provide for real growth as anticipated in the PIPES Act.

Another key element in pipeline safety is minimizing excavation damage to pipelines. The PIPES Act imposed a series of requirements on State damage prevention programs in order to improve

damage prevention across the nation. The PIPES Act authorized states to be able to access a separate damage prevention program grant from DOT under USC Title 49 Section 60134 to begin, maintain and/or improve their damage prevention programs. The proposed \$1.5 million appropriation for this grant should help many States fortify their programs to attain this goal.

However, there is no increase in the current \$1 million funding for One-Call Grants that cover the existing One-Call programs. That level was inadequate to meet the States' requests of \$2.4 million in 2006. Clearly, it will not meet the needs in the future.

#### IV. STATES ROLE

Chapter 601 of Title 49, United States Code, authorizes the Secretary of the Department of Transportation to administer a pipeline safety program for the gas and hazardous liquids pipelines in the U.S. This chapter allows the Secretary to delegate all or part of the responsibilities for pipeline safety to interested States. It also authorizes Federal grants to States, originally of up to 50 percent, now with the PIPES Act, 80 percent, of the cost of their safety programs. The resulting Federal/State partnership is essential for ensuring the safe transportation of gas and hazardous liquids.

The responsibility for State pipeline safety programs is carried out by approximately 325 qualified engineers and inspectors. This represents more than 80 percent of the State/Federal inspection workforce. States have safety jurisdiction over approximately 78% of all pipelines in the country - 1,827,000 out of 2,347,000 miles - (93% of the gas distribution pipelines (1,725,000 out of 1,865,000 miles), 15% of the gas transmission pipelines (48,000 out of 321,000 miles), 33% of the liquid pipelines (54,000 out of 161,000 miles)). The majority of the pipeline facilities under States' jurisdiction are located near or within populated areas making States' safety work critical to public safety.

#### V. EXPANDED PROGRAM REQUIREMENTS

New regulatory requirements have increased the resources that States must expend to carry out their pipeline safety programs. The addition of pipeline operations personnel qualification requirements in the pipeline safety code, along with the associated inspection protocols, has resulted in additional inspection-days for State programs. Under new Federal requirements for community awareness and training of emergency responders, States have assumed a greater role in working with industry to help facilitate contacts between local officials, emergency responders, and the public. During an emergency, State pipeline safety authorities work with all stakeholders to ensure services are restored safely.

In 2002, pipeline safety reauthorization mandated that operators of natural gas transmission and liquid pipelines develop and implement integrity management plans. This law also mandated that operators review and revise their public awareness programs. Each of these new mandates has required substantial additional State resources to inspect operators.

Further reauthorization by way of the PIPES Act imposes added requirements that will also require additional State efforts to verify compliance with the new law and resulting regulations. The PIPES Act covers added inspection requirements on low stress liquids pipelines, an integrity management program for gas distribution systems, pipeline control center management plans and added data collection requirements. Most significant of these will be the PHMSA distribution integrity management standard, which is required by the end of 2007 and will cover added requirements for nearly 2 million miles of the nation's gas distribution pipelines and thousands of gas companies. It is therefore essential that the PHMSA request for a 5 percent increase in

funding for state grants under USC Section 60107(a) for FY 2008 be increased to ensure at least 55% funding of State grant programs. We understand that PHMSA's increase in State grant programs for FY 2008 resulted from cuts in Research and Development (R&D) funding. R&D is important to pipeline safety and it is important that appropriations be restored for R&D projects in the future.

## VI. STATE DAMAGE PREVENTION PROGRAMS

The PIPES Act sets a mission for DOT "to assist in improving the overall quality and effectiveness of a damage prevention program" of each of the States. It encourages each State to have "an effective damage prevention program" and defines nine essential measures for an effective damage prevention program. This means that States will need the additional resources authorized in the new law to help implement more comprehensive damage prevention programs. The PIPES Act also authorized DOT to grant funding for the States to enhance their damage prevention efforts. It is essential that the necessary appropriations be made.

However, the PIPES Act provided no increase in the current level of funding, \$1 million, for One-Call Grants. That level was inadequate to meet the States' requests of \$2.4 million in 2006. Clearly, a \$2.4 million grant in FY 2008 is necessary to encourage the States to continue existing activities with One Call organizations and other stakeholders to implement effective damage prevention.

## VII. CONCLUSION

NAPSR strongly supports increased appropriations for grant funding. States supported the provisions in the PIPES Act that now authorize up to 80% funding for State pipeline safety programs because the rapid expansion of Federal pipeline safety initiatives in recent years (such as operator qualification, public awareness, integrity management, homeland security, and damage prevention) has greatly increased the cost and resource demands of State participation.

Now, adequate grant funds must be appropriated. If the States' pipeline safety costs were to remain the same as the amount projected for 2006 (\$43.5 million), even the 2010 authorization for pipeline safety of \$23,855,000 (\$25,252,000 - \$2,000,000 for damage prevention) would be only 55% of the cost of the State pipeline safety programs.

Clearly, additional appropriations are essential to carry out the expanded States safety programs required by the Act and a positive step toward this goal is an appropriation for FY 2008 that will start with a 55% match to the state funds being expended in 2006, namely \$23.925 million, plus \$3.9 million for excavation damage prevention and One-Call grants.

Like you, we understand the importance of our mission to the safety of our citizens and the energy reliability and continued economic growth of our great Nation. I would be pleased to answer any questions you may have.

Thank you.



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