

210  
- 200

2  
U.S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20590

STATEMENT OF JOSEPH C. CALDWELL, DIRECTOR, OFFICE OF PIPELINE SAFETY BEFORE THE SENATE COMMERCE, INTERIOR AND INSULAR AFFAIRS, AND PUBLIC WORKS COMMITTEES, REGARDING PIPELINE SAFETY IN CONNECTION WITH DEEPWATER PORTS, ON TUESDAY OCTOBER 2, 1973.

Mr. Chairmen and Members of the Committees:

I am pleased to ~~appear~~ before this joint subcommittee ~~hearing~~ on liquid pipeline safety. We understand from your letter of September 21 to Secretary Brinegar that the focus of this hearing is to discuss the Department's pipeline safety program and to assure safety in the operation of the pipelines for proposed deepwater ports and in Alaska. I would like to discuss the points the subcommittees raised in their letter.

First, the authority to carry out the liquid pipeline safety functions under 18 U.S.C. 831-835 was delegated to the Office of Pipeline Safety (OPS) on November 7, 1972. (The term "liquid" includes petroleum, petroleum products, and other hazardous liquids.) Prior to that time the authority was with the Federal Railroad Administrator. Under FRA, regulations for the design, construction, operation, maintenance, testing, and accident reporting were developed and the main body of the regulations was put into effect April 1, 1970. The OPS assisted FRA in the development of those regulations.

Since the transfer of authority to OPS, we have initiated a program to evaluate the effectiveness of the regulations. This is being done through on-site inspections and evaluation of data and reports submitted to us by the pipeline operators, the public, and other government agencies. We are also utilizing the related experience and information that has been gained through our gas pipeline safety program.

To date, we are aware of several areas that need modification and are taking the necessary action. As other areas are identified, we will take steps to make appropriate modifications. In order to obtain information in two areas where our experience has demonstrated a need, we have provided for independent contract studies to be performed. One contract is presently underway to provide state-of-the-art information relative to rapid shutdown of failed facilities and pressure control of pipeline systems. We are preparing to award another contract for a state-of-the-art study of the transportation of highly volatile, toxic or corrosive liquids by pipeline. This study will serve as the basis for the promulgation of regulations.

We have already revised the reporting system to require immediate telephonic notification of significant failures. This is an aid in monitoring the effectiveness of the program.

I might also add that the regulations for liquid pipelines, where appropriate, apply to pipelines located on the Outer Continental Shelf. We are now studying the adequacy of these regulations as they relate to offshore pipelines and will make necessary changes to provide comprehensive coverage in this area.

We have participated in the interagency task force regarding the proposed Trans-Alaskan Pipeline, and have completed a project to determine the adequacy of the proposed design stress criteria of that pipeline.

Your second question is on the subject of the States' liquid pipeline safety programs. Some State agencies have authority and programs to regulate the safety of oil pipeline facilities. Specifically, New York has recently promulgated regulations for oil pipelines. California has adopted our Federal liquid pipeline regulations for their intrastate oil pipelines. New Jersey has also adopted certain regulations regarding intrastate oil pipelines. A number of other States have safety or environmental statutes which give them some authority over intrastate oil pipelines.

Third, the experience with safety associated with rolled steel oil pipelines having diameters in excess of 48 inches

is very limited. At present the largest diameter pipe installed in the U.S. for cross-country oil pipelines is 48 inches. We understand that one operator installed 44 miles of this size pipe in 1972 and is currently planning to install an additional 116 miles. Worldwide, 48 inches is predominantly the largest size installed for cross-country pipelines; however, we understand that larger pipe is being installed in the Soviet Union. I would like to point out that the engineering technology for pipelines in excess of 48 inches in diameter is substantially the same as that for smaller pipelines.

Furthermore, the engineering technology for the deepwater port systems and the associated pipelines is being discussed with industry, and our engineering staff is keeping abreast of the technology relating to larger diameter pipe.

Fourth, our Department does have the authority to promulgate safety regulations for certain liquid storage facilities, <sup>as well as</sup> The Transportation of Explosives Act, 18 U.S.C. 831, which gives us authority over liquid pipelines, does not specifically refer to "storage facilities."

This act gives the DOT the authority to promulgate regulations for "safe transportation" which shall be binding

upon "carriers engaged in interstate or foreign commerce" which transport by pipeline liquid petroleum products. Therefore, we have authority with respect to a liquid petroleum storage facility if (1) the facility is operated by a carrier who is engaged in interstate or foreign commerce, and (2) the liquid petroleum is still being "transported," even though temporarily placed in a storage facility as an incident to that transportation. Each case would, however, have to be decided on its facts.

We would also note that where certain liquid storage facilities are located in immediate proximity to piers, wharves, docks, and similar structures, they may be deemed "waterfront facilities" as defined by 33 CFR §6.01-4. This would authorize the Coast Guard to prescribe such conditions and restrictions deemed necessary to assure the safety of vessels and "waterfront facilities." As I have indicated previously, our authority applies both to interstate and foreign commerce and therefore this authority applies to oil transported from outside the United States.

Fifth, on the subject of manpower needed to adequately deal with the safety aspects of pipelines now being planned for Alaska and to connect with the proposed deepwater ports,

we are considering the need for additional manpower based upon our responsibility for liquid pipeline safety and pollution control and for gas pipeline safety, particularly the monitoring of State gas pipeline safety programs. In response to a Congressional request, we are preparing a report, due on October 31, 1973, which will discuss these issues and the resources for the pipeline safety program. We will be pleased to supply each committee a copy at that time.

At the present time, the Office of Pipeline Safety has a staff of 25, including 3 persons located in a field office in Houston. We have a staff of 8 full-time engineers and 3 engineers, including myself, in management roles who possess considerable industry related technical expertise in the liquid and gas pipeline areas. Our engineers have an average of 12 years of pipeline related industry experience and an average of almost 20 years of combined government and industry engineering experience.

With respect to the legal authority regarding liquid pipelines planned for Alaska and deepwater ports the Department presently has sufficient jurisdiction. However, we have submitted legislation that would authorize us to impose civil penalties for violations of the liquid pipeline

regulations, since the imposition of present criminal sanctions in this area in most cases is not an appropriate response, and in any event, is difficult and cumbersome to administer.

Sixth, the authority for gas pipeline regulation is found in the Natural Gas Pipeline Safety Act of 1968 and the authority for liquid pipeline regulation is in the Transportation of Explosives Act. Basically, we have fairly extensive authority under both statutes. The Natural Gas Pipeline Safety Act applies to all gas pipelines which affect interstate or foreign commerce, and therefore, the authority goes to inter and intrastate gas pipelines. The Transportation of Explosives Act applies to all carriers engaged in interstate or foreign commerce, and in this way applies to interstate pipelines and intrastate pipelines operated by interstate carriers.

Under the Natural Gas Pipeline Safety Act, we can assess civil penalties for violations of our gas pipeline regulations. This is not so under the Transportation of Explosives Act, and under that act we can only ask that a criminal fine or prison sentence be imposed. The imposition of the criminal sanction has proven to be a very cumbersome process, and is many times too harsh a sanction for violations that do not pose a serious safety problem. As I mentioned before, we

have submitted legislation--S.2064--to amend the Transportation of Explosives Act. The bill is designed to correct certain problems with our hazardous materials program, and it would also allow us to impose civil penalties for violations of the liquid pipeline regulations.

That concludes my prepared statement and I'll be happy to answer any questions the members might wish to ask.

\* \* \* \*