U.S. Senate Committee on Commerce, Science & Transportation Subcommittee on Surface Transportation, Freight, Pipelines and Safety Pipeline Safety Reauthorization: Ensuring the Safe and Efficient Movement of American Energy Testimony from the American Petroleum Institute

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Introduction

Chairman Young, Ranking Member Peters and esteemed members of the subcommittee, thank you for the opportunity to testify this morning. My name is Robin Rorick, and I am the Vice President of Midstream Policy at the American Petroleum Institute (API). On behalf of API, I am honored to have this opportunity to submit testimony as part of this important hearing on pipeline safety and the reauthorization of the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA).

API is a national trade association representing all segments of America's oil and natural gas industry. From large integrated companies to small independent operators, 11 million hardworking men and women across all 50 states provide and support the energy that powers every district in this nation.¹ API has developed more than 800 standards that enhance operational safety, environmental protection and sustainability across 140 countries. Promoting technological, environmental and regulatory innovations is a driving force for API and our industry to ensure we have safe, reliable and affordable energy that tens of millions of families and businesses need to survive and thrive, today and well into the future.

The U.S. remains the world's leader in oil and natural gas production, providing immense benefits not only to our citizens here in the U.S. but also to our allies across the world. Pipelines make these capabilities a reality, and they play a critical role in achieving the goals of energy dominance and energy security. Our nation's network of over 500,000 miles of oil, petroleum products and natural gas transmission pipelines transport the energy we rely on every day to fuel modern life. As one of the safest, most environmentally responsible ways to transport energy to families and businesses, pipelines are in every U.S. state and total over

¹ PwC for API, "Impacts of the Oil and Natural Gas Industry on the US Economy in 2021," available at: <u>https://www.api.org/-/media/Files/Policy/American-Energy/PwC/2023/API-PWC-Economic-Impact-Report-2023.pdf</u>

3 million miles across the country. They reliably connect areas of production with refineries and processing centers, and ultimately with airports, manufacturers, gas stations, farms, businesses and homes.

Pipeline Safety Improvements

The pipeline industry is committed to safety and continuous improvement, which includes maintaining a standard of operational excellence through comprehensive safety management systems, pipeline design and construction standards and specifications, and robust safety programs such as integrity management and geohazard mitigation. Data from PHMSA illustrates that this daily commitment is showing results. Both total liquid pipeline incidents as well as those impacting people or the environment decreased 13% between 2020 and 2024.² Looking further, integrity management incidents for liquid pipelines dropped 33%, and operations and maintenance incidents declined 22% within this time. These safety improvements come as the industry operated 3,000 more miles of liquid pipeline and delivered over 15% more barrels of liquids between 2019 and 2023, the most recent year this data is available. In fact, the rate of total incidents per million barrels of energy delivered has fallen 33% since 2019, showing that liquid pipelines are getting safer while meeting increasing energy demand. Natural gas transmission lines are showing similar safety improvements, with incidents down 23% between 2020 and 2024.

While we are proud of this progress, pipeline operators recognize the need to remain vigilant in continuous improvement. Our industry continues to voluntarily implement safety management systems and reinforce safety culture through a comprehensive framework to manage risk. It has undertaken initiatives to mitigate pipeline corrosion, improve leak detection tools and technologies, prevent cyberattacks, promote sustainable operations using conservation programs and advocate for risk-based tank inspections – capitalizing on the use of the latest industry standards and advanced technologies. Following the publication of a first-of-its-kind industry standard on public engagement, Recommended Practice (RP) 1185, pipeline operators are actively working on implementation, fostering meaningful, two-way communication and trust-building within the communities where we work and live. Additionally, with the expected growth in the construction of carbon dioxide (CO_2) pipelines, we are working on maximizing the safe transportation of CO₂ by pipeline through the publication of a new RP for transportation of CO₂ by pipeline this year.

As part of our efforts to promote pipeline safety improvements, API has responded to a recent U.S. Department of Transportation (DOT) Request for Information (RFI) seeking comments to assist DOT in identifying existing regulations, guidance, paperwork

² "2024 Pipeline Performance Report & 2023-2025 Pipeline Excellence Strategic Plan," available at <u>API/LEPA</u> 2024 Performance Report

requirements or other regulatory obligations that could be modified or repealed to improve pipeline safety and eliminate unnecessary burdens. In our response to the RFI, which was jointly filed with the Liquid Energy Pipeline Association, we identified numerous opportunities for updating outdated and inefficient regulations that should reflect the current state of technology, engineering science and advanced analytical tools, focus resources on the highest risk items and support a performance-based approach to managing pipeline safety. PHMSA has stated that the Administration plans to issue an advanced notice of proposed rulemaking (ANPRM) to gather information in support of a planned future rulemaking to modernize pipeline repair requirements for liquids and natural gas pipelines to improve safety and efficiency, and API plans to submit a response to the ANPRM as well.

Energy demand is growing, placing this industry at an inflection point. The reshoring of advanced manufacturing in the U.S., coupled with the installation and operations of data centers and energy consumption from artificial intelligence utilization, will only increase demand. Our industry continues to work with federal, state and local policymakers and regulators to protect the environment and communities where we live and work. We welcome this opportunity to demonstrate American energy leadership, building off the progress we have already achieved, to meet ever-increasing demand using smart, predictable and commonsense energy policies.

API Supports PHMSA Reauthorization

Recognizing the Importance of Standards

As Congress considers the reauthorization of PHMSA and pipeline safety programs, we encourage policymakers to enact legislation that maximizes our industry's investments in people and technology to effectively advance pipeline safety. We support comprehensive, bipartisan efforts to help make our nation's pipeline network safer as it provides reliable energy supply to every community in America. It is thus imperative that the regulatory environment remains cognizant of and responsive to both current and potential future safety challenges faced by operators.

API supports timely and more frequent updates for industry standards that are incorporated by reference into PHMSA regulations. Since 1924, API has been the leader in developing voluntary, consensus-based, internationally recognized standards covering all segments of the oil and natural gas industry. Our standards are the most widely cited petroleum industry standards by state regulators, with 240 API standards cited over 3,800 times in state-based regulations. There are more than 650 references to API standards in federal regulations and more than 1,300 international references.³ These standards are reviewed at least every five years through API's American National Standards Institute-accredited process and revised and improved as part of industry's continuous learning culture when improvement or advancements, such as in technology and innovation, are warranted. However, regulators struggle to keep pace with the advances in pipeline safety technology and modern engineering practices that are regularly incorporated into these standards; approximately 50% of the instances where PHMSA cites API standards in its regulations remain out of date and do not reference the most recent edition. As a result, critical safety regulations may fail to reflect advances in safety, technology and engineering, forcing operators to comply with often antiquated practices. Instead, Congress should direct PHMSA to review standards that have been incorporated by reference every three years on a routine basis through the Gas Pipeline Advisory Committee (GPAC) and Liquid Pipeline Advisory Committee (LPAC) process to determine if updates are needed. If PHMSA chooses to ignore an updated standard and proceed without an update, PHMSA should publish an explanation of this decision on the agency's website.

Similarly, PHMSA should allow operators to base breakout tank inspection frequency on risk modeling as outlined by the 5th edition of API Standard 653. Operators are investing in the latest tank coatings and liners, applying advanced materials engineering principles to reduce the risk of leaks and utilizing drone and robotics capabilities to improve tank inspection effectiveness. Yet, PHMSA has not adapted to encourage innovation and future investment by incorporating the latest version of this standard, instead requiring unnecessary inspections and failing to prioritize safety. Directing PHMSA to update its regulations concerning tank inspections will maintain the current safety level while minimizing occupational safety risks and environmental impacts associated with breakout tank inspections.

Completing Outstanding Rulemakings

API applauds PHMSA's efforts to date to advance regulatory reform and consider rulemakings that recognize the important role that leading industry practices, innovation and technology play in advancing safety. API also supports PHMSA's recent submission of an advanced notice of proposed rulemaking on modernizing repair criteria to the Office of Management and Budget and planned publication of a rulemaking on class location, both reflecting their commitment to updating outdated and overly prescriptive regulations. Even so, API welcomes this subcommittee's role in facilitating PHMSA action on other important

³ OGP Report No. 426, Regulators' Use of Standards, March 2010 & "Participate in API Standards Development", available at <u>https://www.api.org/-/media/apiwebsite/products-and-services/2025_intnl-usage_report_web-final.pdf</u>

rulemakings. Congress should direct PHMSA to initiate a rulemaking on pipeline operating status that would incorporate the 1st edition of API RP 1181, *Pipeline Operational Status Determination*, an outstanding mandate from the PIPES Act of 2020. A rulemaking is necessary to create a new operating status for pipelines that are "idled," in addition to the "active" and "abandoned" status currently recognized by the agency. PHMSA should specify which operations and maintenance activities an operator can defer to maintain safety while accounting for the lower risk posed by "idled" pipelines, consistent with the agency's 2016 Advisory Bulletin.

Additionally, we invite Congressional direction to PHMSA to update existing pipeline safety regulations for CO_2 transportation by pipeline (49 CFR Part 195). Current regulations cover the design, construction and operations of supercritical CO_2 pipelines, but there remains a gap in gas-phase CO_2 transportation by pipeline, and there are recognized opportunities for improving the current regulations. PHMSA recently published a draft version of a notice of proposed rulemaking to improve existing pipeline safety regulations for the transportation of CO_2 by pipeline which was withdrawn as part of the Trump administration regulatory freeze. We encourage this subcommittee to support moving this proposed rulemaking forward as the development of CO_2 pipeline infrastructure is an important element of API member companies' commitment to emission reduction and environmental performance while maximizing oil recovery. API expects to publish an industry consensus standard on the transportation of CO_2 by pipeline, which could be incorporated into PHMSA regulation by reference and provide a framework for safe transportation of CO_2 by pipeline.

Other Critical Provisions for Consideration

There are other areas that we believe the subcommittee should evaluate for consideration during reauthorization, including criminal penalties for vandalism, attacks on construction sites and other activities that disrupt service, inspection protocols and jurisdictional issues. Current law only allows for penalties for "damaging or destroying" interstate pipelines, and new legislation could better protect critical facilities and deter criminal behavior that poses a safety hazard to people and the environment. Legislation should also codify operators' ability to maintain rights-of-way using conservation, habitat management and other related programs, enhancing pipeline safety while benefiting local communities and the environment.

Multiple repetitive and often redundant inspections are conducted by PHMSA regional offices, state regulatory agencies, and local authorities, all evaluating the same set of company procedures and programs. Having a process for better coordination among regulators could improve efficiency for the regulatory agencies themselves while also allowing operators to focus finite resources on improving safety programs rather than

repeatedly reviewing them. API supports PHMSA undergoing an independent evaluation of its inspection programs and streamlining of its special permit process to identify opportunities for improved collaboration to reduce inefficiency, maximize resources and reduce delays in permit issuance.

API also encourages this subcommittee to clarify jurisdiction and improve multi-agency jurisdiction. Short segments of pipeline within gas processing and refining facilities, known as "in-plant" piping, may cross a street or railroad in the public domain to transfer products from one process unit of a refinery to another. While the Occupational Safety and Health Administration (OSHA) regulates liquid in-plant piping, there is regulatory uncertainty for its gas counterparts. These gas lines, often in the same right-of-way as liquid lines, can lead to jurisdictional overlaps, uncertainty, and disputes, requiring subcommittee action to address them the same way as liquid pipes and to clarify OSHA's jurisdiction. Additionally, Congress should clarify regulatory jurisdiction over liquified natural gas facilities. A joint memorandum of understanding and recurring working group between PHMSA, the Federal Energy Regulatory Commission (FERC) and the Coast Guard would improve multi-agency coordination and minimize duplicative regulatory oversight to maintain American energy dominance, both here at home as well as for our allies abroad.

Safely Demonstrating American Energy Leadership

As the world leader in both oil and natural gas production as well as emissions reductions, America is demonstrating energy leadership every day. For our country to continue this leadership and achieve the goal of energy dominance, Congress should consider policies that capitalize on the power of America's oil, natural gas and other resources in the reauthorization of the Pipeline Safety Act. Fit-for-purpose regulations based on facts and backed by sound science and engineering principles have enabled our country's recordbreaking production and emissions reductions through the transportation of energy in one of the safest and most environmentally responsible modes possible. The provisions offered today through this testimony will maximize our investment in state-of-the-art technology and sustainable operations while recognizing the important role our communities play in advancing safety.

While operators are proud of their safety record, we remain committed to continuous safety improvement. Pipeline safety is not a partisan issue, and API remains eager to partner with federal and state legislators and policymakers to help ensure pipelines are regulated effectively, efficiently and operated safely. Importantly, though, any regulations must be balanced to ensure that the industry can achieve these objectives while continuing to bring affordable, reliable energy to American families and businesses. To that end, API has responded to DOT's request for information on modernizing the regulatory framework and

looks forward to continuing our engagement with PHMSA and congressional staff on promoting regulatory reform. Only with an effective Pipeline Safety Act and regulatory approach can our industry meet the dual challenge of answering the growth in energy demand while improving safety and environmental protection.

Mr. Chairman, Mr. Ranking Member and distinguished members of the subcommittee, thank you for this hearing to discuss industry's pipeline safety efforts and priorities moving forward. I look forward to the continued bipartisan efforts to pass a comprehensive Pipeline Safety Act and working together with all of you to demonstrate American energy leadership and dominance for years to come.