



Testimony of Keith J. Coyle, Esq.

Pennsylvania State Senate

Environmental Resources & Energy Committee

Consumer Protection & Professional Licensure Committee

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Good morning Chairman Tomlinson, Chairman Yaw, Minority Chairman Boscola, Minority Chairman Yudichak, and other Members of the Environmental Resources & Energy and Consumer Protection & Professional Licensure Committees.

My name is Keith Coyle. I am testifying today on behalf of the Marcellus Shale Coalition, or MSC.¹ The MSC is a state-wide trade association representing nearly 200 members of the energy industry who are committed to the safe and responsible development of the region's natural gas resources. My primary involvement with the MSC is as the Chair of the Pipeline Safety Workgroup. The Pipeline Safety Workgroup provides MSC members with a valuable forum for sharing ideas and technical information and plays a key role in shaping the MSC's policies on pipeline safety. The Pipeline Safety Workgroup also conducts training for MSC members and hosts an annual Pipeline Safety Seminar that is attended by industry experts, state and federal regulators, and other stakeholders. Having led the Pipeline Safety Workgroup for the past four years, I am proud of the contributions that the MSC has made in advancing pipeline safety in the Commonwealth.

In addition to serving as Chair of the MSC's Pipeline Safety Workgroup, I am a Shareholder in the Washington, D.C. office of Babst Calland, a Pittsburgh, Pennsylvania-based law firm that represents various clients in the energy industry.² I am a member of the Babst Calland's Transportation Safety Practice Group, and my primary areas of expertise are pipeline and hazardous materials transportation safety.³ I previously served as an Attorney Advisor for the Pipeline and Hazardous Materials Safety Administration, or PHMSA, the federal agency that administers the nation's pipeline safety program. I also served with Senator Dinniman on

¹ MARCELLUS SHALE COALITION, <http://marcelluscoalition.org/>.

² BABST CALLAND, <http://www.babstcalland.com/>.

³ Attorneys, Keith J. Coyle, BABST CALLAND, <http://www.babstcalland.com/attorney/keith-j-coyle/>.



Governor Wolf’s Pipeline Infrastructure Task Force, where I focused primarily on pipeline safety and integrity issues.

As the Members of the Committees know, pipelines are a critical part of our nation’s energy infrastructure. Pipelines transport nearly all of the natural gas that American consumers use each day.⁴ Pipelines also transport most, but not all, of the nation’s crude oil and petroleum products.⁵ According to PHMSA’s latest data, there are more than 2.7 million miles of pipelines in the United States, including at least 2.5 million miles of gas gathering, transmission, and distribution lines and 200,000 miles of hazardous liquid pipelines.⁶ Pennsylvania is home to approximately 91,000 miles of pipelines, including nearly 88,000 miles of gas transmission and distribution lines and an additional 3,000 miles of hazardous liquid pipelines.⁷ Whether carrying the gas that heats our homes or transporting the feedstock that fuels the region’s growing petrochemical industry, pipelines are important to the lives of everyday Americans.

Pipelines are the safest and most reliable means of transporting the nation’s energy products. According to data compiled by the U.S. Department of Transportation’s Bureau of Transportation Statistics, pipelines caused fewer fatalities and injuries than other modes of transportation during the past decade.⁸ In a 2015 study, the Frasier Institute, a Canadian-based research organization, found that pipelines are 4.5 times safer than other comparable modes of energy transportation.⁹ PHMSA’s data shows that the number of serious pipeline incidents involving fatalities or injuries has gone down significantly over the past two decades, from 70 in 1998 to 26 in 2017.¹⁰ While the industry remains focused on eliminating all incidents, the data shows that pipelines are safe—and getting safer.

The pipeline industry’s strong safety record is the product of several factors. According to a 2015 report from the American Gas Foundation, the industry invests about 19 billion dollars per year on pipeline safety.¹¹ These investments fund critical pipeline operations, maintenance, and integrity management activities, public awareness, education, and community outreach programs, and the repair, replacement, and rehabilitation of high-risk infrastructure. Industry

⁴ U.S. DEP’T OF TRANSP., BUREAU OF TRANSP. STAT., TRANSPORTATION STATISTICS ANNUAL REPORT 57, 60, 67 (2016), https://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/TSAR_2016_rev.pdf.

⁵ *Id.*

⁶ *Pipeline Mileage and Facilities*, PHMSA, <https://www.phmsa.dot.gov/data-and-statistics/pipeline/pipeline-mileage-and-facilities> (follow “2010+ Pipeline Miles and Facilities”) (last updated Mar. 16, 2018).

⁷ *Id.* (follow “2010+ Pipeline Miles and Facilities;” then select “State Name: Pennsylvania”).

⁸ U.S. DEP’T OF TRANSP., BUREAU OF TRANSP. STAT., TRANSPORTATION STATISTICS ANNUAL REPORT 142 tbl. 6-2 (2016), https://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/TSAR_2016_rev.pdf.

⁹ FRASIER INST., SAFETY IN THE TRANSPORTATION OF OIL AND GAS: PIPELINES OR RAIL?, 1 (2015), <https://www.frasierinstitute.org/sites/default/files/safety-in-the-transportation-of-oil-and-gas-pipelines-or-rail-rev2.pdf>.

¹⁰ *Pipeline Mileage and Facilities*, PHMSA, <https://www.phmsa.dot.gov/data-and-statistics/pipeline/pipeline-mileage-and-facilities> (follow “Serious Incident 20 Year Trend”) (last updated Mar. 16, 2018).

¹¹ AM. GAS ASS’N, NATURAL GAS PIPELINE SAFETY AND RELIABILITY: AN ASSESSMENT OF PROGRESS 1 (2013).



representatives also participate in what are known as standards development organizations, or SDOs. Using procedures established by the American National Standards Institute, SDOs produce many of the safety standards that operators follow throughout life cycle of a pipeline project.

Most pipelines are regulated for safety purposes at the federal or state level. As the agency responsible for administering the Pipeline Safety Act, PHMSA's primary obligation is to prescribe and enforce federal safety standards for gas and hazardous liquid pipelines.¹² PHMSA also oversees a federal certification and grant program that allows state authorities to assume responsibility for regulating the safety of intrastate pipeline facilities.¹³ PHMSA's federal pipeline safety standards are comprehensive in nature and cover pipeline design, construction, testing, operations, maintenance, and integrity management.¹⁴ PHMSA's federal safety standards apply with preemptive force and effect to interstate pipeline facilities, except for purposes of state damage prevention laws.¹⁵

The Pennsylvania Public Utility Commission, or PUC, administers the Commonwealth's pipeline safety program, and that program is authorized under the provisions in two separate laws: (1) the Public Utility Code¹⁶ and (2) the Gas and Hazardous Liquids Pipeline Act, better known as Act 127.¹⁷ The Public Utility Code provides PUC with the authority to regulate the safety of pipelines that are operated by public utilities, including intrastate transmission lines and local gas distribution systems. Act 127 provides PUC with the authority to regulate the safety of pipelines that are not operated by public utilities, including gathering lines and municipal gas distribution systems. Consistent with the requirements in the Pipeline Safety Act, PHMSA's federal pipeline safety standards are incorporated by reference and apply to both public utilities and Act 127 pipeline operators in Pennsylvania. Many pipeline operators exceed the requirements in PHMSA's regulations, building to a higher design standard, performing additional inspections, examinations, and testing, and conducting right-of-way patrols and other activities at a greater frequency.

PHMSA's pipeline safety standards currently do not apply to certain gathering lines in rural areas.¹⁸ PHMSA is in the process of considering whether to modify that exemption and apply

¹² 49 U.S.C. §§ 60102, 60118 (2016); 49 C.F.R. Parts 190-199 (2018).

¹³ 49 U.S.C. §§ 60105-107; 49 C.F.R. Part 198.

¹⁴ See 49 C.F.R. Parts 192, 195.

¹⁵ 49 U.S.C. § 60104(c).

¹⁶ 66 PA. CONST. STAT. pt. I (2018).

¹⁷ 58 PA. CONST. STAT. ch. 13 (2018).

¹⁸ 49 U.S.C. § 60101(b); 49 C.F.R. §§ 192.8-192.9, 195.1, 195.11.



new reporting requirements and safety standards to rural gathering lines.¹⁹ The MSC supports PHMSA's information collection initiative and is confident that the available data will show that gathering lines are operated safely and effectively. In addition, the American Petroleum Institute is developing a new recommended practice with safety standards for rural gas gathering lines. API plans to publish the new recommend practice later this year, and MSC member companies are participating in that effort. Representatives from the Environmental Defense Fund and Pipeline Safety Trust are participating in that process as well.

On behalf of the MSC, I would like to thank the Committees for holding this hearing and inviting me here today to testify about pipeline safety. I look forward to addressing any additional questions.

¹⁹ Pipeline Safety: Safety of Gas Transmission and Gathering Lines, 81 Fed. Reg. 20,722 (proposed Apr. 8, 2016) (to be codified at 49 C.F.R. pt. 192). Pipeline Safety: Safety of Hazardous Liquid Pipelines, 80 Fed. Reg. 61,610 (proposed Oct. 13, 2015) (to be codified at 49 C.F.R. pt. 195).