UNITED STATES DEPARTMENT OF TRANSPORTATION

PUBLIC WORKSHOP ON PIPELINE COMMUNICATION CHALLENGES

Bellevue Community College
Bellevue, Washington

Wednesday, January 29, 2003
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1 P R O C E E D I N G S

2 9:00 a.m.

3 Kickoff/Welcome

4 and RSPA/OPS Pipeline Communication Goals

5 MS. GERARD: Good morning. I'm Stacey Gerard

6 -- Safety Research and Special Programs Administration,

7 U.S. DOT. And we're very pleased that you all came

8 together here in Bellevue for this important meeting.

9 This is a conceptual discussion about

10 pipeline communications. I hope right from the very

11 beginning that you all feel informal. I'm going to

12 take off my jacket. I know it's going to be hot up

13 here under the lights.

14 We regard this meeting as a very important

15 opportunity to be able to exchange ideas, kick around

16 concepts, and sort of get out of the box and think

17 about not how things are today but what the

18 possibilities might be for improving the availability

19 of information about pipelines and improving the use of

20 information about pipelines to improve the safety of

21 communities.

22 It's been a couple of years since I've been

23 up in the northwest, and every time I come back here I

24 wonder what the heck took so long. This is such a

25 beautiful part of the country, and all of you who live

1 here are very, very lucky to be here.
2 We feel a special tie to residents of this
3 area, of course, because of the -- the tragedy a few
4 years ago that we learned a great deal from. And you
5 know, we think to sort of renew our discussions about
6 communications, there's no place to be than in this
7 particular community where there's so many citizens and
8 state and local officials who have really informed
9 themselves about pipelines and have a lot of things to
10 say. And we hope that you'll feel comfortable sharing
11 them today.
12 I need to make some acknowledgements. My
13 boss Ellen Engleman had planned to be here as recently
14 as a couple days ago. She's the administrator of the
15 Research and Special Programs Administration. And
16 community education, public education is a very
17 important cause to her. It's a subject she's pretty
18 expert at. And she has the special assignment right
19 now to prepare the -- the exit of the U.S. Coast Guard
20 from the Department of Transportation to the Homeland
21 Security Department, and -- and that's the reason why
22 she's not here today.
23 But this is a subject that's near and dear to
24 her. It's the top of her list. And she has given us a
25 very liberal direction in terms of, you know, our

1 deciding where we need to go and what the best thing is
2 to do. And I'm glad that she's very committed in this
3 area.
4 I'd also like to particularly recognize the
5 -- the support and interest of the entire Washington
6 delegation -- congressional delegation. We're
7 especially grateful to the leadership of Congresswoman
8 Jennifer Dunn, who has spent quite a bit of time over
9 the last few months speaking with us about the public
10 communication issues and the mapping issues.
11 And of course, you know, where would we be
12 without Senator Murray, who has been looking after our
13 appropriations for many years and making sure we have
14 the funding that we need.
15 I'd also like to thank all of you who have
16 come, and particularly the panelists who have come from
17 far and wide. I think Lois probably gets the long
18 distance award, coming in from Alaska. And the -- and
19 the API Task Force members who have been doing the work
20 on Recommended Practice 1162, which we'll be talking
21 about later today.
22 Here with me from OPS is our regional
23 director, Chris Hoidell. Chris, where are you?
24 And I know Steve Reiger is here from -- from
25 your office.

1 And then, Carol, where are you? Carol
2 Washburn. Carol Washburn from the WUTC. And with you
3 is somebody else from the commission. Steve, right
4 here. Thank you, Steve.
5 And they have been very kind to arrange this
6 meeting for us and get the word out and get all of you
7 here.
8 So I'd like to thank all of you for coming
9 and rolling up your sleeves today.
10 I believe we have a welcome remarks from
11 Congresswoman Dunn. If we can cue up that tape?
12 Kickoff Presentation and Welcome by Congresswoman Dunn
13 (by videotape)
14 CONGRESSWOMAN DUNN: Hello. I'm
15 Congresswoman Jennifer Dunn. I want to thank you for
16 participating in this important workshop on pipeline
17 safety. I wish that I could be with you in person.
18 I've been working with my colleagues in the
19 Washington delegation on the pipeline safety issue
20 since 1999 when three young boys were tragically killed
21 in the pipeline explosion in Bellingham. I'll never
22 forget hearing about that explosion on that day. As
23 mother of two, I can't begin to imagine how devastating
24 it must have been for those families to face such a
25 tragedy, and my heart goes out to them.

1 The Bellingham accident, along with other
2 pipeline tragedies in New Mexico and Texas, taught all
3 of us -- citizens, government, and industry -- that we
4 need to do much more to keep pipelines safe. There's
5 no question that pipelines are essential to our economy
6 and our quality of life. Those of us in the Puget
7 Sound area, however, are all too aware of the potential
8 dangers pipelines pose.
9 As I've stated in the past, our number one
10 concern is community safety. To prevent another
11 tragedy from occurring, we've got to unite to improve
12 and ensure the safety of pipelines in all our
13 neighborhoods.
14 In the 107th Congress, I was pleased to
15 introduce pipeline safety legislation in the House that
16 will help prevent accidents like the one in Bellingham.
17 I worked closely with my colleagues to ensure that the
18 language for my bill was included in the comprehensive
19 Pipeline Safety Bill signed by the president last
20 November. This important legislation was responsive to
21 the needs of people in our communities. It will
22 require new pipeline inspections that will help protect
23 pipeline integrity and prevent future accidents. It
24 will increase state oversight of pipelines and it will
25 demand greater penalties for pipeline safety

1 violations. And it includes an increase in funding for
2 pipeline safety grants to local communities such as
3 Bellevue and Bellingham.
4 As many Washingtonians know, it's very
5 important that communities be given access to
6 information about the pipelines that run under the
7 ground near their schools and neighborhoods. My
8 pipeline safety bill included community right-to-know
9 provisions which were not included in the final
10 legislation because of security concerns over terrorist
11 attacks on pipelines. There must be a balance,
12 however, between our security and a community's right-
13 to-know. And so I will continue to push for increased
14 disclosure to the communities in the 108th Congress.
15 In the meantime, I want to thank Ellen
16 Engleman, RSPA Administrator, and the Washington
17 Utilities and Transportation Commission for sponsoring
18 this event today. Today's workshop will provide an
19 opportunity to improve the flow of information among
20 all of you responsible for pipeline safety.
21 I look forward to continuing our work
22 together to make our pipelines safe, reliable, and
23 secure.
24 MS. GERARD: Thank you, Mrs. Dunn.
25 We ought to do a few logistics to get out of

1 the way for just good human engineering in the
2 building.
3 Herb Wilhite from Cyclet Corporation has been
4 leading our team on the ground here to make sure we
5 have everything we need. And if you could just point
6 out the key facilities?
7 MR. WILHITE: As far as I know, and somebody
8 that's from a facility might correct me, the fire exit
9 is where you came in on the left. I guess you can also
10 exit either of these doors behind the stage on the
11 back.
12 Restrooms are down the stairs you came in on
13 and to your left at the bottom of the stairs.
14 Coffee, that's been a big question. The only
15 coffee we found is if you go to the bottom of the steps
16 and go out the doors, down the steps, follow through
17 the construction vents, and just follow your nose on
18 around to the right-hand side, there's a coffee vendor
19 underneath the cover, about a building down.
20 And for lunch, there's not a lot of choices
21 around here. But the cafeteria for the school is the
22 same way you go for coffee. You go down the steps, out
23 the doors, and just follow to the right, and you'll see
24 if you walk about two buildings out, you'll see a sign
25 that says "cafeteria" and it's got a big glass front to

1 it.
2 I think that's it.
3 MS. GERARD: Next slide. Yeah.
4 (Slide)
5 Goals and Ground Rules for the Workshop
6 MS. GERARD: I should point out this is a
7 public meeting with a transcription going on. And so
8 when you make comments, it would be good if you
9 identified yourselves.
10 So this is a public record that we will be
11 referring to when we move into a rulemaking
12 environment, you know, which I expect we will be doing
13 not too far after the conclusion of the meeting.
14 We are here to listen to you and to get your
15 ideas and comments. So it is very important that you
16 participate and understand that we care about this
17 issue very much. And we want to get a good cross
18 section of views here today.
19 The meeting is also being web-cast, and for
20 those of you who may be watching out there in
21 cyberspace, welcome to the meeting and hope that
22 there's good interest for you out there as well.
23 We have three areas that we're focusing on
24 today. Integrity Management Communications. We'll
25 have a panel discussion on that that will deal with

1 what information should be exchanged between the
2 operators and communities about features and factors
3 that may play into improving integrity management.
4 Our -- our after-lunch session will be on
5 performance metrics and what types of information
6 should be available for judging the effectiveness of
7 what individual operators are doing, what the industry
8 is doing, what the government is doing.
9 And then, our session in the afternoon is
10 probably the one that is of greatest urgency to us, the
11 public awareness initiatives. We'll have a
12 presentation from the Consensus Standards Organization
13 and the -- and the team led by Louise Scott to present
14 that particular document and have a discussion about
15 what you think about it and if there's anything else
16 that should be considered to improve it. And that's a
17 very important initiative because we're looking to
18 potentially incorporate that one by reference and need
19 to hear from you what's not in the document that should
20 be or if there's adjustments in that document that need
21 to be made.
22 The style of our meeting today, we'll have
23 brief presentations, then panel discussions, and open Q
24 and A. And I think that we can all consider this a
25 relatively casual environment and speak up and come to

1 the mike or raise your hand if you want to make a
2 comment.
3 Next.
4 (Slide)
5 MS. GERARD: Okay. I think we've covered
6 what it is we're going to be discussing, the three
7 topical areas.
8 Understanding the Context
9 MS. GERARD: Understanding the Current
10 Context. It's been a couple years since we began our
11 discussion about integrity management and about the
12 role of communications in sort of completing the -- the
13 risk assessment process and understanding everything
14 that is there to be understood that could affect a
15 pipeline. And we -- I think we had a public meeting a
16 couple years ago in Washington, D.C., and sort of began
17 that discussion, heard some ideas that different
18 stakeholder groups have developed, and we've seen
19 comments that have been very meaningful from many of
20 those organizations.
21 We had been proceeding along the lines of
22 making our mapping system a public communication tool.
23 And the events of 9/11 kind of made everybody retrench
24 a bit and, you know, reconsider the whole issue of the
25 balance between what information should be available

1 and what information should be protected.
2 So all those issues we need to discuss today,
3 really to understand, you know, what kinds of
4 initiatives we should take, understand what the
5 different functions are very carefully that people need
6 to play in order to help share the responsibility for
7 pipeline safety.
8 Move to the puzzle.
9 (Slide)
10 MS. GERARD: I think one of the points that
11 we wanted to make in coming to the meeting today is
12 that we've really been trying to raise the bar on
13 pipeline safety and look at the pipeline safety process
14 holistically to deal with the concept of safety through
15 sharing responsibility. It's -- it's a job that we
16 have come to understand is an awful lot bigger than
17 what the U.S. federal government could do, what the
18 U.S. government could do in combination with state
19 government, and between what we as regulators with the
20 regulated community could bring about.
21 So there are pieces to this puzzle that we
22 wanted to lay out for you. And in -- is the puzzle
23 coming up? There is a puzzle.
24 (Slide)
25 MS. GERARD: Wanted you to sort of think in

1 terms of how we see the different initiatives that we
2 have underway and see all these pieces fitting
3 together. And when I said "think out of the box," do
4 we have all the pieces to the puzzles or are there
5 pieces we haven't identified yet?
6 But the, you know, the first piece is
7 obviously the need to improve and expand regulations
8 and identify what blend of regulation is necessary to
9 address the requirements we have in current-day
10 environment. It's a balance between prescriptive and
11 management-based and performance-based requirements.
12 It certainly involves assessing risks, understanding
13 what the system-wide threats and the local specific
14 threats are. After those threats are assessed, being
15 sure that we have the proper standards in place for the
16 timely repair of defects and making sure that not only
17 are those repairs being planned and processed but that
18 we do everything we can to make sure that the permits
19 for those repairs are granted.
20 And that brings to the fore another
21 communications challenge, which has not really been
22 adequately addressed. How do we communicate the
23 information that we need to the people that have jobs
24 to do, including granting permits, a subject that's
25 going to become a lot more relevant and challenging to

1 us as we deal with a larger number of repairs within
2 the industry.
3 So making sure that everybody has the
4 information they -- they need to do their jobs,
5 understand the priorities, and then what the
6 consequences are if these functions are not performed
7 in a timely way.
8 Obviously, we all perform better when our
9 performance is challenged. And I think that we could
10 all agree that the interaction between any individual
11 and the people that they serve is improved by the
12 challenge. And so we believe in having performance
13 measures that are available to challenge policy,
14 procedures, concepts, and, you know, that challenge
15 should be done in an appropriate way.
16 As I said, we've come to understand that the
17 job is a lot bigger than fed to state, regulator to
18 industry. And the role of local communities has
19 become, you know, much more apparent to us as recent
20 years have gone by. And we have an important role to
21 play in being sure that at the local level everybody
22 has the information they need to make decisions to
23 respond to pipeline situations, to educate the
24 community, to make decisions about land use zoning,
25 supporting -- supporting activities, damage prevention,

1 best practices. So we work with our state partners and
2 make sure that they have what they need to -- to bring
3 information to the local level and to engage everybody.
4 The promotion of best damage prevention
5 practices is -- is an initiative that has grown leaps
6 and bounds in the last couple years. And we've seen an
7 enormous amount of work being done in this area which
8 leaves the pipeline family and includes the other
9 utilities, railroads, the excavation community, public
10 works, highway departments. And it just -- the
11 information that's necessary to be shared with -- with
12 that whole extended family is very important.
13 Leads to the subject of technology and ways
14 to improve practices. And I think that the entire
15 pipeline enterprise has placed a much greater emphasis
16 on research in recent years and particularly sharing
17 information about the research. Not that technology
18 hasn't been focused on, but making access to
19 information about technology more readily available.
20 So that's sort of the concept of the pipeline
21 safety puzzle and the pieces. And sharing
22 responsibility having become a mantra, we want to sort
23 of drill down in this meeting to think in terms of the
24 initiatives that we have. Can we make sure that
25 everybody has the information we need.

1 And as we go through the day, I'd like you to
2 think about, do we have the audiences identified.
3 Federal regulators, you know, that's just to name a
4 few. There's -- there's others out there who deal with
5 issues like environmental permits. State regulators.
6 There's our partners like the WUTC, but there's other
7 state partners that are out there that have an impact
8 on pipeline safety. Are we doing what we can to plan
9 for their information requirements. And then, as you
10 get to the local level, the list of audiences that we
11 should be thinking about grows even further.
12 It's our hope that as we discuss today the
13 kinds of initiatives that should be underway that we're
14 thinking about all of these audiences and how they fit
15 together, including oversight organizations, obviously
16 the Congress, and you know, very importantly, the
17 citizen audience and what information that they need to
18 protect themselves, to recognize hazards, to be able to
19 help protect the pipeline, and to interact with
20 pipeline operators to be able to share that information
21 about changes that are going on around the pipeline and
22 risk factors that are seen best at the local level.
23 Of course, there's the research laboratories
24 and the excavation community, just to, you know, name a
25 few of the macro pieces in the puzzle of the audiences

1 that we need to be thinking about today as we embrace
2 the concept of communication, is the key to sharing
3 responsibility.
4 So that's intended to be a little warmup for
5 you to kind of set the bar for the meeting today. And
6 are there any comments or questions about what our
7 focus is today as we kick off this meeting? Anybody on
8 the panel? Any other thoughts?
9 (No response)
10 MS. GERARD: Okay. Well then, in terms of
11 ground rules for the workshop, we're going to segue
12 then into the first panel and move into the subject of
13 integrity management communications. Are you guys all
14 ready?
15 Okay. We've got to do a switch in technology
16 here, so bear with a us a couple minutes as we make the
17 segue. Because that's what we're here to do today, and
18 if you were expecting something else that was going to
19 be easy, you might as well go get a cup of coffee with
20 some sugar in it and come back charged up.
21 (Pause)
22 (Slide)
23 Integrity Management Rulemakings
24 MS. GERARD: I'm going to do a brief
25 introduction now, switching gears into the subject of

1 integrity management and integrity management
2 communications. I'm going to just give you a little
3 bit of background on integrity management in case it's
4 a topic that's new to you. I have a feeling that it's
5 not.
6 But you know, our purpose here, as I've said
7 earlier, with integrity management communications is to
8 identify what type of information should be exchanged
9 regarding managing the integrity of the pipeline. This
10 is probably one of the more difficult topics that is a
11 little bit further out there than simply public
12 education. There's a lot of people that have been
13 thinking and conceiving of the basic information that
14 needs to be exchanged with the public, but here we're
15 talking about something that's a little bit more
16 advanced.
17 So we should be thinking about some of our
18 objectives in terms of our integrity management
19 rulemakings. These have been our goals all along.
20 They're still our goals. We're trying to accelerate
21 the rate of testing of pipelines, particularly
22 pipelines that can affect high consequence areas which
23 are, for the liquid pipelines, unusually
24 environmentally sensitive areas and populated areas.
25 For gas it would be populated areas. To improve the

1 operator's systems to manage integrity. To improve the
2 government's ability to be able to oversee and
3 challenge the quality of the operator's program, and
4 most important of all, to increase public assurance in
5 pipeline safety.
6 So the integrity management requirements
7 blend three concepts: what we call prescriptive
8 requirements, those where we specify a particular
9 action like do this 26 times a year; the management-
10 based requirements, which are a little bit more
11 systems, processes, bases that operators define to
12 determine decisions they're going to take to produce
13 safety; and results-based requirements.
14 So I think that we -- we might have passed
15 the slide up there on some of the types of prescriptive
16 requirements.
17 (Slide)
18 MS. GERARD: There we are. So just to give
19 you some example where we clearly define specific
20 actions in a very precise way. For example, scheduling
21 the baseline tests and presenting us with a particular
22 schedule. Mandating that repairs be done, depending on
23 the serious nature of them, in a very specific time
24 frame. So we have very prescriptive requirements to
25 some extent.

1 (Slide)

2 MS. GERARD: And then we have what we call
3 management-based requirements where we are requiring
4 that the operator defines a structured basis for making
5 decisions about safety. And there's information that
6 the operator would retain that we would inspect. And
7 so that is information that's available for at this
8 point our consideration and states' consideration. And
9 these -- these types of requirements are useful to deal
10 with pipeline-specific practices, to supplement
11 regulatory requirements, to deal with situations in
12 which a one-size-fits-all approach doesn't make sense
13 and where the operator has to really think in terms of
14 issues that are pipeline-wide, for example training.

15 (Slide)

16 MS. GERARD: And then we have requirements
17 that some people would call results-based. We're --
18 we're dealing with very specific types of performance
19 measures.

20 So in terms of where we are today, we've
21 completed rulemaking on hazardous liquid pipelines
22 integrity management. And as of yesterday, we've
23 released a 250-pound gorilla proposal for the natural
24 gas transmission industry. And it's too soon for the
25 reviews on that, but I think there's at least a couple

1 people in the -- in the audience who have had some
2 opportunity to look at it and, you know, maybe, with
3 that in mind, they can participate in this discussion a
4 little bit better.
5 I'd just like to mention a couple of
6 distinctions between the gas regulation that's final
7 and the proposed liquid -- excuse me, the liquid one
8 which is final and the proposed gas one. They -- there
9 are differences.
10 The planning and the management bases are the
11 same, but we obviously consider the different nature of
12 the products, the different kind of impact with a
13 rupture, the fact that the gas regulations have
14 provided protections that deal with changes in
15 population density over the last 30 years, the fact
16 that the ability to assess is very different between
17 gas and liquid, and the fact that there are consensus
18 standards that are new that we could look to for
19 direction in terms of development of the gas -- of the
20 gas proposal.
21 So that's -- that's kind of an overview of
22 integrity management regulations. If you have, you
23 know, particular questions, there's lots of people in
24 the -- in the audience, I think, that would be happy
25 to, you know, exchange some views about the approach

1 that we're taking. We think that it's a very
2 significant raising of the bar in pipeline safety.
3 We spent a lot of time looking at different
4 options over the last few years and took a lot of
5 criticism because we didn't put out a testing rule
6 seven years ago or five years ago. And you know, based
7 on our evaluation of accidents, we thought that
8 something more was needed that was more of a -- a whole
9 health process safety kind of approach.
10 And of course, it'll take some time to really
11 measure -- measure what the effectiveness of this type
12 of rulemaking is, but we've begun our inspections on
13 the liquid -- the liquid side of the industry. And you
14 know, while it's a painful process and there's a lot of
15 change involved on both the government side and the
16 industry side, you know, I think that the indications
17 are overall positive that this type of process and the
18 kind of information that's exchanged is -- is really
19 going to result in a big safety payoff long-term.
20 So at this point I thought that it would be
21 good to have an example from a company standpoint of
22 what it is like to have an integrity management program
23 so that we can, you know, begin to talk about what kind
24 of information should be exchanged.
25 I've had the pleasure of knowing Denise

1 Hamsher I think my entire history in the pipeline
2 safety program, but she's freeze-framed in her youthful
3 state of 10 years ago. She is with Enbridge Energy
4 Company, which is headquartered in -- in Houston,
5 Texas. And she's responsible for public, government,
6 and regulatory affairs. She's been with the company at
7 least 18 years in various environmental safety and
8 emergency preparedness and communications functions.
9 I don't think there's a committee that Denise
10 isn't participating in. And she's been very involved
11 in the issue of outreach to the public for all aspects
12 of pipeline operations.
13 Denise?
14 (Applause)
15 Example of a Typical Hazardous Liquid Pipeline
16 Integrity Management Program
17 MS. HAMSHER: I have a hard time just
18 standing at a podium, so if I kind of wander away,
19 please let me know.
20 AUDIENCE MEMBER: You wouldn't be the first.
21 MS. HAMSHER: I -- I won't give a commercial
22 about Enbridge, but I will let you know that we do
23 operate in the United States over 12,000 miles of both
24 natural gas and generally crude oil pipelines. We also
25 operate a great deal of pipeline systems and Toronto's

1 local distribution company. So we have a lot of
2 experience in North America on both the natural gas and
3 liquid side. And we are joint venture owners and
4 operators of the vector pipe -- natural gas pipeline
5 system as well as partial owners of the alliance. So
6 we do have some experience.
7 Before -- what I wanted to do and was asked
8 to do is kind of give some kind of reality around what
9 an integrity management program looks like, because
10 what we're here about is not to learn about integrity
11 management but to talk about what these requirements
12 beg now of communication with local responders, public
13 officials, our regulators, and communities.
14 So I think to put into context before we get
15 the panel discussion going, to kind of look at what an
16 integrity management program looks like, what is a high
17 consequence area. Hopefully, then we can put into
18 context some of the discussion.
19 Before I get going, though, I want to tell
20 you a very real example of how important it is to have
21 effective liaison with particularly public and
22 government officials as well as those who live around a
23 facility.
24 Unfortunately, Enbridge had a fairly
25 significant incident just this last Friday in Superior,

1 Wisconsin, at a large crude oil terminal facility. You
2 may not have heard about it. It didn't hurt anybody,
3 luckily. And while we were able to keep most of the
4 crude oil within the terminal facility and the
5 containment system that was set up, some breached those
6 systems and fell off of the terminal site onto about
7 two feet of ice on the Nemadji River, which is -- feeds
8 Lake Superior. And a very concerning incident,
9 nonetheless.
10 However, in the middle of the night on a
11 Friday night, we had Coast Guard, soon EPA, Office of
12 Pipeline Safety officials by the next day, Wisconsin
13 DNR, and a whole host of county and emergency
14 responders. And when I showed up the next day and --
15 and in addition to that our -- our local emergency
16 responders, most of those response people knew each
17 other by name.
18 And that's not by accident. We've taken
19 years of exercising and planning and meetings and
20 mailings. And so when everybody got to the scene,
21 there wasn't a lot of jockeying around on who did what.
22 We got down to the business of fixing what shouldn't
23 have happened.
24 This isn't about that incident, but it really
25 does give an example of -- of when things happen, it is

1 just so important that the emergency officials show up
2 knowing what that pipeline or knowing what that
3 facility is about and we're not strangers at that time.
4 So hopefully, in the context of today's discussion, we
5 do talk about that some more.
6 And while I really would have preferred
7 talking about integrity management by not giving you a
8 real-life example of an incident on our very own
9 pipeline, I do think it is an example of when you have
10 relevant, meaningful, and timely communications, we
11 can, even when they're rare, address those type of
12 emergencies all the better.
13 Again, I want to kind of set the stage --
14 Lara, would you --
15 (Slide)
16 MS. HAMSHER: -- set the stage for kind of
17 asking about, you know, what is a high consequence
18 area. You've heard some terms. You know, for most of
19 you in the audience, if you haven't worked along
20 pipelines, you know, you just want to know about the
21 pipeline. A lot of this is jargon, but let me kind of
22 put some flesh around what a high consequence area is,
23 how are they identified, what is a high -- what is an
24 integrity management plan, asking the very real
25 question of, well, these are integrity management plans

1 in high consequence areas but if I don't live in a high
2 consequence area, does that mean that you don't manage
3 integrity along the pipeline where I live. And I want
4 to kind of address that.
5 And of course we're going to be focusing on
6 existing pipelines. Many of you are here today because
7 you first became aware or concerned about pipelines
8 when a new one was being built or in an emergency. And
9 a lot of what we're talking today is in the ongoing
10 operation of a pipeline, what is the most effective
11 communication.
12 We probably won't touch very much on
13 effective communication when a new pipeline is being
14 proposed. That's another piece of, to use Stacey's
15 example, of the communication puzzle. There are many
16 facets to what we need to do to -- to resolve the
17 overall communication.
18 (Slide)
19 MS. HAMSHER: Here's some of the components
20 of an overall pipeline safety program. So safety isn't
21 just managed in high consequence areas. We've been
22 managing safety along pipelines for many, many years.
23 Before the regulations came into effect, the industry
24 did put some codes and standards together. And in
25 fact, at the beginning, the pipeline safety regulations

1 were built using these codes as the basis.
2 Have we always been successful in managing
3 safety along pipelines using a lot of these techniques?
4 No. That's probably why we're here today. And I
5 don't need to tell some of you who live in this area
6 that sometimes, but rarely, we do have a tragic
7 accident.
8 (Slide)
9 MS. HAMSHER: And while statistics are
10 irrelevant, if you've been personally affected, it is
11 important to know that -- that overall -- wrong one.
12 I'm going to switch back to another overheard here.
13 (Pause)
14 (Slide)
15 MS. HAMSHER: We have increased overall our
16 -- our -- improved our performance about 23 percent
17 when you look at both liquid pipelines and natural gas.
18 And again, if you've been personally affected, that's
19 meaningless. We need to continue to focus on reaching
20 a goal of zero incidents.
21 And if we can improve -- whatever we can do
22 to improve communications that helps us reach that
23 goal, the industry is very interested in sitting down
24 with a regulator and with those stakeholders affected
25 to figure out the best ways to provide practical and

1 meaningful information.
2 Recall I said that Enbridge operates 12,000
3 miles of pipeline. We've got to figure out a way to
4 reach the right audience with the right information so
5 it doesn't go in the trash and we meet with the right
6 people. So we've got to figure out a -- a very
7 practical way to get to that relevant information. So
8 again, when emergency responders show up, we understand
9 what's in that community, we plan better for it, they
10 understand our facilities, and what we're doing to
11 prevent incidents.
12 (Slide)
13 MS. HAMSHER: With the new integrity
14 management and high consequence area rules, the need
15 for communication about this jargon and special
16 requirements becomes all the more important.
17 How do we identify high consequence areas.
18 Well, it depends on whether you're a liquid pipeline or
19 a gas pipeline.
20 On the liquid side, naturally because crude
21 oil or liquid petroleum has the potential to affect the
22 environment, there's several triggers that would cause
23 one to identify a high consequence area.
24 The first trigger is whether it's an
25 unusually environmentally sensitive area. That would

1 include things like higher risk -- higher value,
2 drinking water, unusual ecological areas. And these
3 areas are identified by local and state resource
4 managers and then mapped by the Office of Pipeline
5 Safety. And then a company looks at that map and
6 applies their pipeline system to it.
7 Another trigger for a high consequence area
8 is commercially navigable waterways. We crossed the
9 St. Clair River, for instance, as do many pipelines,
10 from the United States into Canada. There's a lot of
11 barge and ship traffic across that.
12 And then, high population areas as defined by
13 the U.S. Census.
14 So for liquid pipelines, those are generally
15 the triggers.
16 (Slide)
17 MS. HAMSHER: For natural gas pipelines, the
18 current rules are generally summarized up on -- on the
19 board.
20 If it's a smaller line, lower pressure, the
21 potential for that gas to impact on either side is
22 smaller, so it would look a little less distance on
23 either side of the pipeline. If it's a large diameter,
24 higher pressure, you'd want to look as far as you have
25 the potential to impact. And generally, that means

1 highly populated areas. It's something that the gas
2 pipeline industry's already doing. It's called the
3 Class Location. And the -- and Class 3 and 4, which
4 are the higher populated areas.
5 What a high consequence area is, is to look
6 at those plus some other areas. And natural gas
7 pipeline operators will begin now this year the process
8 of going along their pipeline system to figure out if
9 there's facilities like hospitals, prisons, where
10 people have a hard time getting out of that facility in
11 the event of an accident, or places where people
12 congregate, like parks or stadiums.
13 And on the natural gas side, rather than
14 having that mapped by natural resource managers in the
15 Office of Pipeline Safety, it's the operator's
16 responsibility to identify, hopefully using more and
17 more electronic data that comes from Census, but in
18 some cases just manual identification or working with
19 many of you at the local level.
20 (Slide)
21 MS. HAMSHER: So here's an example. This is
22 using a USGS map. Basically, the circles then would
23 identify those areas. The green areas -- and I'm not
24 -- yeah, over to the left, that circle would be an
25 unusually sensitive area. That would be an ecological

1 area.
2 The blue areas would be drinking water, high
3 value drinking water resources, whether they be sole
4 source or the intake, just depending on the definition.
5 And the yellow is the higher -- higher
6 population area.
7 And there's roads and maps and railroads on
8 here, but you might be able to tell the red line that
9 then goes into a black and white hashed line. The red
10 line and the black and white hashed line is the
11 pipeline. Where it's red, it's not in a high
12 consequence area, and where's a black and white hashed,
13 it shows that it has the potential -- is within that
14 high consequence area or has the potential to affect
15 it.
16 (Slide)
17 MS. HAMSHER: We'll go to just one more
18 example, and you can see how rigorous this analysis is.
19 And as we route the pipeline, we have segments then
20 that are near by these drinking water resources, high
21 population area, ecological, river crossings, or
22 whatever, and have that potential.
23 So what you see is we have eclectic segments,
24 if you will, or disconnected segments along the
25 pipeline that meet this definition. And that is when

1 some of the new rules kick in.
2 (Slide)
3 MS. HAMSHER: Here's one more example of
4 another company and how they're doing it. They're
5 taking those kind of concentric circles and instead
6 kind of doing a bit more easier display.
7 Some of the background of this has actually
8 been purposely deleted so that the city itself couldn't
9 be recognized.
10 As you can tell, what we're trying to do is
11 identify some of the most vulnerable areas should there
12 be a liquid pipeline leak. That raises some issues of
13 security. We really don't want to give road maps to
14 people to say, this is where the most damage can be
15 done.
16 So during the discussions today, this whole
17 issue, I think, and we heard it earlier in the remarks,
18 the whole issue of security and the -- and the
19 community's need to know some of this has to be
20 balanced.
21 (Slide)
22 MS. HAMSHER: Here's an example of the gas
23 pipeline. And you can see this is a higher density
24 housing. So the housing is actually mapped. The
25 pipeline's on there. And then a corridor is -- is

1 built so that we could figure out which segment of the
2 pipeline is within a high consequence area.
3 (Slide)
4 MS. HAMSHER: Another example shows and has
5 identified places where there's limited mobility. This
6 is a tedious effort. Remember, we're talking thousands
7 of miles of pipeline to do this and we're only looking
8 at one small segment.
9 (Slide)
10 MS. HAMSHER: And then, well defined open
11 area, which would be like a state park where people
12 would gather.
13 So you've seen several examples of high
14 consequence areas now for both liquid and gas.
15 (Slide)
16 MS. HAMSHER: Integrity management isn't a
17 neat book. In our discussions about communications,
18 we're just going to have keep that in mind. It's not
19 like a binder that can be sent out. It's a process.
20 And it's kind of an iterative process as
21 well. While there is components such as a written
22 plan, the identification of high consequence areas, the
23 risk assessments, the baseline assessment or testing
24 plans within these high consequence areas, the risk
25 assessments, the -- and what we're going to do to

1 mitigate those risks, such as reducing the probability
2 or reducing the consequences, all these are components,
3 including the documentation.
4 (Slide)
5 MS. HAMSHER: But remember, this is a
6 process. Here's a sample outline of -- of an integrity
7 management program that would kind of show you how the
8 basic manual is structured. I won't get into the
9 details of that, but you can kind of see how it would
10 be laid out.
11 And there are some pipeline operators here,
12 but the written plan is many inches thick. But what it
13 does is send you to resources such as a number of -- of
14 other documentation.
15 (Slide)
16 MS. HAMSHER: So this is just more of the
17 outline in a typical plan and what it would be.
18 That plan then would generate a great deal of
19 documentation. A lot of statistics about the pipeline,
20 whether -- what types of pipe it is, where it is, what
21 kinds of corrosion protection systems, what kinds of
22 soils, the history. So a lot of information. The
23 segment identifications. How we're going to identify
24 those high consequence areas. How we're going to
25 segment several of these into a segment so that we can

1 test them in a practical segment that makes engineering
2 sense for the pipeline.
3 We have the written plan, of course. We have
4 the -- a lot of baseline testing plans. There would be
5 a documentation of what our risk analysis and what
6 input goes into that. Our operating and maintenance
7 procedures are an integral part of integrity
8 management. What we're going to do to mitigate the
9 risks, all the records of all this testing and all the
10 records of any repairs and inspections and patrols.
11 The list goes on.
12 I think what I just want to reinforce to
13 people as we talk about communication is figuring out
14 at a -- at a high level what would be meaningful at the
15 public official for -- for people to look at.
16 Rest assured that while this information is
17 rigorous and detailed, what we're seeing is the
18 inspectors are going through a great deal of this.
19 During the last year, all the major liquid pipelines
20 were inspected relevant to how they've identified high
21 consequence area. And this year, the inspections of
22 the integrity management programs have started.
23 The Office of Pipeline Safety has developed
24 an extensive protocol or an approach to what they're
25 going to be looking for as they inspect this. Perhaps

1 it's still a bit of a learning experience as we
2 understand expectations and as we all learn more going
3 through this.
4 So the details and records and documentations
5 of repairs and testing plans are indeed inspected by
6 the regulators. So they get down into the weeds.
7 What can we provide that isn't that that is
8 relevant to public officials. I think that's the
9 question for the panel.
10 That's all I had. I really had hoped to
11 give, for those people who aren't familiar with the
12 pipeline industry a lot, just kind of a flavor of what
13 integrity management plans are, what high consequence
14 areas are, what kind of documentation we're talking
15 about, so we can hopefully have a meaningful dialogue
16 over the next little while before lunch about the
17 communication needs.
18 I don't know, Stacey, if you want to ask and
19 do questions now or just start the panel?
20 MS. GERARD: I'm sure Denise would be happy
21 to take any questions or comments about her
22 presentation on the reality of implementing integrity
23 management. Does anybody have any questions or
24 comments for Denise?
25 (No response)

1 MS. GERARD: You all knew all that, didn't
2 you?
3 (Laughter)
4 MS. GERARD: Okay. Good. Carol? Yeah.
5 Carol Parker.
6 MS. PARKER: I'm Carol Parker. Is this on?
7 MS. GERARD: Yes.
8 MS. PARKER: I'm Carol Parker with Citizens
9 for Safe Pipelines. And my question is, I understand
10 that you don't want to reveal this information from a
11 security standpoint and I understand where that's
12 coming from. My concern as a community member is I
13 have actually seen situations where pipeline companies
14 don't have the right information about the community.
15 And yes, the information is out there because I knew it
16 and I got it from public sources. But the pipeline
17 company didn't have it.
18 So if you don't tell the public how you're
19 interpreting their community, how do you expect to have
20 a reality check on your integrity management?
21 MS. HAMSHER: I think there's -- this is a
22 twofold street. I think, one, we do sit down with maps
23 of facilities with local emergency responders as part
24 of our ongoing liaison. That's a perfect time to get
25 some input from those local people about that.

1 But recall for the liquid pipelines, and I'll
2 speak to that because we have a little bit more
3 experience in that, we're identifying high consequence
4 areas based on census data, the U.S. Army Corps of
5 Engineers designated navigable waters, and then the
6 unusually sensitive environment that comes from the
7 Office of Pipeline Safety.
8 So what I -- another source of information is
9 to make sure that your local resource managers and
10 state have the information so it gets to OPS so it's
11 designated on the maps.
12 From -- so it is kind of a two-way street. I
13 do think that there's opportunity for dialogue, but
14 it's very important that -- that pipeline operators get
15 the type of information that they can rely on through
16 the National Pipeline Mapping System so that we can
17 overlay our maps and then designate the high
18 consequence areas.
19 MS. GERARD: I have a different view, and --
20 and I think that's why we're here. I think this
21 subject is the area that is most fruitful to think
22 about as we're moving on beyond the point of basic
23 public awareness information.
24 I think the question of risks at the local
25 level that may be apparent at the community level that

1 may not be identified on our maps is the purpose of
2 integrity management communications as we're trying to
3 frame it for the discussion today. I think we're
4 trying -- that's what we're trying to do, is think
5 about information that might be available at the
6 community level or possibly the state level that is not
7 apparent.
8 What we're interested in is creating some
9 sort of system of -- of checks and balances so that if
10 there is risk information that is available that the
11 community may not know for sure whether the operator
12 has, there is some process to exchange that
13 information. And I think one of the questions for
14 today is, and for the panel that we're about to -- to
15 hear from is, you know, what are those kinds of risk
16 factors or other kinds of information, changes in the
17 community, things that might be volatile or dynamic,
18 that may need to be considered on a seasonal basis or
19 whatever it might be. And -- and who in the community
20 has the responsibility to do something about it and how
21 does that information exchange take place. So it's a
22 very relevant question.
23 Any other -- I think there were some other
24 questions. Ben, did you have a question?
25 AUDIENCE MEMBER: No.

1 MS. GERARD: Okay. Well then, no more
2 questions for Denise?
3 (No response)
4 Community Assistance
5 MS. GERARD: Okay. We're now sort of
6 drilling in, now that you've had this happy, light
7 warm-up, into the subject of what we're calling from
8 this day forward integrity management communications.
9 And -- and that's our purpose, and it's -- it's
10 probably not the easiest topic to take up first thing
11 in the morning. But you need -- again, we'd really
12 like you to sort of listen up and think about that, you
13 know.
14 And so I think we've given a couple of
15 examples of what potential areas of integrity
16 management communications might be. It could deal with
17 the subject of permitting, you know, what kinds of
18 information needs to be exchanged about the need for
19 repair and why it's urgent. For example, that a permit
20 be granted. There could be issues associated with
21 activities in the community involving testing,
22 construction, repair that the community needs to be
23 aware of or should plan for or that the operator should
24 know about in developing the schedule and implementing
25 the schedule.

1 There could be areas where there needs to be
2 consideration about emergency response or surveillance,
3 security, activities that the community might undertake
4 to help communicate to the control room that there's
5 untoward, inappropriate activity going on. There may
6 be issues in terms of emergency response planning or
7 environmental planning that with additional information
8 the planning could be improved by the local officials.
9 So those are all just kind of, you know, some
10 of our thoughts. I hope that you have other ones. And
11 what we really want to do is sort of create an
12 inventory of what those functions are and who the
13 people are that perform those functions and what -- you
14 know, what might they need or be able to do a better
15 job with if they had information that they didn't know
16 is out there.
17 I'd also like to introduce a couple other
18 concepts that we are unfolding in the Office of
19 Pipeline Safety today. And officially, we have just
20 hired a new team of people that we call Community
21 Assistance and Technical Services inspectors. And they
22 are regional -- regionally -- regionally deployed -- I
23 got up at four.
24 Regionally deployed, and they are inspectors
25 who are technically qualified and are articulate and

1 can communicate.

2 And I want to tell you just as an aside, we

3 had more applicants for that job by 10 times than any

4 other job in the pipeline program. So there's a lot of

5 you articulate engineers out there, I guess, or so you

6 think.

7 (Laughter)

8 MS. GERARD: Anyway, so the basic precepts of

9 CATS, this new program that we're just about to kick

10 off, is, you know, that there's a lot of people out

11 there who are pipeline safety stakeholders. They are

12 going to benefit from knowing information about

13 pipelines. We want to have them aware, we want to have

14 them involved, and this is the beginning of our

15 basically taking pipeline safety to the street, going

16 local. We've never done that before, and we think that

17 you need to see us, we need to engage. There's a range

18 of activities out there.

19 We've got some lofty objectives for these

20 people to improve the communications, starting with

21 integrity management that we've been talking about

22 today, but damage prevention big time.

23 I saw somebody sneak into the room a few

24 minutes ago who has been one of the leaders in the

25 damage prevention movement nationally. I see Don up

1 there. See, I can see all the way up there in the
2 recesses. Don, who was part of the steering committee
3 that led to the Common Ground Report and the Common
4 Ground Alliance.
5 The alliance, taking the alliance and making
6 it regional and local. And identifying who are the
7 people at the community level who could become partners
8 for damage prevention.
9 So you know, you really need to think in
10 terms of the different types of functions that play at
11 the community level. We are putting our money where
12 our mouth is and bringing some OPS horsepower to add to
13 state horsepower in this area to enable communities to
14 get involved.
15 So we have some expectations that there's
16 going to be information synthesized from a variety of
17 places and made available at the local level, you know,
18 to be actively exchanged. We want to be building
19 alliances. The CGA, the Common Ground Alliance, wants
20 to build alliances. And they have a goal of creating
21 so many regional and local alliances each year, and we
22 intend to foster that process.
23 So we consider that team of people, the CATS
24 team, as a resource to help with the communications
25 process.

1 Not having seen Denise's presentation until
2 this morning, I wasn't sure that we were going to be
3 focusing on the maps. And so I sent home last night
4 for some information on our mapping system to make sure
5 that everybody is thinking about communication
6 platforms.
7 Either way, it's exactly 10 years since we
8 started to build the National Pipeline Mapping System.
9 So we sort of believe that good things come to those
10 who wait. And that mapping system is today something
11 that we're proud of as a -- it's a decision support
12 system for us. And I think that we're here to talk
13 about today, you know, what it can be for you and to
14 deal with the whole question of how do we balance the
15 security concerns.
16 But I hope you all have seen it and are
17 familiar with it. We do have an application that we
18 call PIMA, I guess, that was designed to make it work
19 for users at the state and local level to be able to do
20 some analysis. And if you haven't seen -- seen the web
21 page for that, I think we have a picture of what that
22 looks like coming up.
23 (Slide)
24 MS. GERARD: So we have the ability and the
25 ability exists for you to be able to zoom in and then

1 look at specific issues. We use Louisiana as an
2 example. Either an individual pipeline, and you can
3 select an individual pipeline. Moving on.
4 (Slide)
5 MS. GERARD: And then look at risk data
6 associated with an individual pipeline. You know, or
7 you can zoom in on, you know, the complete body of
8 pipelines. And the next map, you know, just shows, you
9 know, a section of Louisiana and what a complete body
10 of pipelines looks like in that area.
11 And then there is additional information, you
12 know, which we could make available on a, you know,
13 some sort of a secure basis that deals with a whole lot
14 more attributes. And the next map, please.
15 (Slide)
16 MS. GERARD: So -- so you can see that behind
17 -- behind that mapping system there's a lot of
18 additional information that perhaps is of use for state
19 and local officials who, once we know who you are or
20 who you're working with who may need access to the map,
21 as long as we know that you are who you say you are and
22 that you need the information for why you say you need
23 it, we can have a different basis for communication.
24 And as it relates to integrity management, I
25 could certainly envision a time -- and this just out of

1 the box brainstorming. I've only had this conversation
2 with one person at OPS before saying it to you. But
3 the map, you know, the map could be a basis for the
4 operator to post information about activities that are
5 going on on the pipeline for those state and local
6 officials who are passworded in the system and might
7 want to know about construction that's planned this
8 year or construction is going to begin on such-and-such
9 a date or whatever -- whatever it is.
10 I mean, technology is certainly there for
11 operators to be able to use the system in some way to
12 send the communication to people at the state and local
13 level to say, we have an update for you on activities
14 that are going on from Dorsey Junction to Baltimore,
15 Maryland.
16 (Slide)
17 MS. GERARD: So just a thought just so that
18 you know that we're serious about, you know, getting
19 out of the box and thinking about this.
20 Now, for those of you who are saying, you
21 know, it's a secure system, we also have got the
22 software to be able to have it public access now. And
23 what we're lacking is filling in the contact for the
24 public. We have the operational contacts but between
25 now and the 17th of June, we'll be filling in the

1 contacts for the public so that if you are a citizen
2 who just lives in a community with a pipeline, you
3 should be able to, you know, push the button and see
4 more of a narrative type presentation at the moment
5 about the pipelines in your area and who to contact for
6 more information about them.
7 That was our post-September 11th reaction to,
8 you know, continuing to think about what is for sure
9 secure, to be able to provide information to the
10 public, not just the, you know, state and local
11 officials.
12 Panel Session on IM Communications
13 MS. GERARD: So a little food for thought. I
14 think it's time now to turn to our august panel. And
15 I'd just like to go over what the questions are that
16 we've asked them to consider. And these are some of
17 those questions.
18 You know, what information is of specific
19 value. How -- how -- what's the means that information
20 should be made available. How can that two-way process
21 take place about risks or local resources that could be
22 valuable for safety. You know, what lines of
23 communications, you know, from operators to the public,
24 regulators to the public, you know, how should it go.
25 Those are the questions that we identified.

1 You in the audience I hope will have other questions
2 besides that.
3 I'd like to introduce the panel now. We've
4 introduced Denise already.
5 Lois, assume the proper status here as a
6 panelist.
7 I think we've known Lois in the pipeline
8 safety world as long as we've known Denise. And she's
9 a -- an engineer with an environmental background that
10 really puts her in the unique ranks of most informed
11 engineer who knows about pipelines and environmental
12 protection probably anywhere.
13 She's currently working in Alaska up with
14 Cook Inlet and dealing with issues up there as part of
15 the Cook Inlet Keeper in Anchorage.
16 She, like Denise, is a member of our
17 statutory Technical Advisory Committee. And prior to
18 going to Alaska, Lois had at least 13 years with the
19 Environmental Defense. And she's done work with a
20 number of consulting firms and worked with EPA on a
21 number of water issues and was nominated by President
22 Clinton to the Chemical Safety and Hazard Investigation
23 Board.
24 Brian Felczak -- is that correct
25 pronunciation? "Felzak"?

1 MR. FELCZAK: That's fine.
2 MS. GERARD: Okay. I butchered it, I can
3 tell.
4 (Laughter)
5 MS. GERARD: He's with the City of Kent in
6 Washington's Emergency Management Division, overseeing
7 the emergency planning and community right-to-know
8 program there. He's been with the Kent Fire Department
9 for 22 years in suppression and fire prevention roles
10 and has been very involved with the local emergency
11 planning committee. I hear a lot of -- Title 3
12 background here. Has done a lot of work with community
13 emergency response teams and citywide mitigation
14 planning.
15 He also serves in the mobile command post and
16 with the regional Disaster Planning Task Force and on
17 the City-County Pipeline Safety Consortium.
18 Greg Zimmerman is the administrator of
19 Planning, Building, and Public Works for the City of
20 Renton. They're responsible for transportation,
21 utility, and land use approval and permitting. So he's
22 got a very important role to play on the panel today.
23 He's a licensed professional engineer in the
24 state of Washington. He's Renton's representative on
25 the City-County Consortium and chairs the King County

1 Public Work Directors Group. So he's had a 22-year
2 professional career in both the public and private
3 sector working on utility issues related to pipelines
4 and pumping systems.
5 Les Olson is with Thurston County's Road and
6 Transportation Services, and has been in emergency
7 management for several years, since 1996. Before
8 coming to Thurston County, he spent 15 years with --
9 MR. OLSON: City of Puyallup.
10 MS. GERARD: Puyallup, okay.
11 (Laughter)
12 MS. GERARD: I wasn't going to try. You
13 should see the spelling. P-U-Y-A-L-L -- it sounds like
14 it's in the south. Where is that?
15 MR. OLSON: Pronounced just like it's
16 spelled.
17 MS. GERARD: Really?
18 (Laughter)
19 MS. GERARD: Thank you very much.
20 (Laughter)
21 MS. GERARD: Public Works Department. Is
22 support services manager and deputy public works
23 director and acting public works director. He also
24 brings construction experience to the panel and has
25 owned a construction company and graduated from Oregon

1 State University with a construction and engineering
2 management degree.
3 And I think we have -- it's just Doug left to
4 introduce? Did I get everybody else?
5 All right. Well, Doug is our state partner
6 here, director of the WUTC Pipeline Safety Program.
7 He's a licensed mechanical engineer in the state of
8 Washington and has been with the commission since '95.
9 Prior to joining the Pipeline Safety Program, he's
10 been part of the regulatory staff doing rate-setting
11 and dealing with programs for investor-owned electric
12 utilities.
13 Previously worked for Pacific Gas and
14 Electric Company in California, so he brings a good
15 background to the Pipeline Safety Program in Washington
16 state.
17 So I think we'll start off with Lois. You
18 have a presentation and some slides for this panel?
19 No, the other panel.
20 MS. EPSTEIN: No, for the next panel.
21 MS. GERARD: Okay. Well, I'd like to call on
22 you first and we can sort of run down the line with,
23 you know, comments that you want to make on this issue.
24 MS. EPSTEIN: Okay. Good morning, everybody.
25 As I just mentioned, I'm actually on this

1 panel and the next panel on performance metrics. I'm
2 going to provide a lot more specifics on the next panel
3 about the kinds of information. And having worked in
4 this area for quite a number of years, spoken to a lot
5 of industry, government consultants, academics about
6 these questions about what kinds of measures, I think
7 that's probably the right time to talk about
8 performance measurement.
9 But I did want to start off by saying that I
10 do believe that a lot of the information that I'm going
11 to discuss in the next panel is also applicable to this
12 panel, information that the public would be interested
13 in. It may be more sophisticated than you might
14 imagine, and it's probably quite similar to some of the
15 -- some of the elements of the integrity management
16 program plan that Denise mentioned. And that was a
17 very helpful introduction to some of my comments.
18 I -- I also want to start by saying I have a
19 number of hats. I -- because I am a licensed engineer
20 and because I do work with community organizations and
21 safety organizations and environmental organizations,
22 often I serve as sort of a middle person in terms of
23 interpreting data. So we're not just thinking about
24 what goes to neighbors of pipelines but what might go
25 to people who help those neighbors understand what's --

1 what's going on. And they may be local academics,
2 local people with technical background, or they may be
3 someone like me who works on this closer to full-time.
4 I also live and walk my dog, you know, right
5 near a liquid pipeline in Anchorage on the mud flats,
6 goes off to the airport. And -- and so I am kind of a
7 neighbor of a pipeline as well.
8 I did want to emphasize the value of the public
9 providing input to the regulators, to the responders,
10 to -- to the industry. In the environmental context,
11 the public is -- is often perceived as the eyes and the
12 ears for the -- the regulators who can't be everywhere
13 at once. And we all know in this time of resource-
14 strapped government agencies, they're never going to be
15 as on top of things as those who live in communities
16 and those who are constantly, you know, walking their
17 dog next to pipelines.
18 Then, I wanted to make a comment about the --
19 the mapping information that OPS has collected. And
20 I'm -- I'm hoping, Stacey, that, you know, that we're
21 not at the end of our discussion about how much
22 information would be available to the public by talking
23 about, you know, operator context. Because I think
24 it's a very valuable database, valuable for academics,
25 valuable for people like me who are -- who are

1 interested in -- in the performance levels of different
2 operators and whether they're -- the laggards can move
3 up to the level of leaders and that -- a lot of that
4 information, for example, in things like leak detection
5 sensitivity or frequency of testing, that's the kind of
6 information of no interest to -- to terrorists, so
7 let's, you know, keep that in mind. That there are
8 plenty of pieces of information that have no real
9 security component. And I know we're not going to be
10 able to resolve which -- all those pieces today, but --
11 but let's, you know, try to aim for maximum
12 dissemination of information.
13 And I wanted to just add a little bit to the
14 -- Carol Parker's question about, you know, what the
15 community does -- does know and is able to provide. I
16 think that's a very important point because we, as
17 members of a community, are able to look at things like
18 consistency, look at the -- the operator's analysis of
19 where people congregate, for example, and are able to
20 provide important input into -- into that.
21 And that means that we really do need to get
22 the information that the operator is working from, you
23 know. Those areas that have been designated high
24 consequence areas, we need to know where that is.
25 There are potentially some issues associated with

1 security, but I -- I -- I do believe that in many cases
2 that's really not going to be the main concern, you
3 know, when you're talking about a map that covers a
4 broad area.
5 And there are also issues in terms of
6 consistency. It's not as clearly defined as, you know,
7 what the -- the Army Corps of Engineers says is a
8 navigable area. I work in Cook Inlet, which is an
9 estuary. There are offshore pipelines. It's a little
10 bit like the Chesapeake Bay, not quite as large. But
11 certainly a very large area in Alaska which includes
12 Anchorage.
13 And there are operators, some of which say
14 that the Cook Inlet is entirely a navigable water and
15 some who are looking just at the shipping channels and
16 not including oil pipelines. So there are consistency
17 issues that it's not as straightforward as -- as just
18 accepting a map from -- from OPS and moving forward
19 from there.
20 I did want to mention that in Cook Inlet I
21 did develop a report that includes a large spreadsheet
22 with a lot of pipeline data. That was very difficult
23 to compile because the -- neither the industry nor the
24 government, federal or state, was able to provide in
25 one database, you know, all the information where you'd

1 -- what you really do need to look for consistency of
2 regulation. And that -- you know, year of
3 installation, who the operator is, operating status. I
4 found some errors in what the government perceived was
5 operating versus what the industry was actually
6 operating. The diameter.
7 You need to be able, academics and others,
8 people like me, to be able to get this kind of
9 information in order to -- to actually perform your
10 function as the eyes and the ears on the ground.
11 And finally, I'm just going -- I think this
12 panel is largely focused on state and local officials
13 and the information they need, and that's fine. And
14 I'm, you know, going to speak probably a little more
15 specifically in the next panel about the environmental
16 and safety and public needs as I perceive them.
17 But I did want to answer one of the questions
18 that Stacey put up that was in terms of what lines of
19 communication are most effective with members of the --
20 the public. And there were some suggestions made,
21 personal contact mailings, electronic Internet
22 information.
23 I thought about that question and several of
24 us have over the past few days. And basically, what we
25 came up with is all of those modes are important. You

1 really can't neglect it because people get their
2 information different ways. Different age groups may
3 or may not go on the Internet. And it's hard to -- to
4 really focus just on one -- one mode. And I think you
5 -- you'll be missing out some. And then, you know, we
6 just do the best we can. But that's just a general
7 message I wanted to provide.
8 But transparency is very important. I know
9 there's going to be the discussion on the API
10 recommended practice. I've been very frustrated, as
11 someone who wants to provide a little bit of input into
12 that process, that the issues that have been raised by
13 others haven't all been available on the Internet, that
14 there was -- people were encouraged to provide input
15 but their questions were not visible to others so I
16 could decide, for example, whether it was worth time
17 for me to raise some issues. And -- and the responses
18 to those questions were not available to the public.
19 So I think that's an example of, you know,
20 one communication that's been very frustrating, where
21 unlike the government public docket where, you know,
22 everything is available. DOT has a very good docket on
23 its rulemakings. And then, generally, in final
24 rulemakings you have to provide documentation that
25 comments have been addressed. I haven't found, unless

1 things have changed in the API process, that that's --
2 that's really been happening.
3 So I think transparency is an important
4 principal, providing maximum amount of information and
5 -- and making things easier for people to get
6 information so that they can actually spend their time
7 working on the substantive questions and have an
8 informed dialogue.
9 Okay.
10 MS. GERARD: That's it? Okay.
11 MR. ZIMMERMAN: Okay. First of all, I'm Greg
12 Zimmerman. As I was previously introduced, I've worked
13 for the City of Renton. And I'm honored to have been
14 asked to serve as a local official and provide the
15 local officials' point of view. I hope I'm able to do
16 that in a representative way.
17 There were several questions that Stacey
18 posed a little earlier, and the way that I've sorted
19 out my thoughts and the information that I want to
20 provide in -- in my comments were based on those
21 questions. So I think what I'll do is -- is just go
22 through the questions and provide responses to those
23 questions from the standpoint of a local official.
24 That may be the best way to organize my thoughts.
25 The first question that we looked at was what

1 integrity management program information would be of
2 specific value to the state and local officials. How
3 should such information be made available to state and
4 local officials.
5 I'd like to say that most local officials
6 view their role as being immediately accountable and
7 accessible to the public that they serve. If there are
8 potential hazards in the community, our duty as a -- as
9 local officials is to communicate them to the public in
10 a factual and easily understood manner that will be
11 informative but not alarming. That's an important
12 consideration.
13 The emphasis that we like to give to the
14 public is, what is the issue, identify that; what does
15 this issue mean to you in your day-to-day lives; and
16 what can you do about the issue.
17 The public wants to be assured that
18 somebody's watching over these situations and there's
19 somebody there at the phone to answer questions. With
20 this in mind, it's very important for a dialogue to be
21 established in which the operators and the regulators
22 know which local officials in a high consequence area
23 to communicate this information to. Strong outreach is
24 needed to educate the local officials on the programs
25 that are available and what's going on and about the

1 integrity management plan, baseline assessment plans,
2 schedule of assessments that are going to be made on
3 the individual pipelines, assessment results after
4 those assessments have been made, and follow-up actions
5 that are proposed, such as pipeline repairs and
6 investigations.
7 Operators and regulators must be proactive,
8 we feel, in communicating information to the local
9 officials and not just let it slide over time. This is
10 a key point.
11 I think that, as you all know, our awareness
12 in this region was significantly heightened with the
13 Bellingham incident. But as time goes by, other issues
14 come forward and a lot of us tend to start looking at
15 other priorities and lose sight of things again. And
16 it slides into a back burner type status.
17 We feel that it's important that we be kept
18 up-to-date regularly and not allowed -- and not have
19 that allowed to be slid into a background status so we
20 remain aware and remain up on what's going on.
21 From that standpoint, it's recommended that
22 operators and regulators focus on communicating with
23 local officials and let the local officials pass on
24 site-specific information to their constituents as
25 local officials feel is appropriate and effective.

1 Workshops, public brochures, and other types of
2 communications from the operators and regulators are
3 great and very welcome and should be released in
4 coordination with the local officials.
5 So we think that the local officials need or
6 at least -- a contact person in the local officials in
7 -- in these high consequence areas should be always
8 made aware of things by the regulators and the
9 operators as they come up so that they can carry those
10 messages to their constituents as they know best how to
11 do because they're focused on those constituents.
12 How can state and local officials communicate
13 to pipeline operators or pipeline safety inspectors
14 information on local resources or local risks where
15 risk encompasses both probability and consequence
16 elements that may be valuable.
17 This is the other side of the coin. The
18 first question dealt with what kind of information and
19 with what regularity communication comes down to the
20 local officials. This question is how can the local
21 officials provide much needed information to the
22 regulators and the pipeline operators.
23 As I mentioned before, local officials have
24 the benefit of knowing their areas and constituencies
25 extremely well and are in day-to-day dialogue with

1 those constituencies. And for the simple reason that
2 their duties are focused on the people that they serve.
3 Types of specific knowledge that local
4 officials possess include topography of the region,
5 geology of the region, drainage basin limits and
6 characteristics, demographics of the population,
7 location of essential public facilities, land use and
8 zoning, emergency response methods and capabilities,
9 location and types of environmentally sensitive areas,
10 including unstable slopes, wetlands, shorelines,
11 drainage courses, seismically sensitive areas, and
12 things like that. They have -- local officials have
13 access to all of that kind of information about the
14 areas that they're responsible for.
15 Then, the local jurisdictions are very
16 sophisticated in terms of their use of information
17 technology. Computerized mapping and use of
18 geographical information systems are common. Some
19 jurisdictions even use global positioning systems to
20 very accurately locate their essential public
21 facilities. Outside users are awfully -- often
22 impressed and surprised by the amount and the quality
23 of the electronic information that local jurisdictions
24 have.
25 In addition, most local jurisdictions host

1 web sites and many have government cable channels and
2 dedicated newspaper sections that are regularly
3 distributed.
4 All of these assets can be used to mutual
5 benefit if there's good and enduring. I want to come
6 back to that point again. We continue the
7 communication between local officials and the operators
8 and inspectors. Local officials can be very helpful on
9 local permitting issues, which is another reason that
10 this is of interest to the operators and regulators.
11 It's strongly recommended that local jurisdictions be
12 used as a resource agency by the pipeline operators
13 when putting together their baseline assessment plans.
14 So the communication needs to continue. It
15 needs to be -- it can't be allowed to fade into the
16 background. And it's very important for the regulators
17 and operators to understand what a great resource of
18 communication and information local jurisdictions can
19 be. Both sides need each other.
20 The third question was what lines of
21 communication are most effective for providing
22 information or sharing concerns from the operators to
23 the public and from regulators to the public and also
24 from public to operators or regulators.
25 As I mentioned before, pipeline operators

1 should establish a regular contact with local officials
2 and periodically communicate even when nothing specific
3 is happening, just to keep up that contact, just to
4 keep the communication flowing. It's only by being
5 proactive and maintaining this communication that
6 effective communication both ways can persist.
7 And both sides have to understand, once
8 again, that they each have something that the other
9 needs if this system, the assessment -- the assessment
10 system and the integrity management system is going to
11 be successful.
12 I believe that the best means of general
13 communication between operators and regulators to the
14 public is distribution by means of mailing electronic
15 postings, newspaper articles, and occasional workshops
16 such as this one. Local officials should be included
17 in such communications and should be notified in
18 advance. But whenever site-specific communication with
19 the public is needed -- in other words, there's an
20 issue happening in this area of this pipeline in this
21 locality -- I believe that operators and regulators
22 should do the communication through the local
23 officials, who know best their constituency and how to
24 communicate the message. Local officials will have a
25 better idea about the proper approach and tone and will

1 be more context-sensitive than others who do not know
2 the local area as intimately.
3 The public should be allowed and encouraged
4 to contact whom they choose regarding requests for
5 information or transmittal of complaints or concerns to
6 allow effective response to public operators, and
7 regulators should be aware of who does what. They --
8 they -- we need to have a good, solid handle on what --
9 what parties can answer what questions in a local
10 jurisdiction.
11 So these are the main thoughts that we have.
12 It really centers on communication, on the importance
13 of the local officials as an information source, as --
14 and with our ability to disseminate information to our
15 constituency in an effective manner. Both sides need
16 each other and the communication has to be kept going.
17 MS. GERARD: Doug?
18 MR. KILPATRICK: AS I was introduced, I'm
19 Doug Kilpatrick. I'm the director of the Pipeline
20 Safety Program at the Utilities and Transportation
21 Commission.
22 And the Utilities and Transportation
23 Commission is an interstate agent of the Office of
24 Pipeline Safety. That is, we have an agreement with
25 OPS to act as their agent in working with the long-

1 distance interstate pipelines as well as a
2 responsibility for local intrastate facilities. And
3 this is for both gas and liquids facilities.
4 We've been working for a couple of years now,
5 since we were directed by the state legislature, to
6 develop a comprehensive pipeline safety program for the
7 state of Washington. Following the incident in
8 Bellingham, the state legislature provided us some
9 direction to say that they wanted to see increased
10 oversight in terms of regulation in Washington state
11 and our program expanded somewhat to meet those
12 directives.
13 We have a -- a somewhat unique role or a
14 somewhat unique position as a state program in that we
15 have developed as part of the direction from the state
16 legislature a citizens committee on pipeline safety
17 that the State Utilities Commission provides staffing
18 resources for. And we have an opportunity through that
19 committee and through some other communications to
20 interact with local governments and with citizens about
21 pipeline safety issues.
22 The other gentlemen here on the panel with me
23 today are all members of a group that was organized
24 following the Bellingham incident called the City-
25 County Consortium. Basically, the western Washington

1 local governments organized themselves to become more
2 educated about pipeline issues, about pipeline safety,
3 about things ranging from franchise agreements, setback
4 ordinances. They've done work to educate themselves
5 about pipeline integrity management, what are the
6 issues involved there, what kind of testing is done,
7 what kind of results come out of that testing.
8 And it's given us an opportunity to interact
9 and provide information and, frankly, learn quite a bit
10 of information in having these interactions with these
11 local government officials.
12 With that in mind, I wanted to make some
13 comments about the kinds of information that I think at
14 the state level, as a regulator of pipeline safety,
15 that the state needs to have. And also with that
16 understanding that our -- we have a significant role
17 with regard to helping provide this communication link
18 down from the federal government through the state
19 program to these local government folks and provide
20 answers, provide education, and also try and be a
21 conduit going the other direction.
22 One of the things I think that's significant
23 about the pipeline integrity management rules that are
24 in place -- and I haven't had an opportunity to study
25 the rule that was released yesterday, but I'll be

1 delving into that shortly. But I believe that one of
2 the primary objectives involved in pipeline integrity
3 management rule is communications. It's information
4 exchange. It's doing an iterative job of looking at
5 facilities and the locations of those facilities, the
6 integrity and operational history of those facilities,
7 and then trying to plan for the future. And in order
8 to make that plan, operators need to have good
9 information.
10 Now, there's been some discussion here today
11 talking about, it would be nice to have information, as
12 Greg just said, about how are operators developing
13 their baseline assessment plans. Unfortunately,
14 baseline assessment plans for large operators were
15 required to be completed back in March of last year.
16 And so -- for liquid companies.
17 In -- in terms of timing, you know, there's
18 lots of actions that need to be done, and
19 communications is one of them. In this case, we're
20 working on the communications. I think this is an
21 excellent start and an opportunity for those
22 communications to happen.
23 But I am hopeful that everyone that's
24 involved in the pipeline industry does embrace the
25 integrity management rule as an iterative process. And

1 you're going to need to come back through again at some
2 point and review the assumptions that were made when
3 you made those first assessments, those first segment
4 identifications. And that's the opportunity, and you
5 shouldn't miss that opportunity, to be getting some of
6 that information up from the local level. It goes to
7 the question that Carol was asking earlier.
8 I think that I -- in terms of how that
9 information on high consequence areas was developed, we
10 have to realize that OPS did not create that
11 information from scratch. They had to rely on the work
12 of others. They had to get information from
13 environmental groups and environmental organizations on
14 environmentally sensitive areas. They had to rely on
15 the Census Bureau for population information. They had
16 to rely on the -- the Coast Guard and the Corps of
17 Engineers for information about navigable waterways and
18 definitions there.
19 And so they have channeled that information
20 but they also, because of getting this information from
21 various sources, have to filter it a little bit.
22 So I don't think it's realistic to say that
23 we should rely on OPS to provide the best information
24 about high consequence areas and where those are
25 because they can't do the job to the level of detail

1 that other people would like and that I think is
2 actually really necessary.
3 I think in terms of communications to the
4 state and to state regulators, the thing that the --
5 both the operators and the Office of Pipeline Safety
6 should be keeping in mind is that as a -- in -- in a
7 regulator and inspector, we are going to be working
8 with those companies about how were segments
9 identified. What methodologies were used, what
10 engineering assumptions were used, and what kind of
11 data was available and used at the time.
12 And so we need to have tools and resources to
13 be able to work with the companies to understand the
14 information that they're providing us to be able to do
15 some of our analysis to see that we either agree or
16 disagree with the assumptions and the level of detail
17 that -- that a company has come up with.
18 So those are the kind of things that I think
19 the state programs and the state regulators are going
20 to need and, frankly, all of pipeline safety, the OPS
21 inspectors, are going to need in order to be able to
22 work with the companies and -- and speak intelligently
23 to them about how their assessments were made.
24 I think that we need to have information
25 about time frames. Operators need to be thinking about

1 this iterative approach to integrity management. They
2 need to consider when are they going to do their
3 baseline assessments. They need to talk with local
4 folks about the work that's going to be done.
5 There are -- it is a baseline assessment plan
6 that includes internal inspection in many cases. There
7 are -- is work then that follows after you get that
8 internal tool information that you want to correlate
9 that data, and that involves digging and looking at the
10 facilities that you have and correlating the data to
11 make sure that the information that you were provided
12 by your tool provider is valid.
13 And so you're going to need to work with the
14 local governments about planning to do those things.
15 And I think the -- the more information that you can
16 provide about your context of your plan to local
17 governments, the better your permit request process is
18 going to be. They're going to understand the
19 difference between a need that is directed because
20 there are specific time -- time frames that are
21 directed by the -- the rule. There's going to be an
22 understanding or a better understanding about whether
23 or not excavating to look at anomaly information is an
24 emergency or is it an urgent need or is it something
25 that can be scheduled at a -- at a period of time.

1 I think the -- the public education
2 requirements that are outlined in the current rule by
3 the Office of Pipeline Safety typically go to educating
4 the public about a couple of -- of issues. They are
5 recognition of your product and the fact that pipelines
6 are there, that there are signage requirements for
7 pipelines, and to know what to do if -- in the case of
8 an event, that there are phone numbers to call in
9 addition to 911, how to protect yourself, and that kind
10 of thing.
11 I think part of integrity management and part
12 of public education is going to involve providing
13 additional information to the public about what to do.
14 This should include working with local officials to
15 provide planning information. It goes back to this
16 question of security and -- and facility concern about
17 possible terrorist events. You need to recognize that,
18 as Greg said, local governments have an obligation to
19 their citizenry at -- that is utmost in their mind in
20 terms of protection. And they need to be able to take
21 appropriate actions. And the more educated they are
22 about your facilities and your products that you carry
23 through your facilities, the better that they are going
24 to be able to make those plans.
25 I -- I would agree with Lois and Greg in

1 terms of communication methods. There need to be a
2 wide variety of methods that are used. I think this
3 forum is an excellent beginning. I think that
4 additional information on web sites, on public
5 education documents, and that needs to come at -- from
6 the federal level and be directed for the operators to
7 do similar kinds of activities.
8 MR. OLSON: My name is Les Olson. I'm the
9 director of emergency management for Thurston County.
10 It's where the state capital is located in the state of
11 Washington. We're a rural county with large areas of
12 undeveloped land, forest lands, which these pipelines
13 go through.
14 I'll be talking about issues from a county
15 point of view and what our relationships need to be
16 with federal, state, and local and -- and private
17 industry.
18 When the incident occurred in Bellingham, the
19 tragedy in Bellingham, several cities and counties went
20 to the forums in Bellingham. And our level of trust
21 with -- with the industry and federal government was
22 highly damaged. We felt that the federal government
23 was not overseeing the industry. In fact, we -- it is
24 our feelings that the relationship was extremely too
25 close in that there weren't proper checks and balances

1 in place, which forced local government to take a new
2 role that we didn't have before.
3 I agree that we were sleeping at the helm and
4 we were not paying attention to -- to the pipeline
5 issue. We -- and this was a real wake-up call to all
6 of us here in the state of Washington.
7 The cities and county formed a consortium and
8 we began to pool our money together to be able to hire
9 the expertise to be able to understand this new -- this
10 new threat within our community. We -- as we dug in
11 and we began to ask questions not only of the Office of
12 Pipeline Safety but the private industry, we felt that
13 we were put off and they didn't want to discuss
14 pipeline issues with us in that we were just a local
15 government and these were too technical for us to
16 understand and comprehend and we should not become
17 involved.
18 We got rather mad. In fact, we're a pack of
19 mad dogs. And we really dug into this issue. And we
20 weren't going to let go and we have not let go. And I
21 think Stacey's correct, we need to rebuild some
22 relationships here in the state of Washington.
23 I think we all have particular goals from the
24 federal, state, and local and industry. And we need to
25 ensure that each of us are performing our duties as

1 required. Local government doesn't have the expertise
2 or the resources to be able to dig into the technical
3 aspects of pipeline safety and from a standpoint of
4 testing and -- and -- and pig data, but we're there.
5 We're hiring our own experts and we're challenging the
6 -- the industry in local government.
7 But we -- we want to get out of it. It's
8 very expensive and we cannot afford that. We want to
9 be able to work with our local citizens and communicate
10 with them what are the -- the issues with having
11 pipelines within our community.
12 The new technology that's coming along, like
13 I was saying, is highly technical and very confusing to
14 local government on what the data means and how we
15 should interpret it. We -- with -- in our state, we
16 formed a -- through the Washington Utilities and
17 Transportation Commission, the hiring of engineers to
18 be able to interpret that data. And we now feel that
19 we have another layer of safety on the industry and not
20 relying on the federal government, which was
21 underfunded.
22 In the area of how to work with local
23 government, I think we -- I think Greg explained that
24 very well. Local government, we know our communities
25 and you need to work with us. We can provide the

1 incentives to eliminate the -- the permitting process
2 in those cases where industry needs to make the repairs
3 and respond to operational issues within our area.
4 County government and -- is a little
5 different. We have rural fire districts that need to
6 respond to incidences along our pipeline. These are
7 manned by volunteers. They're not on -- on duty all
8 the time. Their training occurs in the evenings and on
9 the weekends, which is just out of sync with the hours
10 that the private industry keeps. And we need to build
11 those relationships out into the rural community.
12 We also need to take a look at the
13 consequences of -- of pipeline leaks in our areas. We
14 have a lot of streams, environmental areas, campgrounds
15 that these pipelines can significantly impact. But we
16 don't have the resources to -- to respond to those
17 areas. And so we need to take a different approach
18 than what large cities would do.
19 In the areas of working with our public, I
20 agree with Greg. We know our community best. And we
21 should be working in close partnership with the
22 industry and the federal government in developing
23 programs to -- to reach out to our community.
24 As an emergency manager or director for our
25 city or our county, we have in the state of Washington

1 frequent floods, rainstorms, snowstorms, landslides,
2 and earthquakes. And the relationship of the level of
3 knowledge for those people are directly related to --
4 to the number of times the -- the incident occurs. We
5 have a real good relationship for people that live
6 along the streams or rivers and have flooding events
7 every other year. The same with earth -- earthquakes
8 in our area. We have good relationships and have built
9 good programs.
10 When it comes to pipelines, our relationships
11 are very poor because the number of incidences within
12 our community are small. But when they are, it may be
13 a -- a high consequence and a low frequency event. So
14 we need to develop how we're going to communicate that
15 to our public and take it seriously. If they don't see
16 a direct impact to them, the message will be lost and
17 we will not be able to respond appropriately to -- to
18 emergencies.
19 Thank you.
20 MS. GERARD: Brian?
21 MR. FELCZAK: Good morning. My name is Brian
22 Felczak. I'm deputy fire marshal and program manager
23 for the City of Kent Emergency Management Department.
24 I would like to just give the first
25 responder's perspective to the questions that were put

1 before us.

2 We know that pipelines run in corridors.

3 They run through and span a multitude of counties and

4 populated cities. They are located besides and near a

5 diverse group of public and private receptors for and

6 ecologically sensitive areas.

7 When asked to provide information, how do

8 companies provide a sufficient commitment level to meet

9 the individual jurisdictional needs? The information

10 made available to state and local officials should

11 mirror what the public, local official, and the first

12 responder community finds important as primary

13 objectives. And that is the protection of people,

14 property, economy, and environment.

15 Sharing basic pipeline information is

16 valuable for responding. The planning aspect of it,

17 such as the age of the pipeline, the manufacturer, the

18 size and the composition of the pipe, average and

19 maximum flow pressures, the exact location of the

20 pipeline within the right-of-way within the corridor,

21 the depth of coverage of the pipeline, valve types and

22 locations. The large pipeline maps you've seen earlier

23 are scenic, sometimes cryptic. However, most

24 jurisdictions live in the weeds.

25 First responders also require types and

1 physical properties of the product, fire and explosion
2 hazards, and health concerns. Combat response
3 initiatives including confinement and control tactics.
4 Other key elements include the need for
5 immediate -- immediate notifications, the evacuation
6 planning and assistance, contact lists and resource
7 guides, sharing information on system-wide upgrades
8 such as hand valve conversions to remote operating
9 valves. Is there backup power. Are there dedicated
10 phone lines or redundant optic lines. The location of
11 or future plans for installing flow restriction devices
12 or check valves to prevent back flows. These are first
13 responder concerns and must be in our pipeline
14 emergency response plans.
15 Beyond the basic response information,
16 mitigation information on pipelines is just as
17 important. Measures aimed at eliminating or reducing
18 the long-term risk of loss of life from the hazard and
19 extended recovery issues. The sharing of data from
20 baseline assessments. The timely sharing of internal
21 inspection results. What type of tool was used and did
22 it match the assessment need for that pipe. How long
23 was the inspection cycle for my jurisdiction and are
24 there plans to alternate inspection tools. What
25 criterion is established for dig sites or repairs.

1 Have operators discovered mechanical damage and how is
2 this information shared. Have -- have operators
3 discovered any leaks. After an emergency shutdown of a
4 pipe, will jursidictions get notified before a restart
5 or after a restart.
6 Surge protection. Has the system exceeded
7 maximum operating pressure, and if so, how many times.
8 Many jurisdictions do not have the expertise
9 in pipeline analysis and hire technical consultants.
10 Is there an amicable process in place to allow for the
11 transfer of pig data for independent analysis.
12 To review safety issues relating to dents,
13 gouges, corrosion, and cracks, is the cathodic
14 protection applied to the pipeline adequate. How do we
15 know if operator training is adequate or if the SCATA
16 software that is designed for specific systems is
17 compatible across platforms. As information is gained,
18 the portal of communication should open up between
19 federal, state, local governments.
20 Every jurisdiction has something unique to
21 bring to the table. It may be the type or the location
22 of the pipeline within its boundaries. Right-of-way or
23 construction issues that require pipeline relocations.
24 Public or private receptors in high consequence areas
25 that may require additional planning. For instance, in

1 the City of Kent there's a hazardous liquid pipeline
2 within a few hundred yards of the Regional Justice
3 Center that houses a large inmate population in the
4 corrections annex.
5 Some are near unstable soils or landslide-
6 prone areas. Some parallel railroad tracks or pass by
7 large senior communities or schools.
8 Most areas provide regional hazardous
9 materials response teams, but they may need some
10 assembly time. Some jurisdictions utilize reverse 911
11 for emergency notification and evacuation while others
12 rely on megaphones and door-to-door contacts. Some
13 have the traveler's information station AM radio signal
14 to alert motorists of detours or road closures while
15 others rely on NOAA weather radios with same technology
16 that can activate the emergency alert system
17 automatically.
18 Jurisdictions share response plans or
19 resources and most have mutual aid plans in place.
20 Some areas have a regional disaster planning process
21 which is comprised of public and private partnerships.
22 The challenge is to consolidate the information amongst
23 the multitude of agencies and jurisdictions.
24 One idea is that of a clearinghouse for
25 sharing information, whether a password-protected web-

1 based application where agencies can post or receive
2 postings, maybe sharing information related to the
3 permitting process might eliminate or speed up the time
4 that -- operators have to wait prior to digging or
5 repairing a pipeline.
6 If there is evidence of anomalies detected in
7 one segment of pipeline, this information should be
8 shared with all jurisdictions in the system that house
9 similar pipe. Whenever a major drill or exercise is
10 conducted, coordination should take place between the
11 various agencies and jurisdictions that may profit from
12 the lessons learned.
13 Pipeline inspectors should rotate through as
14 official observers to see the response side and the
15 recovery side associated with pipeline incidents.
16 The sharing of after-action reports amongst
17 reporting agencies. Most of all first-responding
18 jurisdictions in the state of Washington use the
19 incident command system but few have been provided the
20 opportunity to exercise the transition to the NIIMS,
21 the National Interagency Incident Management System, as
22 outlined in the Northwest Area Contingency Plan.
23 Relational interactions can improve planning
24 and response coordination. We just can't keep kicking
25 the can down the road.

1 One option would be through periodic pipeline
2 safety briefings hosted by the state oversight agency
3 to allow representatives from local emergency planning
4 committees, emergency management, pipeline safety
5 groups, and consortiums to catalog issues and concerns
6 related to public safety and pipeline safety and
7 provide feedback into communities for grant funding and
8 public information programs.
9 Utilizing grant monies to educate citizens to
10 pipeline safety issues and local personal preparedness
11 campaigns. Use available monies to -- by incorporating
12 newer technologies for community notification systems.
13 The public will react positively to evacuation orders
14 if well informed about the threat and appropriate
15 actions to take.
16 Implement a standardized reverse 911 system
17 along pipeline corridors. Publicize its existence and
18 test its functionality. Support local emergency
19 planning committees and support the State Emergency
20 Response Commission.
21 Thank you.
22 MS. GERARD: Question for you. I'm not sure
23 everybody understood what the reverse 911 is.
24 MR. FELCZAK: The reverse 911 is a computer-
25 based program that uses the public safety or the PSAP

1 point and the 911 data for all of the areas. Every
2 area -- when you pick up a phone in the state of
3 Washington, every response or 911 dispatch center will
4 know the address of the house that is calling, for the
5 most part. We're working on cellular technology.
6 However, reverse 911, what that does is you
7 can highlight on the computer the area you wish to
8 notify, record your message, and it would automatically
9 dial back to all of those residents the message that
10 you have recorded, whether it's evacuation, it's a
11 notice to shelter in place, whether it's an amber alert
12 type function, or -- or whether it's an evacuation.
13 MS. GERARD: A lot of good questions and
14 suggestions raised. I'm going to just raise one or two
15 and then open it up for the audience.
16 A lot of -- a lot of you have commented
17 about, you know, the importance of establishing the
18 relationships. And you all have the experience of
19 being mobilized by a tragedy. What -- what do you say
20 to the industry officials who are here about how to
21 capture the attention of local officials in a community
22 that has not had any sort of pipeline experience? What
23 type of approach would get your attention if a local
24 official contacted you and you weren't really aware of
25 the existence of a problem? How would you recommend

1 that they approach you? What kind of information would
2 get your attention?
3 MR. ZIMMERMAN: I'll hazard a response to
4 that first, and I'm sure my peers on the panel will
5 have their thoughts, too.
6 I think once again that it's important,
7 particularly in these high consequence areas, for the
8 operators and the regulators as well to try to be
9 proactive and try to communicate what exists to the
10 members -- or to local officials that -- that may not
11 be aware of it. And that would require actually making
12 some -- doing some outreach, calling a representative
13 and saying this is the situation that we've got, who
14 should we talk to. We'd like to even set up a meeting,
15 we'd like to discuss this issue, and we'd like to
16 establish an ongoing contact so that there's somebody
17 that we know who to call and there's somebody that you
18 know who to call in terms of communicating issues on
19 pipelines. And start off that way.
20 MR. KILPATRICK: I -- I think part of the
21 message that may get local folks' attention is to, as I
22 said, go beyond the cryptic message of, this is what
23 our product is and this what you should do if there is
24 an event that you need to notify emergency services
25 about.

1 What -- what you need to do as an operator is
2 to talk with local officials about what is it that
3 we're doing to protect your community. What are the
4 ongoing activities that we're involved with. How is
5 integrity management, this -- this rule that's been
6 imposed upon us, an opportunity for us to -- to work on
7 a common -- common issue of protecting the public and
8 the environment. And to couch it as something that is
9 broader than just doing business as usual. It's what
10 are we doing that's sort of above and beyond. It's an
11 opportunity for operators to highlight the innovative
12 ideas that they've got and to talk with officials about
13 that common purpose, which is that public protection.
14 MR. OLSON: I agree with Greg that
15 development of a relationship with a single person
16 within your community is -- is highly valuable, one
17 that builds a -- a high level of trust between both the
18 industry and the local government.
19 Honest dialogue is -- is the other main
20 issue. How can local government assist and help out
21 the industry in -- in maintaining and operating their
22 system. Plus, honest dialogue back to the industry of
23 what some of our regulations are and some -- how we're
24 hamstrung also in providing all the support that you
25 would like.

1 I think there's methods and ways to work
2 these issues through, but we need to sit down as
3 partnerships and begin to develop what those solutions
4 are, such as permitting seems to be one of the major
5 issues. What can we do to streamline those, change our
6 ordinances and laws to -- to assist this industry in
7 performing their work in a timely manner.
8 MS. GERARD: My second question goes to the
9 issue of trust and the manner of achieving the effect
10 of checks and balances and how that's practical to be
11 accomplished on a pipeline that, you know, may run 1200
12 miles and -- and have a lot of high consequence areas
13 and is doing a lot of testing and analyzing that data.
14 And you know, the issue of appropriate role for the
15 community in terms of -- I heard an interest in sort of
16 second-guessing criteria that are used to make
17 decisions for repair and mitigation actions.
18 My question is, what kind of information
19 provided by a company would make you feel that they
20 were trustworthy? That their criteria selection was a
21 good one? Just trying to, you know, think about what
22 is practical to be achieved sort of in a systemic way
23 and if there's some way for operators to think in terms
24 of a presentation of an approach that local officials
25 could see and comment on, you know, without every

1 community along a pipeline feeling that they had to
2 hire their own pipeline experts.
3 MR. ZIMMERMAN: I would say this. It's an
4 unfortunate reality of working for government, frankly.
5 It takes years to build trust. It takes about 10
6 minutes to lose it. And I think we're all pretty
7 familiar with that.
8 What has to be done and -- and I know that in
9 -- in my dealings with the pipeline companies over the
10 years, there is a fear or concern on the part of the
11 pipeline companies that local officials will not
12 necessarily understand the details or the technology of
13 a -- of an issue and may in fact create a lot --
14 create alarms or else inappropriate comment to the
15 press. And therefore, there is a tendency to hold back
16 on information and call things proprietary.
17 And on the local official side, that
18 generates a lot of worry and concern. What are they
19 hiding, why won't they talk to us. And we're really
20 not that dumb. We can probably be brought to
21 understand it.
22 And so that type of a relationship leads to
23 paranoia and mutual distrust. And the attempt has to
24 be to -- I don't think there's any alternative to
25 personal contacts in terms of establishing trust. I

1 don't think you can do it by sending a broadcast e-mail
2 message. I don't think you can do it by sending a
3 brochure. I think there has to be one-on-one
4 relationships and I think there has to be ground rules
5 set out. And I think there has to be periodic
6 communication because trust has to be built. It can't
7 -- it doesn't just happen, particularly when you've got
8 relationships that have been marked by lack of trust in
9 the past.
10 So it all requires a lot of work and a lot of
11 outreach and a willingness on both sides of the
12 equation to give the other party the benefit of the
13 doubt in building up a new and better relationship.
14 MS. EPSTEIN: I would -- I would just echo
15 that completely for dealing with the public as well.
16 You know, there may be a different level of personal
17 interaction, but that's got to be there in -- in
18 addition. And I believe it's very important to focus
19 on accountability and ongoing accountability, not just
20 -- not just one time, not just after an accident, not
21 just when upgrades are occurring.
22 But ongoing performance reporting show that
23 you're not only aware of the industry when there are
24 events like sighting or incidents, that -- so that
25 there will be a record -- a track record that shows

1 that on an ongoing basis there are continuous
2 improvements being made and there's less reason to --
3 to be concerned about a pipeline because there -- there
4 is a track record that can be looked to.
5 MS. GERARD: I guess I'm -- I'm looking for
6 some opportunity to systemize and sort of facilitate
7 the getting acquainted process. If Doug, as the
8 pipeline safety manager in the state, hosted a workshop
9 or a roundtable with city and county officials and he
10 invited pipeline safety program managers to come, you
11 know, on a periodic basis to sort of talk about
12 approaches that they were using. You haven't had an
13 accident in the state of Washington. And the pipeline
14 safety history is good. Is the pipeline safety program
15 manager able to pull people together in that way?
16 Doug?
17 MR. KILPATRICK: Well, certainly it's going
18 to be a challenge as -- as was discussed. When you
19 have a long history of good performance, people tend to
20 move on to other issues, as Greg said. And so you do
21 have a challenge there.
22 I think that the issue is one of trying to
23 maintain a -- a core of interest to try and identify
24 who are the, you know, champions within -- within local
25 governments for this kind of knowledge and this kind of

1 interest. And so for a state program, the challenge
2 then is to do that outreach, to have that
3 communications, and try and build that sustainable
4 community of representatives that you're going to be
5 able to rely on to go reach out to and say, we have a
6 new piece of information that we want to share with
7 everyone. Or, there is a consideration of a new
8 program and we'd like to get some grassroots comment
9 that we can help feed back up the chain.
10 And so that's -- that's something that
11 actually we're trying to start on working with in the
12 state of Washington, is to look at a project that will
13 try and identify those key leaders and those people who
14 can be those champions to help sustain the -- at least
15 the knowledge and interest and -- and have a
16 communications methodology that should we get to a time
17 where we have a piece of information that we have a
18 method for getting that information out and getting
19 comment back.
20 Open Question and Answer Session
21 MS. GERARD: I'd like to hear from some
22 representatives from the pipeline industry that are
23 here. I see representatives from Chevron, BP,
24 Williams, PG & E. How about some comments? What would
25 work for you to help facilitate?

1 MR. HOWARD: I -- I was just thinking very
2 deeply about this. By the way, I'm Bob Howard.
3 MS. GERARD: Speak up a little bit, Bob.
4 MR. HOWARD: Just -- maybe the microphone's
5 not on.
6 (Pause)
7 MR. HOWARD: Is it on now? Okay. I'll put
8 my mouth on it. I used to have a rock and roll band so
9 it feels very comfortable here close to the mike.
10 I'm Bob Howard. I'm vice president of
11 pipeline operations for PG & E Gas Transmission, a
12 subsidiary of PG & E Corporation.
13 MS. GERARD: Speak up, Bob.
14 MR. HOWARD: A subsidiary -- it is really low
15 here. You really have to have your mike -- mouth to
16 the mike. A subsidiary of PG & E Corporation.
17 One of the things I'm thinking about is you
18 asked that question of what the government officials
19 could do to facilitate. There's really a simple
20 answer. It's to keep an open door. Because the
21 pipelines live and breathe every day the concepts that
22 they're trying to educate themselves. And I personally
23 believe it's our responsibility to be proactive and get
24 in there and talk to them.
25 So as I was listening to the comments, I

1 think it is very hard for a very busy government
2 official to think about, well, gosh, I've got to get
3 that group -- and do I have time to do this.
4 You know, our pipeline safety managers, they
5 are responsible for this. It's their job every day.
6 And so I think what you've opened up here, Stacey, is a
7 conversation that is just continuing to reinforce the
8 responsibility that we have to our public officials,
9 whether they're the state, city, or local county level,
10 and their divisions such as our first responders, to be
11 in touch with them on a regular basis and not make them
12 think about what they need to find out from us.
13 So that's my thought about it.
14 MS. GERARD: Thanks, Bob.
15 Any -- any other company have any thoughts
16 about systematic methods that might work to facilitate
17 this type of exchange?
18 MR. HAMILTON: I'm Gordon Hamilton with
19 Williams Corporation. And we've got the local
20 emergency planning committees and participation in
21 those committees. And I would also say that we need to
22 have the support of those committees from the local
23 governments because those are a great opportunity to
24 assess not only the risks but pipelines but the risks
25 and response to all types of emergencies. So that's

1 what I would suggest, is we need to focus on that.
2 MS. GERARD: Is there anything that we could
3 do to communicate or build a network with the LEPCs
4 since that's a -- a kind of known population? You
5 know, they exist in so many communities, they have
6 mailing lists. Is there anything that could be done to
7 help or is it strictly a company one-on-one with their
8 local LEPCs?
9 MR. HAMILTON: The -- the requirement for the
10 LEPCs is being driven by the federal government, from
11 what I understand. And I think that they do need to be
12 linked up and more strength given to the charter of the
13 LEPCs. I think that is an excellent opportunity, as I
14 said, to talk about pipelines and -- and all the other
15 issues that emergency response officials are dealing
16 with. And make it more of a web of -- more of an
17 interacting web than dealing with this issue separately
18 and by itself.
19 MS. GERARD: Any other comments or questions
20 of a different type from the audience for the panel?
21 Chuck? And say who you are.
22 MR. MOSHER: I'm Chuck Mosher, the -- and
23 former mayor Bellevue.
24 Interesting issue on this communication, and
25 I'd appreciate it if you'd go back to the previous

1 slide?
2 (Slide)
3 MR. MOSHER: Okay. What -- what's of -- you
4 know, integrity management program information of value
5 to state and local officials. It's -- it's interesting
6 because every day we get this much information. And so
7 we have this much information, we have the e-mails, we
8 have the phone calls. And like you say, that -- we
9 have the public in our face about various issues.
10 So if you walk in there and say, I want to
11 talk about pipeline safety in general, or what right
12 now is -- integrity management is a tough term to
13 understand, okay, because that is kind of adding a
14 dimension of difficulty to this. Your average public
15 official would say, put it on the pile. I may or may
16 not get to it.
17 So you know, various people here were talking
18 about lots of information we'd like to know. Your
19 average public official would say, if I hear an
20 explosion, I'll call you.
21 Or the other ones -- but there are a couple
22 things that would be helpful to emergency management
23 people because if I want to know about safety, I'll
24 talk to Mark Rath from our city on safety and kind of
25 what are the hazards, what do I need to know to tell my

1 people in my city that we're safe. That's one.
2 Another good channel of information and a way
3 to communicate is through the Association of Washington
4 Cities and Washington Association of Counties. There's
5 WASAC, WACO, Association of Washington Cities. So
6 those are the county and city organizations.
7 As far as general information, as far as
8 providing -- you know, having an opportunity of getting
9 information to people, you can work through those
10 organizations. That might be easier than try to going
11 to every city and town and county and talking
12 individually to people. You can go to their
13 conferences and present materials.
14 One of the other things is having a reason
15 for communication, a reason for someone listening to
16 you. Kind of like, well, why do I need to know
17 anything right now. And part of it, as you said, we
18 have a new integrity management program that provides
19 for a greater amount of safety, a greater margin of
20 safety. Okay. You have a reason for talking to them.
21 So you could have a brochure on that to get out to
22 people. You could interact with them on this new
23 program.
24 So anytime you have a reason, if there's
25 repairs, you know, going on that would have direct

1 interest on the part of the people, if there is an
2 accident that's non-catastrophic but there's an
3 accident, there's some reason to communicate, you're
4 going to have much more interest than you just, well,
5 here's some information, there are no problems, but
6 we'd sure like you to know something. That's a tougher
7 sell.
8 MS. GERARD: Yeah. Thanks, Chuck.
9 Carol?
10 MS. PARKER: I have a question particularly
11 for Les because I live in a county much like his. And
12 we have -- it's a rural county, it's a big county, it's
13 a hundred miles long, and our county officials have,
14 you know, everything from rabid dogs to pipelines to
15 worry about.
16 MS. GERARD: And they're in the same
17 category.
18 MS. PARKER: Yeah. Depending on the phone
19 conversation.
20 So -- so, at the same time, counties have
21 people that are there, perhaps like Lois or like Carl
22 Weimer up here or like myself down in New Mexico, that
23 -- that have, for reasons beyond explanation sometimes,
24 a lot of knowledge for your average citizen and who
25 want to be able to learn about integrity management in

1 greater depth and are not terrorists.
2 So, is there some way that you can envision
3 working or, like, maybe nominating people from your
4 community to be able to get more information or some
5 way to leverage the people who are in your community
6 and who do care about it and who do want to work on it,
7 not necessarily as a living, but who care about it and
8 want to get that information? Is there some way that
9 that -- that you can think of that that could be made
10 to work?
11 MR. OLSON: From the area of terrorism, the
12 federal government is beginning to mandate and provide
13 funding to local governments to -- to do a outreach
14 program to citizens, the development of community
15 emergency response teams, building relationships with
16 neighborhoods. That's a perfect conduit to reach out
17 to the communities that live along the pipelines to be
18 able to understand their community.
19 And our county has put together forums in
20 trying to do an outreach to the neighborhoods to
21 prepare themselves for -- for any emergency within
22 their community.
23 How can we get the awareness to those along
24 the pipeline? In our -- in our community we had a
25 sighting of a new pipeline. Those neighborhoods that

1 saw the equipment winding up in their backyards became
2 very concerned.
3 So it's a -- it's a direct relationship. You
4 have to be impacted before you care, and how to reach
5 out to those people who have not been impacted and to
6 make them aware. That's our approach right now, is
7 trying to reach out under the terrorism annex to --
8 that there are issues within your community. And
9 pipelines could be one of those areas that terrorism
10 would try to attack.
11 So that's what we're trying to do in our
12 community.
13 MS. HAMSHER: The comment, maybe a question
14 of some of the public responders. A lot of times what
15 we've framed is a lot of one-on-one great discussions.
16 I think those -- those do happen. Do they happen
17 everywhere? Sometimes it's really hard to get the
18 attention. Some LEPCs are disactive or they're focused
19 on other issues.
20 Our experience is not all counties have just
21 one or two pipelines where you can kind of get in and
22 do that. We have many areas that have 20, 30
23 pipelines. And just like the -- the pile of
24 information I think that Chuck Mosher was talking
25 about, if they have one by one by one pipelines

1 knocking on their door -- because you do need to know
2 specifics about the individual pipeline, not just
3 generic. Joint exercises, workshops, that -- would
4 that be helpful if the pipelines worked together to try
5 to do that. Because your time is valuable too and a
6 series of four meetings a month is probably too much to
7 handle.
8 MS. GERARD: Last question for this panel,
9 and then we'll break for lunch and sort of continue
10 because I think the -- these types of discussions
11 aren't necessarily relegated to just this subject.
12 Oh, you have a question?
13 MR. SKINNER: I'm Harry Skinner. I represent
14 the Sumas Mountain Pipeline Safety Association up near
15 Bellingham.
16 In 1997 there was an explosion of a gas
17 pipeline on the side of the mountain. Not to get into
18 the alarming parts of it, but the personal effects.
19 This was in my front yard.
20 Basically, I really question the ability or
21 the inclination to have something called a -- a "high
22 consequence area." If this sort of thing happens to
23 you and you're in a rural area on a mountainside with a
24 landslide or other issues, please be careful not to
25 rule out and -- and close that -- what a high -- what a

1 high consequence area is. It's -- that's -- that's got
2 to have a lot of thought.
3 I'm very grateful for the response of the
4 officials here today. This is almost -- you've covered
5 all the issues that any concerned citizen could have
6 and your attention to detail is -- is really
7 satisfying.
8 And there are a couple of words that are
9 being used and there's a whole lot of wordsmithing here
10 today. I'll be real quick here. "Not alarming."
11 "High level." "Proper approach and tone." Those are
12 phrases that were used by some of you.
13 I have been a public official at one time or
14 another, so I know what it's like to be responding to
15 the public calling in. And be real careful on that
16 because we're talking about a condition here where the
17 pipeline systems are approaching what automobile safety
18 is like today compared to what it was maybe 20, 30
19 years ago. The public is there. Public trust is
20 highly important. The public is very educated on this
21 issue. And -- and oftentimes we're finding out public
22 officials are not as closely educated on some of these
23 issues as they -- as -- as the public is.
24 So keep us involved. Do not screen us with
25 this string of -- of security as an issue. It is -- it

1 is far too easy to use that. That's a very seductive
2 term for the industry to hide behind. Much as we love
3 our gas, we have to be careful that we don't use
4 security as a -- as a shield to hide behind.
5 Anyway, I appreciate the opportunity to talk
6 today, and I'm very impressed with this group. And
7 thank you for putting this on. Thank you.
8 (Applause)
9 MS. GERARD: One last question. Two more
10 questions? Okay.
11 MR. ROBERTSON: I'm Joe Robertson with
12 Williams Gas Pipeline. And I actually got a comment
13 and then I've probably got about three or four
14 questions.
15 So I guess as I'm in the audience here and
16 I'm listening to -- to these --
17 MS. GERARD: Louder, Joe.
18 MR. ROBERTSON: -- to the comments that are
19 being made and the concerns and everything, I lose the
20 feeling that the pipelines are perceived not to be part
21 of the community. I want to assure you that although
22 we may be headquartered in different parts of the
23 country, our communities are -- we've got employees
24 that live along the pipeline. And our families are
25 every bit as part of the community as anybody in this

1 office. Our children go to the same schools, are
2 members of the PTA. We've got members of our -- our
3 employees that are part of the volunteer fire
4 departments and things like this. So we -- we are very
5 much part of the community.
6 Having said that, now I'll go on to my
7 questions. As we -- as -- in a transportation mode, we
8 transport -- transportation of energy, we have very --
9 we're not the only mode of transportation, but we are
10 one of the safest modes of transportation. And I'm
11 curious to know, with the current regulations as the
12 way they are, how do our current regulations as far as
13 public education compare to the other modes of
14 transportation: the railroad industry, the barge
15 industry, the trucking industry? And I guess to --
16 that's more -- you're towards the regulators on the
17 panel.
18 And to -- to the emergency response panel
19 member, I'm curious to know, the type of information
20 that you're asking of our industry, are you currently
21 getting that from these other modes of transportation?
22 Do you get the maintenance activities on the rail
23 cars, on the barges, on the trucks that go up and down
24 our highways?
25 Just kind of -- just curious as my ignorance

1 as to how you guys interact with other modes of
2 transportation. Thanks.
3 MS. GERARD: Do you all have any comments,
4 local county officials?
5 MR. ZIMMERMAN: I'd like to say one thing. I
6 think that the -- it has been established, and I agree
7 with this, that pipeline transportation of -- of
8 hazardous liquids is safer than -- than wheeled
9 transportation.
10 However, the other side of that coin that I
11 think you have to understand regarding the communities
12 is whatever hazards are involved in pipeline
13 transmission are focused along the pipelines. So
14 people that live along the pipelines are bearing the
15 entire brunt of whatever safety issues there are,
16 whereas we spread the safety issues of other modes of
17 transportation throughout the United States. So that's
18 one way of looking at it.
19 MS. GERARD: We do look at this issue, Joe,
20 wherever you went, and do look at what other regulators
21 are asking. And I've worked myself with the chemical
22 industry and the nuclear industry, just as other
23 examples, and I do believe that on the spectrum of
24 regressive to progressive, you know, I think that we're
25 about to embark on the more progressive types of

1 enterprises here.
2 But you know, I think that, you know, because
3 of the corridor concept and, you know, the questions
4 about the age of the infrastructure and -- and so on, I
5 -- I -- I think that, you know, we're very concerned
6 about getting confidence up. You know, we've gone
7 through a period where confidence has not been up and
8 -- and so, you know, we believe that the merits of
9 raising that confidence are -- are going to be
10 worthwhile.
11 So we're sort of intending to leave the
12 spectrum of a moderate position on the spectrum of
13 regulators and moving into the more progressive arena
14 as worthwhile.
15 MS. EPSTEIN: Stacey, can I add something?
16 Another aspect to that question is that in
17 some respects pipelines are looked at as a
18 transportation mode. In another respect, they're
19 looked at as fixed facilities.
20 Now, if you compare pipelines to other types
21 of fixed facilities, refineries, et cetera, you could
22 -- you can find some real differences in how much
23 information is provided to the public. There's not an
24 ongoing periodic permitting process, for example. So I
25 think that's another way to -- to look at this issue.

1 MR. FELCZAK: I guess one more point I would
2 have is, we do commodity flow studies within our
3 jurisdiction. And what we're looking for there is
4 hazardous materials. What types of materials do we see
5 going through our city.
6 Those are of transient natures. At any point
7 in time we don't know what truck is going to go through
8 our city and where it's going to go through our city.
9 But we do know that we have fixed facilities, as was
10 mentioned.
11 We have our CERA sites and they are required
12 to do risk program management if -- if that's their
13 label. And they do plume modeling for the worst case
14 scenario based on the largest commodity or the largest
15 product that's on site.
16 So we have an idea. And three people are
17 basically going to be affected, three people groups.
18 Those within the corridor of a pipeline because it is a
19 fixed facility. It does go through the city. We know
20 where it's at. Three people are going to be affected:
21 those who are affected directly within the corridor,
22 those who will be indirectly affected because of their
23 desire for the -- the ecology or those who are faced
24 with transportation detours because of an incident, and
25 those who are not affected.

1 So when -- the difference between a pipeline
2 where we know it's at versus vehicles, rail cars coming
3 through, another issue is -- is the oversight or the
4 regulatory agency involved in that. And that would go
5 up to the higher level, Department of Transportation.
6 If we have a supplier of hazardous materials
7 in our city, we do their facility. We do not do their
8 trucks. We do not do their rail cars. However, if we
9 find trucks or rail cars that aren't placarded
10 properly, who don't follow the regulations that we have
11 outlined for us and that our fire officers as they --
12 as they see these things, then they -- they do report
13 these things and there is a reporting process for them.
14 MR. OLSON: As an emergency manager, we do
15 have concerns about the transportation of hazardous
16 materials on our roadways.
17 What checks and balances do we have in place?
18 I have on my staff a deputy sheriff whose sole
19 function is to go after commercial vehicles for safety
20 inspections, overweights. So at a local level, we have
21 expended funds to -- to inspect that arena.
22 We also have WashDOT at our -- that is also
23 doing the same thing and federal regulations, also.
24 I do have a great concern over the rails.
25 That's an industry -- I think our relationship is

1 probably on the same level as with the pipelines. In
2 fact, I think it's worse. And I think that's a --
3 another area that we're going to have to address.
4 MS. GERARD: Thank you for your rapt
5 attention. I'd like to thank the panel.
6 Oh, we've got one more? Carol, okay.
7 MS. WASHBURN: I'm Carol Washburn with the
8 State Utilities and Transportation Commission. Thank
9 you, Stacey.
10 I think there's one other piece to think
11 about around your question of exploring systemic ways
12 to learn how to talk to one another. I think over the
13 last couple of years in Washington state we've all
14 learned the value of the role that the state regulator
15 can play. And prior to the Bellingham incident here,
16 we had a very traditional state regulatory pipeline
17 program. And I'm not sure we even talked to people in
18 cities and counties. But we've all learned how to do
19 that and I think we all really believe in the value of
20 that.
21 Now, as we look at the future, even OPS has
22 learned some things in the last couple of years. And
23 one thing you have now done is hired your community
24 folk. But I worry that most of our state pipeline
25 regulatory programs are still very traditionally

1 focused.
2 And so as we think about how to all learn the
3 best way to learn to talk to one another and work
4 together, it's going to also take a very different way
5 of thinking for other states and what their role is.
6 And of course, that always -- it also involves a
7 resource issue.
8 But I don't want us to leave that piece out.
9 Thanks.
10 MS. GERARD: Thanks, Carol. And we are -- we
11 are focused on that. We do have a committee process
12 with the states that we use to establish the
13 performance criteria by which we judge how much funding
14 to provide each state. And you know, we -- we do want
15 to achieve consistency in this area, and so we will be
16 revisiting the issue of the performance criteria that
17 we will use to make the grants award to highlight
18 performance by those states who can move in this
19 direction and provide additional funding to those
20 states who would be wanting to take on the role or who
21 demonstrate the ability to take on the type of role
22 that we would be discussing here today.
23 So I hope you all sort of think about that at
24 the lunch break and, you know, come back with other
25 thoughts about how we can make this work.

1 So we are due to come back at one. I would
2 like to thank the panel for their preparation and their
3 insight. They did a great job.
4 (Applause)
5 MS. GERARD: I think we'll be back about
6 1:00.
7 (Whereupon, the proceedings were adjourned
8 for lunch, to reconvene at 1:00 p.m., the same day.)
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2 A F T E R N O O N S E S S I O N

3 1:00 p.m.

4 MS. GERARD: We're just checking for

5 stragglers outside in the hallway and make sure we have

6 critical mass. Looks like we got critical mass up here

7 on this particular panel.

8 (Pause)

9 Performance Metrics

10 Recap

11 MS. GERARD: Good afternoon. Hope you all

12 had interesting lunch conversations. We're about to

13 begin the second part of our three panel discussions on

14 pipeline communications.

15 Just to review a little bit about where we

16 are and what we're doing here, we've been talking about

17 three areas that OPS is particularly interested in

18 taking some action. And our first meeting was on

19 integrity management and communications about that.

20 Now we're having a discussion about performance

21 measures and what -- what kinds of performance measures

22 we need for a variety of purposes.

23 Next -- next -- next. Okay.

24 (Slide)

25 MS. GERARD: So we have a variety of

1 objectives for these performance measures and why we're
2 talking about them today.
3 To keep the public informed, to engage the
4 public and involve their intelligence at the earliest
5 possible stage of pipeline safety initiatives, and to
6 enable the public to play a more meaningful role.
7 Another way that I would like to put it is
8 that we feel that the public should have the
9 opportunity to be able to evaluate individual
10 operators, the performance of the industry as a whole,
11 and the performance of government regulators. And the
12 issuance of performance helps -- drives the public's
13 comment on policy, policy on the part of the individual
14 companies, policy changes within the industry and
15 within the government.
16 And so we believe that here we're talking
17 about the public being in a position to make informed
18 decisions when they want to compare and contrast the
19 performance of an individual company with the industry
20 at large. And us as regulators against the government
21 at large.
22 Let's see. Next slide.
23 (Slide)
24 MS. GERARD: So, how might the public use
25 performance measures? We're talking about improving

1 their understanding of an individual company that may
2 have a pipeline near where they live. To be able to
3 help formulate their positions and have a voice of
4 advocacy where they think that improvements in
5 performance are needed. And we've certainly seen
6 evidence of that in the particular community where we
7 are today as well as some others. And to be able to
8 play a role in the public hearing process that exists
9 at the federal level with the FERC when pipelines are
10 going to be sighted or considered expansions. And I
11 guess we really don't have as much of an organized
12 process for the liquid industry and the sighting of
13 those pipelines, but it -- certainly at the state level
14 to be able to inform citizens who deal with those
15 questions when a pipeline's going to be sighted -- a
16 liquid pipeline is going to be sighted near them.
17 Next slide.
18 (Slide)
19 MS. GERARD: How regulators are going to use
20 performance measures. Obviously, it's our role to be
21 an overseer and to make judgments in inspections about
22 progress, process of progress. Looking at trends with
23 individual operators and making decisions about how we
24 plan our time but looking also at the question of what
25 kinds of practices have been effective. Operators who

1 use X practices have had X type of impact on the
2 overall trend and performance.
3 We frequently have to make decisions about
4 whether or not to require in an order that an operator
5 use a particular approach. And obviously, having some
6 sort of a statistical history is very important, given
7 the particular use of a tool in this area. The example
8 might be the TFI tool and, you know, look at -- look at
9 evidence of performance, whether or not we should
10 continue the required use of that tool in this region
11 or whether or not something else might have a greater
12 payoff.
13 (Slide)
14 MS. GERARD: Obviously, as regulators we like
15 to evaluate the impact of our programs. And we've been
16 in a very poor position to be able to do that because
17 what safety trends have occurred have been only
18 partially driven by regulatory programs. You know, we
19 found in the mid '90s that of money that was being
20 spent on safety, only about half of the money that was
21 being spent on safety by operators was driven by
22 regulatory requirements. And you know, back in that
23 environment we found that there were lots of individual
24 choices made by operators just based on what was good
25 business practices. We didn't have any way to create a

1 baseline because those individual choices were not
2 organized in any way that we could really measure what
3 was the effect of choices that were made that were not
4 required.
5 You know, so these are, again, some of the
6 reasons why we want to be able to measure performance.
7 In terms of overall OPS strategy, obviously
8 we're concerned with problem identification and looking
9 at trends and seeing if we have the best possible
10 understanding of the causes of failure.
11 I mentioned already, you know, looking at
12 individual operator performance versus the industry.
13 Next slide.
14 (Slide)
15 MS. GERARD: The subject of required
16 performance measures is kind of interesting. We came
17 out with a proposal yesterday to something in the gas
18 industry that we hadn't required of the liquid
19 industry. We specified for particular types of
20 performance measures and proposed that there should be
21 required monthly electronic reporting. On the liquid
22 side, we had simply said that there would be --
23 performance measures would be required but we didn't
24 say what they were. And so we're at a position right
25 now where we couldn't roll up any sorts of performance

1 measures.
2 And it's our intention, liquid industry, to
3 achieve parity in this area with what we've proposed on
4 the gas side. And we're hoping that that's not too
5 problematical.
6 Moving to the next slide.
7 (Slide)
8 MS. GERARD: Because of work that has gone on
9 in the liquid industry, we feel that there's a
10 collection of data existing that we might, you know, be
11 able to consider as a basis.
12 So there are certainly a lot of challenges
13 that we have to consider here in coming up with
14 meaningful measures. There's that expression, be
15 careful what you evaluate because, you know, that's --
16 you know, people will perform to what they're going to
17 be evaluating based on. I think I butchered the
18 expression, but I think you know what I meant.
19 We clearly have the issue of normalization
20 repairs per mile. You know, we have so many different
21 conditions and scope and experience on different
22 pipelines and how long they've been operating, you
23 know, what their age is, how they're managed. There
24 are so many different factors that have to be
25 considered to truly look at performance.

1 And obviously, the issue of consistency in --
2 in definition.
3 (Slide)
4 MS. GERARD: Other difficulties, the inter-
5 operator comparisons. The fact that there's frequently
6 change in ownership or structure in the ownership. And
7 so following the pipe is very -- difficult to do. You
8 can follow the operator perhaps easier than the pipe.
9 Then there's that security issue, you know,
10 that we've talked about before. You know, what
11 information should be made available. I know even
12 before 9/11 the department was very concerned about
13 revealing vulnerabilities and the concept that you make
14 it know what vulnerabilities of pipelines are and you
15 make it possible for bad guys to mimic what they know
16 about defects in the hatching of attacks on pipelines.
17 So that's -- you can -- we can have some discussion
18 about whether -- whether or not that's a realistic
19 concern.
20 Next.
21 (Slide)
22 Performance Tracking and Monitoring Initiatives
23 MS. GERARD: Here are the four measures that
24 we have proposed in the notice that appeared yesterday
25 where we relied on for the gas transmission proposal

1 metrics that had already been identified in a national
2 consensus standard.
3 And you can see that there are some similar
4 measures that are referred to in the API standard, but
5 they're -- they're not technically required by us that
6 that -- you know, we would be looking at that as a
7 guideline that we would like to propose requiring so we
8 can roll up this kind of reporting.
9 Just to make sure everybody in the room is
10 aware of ongoing efforts that are valuable here, we
11 mentioned what our proposals are. In addition to that,
12 you should be aware of holes we've plugged in our data
13 systems today. The fact that within the past year
14 we've made the reporting of causes much more granular
15 as we've gone from a very small number of -- of types
16 of categories of incidents, from I guess four to 25, is
17 it?
18 PARTICIPANT: Mm-hmm.
19 MS. GERARD: In addition to that, we've --
20 that -- that would be true of both gas transmission and
21 hazardous liquid. We've also lowered the reporting
22 threshold for hazardous liquid incident reporting down
23 to five gallons, which is an enormous change in the
24 level of reporting.
25 In addition to that, we've had numerous

1 changes in our quality control procedure so that
2 basically an incident report has a stage of maturity.
3 And we have a built-in tickler system to have the
4 operator identify when that report has been considered
5 matured and completed. And that tickler system will
6 continue to tickle until we see that that report has
7 actually been matured.
8 In addition to that, we've instituted field
9 procedures for having our inspectors at the regional
10 level go in and challenge the meaningfulness or the
11 feasibility of the report, which is a change in our
12 quality control procedures.
13 And the API, of course, has developed since
14 1999 their Pipeline Performance Tracking System, the
15 PPTS, and have been reporting to us as regulators, to
16 the NTSB, and of course to the industry their own
17 analyses of what these trends mean.
18 Within the gas pipeline industry, there's
19 been ongoing efforts to think in terms of performance
20 measures. And I have to say I've been very impressed
21 at the level of detail that the gas industry's been
22 thinking of in terms of the types of measures that need
23 to be available to communicate progress, particularly
24 with integrity management. And maybe we'll have some
25 discussions of that among the panel representatives

1 today.

2 OPS Data Initiatives

3 MS. GERARD: Another initiative is what Jeff
4 Wiese from our Program Development Division calls Pipe-
5 centric information and trying to create ways of
6 following the pipe. And that is kind of an ongoing
7 internal database restructurement effort. Being able
8 to link to the National Pipeline Mapping System.

9 So in terms of our reliance on performance
10 measures, obviously we're here to talk about evolving
11 -- evolving our current capabilities and moving from
12 a prescriptive world where we're only relying on sort
13 of set activities and inspection checklists to a world
14 in which we're prepared to talk about the quality of a
15 process. It moves from a certain quality to,
16 hopefully, a better quality. And how do we
17 characterize that. And we sort of -- I sort of throw
18 that out to the panelists, a challenge there to deal
19 with qualitative improvements as opposed to solely
20 quantitative.

21 We of course have the concern with everyone
22 jumping to the conclusion that because we've had a
23 particular experience just for a couple of years that
24 we've seen a turnaround in a trend. You know, we tend
25 to look at a five-year history as a trend, you know,

1 not a one- or two-year history.
2 And we -- you know, when we go to companies
3 and companies invite us in and we talk about how
4 they're doing, a company that's, you know, seen an
5 improvement in a couple years is usually disappointed
6 with the Office of Pipeline Safety walks in and takes a
7 five-year look or, God forbid, a 10-year look. And
8 when you look at a 10-year picture, you know, decimal
9 dust shows up for improvement. So we do it that way
10 because that's how the people who audit us look at it.
11 Ongoing efforts. We are continuing to make
12 improvements to our annual reports. And of course, our
13 incident reports and annual reports are available on
14 the web today. And if you're as skilled as Lois, I
15 know you can slice and dice them. Other people might
16 have a little bit of difficulty. And maybe she'll
17 share some of her secrets on that technique today, you
18 know, particularly the issue of looking at leak history
19 and, you know, views from that standpoint.
20 So those are just some opening thoughts to
21 set the tone for the discussion with this panel. Like
22 the previous panel, we had some questions that we gave
23 the panelists in advance to think about and to prepare
24 for the discussion. And we'll come back to that.
25 I think I'd like to ask Mark Hereth to make a

1 presentation to help with an overview for this
2 discussion from his point of view.
3 I've been fortunate to work with Mark for a
4 number of years. You know, back in the mid '90s when
5 we in the Office of Pipeline Safety were looking at
6 other ways to achieve safety, we were concerned about
7 organizations, regulators, other industries who had
8 other approaches to improving safety. We were very
9 happy to study at the feet of representatives from the
10 Hartford Steam Boiler who, being an insurer, was very
11 concerned with methods of loss reduction. And Mark had
12 an awful lot of good ideas, along with other officers
13 from the company. We learned a lot from them and
14 worked very well with them.
15 Mark has been with HSB for 23 years. By
16 education, he's a chemical engineer. And I believe
17 he's got a lot of mathematics in his background that he
18 doesn't always advertise, so I think he'll have some
19 good insights on the metrics.
20 He serves as an independent auditor for a
21 number of pipeline companies that we regulate. And
22 believe me, I can always tell when Mark's been there
23 before we get there. There's always a difference.
24 He's also considered an expert by the U.S.
25 Department of Justice who brings in Mark to help them

1 with negotiating injunctive relief from the Department
2 of Justice's standpoint.
3 So Mark has a very impressive resume. Among
4 his characteristics is his ability to teach. And his
5 -- his affiliation with Northwestern University
6 Transportation Center has been very meaningful for a
7 lot of industry and state representatives. And we've
8 enjoyed working with him in the Northwestern context.
9 I give you Mark Hereth.
10 (Applause)
11 Pipeline Industry Performance Measurement Initiatives
12 MR. HERETH: Thank you. I want to start off
13 by just correcting one thing. We -- we don't work for
14 the Department of Justice.
15 MS. GERARD: Oh, you don't?
16 MR. HERETH: No. We -- we've been approved
17 for use as an auditor by companies, but we don't work
18 for the Department of Justice. We leave all that fun
19 to you.
20 MS. GERARD: Thanks.
21 (Laughter)
22 MR. HERETH: First slide, please.
23 (Slide)
24 MR. HERETH: What I'm going to do is provide
25 a brief overview of the performance measurement process

1 and where it is today and largely what the natural gas
2 and the oil or liquid pipeline industries have been
3 doing over the last 10 years or more. I'm also going
4 to weave in some of the discussion about what the
5 Office of Pipeline Safety has done because it all links
6 together at the end of the day. We're all in this
7 together.
8 Now, the one thing that I'd add is I am not
9 an operator and I'm not a regulator. But I work in
10 between both, provide services for operators and
11 provide insight to OPS. So hopefully, my comments will
12 be a little bit more objective, having -- sitting here
13 in the middle.
14 At times I may sound like an operator and
15 that's because I work a lot with operators and have,
16 certainly, their perspective as well at times.
17 But I am a citizen. I have been to
18 Bellingham several times. I went up yesterday to
19 revisit the site. It's coming back. It's good to see
20 that. It's good to go to places like that. For those
21 of you who have never been there, it's an amazing
22 place. The sound of that stream going through there
23 and the green is so lush, it makes you really
24 appreciate why we have to take this stuff so seriously
25 and why we have to work so hard on it every single day.

1 The first thing I'm going to do is start to
2 talk about objectives that both the natural gas
3 industry and the oil pipeline industry have had in this
4 whole process of looking at performance measurement.
5 And then I'm going to get into detail of what each of
6 the industries have been going into.
7 But the key point at the outset is there is a
8 real effort to strive to continually improve, to find
9 ways to get better. And that's really what this is all
10 about. I -- I can't stand here today and tell you that
11 I have all the answers or that we as a group have all
12 the answers. That's one of the reasons that we're here
13 today, is to hear your feedback and to hear from
14 members of this panel to make sure we got some of the
15 comments like we did this morning from Carol. So that
16 when we're getting information, using information
17 that's available in the public.
18 Do we have a measurement system, for example,
19 to go back and say, are we checking what we've got, was
20 it right, and are we measuring our progress in that.
21 So getting feedback like that today is very, very
22 important to thinking.
23 The next point is we need to strive for safe
24 operation. I say "strive" because we're working to get
25 there every single day.

1 And equally important, and our next point
2 here, is to strive for safe, reliable supply of energy.
3 And Congresswoman Dunn pointed that out at the very
4 beginning. The context I'd put it in is heating our
5 homes, providing gasoline for our cars, operating our
6 airports when we fly into SeaTac, to provide fuel for
7 our military forces for training and preparation,
8 unfortunately, in the event that they might have to go
9 to war.
10 (Slide)
11 MR. HERETH: And then to -- to demonstrate as
12 well that we're improving integrity management
13 programs. All the things that Denise and the panel
14 talked about this morning. Performance measurement is
15 key to demonstrating that we're making progress in all
16 of the things that we're doing in integrity management.
17 And likewise, today in our third sessions, we
18 need to measure performance, measure our effectiveness
19 in the communication programs and the public outreach
20 programs that we have that we'll talk about in the
21 third session today.
22 (Slide)
23 MR. HERETH: I'm going to take a few minutes
24 and go back in time because I think being at a
25 university or a community college campus, it's always

1 important to talk about history. And I'm going to do
2 this in the context of the way things used to get done.
3 And that's largely looking in terms -- operating in
4 terms of having a rear -- using a rearview mirror.
5 We, meaning the public, operators, the
6 government to a great, great degree, we're dependent on
7 government-run databases or government-run information
8 sources. There were some questions about the quality
9 of the data, the commitment that people had to
10 maintaining that data and keeping it current. In fact,
11 the NTSB actually weighed in on this subject. And I
12 believe at this point OPS, through the actions that
13 Stacey has -- described today, has worked through all
14 those issues. But there certainly was historically
15 concern about the quality and the integrity of that
16 data.
17 We -- we largely relied on lagging
18 indicators. We looked at the things that happened in
19 the past. We looked at injuries and fatalities and we
20 looked at incidents.
21 (Slide)
22 MR. HERETH: But we really didn't have
23 information on large spill -- I'm sorry, on small
24 spills and smaller type events. We didn't have our
25 focus there. Generally, there was a good safety record

1 in this industry, but it tended to be really --
2 relatively static or stagnant.
3 So the idea was to look at how can this
4 process be improved. And from an OPS perspective,
5 Stacey described a number of these initiatives, but
6 I'll give you my perspective.
7 It's that she and others led the commitment
8 of significant full-time resources to managing the
9 integrity of the data. And the things that she talked
10 about, not only the follow-up but making sure that the
11 data got in, that it was recorded properly, that the
12 databases were operated properly and maintained.
13 (Slide)
14 MR. HERETH: She's actually made and OPS has
15 made some improvements in the incident reporting form.
16 It's not just looking at more causes but getting more
17 information about the pipe so we have a better basis to
18 go back and look at historical events and try to learn
19 from those and better characterize cause.
20 In fact, as she's described, she's also using
21 safety performance to prioritize programs, to
22 prioritize where funding will go, and to where she'll
23 deploy resources not only from a regulatory standpoint
24 but from an enforcement standpoint, and that's a plus.
25 Now, from the industry side, the API really

1 took a leadership position several years ago. And it
2 was -- I'll be very honest. It was a real challenge to
3 get all operators to come together to develop what is
4 known as the Pipeline Performance Tracking System.
5 This -- this was a commitment on operators' parts to
6 come together and bring their data and -- and bring it
7 into the API system so that operators could
8 collectively go back and look at their performance and
9 learn from the past. And they came to the table and
10 made it happen.
11 What that's done is, in addition, they've
12 looked at incidents down to the five-gallon level. In
13 fact, they went and did that, and then of course OPS
14 took that and embraced it and -- and made it a part of
15 the formal reporting system. But the key was there --
16 they looked and said, how can we get better. They --
17 they've gone and embraced the 22 causes identified by
18 the ASME, actually by a gentleman named John Keefner
19 who's an expert that's been in the industry for a
20 number of years.
21 John went back and in detail studied the
22 causes of events going back into the '70s to try to
23 define a standardized set of terminology so we can go
24 back and look and say, okay, when we look at external
25 corrosion, what are these events telling us and what

1 are we learning when we look back five years or 10
2 years. And how can we take that and make sure these
3 things don't happen again.
4 The real key here is that we've moved to a
5 time of we're looking at detail, detail, detail. Right
6 down -- I mean, it's very, very intense work.
7 And one of the really neat things in this
8 process, and the AOPL deserves a lot of credit here, is
9 that Ben Cooper and others really helped to drive a
10 process to develop a standardized safety reporting
11 mechanism that cuts across the whole industry. And
12 they started in oil. And it's a report that's done by
13 Allegro. And it -- it makes that -- it allows people
14 to look at an independent third party characterization
15 of what's happened with the safety performance in the
16 industry. I'm going to talk more about that.
17 (Slide)
18 MR. HERETH: In the natural gas side, the
19 industry has started to place a greater and greater
20 emphasis on smaller leaks, very much similar to the
21 liquid industry going down to five gallons.
22 Now, the interesting thing is we've had that
23 leak reporting requirement in the natural gas industry
24 for -- for quite a while. But now we've -- as we've
25 had some of these serious incidents, we're beginning to

1 go back and look and say, how can we learn from the
2 leaks as well as the reportable incidents.
3 The natural gas industry really led the
4 effort to identify or develop the 22 causes and took
5 them and worked with ASME to get them built into that
6 -- and I'll say international consensus standard
7 because it really is an organization that works
8 internationally. Again, detail, detail, detail on
9 looking at the data.
10 (Slide)
11 MR. HERETH: The natural gas industry,
12 through INGAA and the Gas Research Institute,
13 commissioned Allegro in 1998 to do a very similar
14 report, the same report with the same kind of
15 structure, the same kind of the detailed analysis and
16 quality control again by Allegro. And one of the
17 things that's really neat about this process is when
18 operators have found out that their data is going to be
19 used to analyze causes and trends in causes, it's been
20 an amazing -- it has had an amazing impact. Because
21 what it does is every time you have an incident, you
22 want to make sure that data's right. Because when it's
23 wrong, somebody will catch it in the -- in the QC
24 process either at DOT or Allegro. And you want that
25 data to be right because it's going to drive where we

1 tend to put our resources and our efforts.
2 (Slide)
3 MR. HERETH: Now, today we're looking and
4 going -- we're still looking in that rearview mirror
5 because we're smart drivers. But we're now looking out
6 the front window more. And so I'm going to take that
7 analogy and extend it a little bit.
8 And I think what we've really begun to see
9 over the past two years is a commitment by executives
10 -- executive operators to say, our target is zero.
11 You heard Denise say it today. You hear natural gas
12 and liquid operators say it all the time now. And it's
13 not -- these are not just -- it's not just a buzz
14 phrase, but the target is zero. That is the road sign
15 that we're looking at out the front window.
16 We're using a dashboard in effect which is
17 navigating a course using an integrity management plan
18 that Denise and that panel talked about this morning.
19 We also have operator qualification programs in place
20 today. So those two things, when you link them
21 together by having trained, qualified, capable
22 employees with a plan to operate, to drive that car in
23 effect, gives you in effect that you're driving with a
24 Triptik. And when I've taken long trips and I haven't
25 used a Triptik, I know that it's a problem, so.

1 (Slide)

2 MR. HERETH: Again, now what we're doing is
3 we're relying more on leading indicators. And as I'll
4 talk about in a few minutes, in some of the work that's
5 been done at API and INGAA, the idea is let's look at
6 ways to prevent. How can we, through prevention and
7 inspection or prevention and detection, find things
8 before they happen. And again, without losing the
9 sight -- of the lagging indicators.

10 So we want to go back and understand what
11 causes those incidents when they occur, as infrequently
12 as they might be. But we also want to have as keen a
13 focus on the prevention and the inspection side to make
14 sure we're looking at preventing or eliminating that
15 event from occurring in the first place.

16 What I'm going to do now is to provide an
17 example. I have not provided a long laundry list
18 because what -- what we're -- the reason we're here
19 today is to really hear from our panel members what
20 their thoughts are. But I'm going to walk you through
21 an example here of how this is -- how this is working
22 and can work.

23 (Slide)

24 MR. HERETH: We're -- we tend not to want to
25 just look again back in that rearview mirror, but look

1 at what are the things that an operator does from a
2 prevention standpoint that provide an indication of
3 effectiveness of the program. And so, for example,
4 that's as simple as looking at what's the condition of
5 the pipe. And one measure or way of looking at that is
6 looking at the number of measures or times that your
7 corrosion prevention system is below the design
8 threshold for that system, which happens to be minus --
9 minus 850 megavolts -- or millivolts, excuse me.
10 And I didn't want to put that on there
11 because it's not the number that's important, it's when
12 are we below that threshold. Are we -- are we above
13 that. Are we maintaining our cathodic protection
14 adequately.
15 In the same context, with inspection we want
16 to be looking at the miles that are inspected. And
17 it's not just miles pigged. It's miles where we've
18 used hydrotesting. It's miles where we've used above-
19 ground testing, where we might be using a close
20 interval survey or a direct current voltage gradient
21 meter. We can talk more about these things, but the
22 key is there are a number of inspection tools that
23 operators have in their arsenal. And we want to be
24 looking at the miles that are being done.
25 (Slide)

1 MR. HERETH: In the same context, when we do
2 find problems or do find defects or anomalies in the
3 line or in the -- in the condition of the system, then
4 we would want to look at mitigation.
5 One of the things that we found in working
6 with operators is a very key measure to getting to zero
7 is to begin to see the number of immediate repairs --
8 that is the number of repairs requiring immediate
9 attention after an inspection technology is used. So
10 you know the number of immediate repairs going down.
11 (Slide)
12 MR. HERETH: So in effect, with the
13 prevention one, we want to see the number of corrosion
14 prevention readings below threshold going down. We
15 want that trend going down and we ultimately want it to
16 be zero.
17 With inspection, we want those miles going up
18 and we want those miles to be the entire system. And
19 there are some challenges in that as we go about
20 inspecting these systems.
21 And when it comes to mitigation, we want the
22 number of immediate repairs to go down. In fact, I had
23 one operator say to me one day, he said, you know, as
24 we've looked at our plan, if we can get to the point
25 where our number of immediates goes down to zero, then

1 we're getting to that point where we're going to be
2 achieving that target zero.
3 (Slide)
4 MR. HERETH: I think one of the things that's
5 occurred over the past few years with the API and AOPL
6 in working through the development of the planning for
7 and responding to the integrity management rule has
8 been the development of API RP 1129, which is the
9 Integrity Management Standard for Hazardous Liquid
10 Pipelines.
11 They developed the beginnings of a structure
12 and recognize the importance of a structure of a
13 performance measurement system there. It's laid out to
14 help operators understand what the basics are to look
15 at leading and lagging indicators and to develop a
16 system that works for that operator in that context.
17 In a very similar way, the natural gas
18 industry, through the ASME, the American Society of
19 Mechanical Engineers, is actually -- it's a Committee
20 B318, developed a supplement on integrity management
21 called "B318S." And in that there's a section on
22 performance measurement and how to develop the
23 framework for a performance measurement system. In
24 fact, those four measures that Stacey has mentioned
25 that are in the natural gas rule for high consequence

1 areas found their way initially being developed in that
2 B318S.
3 I would add that there has been about a year-
4 long program that's been going on in -- in INGAA, and
5 -- which is the Interstate Natural Gas Association of
6 America -- also sponsored by the American Gas
7 Association. And we participated as a facilitator in
8 this process and looking at -- I think Stacey referred
9 to this before -- how can we define a full slate of
10 measures that are a value to use in showing all the way
11 from prevention, inspection, through mitigation, and
12 how can we begin to look at normalizing those in a
13 meaningful way: by miles, by barrel miles, by million
14 standard cubic feet of gas.
15 So that's where we're looking and comparing
16 and -- and making judgments about our improvement and
17 that we're doing that in a meaningful way.
18 The other thing that has occurred is that the
19 associations are working to share the safety
20 performance of the industry. And that's done in one
21 very simple way, through the Allegro report that's done
22 consistently. It's done for the oil industry and it
23 shows up on the AOPL site. It's done for the natural
24 gas interstate transmission industry, and that you can
25 get through INGAA. And that same study with a very

1 similar structure, again done by Allegro, is also being
2 done for gas distribution.
3 What that does is -- is public citizens, we
4 can look back and say, okay, how is that performance
5 trending in each one of those. What are the things
6 that we're seeing. Are we seeing improvement in
7 performance. Are there places where we can -- where we
8 need to get better. And that's again the key to all of
9 this, is performance measurement is -- is very
10 important in demonstrating or showing effectiveness but
11 it's really important also to step back and look at how
12 can we get better.
13 I think there's one more up --
14 (Slide)
15 MR. HERETH: Yeah. Just say, at this point
16 we look forward to hearing the ideas of others on the
17 panel. Thank you very much.
18 (Applause)
19 Panel Session on Performance Metrics
20 MS. GERARD: To help set the stage for this
21 challenging discussion of this panel, I believe that
22 this is the time when Lois was going to give us a
23 little bit more of her thoughts in this area. And very
24 happy to have her back with us and be on this panel.
25 And Lois has certainly played an active role

1 with this question for us as a member of our statutory
2 technical advisory committee. So we know she's done a
3 lot of work in this area, and we're very grateful for
4 her preparedness today.
5 MS. EPSTEIN: Thanks, Stacey.
6 We can go with the next slide.
7 (Slide)
8 MS. EPSTEIN: This is just some introductory
9 information for some of you that haven't in the past
10 heard some of the reasons why I think trying to get
11 more data to the public and to the regulators and to
12 other members of industry so that they can see how they
13 stand with respect to their peers is important.
14 The first point I want to make is that
15 there's a need for additional accountability. Those
16 operators that are doing a good job don't get the
17 recognition they deserve. Those who are doing a less
18 than adequate job need to also have that acknowledged
19 and have the public aware, the media, academia, the --
20 the regulators. There's all kinds of benefits from
21 information that is -- an information system that's
22 well designed from getting it out to the public.
23 What my experience has been, and I've been
24 working on environmental issues since the early 1980s,
25 when in the late 1980s the Toxic Release Inventory

1 Reporting System was put in place. What it did was --
2 resulted in immediate reductions over the first few
3 years. That reporting was provided to the public not
4 necessarily because the public walked in and demanded
5 less releases to be reported, although there was some
6 of that. But it's partly because those managers of --
7 of companies who were submitting the reports realized
8 that there was waste in their systems. There were
9 unnecessary releases. It had impacts to the
10 environment but also in terms of their public
11 relations. And they made commitments and set goals.
12 And it's -- I think it's terrific that, you
13 know, a goal of zero is now being more and more
14 promoted by different companies. But I think there are
15 some that are not there yet, and a system of consistent
16 reporting and accountability will help increase the
17 peer pressure on those that aren't there yet.
18 The second bullet is the point that I'd like
19 to make with the -- to those who aren't that familiar
20 with pipelines, that there are no periodic operating
21 permit renewals that take place. Once a pipeline is
22 sighted, pretty much the regulations are on automatic
23 and the operations are on automatic. And until there's
24 an incident, the public doesn't have the opportunity to
25 weigh in and ask questions, to go to a meeting where

1 there are 20 pipelines in your county and you can learn
2 a little bit about what the differences between
3 Pipeline A and Pipeline B that seem to be similar and
4 -- but the performance is different, that sort of
5 thing.
6 So this is -- the fact that there isn't a
7 process in place for periodic renewals of operating
8 permits where there's a lot of public information and
9 information transfer occurring leads me to think that a
10 periodic reporting of performance and in some level of
11 detail -- and that's going to be done by the company
12 anyway in terms of reporting to OPS or developing their
13 integrity management plans but actually making that
14 information public -- would serve as an alternative to
15 ongoing permit process.
16 The third point, which is that there needs to
17 be some analysis of comparative performance to serve as
18 an incentive for better performance is a very important
19 one. That's the kind of effort I undertook using the
20 Save Alaska's databases in Cook Inlet. It was very
21 labor-intensive for me to look at the releases over the
22 past five years of Cook Inlet's pipelines and
23 distinguish which were pipeline releases and which were
24 -- came from transmission and which came from a small
25 diesel line that was at a facility and shouldn't be

1 included in the data, for example.
2 But what it did was I was able to normalize
3 the data and show, for example, that Unical's pipelines
4 resulted in 76 percent of the spills over the past five
5 years whereas they only had 39 percent of the pipeline
6 mileage in the watershed. That's a significant
7 finding, especially when you compare it to another
8 operator, Cook Inlet Pipeline, that has 16 percent of
9 the mileage but only zero percent of the spills.
10 Literally zero. So it shows that better performance is
11 attainable.
12 And yes, there are reasons why there --
13 Unical has a more diverse range of pipelines. A lot of
14 them aren't regulated, but that's an important thing to
15 know, to know where the gaps are and to figure out why
16 there were disproportionate spills from particular
17 operators.
18 (Slide)
19 MS. EPSTEIN: And related to this point, and
20 I probably should have included an additional bullet,
21 is that it's very important to design a database so
22 that you can query it and you can sort it and you can
23 make it more accessible to the users.
24 Stacey's points that there are -- there are
25 -- it's very important to realize what the caveats

1 and limitations are of the database are critical. And
2 -- but when -- when it is designed in a way that useful
3 information can come out, it should be available to the
4 public to the maximum extent.
5 And then, last, I think the point about
6 security and CBIs, confidential business information,
7 we can't ignore that. Those are real business issues.
8 And at the same time, I think a careful analysis of
9 whether particular data elements are actually related
10 to security or not or even if they have a security
11 component, is it more important that the public get
12 information about a known risk versus a possible risk
13 that may be, you know, almost negligible in terms of
14 likelihood.
15 That -- that discussion needs to happen. And
16 I'm participating in some of that, but I think there
17 are even some other folks in this room that know a lot
18 more about that than I do. But at the same time, we
19 can't let the idea of security paralyze ourselves in
20 terms of providing additional information at this point
21 because there's a really strong need for more data and
22 accountability right now.
23 (Slide)
24 MS. EPSTEIN: I have a -- a short white paper
25 that I'd be happy to e-mail if they want to give me

1 their card after this. But I -- that discusses these
2 data elements in more detail. It's still a work in
3 progress.
4 But I wanted to lay out some of the critical,
5 in my mind at least, information that we believe that
6 is -- is not going to be a security concern. It's not
7 going to be confidential business information but would
8 provide useful information on comparative performance.
9 The first bullet point is pipeline segment
10 identification. That's very similar to what Denise was
11 talking about this morning. It's information about a
12 homogeneous in some -- you know, to the extent we can
13 identify it, segment -- segments that are different
14 than others. Those that fall into high consequence
15 areas are different from those that don't. Most
16 likely, it's a -- it's defined by something of
17 consistent age, consistent operational, geographic, and
18 ownership characteristics. That kind of information is
19 -- is just, you know, the basic element that you have
20 to work from.
21 The frequency of internal testing and the
22 testing methods used: high resolution, low resolution.
23 Why is Pipeline A going through a farmland-based
24 county tested more frequently than Pipeline B. There
25 may be some very good reasons, but there -- there may

1 be, you know, just operational decisions that I think
2 the public should be able to ask those kinds of
3 questions.
4 Data on the defects found. Not necessarily
5 specific information about where the defects are, but
6 statistical information. The question of how many
7 immediate repairs were done. I think that's a --
8 that's an excellent one.
9 There are testing results that can be
10 somewhat digested but made available to the public and
11 perhaps to state and local officials. More detail can
12 be given to them.
13 In terms of leak detection systems, right now
14 OPS doesn't have any requirements for performance of
15 leak detection systems. That's a critical issue
16 because if your sensitivity is not great enough, you're
17 not going to detect the small leaks. I've been very
18 impressed by some operators that have sort of triple
19 levels of redundancy with their leak detection systems.
20 But there's an operator in Cook Inlet with a
21 60-mile line that was just doing an input-output
22 analysis, and that was unacceptable. And that's --
23 that's changing, but you know, how are we to know that
24 until OPS did an investigation of their system after an
25 incident. That's not the way we should get at that

1 kind of information.
2 (Slide)
3 MS. EPSTEIN: The release and
4 overpressurization record. We just heard from Mark
5 some discussion about looking at the release record,
6 but there's also near-miss information that I think is
7 valuable and can provide an indication of -- of where
8 there are potential problems in the future. And method
9 of detection of overpressurization is another important
10 characteristic.
11 That information absolutely should be
12 normalized, and I think there are ways to do that. I
13 gave one example of the analysis I did in my report on
14 Cook Inlet's pipelines.
15 The greatest risks for pipeline segments. I
16 think there what we're talking about is something very
17 simple, sort of a hierarchy, a ranking, checklist,
18 whatever, just to give those who want some very basic
19 information about particular pipelines near where they
20 live. You know, what is the -- the highest risk. Is
21 it one pipeline in a county corrosion and another it's
22 weld problems and in another it's nearby development.
23 And maybe the development issue wasn't looked at
24 sufficiently by the operator and the public knows that
25 and thinks it should rank higher. So it's just a sort

1 of check on the operator's assessment of -- you know,
2 depending on the size of the -- the segment. That'll
3 be more or less valuable.
4 Distance between shutoff valves. That's
5 going to have -- be an indicator of whether there's
6 going to be a large release or a small release. I
7 think it may provide some insight to the public in
8 terms of how much investment we're talking about by a
9 pipeline. It's going to be related to geographic
10 characteristics, absolutely. It's going to be related
11 to size of the pipeline. But there are going to be
12 some interesting things that can be learned if that
13 data were made more available.
14 And then finally, we're not just talking
15 about accountability for the industry, but there's also
16 a level of governmental accountability that I think is
17 important and should be disclosed.
18 For example, states that are doing a lot of
19 inspections versus states that are doing less. That's
20 the kind of thing that OPS probably has a much better
21 handle on than -- than I do and the public does in
22 general.
23 Because if -- if everything seems fine and
24 then there's a big release and the state hasn't
25 actually done the number of inspections of another

1 state that has a similar pipeline infrastructure, you
2 know, there is some level of accountability there that
3 we should -- someone should have caught beforehand, but
4 if nothing else, after that can be looked at.
5 And that goes not just to the inspections but
6 also the enforcement record. States have some role in
7 that but so does OPS. How many referrals are states
8 doing to OPS and how many are being acted on for
9 interstate pipelines. I think that's a very
10 interesting question. If they're acting on more in one
11 state versus another state, there may be some good
12 reasons for that. But we need to understand why that
13 is and raise those questions, whereas right now we
14 don't have the data to -- to even begin to -- to look
15 into that.
16 And I'm not suggesting I'm going to do this
17 alone, but I think the -- the value of the information
18 getting out there is that there is then the -- the
19 ability -- and we don't -- we can't always predict all
20 the ways the information can be used. But I think
21 right now we really are -- are just left without the --
22 the details that we need to -- to even begin to do some
23 of these analyses.
24 (Slide)
25 MS. EPSTEIN: So finally, I just threw this

1 slide in because I went back and looked at my files.
2 And this was a talk I gave I think it was outside of
3 Dulles Airport in November of '99.
4 Just to say that for some of you this is a
5 new issue and it might seem like it may not have come
6 out of a lot discussions. But it really has been
7 something that has been discussed over the years. And
8 I just wanted to show that it -- it's -- we're
9 certainly beginning to make progress but there's --
10 there's still -- these gaps have been identified and we
11 really have to start pinning down and filling them as
12 soon as possible.
13 Thank you.
14 (Applause)
15 MS. GERARD: Having known Lois for a long
16 time, any time I hear the word "some progress" I always
17 go, well, we're on the right track. She's a hard
18 grader.
19 At this point I think we ought to review the
20 questions that we've asked the panel to address. You
21 know, what are the types of indicators that are of
22 value to the public in order to understand the
23 effectiveness of operators overall? Safety and
24 environmental performance. That could be the operator,
25 that could be the whole industry. That could be the

1 government, federal or state.
2 Who should supply information about those
3 indicators to the public and how should that be
4 supplied?
5 What types of indicators are of value to the
6 public in order to understand the effectiveness of
7 federal and state pipeline regulatory programs and how
8 should that information be supplied?
9 Are there additional performance measures
10 specific to the new requirements for operators to have
11 integrity management programs, and how are they of
12 value to the public and state and local officials?
13 I do hear some acknowledgement here about
14 sort of a graded approach, sort of sorting the
15 information based on the functionality there.
16 I was negligent in mentioning earlier an
17 aspect of the new legislation that passed December
18 17th, new federal legislation, that does provide for
19 grants for pipeline information to communities. And
20 the whole question of, you know, what is the role of
21 the public in performing these types of evaluations,
22 you know, particularly in the area of risk assessment.
23 And you know, as a federal official
24 responsible for implementing that, you know, I would
25 love to hear coming out of the discussions today some

1 characterization of what value we should be looking for
2 as awardees -- as making awards to awardees. What
3 should the awardee organization, you know, be able to
4 perform? You know, and are there a set of criteria
5 that the receiving organization should be held to in
6 being able to perform that service? Because we're
7 certainly talking about, you know, creating a new
8 function here that has not been previously performed in
9 -- in federal law.
10 And so I think that the heart of the material
11 for this panel to discuss, you know, should go to that
12 question because, while the first panel we purposely
13 focused on the sharing of integrity information with
14 state and local officials, it's in this panel that we
15 recognize more particularly the role of the public in
16 evaluating performance, both from a policy standpoint
17 and a more practical and utilitarian standpoint.
18 So we're really in the Army now, guys. And
19 we have a great panel who's up to the task. Really
20 sort of blue ribbon look to you sitting there.
21 Some other introductions.
22 Rick Kuprewicz is president of Accufax, Inc.,
23 a consulting firm that provides risk management focus
24 on gas and liquid pipeline design and operation and
25 particularly focusing on areas of consequence,

1 population density, and environmental sensitivity.
2 He's experienced with both American and Canadian and
3 state and provincial standards and regulations. He has
4 certainly played a key role in the Bellingham community
5 in negotiating action plans following the accident and
6 in dealing with the long-term franchise agreement.
7 Phil Schaenman -- let's see. Yeah. You're
8 identifying yourselves. Good.
9 I've known him longer than anybody in the
10 room. He was sort of one of my professional fathers
11 back in the '70s when we were both working in the fire
12 safety environment. And Phil was the data geek du jour
13 and I was in the public ed business at that time. And
14 he has been for the last 25 years serving as an expert
15 in evaluating and measuring pipeline safety
16 performance.
17 He is the founder of his company, TriData
18 Corporation, and in that capacity has consulted with
19 many local governments, including cities in the state
20 of Washington. He's co-authored many publications on
21 performance measures, has worked with the American
22 Petroleum Institute on evaluating safety statistics as
23 early as the early '80s.
24 And he puts on his resume that he was one of
25 the first charter senior executives in the federal

1 government and he was previously an associate
2 administrator with the United States Fire
3 Administration.
4 Chuck Mosher is now a council member with the
5 City of Bellevue, having previously served as mayor,
6 deputy mayor, environmental services commission
7 liaison, planning commission liaison for the City of
8 Bellevue. He has a number of assignments with the
9 Transportation Commission, the Disability Board,
10 Regional Issues Committee, the Bellevue Sisters
11 Association.
12 I've seen him working at the national level
13 with the National League of Cities and serves on a
14 number of their energy, environment, and natural
15 resources steering committees. He's also active with
16 the Association of Washington Cities Executive Board.
17 Nancy Wolfe has been a state pipeline safety
18 program manager for a number of years with the state of
19 California, the fire marshal's office, where she's now
20 the deputy state fire marshal since 1979. She has
21 spent many years dealing with supervising code
22 enforcement issues. She's managed the state Fire
23 Training and Fire Engineering Divisions.
24 She is responsible for overseeing the
25 pipeline safety program there, which covers 8000 miles

1 of interstate and intrastate hazardous liquid
2 pipelines.
3 I guess it was in the year 2000, actually,
4 that you were appointed by the governor to be the
5 assistant state fire marshal, not 1979.
6 So she is responsible for day-to-day
7 administration of enforcement, engineering, and
8 education programs within the California State Fire
9 Marshal's Office.
10 So Mark -- oh, did I skip somebody? I'm
11 sorry. I did skip Carol.
12 I know I have your biography here, Carol.
13 But since I can't find it, can you introduce yourself?
14 MS. PARKER: Sure. My name is Carol Parker.
15 I'm a vice president of Citizens for Safe Pipelines,
16 which is a New Mexico non-profit corporation that was
17 formed after three local pipeline spills near our
18 community and the Carlsbad pipeline explosion.
19 I'm a second year law student at the
20 University of New Mexico and I have an MBA from UNM and
21 a Masters of Science in biology from the University of
22 Rochester.
23 Happy to be here today.
24 MS. GERARD: And Carol has been a -- a
25 prolific commenter on our dockets for our rulemakings.

1 And I would say I've never seen more intelligent and
2 thoughtful comments than Carol has put on the docket.
3 And I would refer you to some of her comments on the
4 docket for the liquid integrity management rulemakings.
5 So Mark and Lois, do you have additional
6 comments to make from the panel?
7 Okay. Then, Carol, why don't we start with
8 you and work on down the road?
9 MS. PARKER: Okay. I'd like to start by
10 going back to a comment we heard at the end of this
11 morning's meeting about -- from the fellow from
12 Williams, in essence asking, gee, all this information
13 we're being asked to provide, is that what other
14 industries are being asked to provide. And I read into
15 that a question, why are we here? And I would like to
16 tell you a little story about why we are here.
17 There was little girl who was five years old
18 and she was with her mother and the rest of her family.
19 And they were doing the quintessentially American
20 thing. They were picnicking and fishing and enjoying
21 the great outdoors. And a pipeline near them exploded.
22 For 40 minutes, 4-0, hundreds of feet in the
23 air several explosions roared into the dark sky because
24 it wasn't even morning yet. And they cowered there for
25 40 minutes. And when they finally got a pipeline guy

1 to turn the pipeline off the old-fashioned way with a
2 crank and the fire people were finally able to hear the
3 screams of the victims and they came to get Kirsten,
4 Kirsten didn't want to leave her mother. And Kirsten
5 said, don't take me from my mommy. And her mommy said,
6 go with the fireman. He'll take good care of you.
7 Now, ladies and gentleman, Kirsten Sumler was
8 long beyond good taking care of. She was burned over
9 almost 80 percent of her body, and she died before the
10 people at Galveston Burn Unit could help her out.
11 But we are here because we the public want to
12 know that you will take good care of us. And our faith
13 in that has been greatly shaken.
14 So when you ask yourself why, why are we
15 being chosen, I want you to go out and find a five-
16 year-old and understand how innocent they are and
17 understand that having one cower under a natural gas
18 flame for 40 minutes, if even one happens, is
19 unacceptable.
20 So, performance metrics, a little drier
21 subject.
22 I think the first thing the public wants to
23 know and one that past experience would lead us to
24 believe there's some debate over, who operates this
25 pipeline. And that ought to be of legal consequence,

1 that you're on the tag, your name, your company, your
2 corporate liability and your insurance is on there, and
3 you're operating that pipeline. And furthermore, if
4 you're not the one listed as the operator, there ought
5 to be an OPS civil penalty for saying that you are so
6 that you can't bring the big oil companies out from the
7 background to say, we're operating this pipeline when
8 you want to get a new pipeline approved and then put
9 the little tiny pipeline company in front when an
10 accident happens. That ought to be something that's
11 established in known quantity.
12 We'd like to be able to compare this pipeline
13 in our backyards to other pipelines. We'd like to
14 compare this operator to other operators and we'd like
15 to compare these owners to other owners.
16 We'd like to have benchmarks. For example,
17 barrels spilled per million barrels transported either
18 by this pipeline, by this operator, by category -- in
19 other words, refined product pipelines -- and by
20 industry.
21 How many millions of barrels have you
22 transported without an accident or spill? That's a
23 pretty common -- I mean, shoot, the gravel company near
24 me has a big sign out front that says, we've had so
25 many man-hours or so many hours or so many days without

1 a lost-time accident. Well, how long has it been since
2 you didn't have any spills? We'd like to know.
3 We'd like to know how you inspect your
4 pipeline. The frequency of the inspection, by what
5 methods. So if we want to go back and learn about
6 transverse flux magnetic pigs we know whether you used
7 one on your pipeline.
8 We'd like to know how long it takes before
9 you've done an inspection run to when you actually go
10 do an excavation for the things that meet your
11 criteria.
12 We'd like to know your compliance history.
13 So we'd like to go into the OPS web site and click on
14 "XYZ Pipeline Company," and we'd like to see everything
15 you've ever gotten from OPS and exactly what happened
16 and whether the fine was ever collected and how long it
17 took OPS to collect the fine.
18 We'd like to see, and I think this has
19 already been addressed, the reasons for spills broken
20 out better. I had the unhappy experience of having a
21 pipeline company not too far from our community cut
22 their own pipeline with a backhoe and have it explained
23 to me by the pipeline guy to say, oh, it was just
24 stupid. You know, they got up that morning and the
25 plans were in the office and so they went out and

1 excavated without them.
2 Well, there isn't anybody other than a
3 pipeline company that should know better than backhoes
4 cause some of the worst accidents. So if they're
5 stupid enough to get up in the morning and leave the
6 plans in the office and go out to do the excavation and
7 not say, hold, stop, I'd like to see that not
8 classified as third party damage. To me, that's
9 operator error.
10 I'd like to know whether your pipe has pre-
11 1970 ERW welds. I'd like to know when -- let's see
12 here -- when a weld failure occurs, why did it occur.
13 Because if I've got a pipe in my backyard that has pre-
14 1970 low frequency ERW pipe and you've had weld
15 failures elsewhere, I sure want to know more about
16 that.
17 I want to know the age of your pipe. I want
18 to know where you've addressed depth of cover issues.
19 You know, I know I hear so much about how age of pipes
20 don't matter. And yet, at the same time, I see things
21 where they say, gee, one of the great things we have
22 now is when we put a new pipeline in, we put warning
23 webbing in so that some unscheduled backhoe visit comes
24 along, he finds the webbing before he finds the
25 pipeline and he stops. Well, gee, that makes me think

1 that a newer pipeline is safer than an older pipeline.
2 I read about pre-1970 ERW welds. Makes me
3 think that a pipe without that would be a better pipe.
4 I read about better epoxy coatings. And
5 heaven knows, anybody that's ever used super glue and
6 risked sticking their fingers together knows that
7 epoxy's made great strides.
8 So your explanation that age of a pipe
9 doesn't make a difference, I don't buy it. I don't
10 think that dog hunts. And I would like to see a lot
11 more research on that to clarify that.
12 I'd like to know how long it takes you to
13 shut down your pipeline and how long it really was
14 before you did. In other words, on accidents, if you
15 had an accident at 1:00, when did the pipeline get shut
16 down.
17 On your control room operators, I'd like to
18 know their years of experience, and I don't mean
19 average. So if you've got somebody that's been there
20 for 25 years and somebody that started this morning,
21 we're going to say 12 years.
22 I'd like to know that -- you know, I mean,
23 with all due respect, I think I hear a lot of stuff
24 like that sometimes and it just aggravates me no end.
25 I'd like to see training involving written

1 documented exams. And -- and I would, frankly, rather
2 see the safety statistics coming from Office of
3 Pipeline Safety than from the Association of Oil
4 Pipelines. Just frankly, OPS has more credibility in
5 that area, but you know, Association of Oil Pipelines
6 would be doing the world a great service if they'd
7 invent some kind of certificate of written training
8 that your control room operators could have so that you
9 could say, my control rooms have all -- these operators
10 have all passed this standard test.
11 Somebody I was talking to who -- about
12 pipeline safety said, shoot, you know, I have to have a
13 license to cut hair and you mean to tell me they don't
14 have to have a license to turn on the pipeline. Sad,
15 but true.
16 As to who should supply that information, I
17 think I said that. I'd like it to come from Office of
18 Pipeline Safety. I think that the credibility is going
19 to be a lot stronger there. I think there's always the
20 danger that when the industry is creating its own
21 safety statistics, it's just not going to cut it for
22 credibility.
23 I realize Office of Pipeline Safety has had
24 some problems, but I do believe that they're making
25 meaningful efforts. And I can call my senator and I

1 can get my senator's office chewing on OPS. They're
2 not going to chew on INGAA.
3 Indicators of value to the public. I'd like
4 to see OPS doing compliance audits. I'd like OPS to
5 have a 1-800 number that if you see certain things
6 going on in the vicinity of a pipeline, call the
7 operator. And if you don't get any satisfaction, call
8 OPS.
9 I'd like to tell the public how to recognize
10 compliance issues. If you don't have stakes and you
11 know there's a pipeline nearby, that's a compliance
12 issue that any member of the public doesn't need
13 technical information to understand.
14 I'd like to have a place where people can
15 call if they think there's a possibility that
16 construction is happening and it's not being monitored.
17 When there's corrosion. I found a pipeline
18 not too far from my house that was hanging out in a
19 creek subject to flash floods with the tape peeling off
20 of it. And the operator wouldn't do anything about it.
21 I'd like a 1-800 number on that pipeline
22 stake that says OPS. Call the operator and if that
23 doesn't work, call us.
24 I'd like the ability to fire a complaint on
25 the web.

1 I'd like public education programs. How to
2 spot a leak and what to do and not to do. Now, I know
3 you all send that out and I just got one recently. But
4 you know, it looks just like the circulars I get from
5 the grocery store and it doesn't even make it through
6 the door into the house. It goes straight into the
7 trash. I think you need to think about how you do
8 those -- that information. It's considerably too
9 familiar to junk mail.
10 I think there ought to be full access to
11 compliance efforts. How many inspectors OPS has, what
12 their experience is, what training they are -- have,
13 the frequency of inspections that they do, the ratios
14 of inspectors to operators, the ratio of inspectors to
15 miles of pipeline, the frequency of enforcement action.
16 I think it is imperative for those of you who
17 are frustrated with being made to do more by
18 regulators, it is imperative that you put yourself in
19 the shoes of the public who is not worried about the
20 Rhodes scholars who are operating pipelines. They are
21 worried about the infrequent but apparently existing
22 Three Stooges. Put yourself in their shoes. If you
23 had a strong regulator who assessed fines and collected
24 them, well, the public would feel that there was some
25 reason to believe that there were good operators

1 because they wouldn't be the ones getting the fines.
2 And then finally, with respect to additional
3 performance measures, like to know the means that
4 you're using. It would be great. What kind of pigs
5 are you using, what's your criteria for evaluation.
6 And then the last -- last item, the number of
7 eligible anomalies in your inspections. So how many
8 excavations are you doing, what are you finding. That
9 can be combined into some kind of statistical -- I
10 don't need to know the security information, but I want
11 to know I'm well taken care of. I want my community to
12 be well taken care of. I don't want another city in my
13 state to become the poster child for a pipeline that
14 isn't maintained. And anybody that thinks that you can
15 leave a piece of steel in the ground for 48 years and
16 not inspect it is delusional.
17 The time has passed that we can go out and
18 kill people by a dozen and say, yeah, but it doesn't
19 happen very often. I want to know I'm well taken care
20 of. Thank you very much.
21 (Applause)
22 MR. KUPREWICZ: I'm Rick Kuprewicz. As you
23 can tell from some of the previous comments, there's a
24 crisis generating in this country. It's a crisis of
25 confidence and credibility. It shouldn't have to

1 exist. However, it's generating at grassroot levels
2 and you need to think about that.
3 The infrastructure, the gas and liquid
4 infrastructure in this country is critically important.
5 And what I want to talk about or present to you this
6 afternoon is a few basic concepts that we -- we utilize
7 and have been utilizing for almost 30 years in various
8 operations. They've kept me alive. They've kept me
9 out of trouble. And they represent a wealth of more
10 than one company's perspective.
11 In addressing the question of what type of
12 indicators are of value to the public, in order to
13 understand the effectiveness of an operator's overall
14 safety and environmental program, I'm going to hit on
15 what I'll call four generic issues. None of them are
16 what I call national security issues. You want to talk
17 about lost credibility, you raise a smoke screen of
18 national security and the public finds out after an
19 event that you could have prevented it with common
20 knowledge that's readily in the common knowledge,
21 you're going to have a mountain of credibility gap
22 that's going to be very difficult to overcome.
23 Now, there are legitimate security issues on
24 a few segments of pipeline in the United States but not
25 on much.

1 Those four basic principals are -- or what
2 I'll call indicators are in order with the most
3 important first. The management process indicators,
4 design indicators, operational indicators, and lastly
5 and of importance, integrity management indicators.
6 Without getting into a lot of detail because
7 of time, I'll just cut -- cut -- touch on a couple of
8 examples of the various types of indicators.
9 In the management process indicators, the
10 number one priority issue, we look for a clear what we
11 call baseline data understanding of the pipeline system
12 or segment. And I've got to be careful here because
13 this is going to get confusing because baseline data
14 was used 20 to 30 years ago, well before high
15 consequence area rulemaking. So it is not the same
16 word.
17 Baseline data to me is, do you understand the
18 system's intended ability to put pressure into a piece
19 of steel and how to control it so that it doesn't
20 overpressure. What levels of protections you've had --
21 you have incorporated into your design. Do you clearly
22 understand these. I continually run across many good
23 people in this industry. What I continually observe
24 across the country is, because of all the changes or
25 for various reasons, a lack of clear understanding of

1 the basic principals of how they operate their
2 pipelines and control them.
3 Now, that sounds amazing. But when you get
4 down and just ask somebody, draw me a simple picture of
5 the system we're talking about, it just gets -- you
6 know, some can do it, many cannot. That is a
7 fundamental problem here.
8 Are there appropriate checks and balances
9 within the management approach or style that take into
10 consideration the risk factors associated with the
11 operation. Operating a pipeline in Jack Rabbit,
12 Wyoming, may be slightly different than in Los Angeles
13 basically, granted. That's the purpose of some of the
14 risk management approaches. So not -- one size does
15 not fit all.
16 Traditionally, in the evolution of pipeline
17 companies, the management structure has historically
18 called upon experience of 20 to 30 years management
19 approaches which were -- which built in traditional
20 checks and balances. However, if you were to look at
21 one consistent factor going on in the energy industry,
22 specifically in the transportation industry, you'll see
23 a recurring theme going on in the last 15 years.
24 Continual change and restructuring related to ownership
25 changes or other factors related to changes in the

1 operator.
2 Understanding the clear baseline data seems
3 fairly simple. Integrated with that process, however,
4 even though it isn't required under federal
5 regulations, is a management of change process
6 commensurate with the type of change you're about to
7 make to your pipeline. And to me, this seems like
8 Management 101. Many companies already have this
9 integrated into their management style. Again, it
10 doesn't have to be regulated because it applies to
11 common sense approaches.
12 A management change process means any change
13 to your pipeline baseline design system that is not a
14 replacement in kind. An example might be good here to
15 illustrate.
16 If you've been running your pump stations
17 with an 11-inch impeller and then for some reason
18 you've decided to change your design to an 11 and a
19 half inch impeller, that is not a change in kind.
20 You've now changed something about your pipeline and
21 somebody needs to review that. Now, it may be it just
22 requires a simple engineering review and a sign-off.
23 A more complicated example might be, you're
24 adding an entirely brand new compressor or pump station
25 into an existing pipeline system that originally wasn't

1 in the original design. That would require more
2 dedicated or sophisticated review. I mean, that's just
3 common sense.
4 We look for signs in the management process
5 of misapplication of risk management. We consistently
6 see problems in this area. Step back from your risk
7 management approach. In the busy day-to-day things
8 that are coming at you, everybody seems to be
9 overwhelmed with too much work. But when you're
10 applying risk management principals to your pipeline
11 operation, I implore the folks who are making the
12 decisions to step back and ask yourself, do the
13 conclusions that you're coming out with your risk
14 management approach, do they make sense. If they
15 don't, you might want to step back and ask yourself.
16 The numbers add up but they don't make sense.
17 The fundamental question that's already been
18 touched on this -- this afternoon, who is in charge of
19 this pipeline operation. It is damn embarrassing as a
20 representative of the industry when someone asks, who's
21 the operator of this pipeline, and we don't get a
22 straight answer. Fortunately, there are many
23 responsible pipeline operators who have no problem
24 stepping up to the plate to do that.
25 But if you want to talk about loss of

1 credibility, if you can't tell the public after an
2 incident who the operator is, it's a terrible gap to
3 overcome.
4 On design indicators, are you approaching the
5 design from a system perspective or from a component
6 perspective. I've had more conversations with
7 engineers and instrument folks and various risk
8 managers who are saying, we've put redundant system
9 failures in here to ensure that we will not have
10 failure, and they're looking at their -- their -- their
11 pipeline in a micro-world environment. They forget
12 that changes can occur 100 miles away that can affect a
13 pipeline operation 100 miles upstream. Look at the
14 system.
15 You need to know your design limits and your
16 critical set points. You don't have to know them all.
17 But if we get -- if we ask the question, what is your
18 fundamental design set points here for your safety-
19 critical devices, and you don't get a quick answer from
20 somebody who's supposed to know, you probably are going
21 to have a tremendous credibility gap here. That should
22 be fairly well documented.
23 The issue of fail-safe which has been getting
24 much discussion in the last 15 years breaches a lot of
25 discussion within the industry as well. A lot of

1 people are trying to justify the use of the operator,
2 whether it be the control center operator or somebody
3 in the field, that they are a fail-safe device to
4 prevent overpressurization on a pipeline.
5 Rick Kuprewicz's definition of fail-safe is,
6 you have installed appropriate equipment in your system
7 design and operation of your pipeline systems such that
8 the operator, whether it be a control center person or
9 a field operator, cannot put you into an unsafe
10 operation. To do so probably constitutes criminal
11 negligence.
12 On the design of safety-critical equipment,
13 again still expanding on design indicators, we look for
14 confusion between redundancy of safety-equipment and
15 independency. Many folks who are involved with risk
16 management understand the concept of independency.
17 Independency means you have got more than one level of
18 protection on safety-critical equipment so that they
19 will not become linked by some initiator that will
20 cause a -- a vent to occur.
21 A good example would be the space shuttle
22 Challenger. There, the Challenger was designed with
23 two O-ring systems. The managers making the decision
24 to launch ignored the factor that low temperature would
25 link redundant seals to one failure mechanism, low

1 temperature launch, with the tragic consequences
2 accordingly.
3 Operational indicators. We look for
4 pressures operating in excess of MOP or MAOP,
5 recognizing that they are permitted in federal
6 regulations. And I don't have a problem with that.
7 What we have a problem with are -- recurrent operations
8 in excess of 110 percent MOP or MAOP. That is a
9 serious flag that there may be serious problems with
10 your design bases for your operation.
11 We are advising the Office of Pipeline Safety
12 to remove Federal Regulations 195.55(b) and 191.23(b)
13 exempting operators of pipeline systems from reporting
14 excessive overpressure operations in excess of 110
15 percent.
16 In an operational -- again, back to the
17 operational indicators, we ask ourselves when we come
18 in to look at control center operators, are they
19 getting too many false alarms. And this -- this is a
20 tough one. I don't have a "yes" or "no" answer for you
21 on this one.
22 But if the operators tend to ignore alarms,
23 there's a good indication within your operation that
24 they're probably getting too many alarms. And you're
25 training them to ignore. That is an operational set-up

1 and it sets up your company.
2 On the integrity management front, we believe
3 that integrity management can play an important role in
4 the overall management processes of a safe and sound
5 prudent pipeline operation. We must caution that
6 overfocus on integrity management at the expense of
7 other more prudent and cost-effective management
8 practices is an unwise maneuver.
9 In your integrity management programs, we
10 look for indications that you have clearly identified
11 in your risk management approaches risks of concern
12 that are unique to your specific pipeline or, more
13 importantly, your pipeline segments. And they may be
14 different for various pipelines. If you can't clearly
15 understand or define your risk of concern, how can you
16 defend the proper selection of the tools that you may
17 choose to mitigate your risks of concern.
18 It's important that you choose the right
19 tools for the right risks of concern. Right now the
20 federal regulations in the high consequence areas fall
21 back to three areas: hydrotesting, in-line inspection,
22 direct assessments, which everybody's wrestling with.
23 And now I see under the new gas high consequence areas
24 -- I think there's also a liquid as well. They're also
25 allowed -- they give you the freedom to choose other

1 technologies, but you'll have to defend that choice.
2 I would advise that if the fourth choice,
3 other technologies, is given to exempt the operation or
4 the selection of the previous three integrity
5 management tools, then the public needs to be made
6 aware of that choice. That's a public -- it should be
7 in the public domain.
8 On the question, are there additional
9 performance measures related specifically to the new
10 requirements for operators to have integrity management
11 programs of value to the public or to state and local
12 officials, right now one of the traps that we see
13 within the industry -- and I think it's not
14 intentional. I think people are trying to wrestle with
15 a very difficult issue here -- is in -- in driving or
16 choosing the use of smart pigs, understand the
17 limitations of the -- of that particular tool that
18 you've opted to use.
19 We have not seen referenced in the API
20 standards that have evolved as pigging tools have
21 become more available the utilization of confidence
22 curves or calibration curves for smart pigs. To
23 utilize a smart pig without the development of a
24 calibration curve puts the pipeline operator at great
25 risk. Where the OPS can work in terms of research

1 efforts to foster the enhancement of this tool is in
2 developing the technology or the information or the
3 industry standards to help clarify the limits of each
4 of these particular tools.
5 An example may be prudent here. If you are
6 choosing to use or select high res mag flux tools for
7 your pipeline segments and corrosion is not a risk of
8 concern on your pipeline segments, you are probably
9 wasting your company's money.
10 That's all I have. Thank you.
11 (Applause)
12 MR. MOSHER: My name is Chuck Mosher.
13 Currently president of the Association of Washington
14 Cities. And for some 30 years, I worked for the GAO,
15 General Accounting Office. A politician at GAO,
16 obviously I'm here to help you.
17 (Laughter)
18 MR. MOSHER: One of the things I want to --
19 to express concern about what I've heard so far when
20 you get into performance metrics, performance measures,
21 it's a very important thing for the public to know.
22 But we're trying to establish competence, trying to
23 establish credibility, and trying to establish trust.
24 It's hard to do when everyone's confused.
25 And some of the terms I've heard so far that

1 really send people off the deep end right off the bat
2 -- hate to put it that way, but they do --
3 "anomalies." There's a term you use every day. That
4 word is an anomaly to the average person in the public.
5 (Laughter)
6 MR. MOSHER: API RP 1129. ESMA A3L dot 8S.
7 Pre-1970 ERW welds. Boy, you could just talk about
8 that and you've lost them. You know, and here you are
9 trying to establish credibility from the information
10 you're presenting to them.
11 My point is, when you get into jargon and you
12 get into the things -- "smart pigs" is really a
13 favorite of my constituents.
14 (Laughter)
15 MR. MOSHER: You know, sometimes they may
16 think they're better than us politicians. A smart pig
17 would be better.
18 (Laughter)
19 MR. MOSHER: But -- but when you get into
20 this, don't overdo it, folks. You know, when I think
21 you -- you get -- the more complexity you get, the more
22 you're going to end up turning people off or saying
23 you're trying to "optiscate." Hate to tell you that,
24 but that's part of what you have.
25 So you get into performance measures for the

1 industry. To the extent you do have comparative
2 statistics, to the extent you do have some standards
3 you can compare it to, that does help because you --
4 rather than just having statistics, you're trying to
5 compare it to some sort of normal standard.
6 What types of indicators are valuable to the
7 public in order to understand the effectiveness. Well,
8 the numbers of tests you do, the frequency of those
9 tests, independent reviews of those operations, and
10 credibility of the firms that do those -- or the
11 agencies that do those independent reviews.
12 Review issues noted. Number of corrected
13 and the number that are outstanding. Fines and
14 penalties, the amount of fines and penalties, the
15 number of fines and penalties.
16 You want to be -- have really open reporting
17 of this. You don't want to hide it because if people
18 -- if you don't report it and people find it out, you
19 rapidly lose credibility. So it doesn't do any good to
20 hide it. Give the information and then try to give a
21 good, succinct, simple explanation of it.
22 It helps to talk about the number of
23 emergency exercises and the work that you're doing with
24 the local emergency management operations.
25 Who should supply information about the

1 indicators to the public. The companies in some case.
2 That helps. But it helps if you also have a variety
3 of sources, if you also have your state, in our case,
4 WU -- Washington Utilities Transportation
5 Commission, WUTC, or Office of Pipeline Safety.
6 Central web site where you can get the information.
7 If you can get that information that says
8 what types of indicators out to the public. Number of
9 companies nationally, statewide. Miles of interstate
10 and intrastate pipelines. Number and types of
11 problems. Standards, comparing it with standards.
12 That helps.
13 Are additional performance measures related
14 specifically to new requirements for operators to have
15 integrity management programs of value to the public.
16 I hate to tell you this, but integrity management,
17 again, is a jargon term to the public. Other than the
18 fact that, as a member of the public, as a public
19 official, I'd say, well, if that's a new program you're
20 supposed to have, is the program complete and in place
21 and has someone looked at it.
22 And one of the things about the independent
23 reviews that I found most important here in Washington
24 state that really was the biggest problem that I saw
25 was I really didn't see field audits. You know, and

1 what I got was a lot of information about audits. But
2 I rapidly found from right after the explosion and we
3 got into it from a task force standpoint, then with the
4 Citizens Committee, we had a lot of -- very few
5 inspectors. OPS really had relatively few inspectors
6 to do the work. And it seemed to us that most of the
7 work was being done at headquarters offices, more
8 paperwork type of studies.
9 So to me, a key right now is, we now have
10 experienced WUTC inspectors that are assisting OPS.
11 We're very happy to see that there are enough
12 inspectors to actually get around to all the companies
13 in the state within a year. They may not cover
14 everything, but the fact that they're in the field
15 independently verifying, looking at operations, not
16 just looking at paperwork, I think is very important.
17 And the report that they presented to the -- our
18 Citizens Committee on Pipeline Safety which shows that
19 -- all the potential areas for inspection, shows how
20 many have been covered, shows a list of, well, how many
21 outstanding issues are there. And we still have to get
22 some experience with, okay, we have those issues being
23 taken care of, what are the issues and how much in
24 fines and penalties and the number of fines and
25 penalties.

1 I can assure you if you go into the state
2 program or the national level and you're reporting
3 information and you say, well, we've gone for 10 years,
4 there have been absolutely no fines and penalties, the
5 public will look on that really with question. If over
6 time you see that the fines and penalties -- or, excuse
7 me, the issues, there's a pretty clear-cut listing of
8 the issues, the fact that they've been covered, the
9 fact that you see that there are fewer of these
10 problems over time, all that information will really
11 add credibility to the program.
12 So those are a few thoughts that I had from
13 the local government level.
14 (Applause)
15 MR. SCHAENMAN: Geek du jour? My brain is
16 still scrambled from Stacey saying I was the geek du
17 jour.
18 (Laughter)
19 MR. SCHAENMAN: So I don't know if I have to
20 get up and do a lambada that I learned in Rio to show
21 I'm no longer the geek du jour, but --
22 (Laughter)
23 MS. GERARD: It was a term of affection.
24 MR. SCHAENMAN: It's a term of affection.
25 (Laughter)

1 MR. SCHAENMAN: If at one time I was the geek
2 du jour, I had four engineering degrees. And I was
3 mainly focused on data at a time I met Stacey, and she
4 was mainly focused on public education. And over the
5 years, we sort of did a waltz around, and she's now
6 running databases and I'm focused on public education
7 and the citizens' view. So we've sort of shifted a
8 little bit.
9 MS. GERARD: -- terms.
10 MR. SCHAENMAN: I'm amazed at -- I've been
11 working in performance measures for 25 years. I tried
12 to get the federal government involved 25 years ago
13 when I was working in the Bell system on manned space
14 flight, as a matter of fact, and the Bell system was
15 very well performance measured. And the federal
16 government didn't want to have anything to do with
17 performance measures. They thought it was ridiculous.
18 Presidents didn't pay any attention to that.
19 But local governments were, and I worked at
20 the Urban Institute developing performance measures for
21 local governments. Now the federal government's come
22 around.
23 I have worked a lot of years on how do you
24 develop performance measures. I'm both awed on how
25 much on target comments were made from so many

1 different points of view by my fellow panelists, and I
2 also want to wring a couple of their necks because a
3 lot of what's discussed isn't performance measures.
4 It's other stuff. It's engineering design. It's
5 regulatory matters. It's not all performance measures.
6 One of the things that's needed to make sense
7 out of all these different kind of measures is to -- is
8 to find some way to organize things that the public
9 would understand. I want to talk about three things.
10 One is that there are different publics. We have the
11 very knowledgeable publics represented by people like
12 Carol Parker and Lois Epstein. And we have the more
13 general public who lives along pipeline -- near a
14 pipeline. And we have then the general general public
15 who doesn't live near pipelines.
16 And the public only has a certain amount of
17 stomach for engineering data and -- and performance
18 measures before they get very bored and their eyes
19 glaze over, and you don't want to lose them.
20 So one thing you need to do is try to think
21 about which public you're talking about when you
22 develop performance measures. And you can develop a
23 nested set of performance measures and you can present
24 them in ways that make more sense than others. So I
25 want to talk just briefly about the display of the

1 measures because I think it's critical.
2 So, first you have the different publics.
3 For almost any of those publics, I think when you talk
4 about pipeline safety, there -- there are just four or
5 five categories of things that one can use as
6 organizing principal. One is the history. Mark Hereth
7 was talking about looking backwards, but I think you
8 could look right up to the minute on what is the safety
9 history. And various people talked about the number of
10 breaks or amount of spills, number of injuries or
11 deaths associated with pipeline injuries. That's the
12 bottom line of safety after all the engineering is said
13 and done. So you got that -- the safety history.
14 Then, the next organizing principal might be,
15 well, how do you -- how do you cause all of these
16 different things. What are the -- what are the -- what
17 are the cause mechanisms. One group is how you built
18 the pipe in the first place, the basic engineering that
19 went into the pipe.
20 The second is how well you maintain the pipe,
21 which includes inspections and repair. That's whether
22 the pipe's going to fall apart or not or it's
23 corroding. Is it going to destruct when you pressure
24 it.
25 And there's another category, which is the

1 public education or behavioral measures. Are the
2 backhoe operators going to chop into the pipe. Is the
3 public going to do something to the pipe.
4 And then a set of measures that deal with
5 response. Once there is an incident, how well do you
6 contain it, which has to do with how -- how fast you --
7 can you turn valves off, how fast can you report, how
8 fast do you respond. There's a set of measures that
9 deal with responses.
10 Each of these has its own complexity and
11 hierarchies, and it can really scramble your mind if
12 you're not expert in it to deal with all of them. I'm
13 a big fan of "Consumer Reports" and the way they
14 present information. And one way you could organize
15 this stuff is to -- is to have for each of these
16 engineering things that contribute to each of these
17 categories something like a "Consumer Reports" picture
18 on the reliability of a car, okay, where if you're
19 above the industry average or above a standard, you
20 know, you're orange. And if you're half -- you're a
21 little bit above, you're half orange. And if you're
22 about the standard, you're -- you're a blank circle.
23 And if you're below, you sort of have a black circle.
24 And you can actually -- I mean, that's just
25 one of many ways to present information to the public

1 of seeing a bunch of -- of parameters that affect pipe
2 safety that they could quickly look at and say, okay,
3 is this pipe golden or is this pipe all black marks.
4 And behind each one of those can be a
5 definition, just like "Consumer Reports" has, that --
6 that is a quantified definition of what you mean by
7 each of these things.
8 And you need to have a trusted agency
9 presenting the information. And that issue of who is a
10 real tough issue, who present the information. But you
11 -- you have to think about how to present this
12 complicated stuff in a way the public can grasp quickly
13 and mayors can grasp quickly and busy city management
14 -- busy regulators can grasp quickly.
15 So I think a "Consumer Reports"-type visual
16 image can help present a lot of -- of this kind of
17 information.
18 We're going to talk in the next panel about
19 how you evaluate the public education part, I think, is
20 that correct, Stacey? Is that what we -- so I'm going
21 -- I'm going to hold off my remarks on -- on those
22 details.
23 But the public has a lot to think about. And
24 if -- if you could have this nested set of information
25 that if you want more information then you get on the

1 web and you look at the details, and if you want more
2 than that, you have links to get even further details.
3 But if you present that information in a hierarchy,
4 you -- you cannot -- you can avoid people's eyes
5 glazing over and present -- meaningful stuff that they
6 can catch quick -- they catch on quickly to.
7 So rather than be a geek, I want to go the
8 other way and say that the way you present this
9 information is very, very important. And whether you
10 trust the source is very important.
11 And -- and that gets to another issue of the
12 "who" here. The -- the operators obviously have a lot
13 of the detailed information. The question is, can you
14 trust it and believe it. And I think some of the
15 consumer advocate groups and -- and government and
16 others can help do some -- some checking of some of the
17 data that -- that is most easily presented by the
18 operators to sort of validate the data or make sure --
19 sort of be an honest broker for that information.
20 "Consumer Reports" gets a lot of its
21 information from people who make products, but then
22 they do a certain selected sampling or testing to see
23 if what they're -- if what they're hearing is true or
24 not.
25 One can go on a lot on this, but I really

1 just want to conclude by -- by going back to this real
2 important of categorizing the different kind of
3 measures, making sure you're talking about performance
4 and not the various engineering choices, and presenting
5 it in a way that's clear.
6 (Applause)
7 MS. WOLFE: Well, I'm Nancy Wolfe, and I am
8 representing the state regulators' point of view. And
9 like Doug Kilpatrick at the Washington UTC, the
10 California State Fire Marshal is operating a liquid
11 regulatory program. We've done that for more than 20
12 years. Like Washington, we are an interstate region.
13 We have been an interstate agent for OPS for a number
14 of years. In fact, since 1987.
15 As Stacey said, the California State Fire
16 Marshal's Office regulates 8000 miles of interstate and
17 intrastate lines. And we get involved with about 80
18 different operators. We're concerned with on-shore
19 production, shipping terminals that import and export
20 crude product, refinement centers, Department of
21 Defense facilities, all the pipelines that connect to
22 that.
23 We -- we are responsible for -- manage the
24 risks to public safety that are commonly in the
25 environment and maintaining the safety for not only the

1 people but for mountains and seashores and deserts,
2 just like Washington has a variety of -- of geologic
3 phenomenons. We also have economic industries,
4 important economic industries, that are seldom
5 mentioned. And that has to do with agriculture and our
6 forest industries. We have huge population centers and
7 we have important environmental -- like national parks
8 and wilderness areas.
9 California State Fire Marshal is one of three
10 states that will -- state fire marshal as a regulatory
11 agency in the state system. The other two are
12 Minnesota and Nebraska. And -- the field inspectors
13 that OPS has are enhanced by the -- the field
14 inspectors at the state level. We have engineers that
15 do construction inspections and field audits of all of
16 the data that operators have.
17 But being in the state fire marshal's office,
18 I think we have an emergency response focus that is
19 unusual because we are aware of things that are
20 familiar to Washingtonians as well as Californians:
21 wildfires, earthquakes, floods, train derailments.
22 Personally, I've been in the fire service for
23 25 years. I hate to admit that, but it is 25 years.
24 We provide an enhanced ability to communicate
25 and understand the abilities and needs of the emergency

1 responders.
2 In California there are over 900 different
3 fire departments, ranging from the large metropolitan
4 departments like Los Angeles City and County, and the
5 individual, very small volunteer departments.
6 My purpose in coming here today is really one
7 of listening and learning from others. I was really
8 excited to hear from Chief Felczak this morning his
9 analysis of the -- response needs of the fire service
10 in Washington state. It really -- in the California
11 fire service. His emphasis on the need for testing and
12 drills before an incident occurs and how the -- success
13 of the response especially in high consequence and high
14 population areas.
15 I was interested to hear -- recently issue of
16 the permanent obstacles that are here in Washington
17 because there surely are --
18 But I think most important is -- is what Greg
19 Zimmerman and Lois Epstein started in the first panel
20 this morning and has certainly been key to all of the
21 others in this panel here, and that is the issue of
22 trust and ongoing one-on-one relationships and that
23 they have to be established and integrated before
24 there's an incident.
25 I listened to Carol's presentation a few

1 moments ago and -- where she described her need for
2 assurance that -- that the pipeline operator would take
3 care of them. I think that the public demands more
4 than just knowing that the operator will take care of
5 them. They also need to show that there is protection
6 from the public officials at the local, state, and
7 federal level, that we're on the job and that we're
8 seriously focused on public safety and environmental
9 protection.
10 There is a crisis in confidence. We cannot
11 establish confidence magically overnight. It takes
12 time. Trust is really multi-faceted. We can't
13 concentrate on one facet over another. The -- there is
14 a -- the facets are the operator versus the public and
15 the consumer representatives, the local officials'
16 trust with the operators, the operator and the federal
17 or state regulator, the state and federal regulator and
18 OPS. Then there's all the other allied federal
19 agencies, like EPA and U.S. Fish and Wildlife and the
20 Corps of Engineers -- and NTSB and the Coast Guard.
21 There's the allied state agencies. In
22 California, we call them by certain names. I'm sure
23 you have comparable names in Washington and in other
24 states. We have to deal with the Coastal Commissioner,
25 the State Lands Commissioner, the Energy Commissioner,

1 the Water Bureau, the -- Resources Control Board, and
2 the Department of Fish and Game.
3 We have facets that include local elected
4 officials, state and federal legislators, the industry
5 associations, the technical industry that's doing all
6 the R and D work, the consultants, and the media.
7 Each one is not more or less important than
8 another. Though -- this morning one of the speakers
9 that high risk area is only important if it were -- is
10 not important if you're the one that's directly
11 affected. We have to remember that we're dealing not
12 only with industries but we're dealing with what in the
13 fire service we call "Mrs. Smith." That's the man on
14 the street. It's the person that really is who we are
15 responsible for. The individuals rather than the
16 faceless population.
17 I'm delighted to be here. I am excited about
18 hearing the input from the various factors. And I
19 think we need to maximize our resources. Resources are
20 more than just money. It also includes people and
21 time. And those resources are not only ones that
22 impact the operator but they also impact the officials
23 both at the local level, the state, and the federal.
24 For us to assume that we can communicate individually,
25 we can have the operators individually communicate with

1 our local officials when we have localities with dozens
2 of separate operators who have lines and that all have
3 similar programs and similar elements and that the
4 local government officials are going to have time in
5 order to hear each one of those, is really very
6 difficult to manage.
7 There's also limits on money at the federal,
8 state, and local level. We have to recognize that
9 there's impacts on the economic viability of companies,
10 especially in light of the changes in pipeline
11 ownership and the consolidation of corporate owners.
12 And we need to make sure that we target the right
13 people.
14 We need -- I totally agree with my fellow
15 panel member up here when he insisted that the data
16 must make sense. And we need to provide useful data
17 that's designed to assure public safety.
18 We need to recognize the service level
19 expected by our communities and the personal impact
20 versus the risk management.
21 There also needs to be a recognition that the
22 -- prescriptive regulations to subjective risk
23 management programs is difficult. We have to recognize
24 that OPS and other agencies, while we want to be
25 helpful and recognize that there is the Mrs. Smith out

1 there that doubts who we are protecting, that we have
2 to also realize that we're part of bureaucracies,
3 bureaucracies that are run by and evaluated by
4 Congress, by state legislatures, by OMB, by GAO, and
5 all those other control systems that rely on solid
6 prescriptive based facts. So we have to balance the
7 prescriptive regulations with the subscriptive
8 programs.
9 I was delighted to hear Carol talk about the
10 target audience and that we do have a -- we have to
11 recognize that the data that's -- has to be designed to
12 reach different target publics, that each has a need
13 and it's important that we recognize the -- the
14 information cannot be only done in a single method.
15 So with that babbling, I am very pleased to
16 be here and look forward to hearing more comments from
17 the audience.
18 (Applause)
19 MS. GERARD: Very thoughtful. I want to take
20 all of you home with me on the plane to my office so we
21 can sort out next steps. So I'm not letting you out of
22 here for at least the next half an hour until we drill
23 down a little bit more with the thought of next steps.
24 I'd like -- you know, we've got a lot of operators
25 here, some other state folks.

1 I'd like to sort of hear a little bit more
2 about recommendations or suggestions that we can move
3 on with. I think there were a tremendous number of
4 good comments and the issue of resources and categories
5 of people and organization. I think we need to do a
6 little bit more in this area.
7 So I open it up to the audience out there.
8 What resonated with you? Is anybody connecting a
9 couple of concepts here to come up with a plan? If I
10 don't hear a plan, I'm going to suggest some of my own,
11 so you guys better get to the mikes before I do.
12 (No response)
13 MS. GERARD: Bashful or need a break?
14 AUDIENCE MEMBER: Need a break.
15 MS. GERARD: Need a break. If I let you out
16 of here --
17 (Laughter)
18 MS. GERARD: -- and have a little stretch
19 break, because it's -- it is 3:00 and we've been in
20 here for a couple of hours. The price for that is
21 going to be some constructive suggestions on next steps
22 or I will suggest some of my own.
23 Why don't we have a break for 10 minutes.
24 Don't go too far. Just take a deep breath, get some
25 fresh air, and be back here in 10 minutes.

1 (Brief recess)
2 Open Question and Answer Session
3 MS. GERARD: Just to remind you all, the
4 reason we are having this meeting is we're talking
5 about concepts that we could consider for future
6 actions. Our first action's in the area of public
7 education. We have a -- a standard on deck that we'll
8 be talking about in our next session. But we dealt
9 with a couple of the more difficult issues first:
10 integrity management information that should be shared
11 and performance measures.
12 And you've heard a range of discussions this
13 afternoon, some of which focused literally on
14 performance measures and some which took some license,
15 and I'm not going to mention any names.
16 So I would like to, you know, use the
17 remaining time we have for this session to drill down a
18 little bit more closely on next steps and what would be
19 appropriate for us to do. And there's just -- you
20 know, there's a few initiatives that have been -- that
21 have been mentioned here today.
22 I mean, certainly, there has been a
23 discussion about explicit measures, measures -- you
24 know, we started by -- we have a proposal in the
25 proposed rule that was published yesterday that begins

1 with identifying certain types of integrity process
2 measures that we should have reported to us
3 electronically monthly. That's one proposal.
4 We've talked about the potential to take some
5 of these different types of categories -- I like the
6 way Phil sort of brought it down to different types of
7 categories.
8 (Pause)
9 MS. GERARD: Safety history, causal factors,
10 and sort of the "Consumer Reports" type of category.
11 We've been talking for some time about how
12 best to make that kind of information available so it
13 could be sliced and diced by company in some sort of
14 normalized measure. And you might be thinking about
15 sort of a web-based approach and a non-web-based
16 approach to have a "Consumer Reports" where we have
17 some, you know, magic decoding ring process where we
18 took some of these indicators and put them in some of
19 these sort of generic categories, the types of which
20 that Phil mentioned. And you could have a clearly
21 depictable signal that some sort of reputable
22 organization or third party type of organization
23 processed for us.
24 Just for warming you up a little bit, public
25 citizens that are here, I'd like to hear from you

1 whether or not the federal government would be a
2 credible agency to do that analysis or whether you
3 would prefer to see some third party that we might
4 contract with, competitively award a contract, perhaps
5 to a third party who could take data that was our data
6 and present it in that sort of format.
7 So if there is somebody here who might
8 represent the public?
9 And Lois, you're close to the mike and I
10 consider you a public representative. What do you
11 think about organizing in categories something like
12 Phil mentioned and who would you trust to be the magic
13 decoding ring to go from the raw data into more
14 organized, graded symbols for program quality and
15 safety history?
16 MS. EPSTEIN: Well, Stacey, as you know, I've
17 dealt with Roger Little of your staff quite a bit and
18 he's your database person. And I -- I have a lot of
19 trust in Roger. I --
20 MS. GERARD: You have a lot of trust?
21 MS. EPSTEIN: Sure. And I do think if the --
22 the design of the data is -- is right, then the
23 analysis is likely to be less controversial than if the
24 design data is not right.
25 And so I -- I wouldn't by any means rule out

1 OPS doing that kind of analysis. And actually, it is
2 an appealing concept to -- to have some sort of
3 "Consumer Reports" type of comparison. I mean, that's
4 not all that different than some of the things I was
5 suggesting in terms of being able to do the comparison
6 and having it laid out in a way that's easily
7 digestible and -- and people like me don't have to do a
8 lot of extra work because someone else is doing it.
9 That's great.
10 MS. GERARD: Shirley, I happen to know your
11 name and I know that you're somebody who lives along a
12 pipeline. Could you come up here and would you mind
13 commenting from your point of view about how that would
14 be relevant to you? Shirley Olson, comma, landowner.
15 MS. OLSON: I am one of those other citizens.
16 I'm not quite like Carol or Lois.
17 I would really not be comfortable with a
18 federal agency doing the analysis. I've just become a
19 member of our WUTC Committee on Pipeline Safety. And I
20 find a feeling of impartiality in that committee that
21 we can talk to the operators and we can read the
22 regulations. We can refer to the feds. I would much
23 rather see an independent committee or commission
24 review those.
25 And as a homeowner along a pipeline, I think

1 my -- my very worst worry was I didn't care what they
2 did to the land. I knew it would be replaced. All my
3 shrubs would be back. But I had no idea about how safe
4 that pipeline was going to be after it was covered up
5 and everybody was gone.
6 When you meet people and you don't even know
7 the pipeline's going through and there's a gentleman
8 measuring from a point in the earth closer to your
9 doorstep than you've ever imagined and he said, there's
10 a pipeline coming, and there's not much you can do
11 about it. The feds said, here it is. If you don't
12 like it, we'll confiscate your property, we'll condemn
13 it, we'll go through courts, and there you stand.
14 We just happened to be a homeowner who
15 thought we'd built our retirement home for life,
16 planted 400 trees. We had two and a half acres,
17 custom-built house, and I was just looking at, my God,
18 what have we done, you know? What's going to be the
19 value of my property? How safe am I? And one
20 gentleman told me if I heard a very large noise like a
21 jet airplane to run.
22 Now, I'm 60. I don't run very fast. And I
23 didn't even know which direction to go. So this is not
24 the kind of information the public needs. We need --
25 we need real information.

1 MS. GERARD: Okay. Shirley, don't leave.
2 While you're up here, you're doing good.
3 It's my job to find a way to make the
4 information information you would trust. We have a
5 cross section of representatives up here. Could you
6 imagine how I might contract to arrange for that
7 neutral party to do that analysis that you would
8 believe? And tell me who would be credible?
9 MS. OLSON: In my opinion, we need both
10 sides. We need to have the operators on there because
11 not only is confidence in each other needed, we have to
12 show them we would be confident in them if they proved
13 to us that what they're telling us is what is the truth
14 and what we need to know.
15 I would think a cross section of local
16 officials, federal officials, and not too many of those
17 people, but -- I'm sorry. The operators --
18 MS. GERARD: I'm one of those people.
19 MS. OLSON: I know.
20 (Laughter)
21 MS. OLSON: And a few citizens. I don't
22 think people give some of us citizens credit that we --
23 even if I wasn't on a pipeline, and I'm not now because
24 we sold our home because I am not comfortable living
25 there. But where I moved I find out I have another one

1 coming up my road anyway, so what difference did it
2 make.
3 But what I'm saying is that we do educate
4 ourselves. I did. And that's why I run into a lot of
5 problems, because the information I was seeking was
6 nowhere to be found.
7 So I think it needs to be a cross section. I
8 think it needs to be very independent of either
9 government or the operators. I think you need a broad
10 base. I think you need some very technical people.
11 Some of this stuff I hear, you know, it goes four feet
12 over my head. But there are things that I know has to
13 be done. We need those people on that committee. We
14 need people who can write regulations that can have
15 some -- so that if there is a broken promise or
16 whatever, there is a penalty. We need it written so
17 that people can get on the Internet and read it and
18 say, oh, I understand what they're saying to me. And
19 we need to have people who live on that pipeline or
20 near the pipeline or from the schools to be there so
21 that they can put in input to it so that all of us are
22 covered and not just a few people.
23 MS. GERARD: Okay. Thank you, Shirley.
24 MR. SCHAENMAN: Stacey, could you -- could
25 you ask -- have a follow-up question to this lady?

1 MS. GERARD: You can ask the question, Phil.
2 MR. SCHAENMAN: There are two different
3 issues. One committee that might that define what the
4 hierarchy of measures are and keep the process honest,
5 and there's a different -- somebody that would do the
6 dog work and collect the data.
7 MS. OLSON: That's true.
8 MR. SCHAENMAN: And committees tend not to --
9 MS. OLSON: No.
10 MR. SCHAENMAN: -- stick around for long
11 times and be able to actually collect the data, so.
12 MS. OLSON: I wouldn't expect the committee
13 to collect the data.
14 MR. SCHAENMAN: So you were talking about if
15 the truth, you know --
16 MS. OLSON: Yes.
17 MR. SCHAENMAN: -- was -- was -- the
18 committee being sort of the board of directors for the
19 --
20 MS. OLSON: Right.
21 MR. SCHAENMAN: -- collecting and keeping --
22 MS. OLSON: Right.
23 MR. SCHAENMAN: -- the process honest.
24 MS. OLSON: Chuck was mentioning a report
25 that we had gotten at our last committee meeting about

1 the inspectors that had gone on in the state of
2 Washington. I'm an old bean counter. I'm an
3 accountant by profession. And I found that very
4 interesting because it showed how many people went, how
5 many facilities -- how many pipelines they covered,
6 what was the problem. It gave a good data line. And
7 they were people who I would suspect have pride in what
8 they do, so they would be independent enough so that
9 they would report directly and with good attitudes and
10 with -- not the "gotcha" kind of thing that we get
11 sometimes from auditors. But with critical information
12 and criticism that could make the problem better from
13 your point of view.
14 I would suspect -- I would like to see that
15 this committee, my dream committee, would be able to
16 hire those kind of auditors or inspectors. These were
17 engineers, I believe, that had background, so they knew
18 what they were looking at.
19 MS. GERARD: Okay. Thank you, Shirley. I
20 wanted to give some other people an opportunity to come
21 to the mike.
22 MR. SKINNER: Hi. I'm Harry Skinner again
23 from Bellingham. Thank you for a second shot.
24 I've spent a fair amount of time in the last
25 few years putting together a regulatory program for our

1 service mining industry in Bellingham, Whatcom County.
2 And I've come across decision matrixes -- matrices,
3 rather, and -- and I think you're talking about an
4 evaluation or an assessment -- matrices or matrix.
5 And the -- I really put in my -- my big vote
6 here, I hope, for independence and impartiality. And I
7 really think it's important that you get new folks who
8 don't have any stake in this directly.
9 The elements of gain theory, quantitative
10 analysis, that's in the -- it's highly disciplined and
11 developed science about putting together the -- these
12 kinds of matrices, okay. So it's not something you
13 want to get somebody off the street to do. It is not
14 just a question of measuring the pipeline segments and
15 then the criteria for evaluation. You've got to put
16 together a weighting system for exactly how important
17 each one of those elements is. And -- and it's a big
18 job.
19 And the "Consumer Reports" approach I think
20 is excellent. I think the -- the number system, plus
21 and minus, and black -- black circle and green circle,
22 and so on, is a little too simple. But that approach
23 would be wonderful. And we really would like to have
24 the public have access to designing it, inputting it,
25 weighting it, evaluating it, and having access to it.

1 So include us, please. Thanks.
2 MS. GERARD: Thank you.
3 Any other comments from anybody?
4 MS. EPSTEIN: Can I make a quick addition --
5 MS. GERARD: Sure.
6 MS. EPSTEIN: -- to my answer, Stacey? One
7 -- one reason why I thought it would be valuable to
8 have OPS engaged in doing the analysis is I think it's
9 very important that government use the data that it
10 collects because I think, you know, if it's just
11 stashed away or put on the computer and -- and not
12 used, then they're not noticing the priorities and that
13 sort of thing.
14 But you know, so my point that it's important
15 that OPS play, you know, a significant role, the ideas
16 that have come out I do support of having a broad-based
17 group sort of oversee it, perhaps even develop all the
18 categories. I think that probably would be essential.
19 But maybe even, you know, once OPS did the kind of
20 grunt work analysis of, you know, where folks stand,
21 there might be some sort of, quote, unquote,
22 "independent" review done, you know, or peer review or
23 something like that that would be very helpful.
24 MS. GERARD: One such type organization that
25 we have contracted recently with is the Transportation

1 Research Board, which part -- is part of the National
2 Academy of Sciences. And we were going to speak about
3 that a little bit in the afternoon session.
4 But the National Academy of Sciences has a
5 process that they repeatedly use to structure a -- a
6 broad-based group of objective people who are given a
7 task. And then the -- the National Academy sort of
8 manages that process. And we have such a study
9 underway just to look at the issue of encroachment and
10 practices for encroachment and how we're doing in that
11 area.
12 So the end product is something that would be
13 a usable set of practices for local officials. You
14 know, so that -- that is an example of a mechanism
15 where we contract with a group -- contract under one
16 organization who manages a group of theoretically
17 objective people.
18 So we're, you know, looking at different
19 kinds of mechanisms that we could use for something
20 like that.
21 Is there anybody else who wants to make a
22 comment or has a suggestion in this area? Chuck?
23 MR. MOSHER: Yeah. I think the thing I'd
24 like to comment on is people are always looking to the
25 ultimate independent objective source. And I'd have to

1 say that you're probably never going to find it. And
2 often if you find it where everyone is independent and
3 has no direct relationship to it, you're going to end
4 up with a bureaucratic mechanism which I don't think
5 would be very practical.
6 So I've found that the mixing, even though we
7 had some initial fun or misgivings when we started out
8 with our Citizens Committee on Pipeline Safety with
9 some industry representatives, and I think they had
10 some misgivings with some of the rest of us too, I
11 think it was a good mix because I think it really
12 brought to the fore, well, here's the impact it might
13 have, would you really accomplish something by doing
14 that. And I thought that that was where you actually
15 had a variety of different interests working together
16 works to get to that independence of mind. Or -- and
17 also, critical questioning of what's going on on a
18 continuing basis it seems to me works about as
19 independent as you can have.
20 MS. GERARD: Well, let me make another
21 suggestion, then. Suppose we came up with a design for
22 such a "Consumer Report" type system and then we
23 distributed it to, you know, a number of groups like
24 your consortium that might exist in places around the
25 country and then maybe have a focused workshop where

1 you all might review a design that we came up with and,
2 you know, do it in a public setting like this.
3 Shirley, would that give you some confidence?
4 MS. OLSON: Some.
5 MS. GERARD: Some. Okay. She's a tough nut.
6 Go ahead. Steve, is it?
7 MR. S. KING: Yes. Steve King with Utilities
8 and Transportation Commission.
9 You had made a comment about you had an idea
10 about requiring the companies to report some set of
11 data on a monthly basis.
12 MS. GERARD: That's a proposal that we
13 released yesterday.
14 MR. S. KING: I just want to encourage you
15 that whatever reporting you consider, please put a
16 heavy weight on making the reporting frequency more
17 frequent than annual.
18 MS. GERARD: It's monthly.
19 MR. S. KING: Okay. Well, your proposal was
20 monthly, but the Utilities Commission has been doing a
21 little work with establishing performance measures and
22 we often feel bound in by annual data because it's not
23 very useful for -- to use for management purposes for
24 allocating resources. By the time the data gets to
25 you, it's so old it's -- whatever might have been there

1 is gone. So I -- I applaud the monthly. Don't go less
2 than quarterly.
3 MS. GERARD: Okay. Well, it's -- it's just a
4 proposal and, you know, we don't have any comments on
5 it yet. But the idea was to have just a few critical
6 indicators that regulators would be able to see and
7 judge if performance was beneath certain thresholds or
8 expectations for progress so that if we saw activity
9 level dip below expected levels, we'd have a -- a basis
10 for, you know, raising a concern with an operator.
11 Sort of an early detection type of a system.
12 Carl, no comments? You've been too quiet
13 this afternoon.
14 Okay. Well, we are at 3:33, which is the
15 designated time for ending this session and changing
16 gears to the public education topic.
17 Before I dismiss this panel, something I
18 should have said is what great support we've had from
19 the community college. And I'm sure you all would
20 agree that the Bellevue Community College staff has
21 done a really great job with setting us up at this
22 facility, and we should thank them.
23 (Applause)
24 MS. GERARD: And thank -- thank the panel.
25 Thank you, panel.

1 (Applause)
2 MS. GERARD: So this panel can step down and
3 we can prepare for our third panel on public education.
4 Public Awareness Initiatives
5 MS. GERARD: Okay. We're changing gears to
6 the topic of public education, starting our third
7 session on pipeline communications. And we had some
8 technical problems this morning in our videotape from
9 Congresswoman Dunn, so we're going to replay that tape
10 so you can see that better.
11 Ready with that tape?
12 Kickoff Presentation by Congresswoman Dunn
13 (by videotape)
14 CONGRESSWOMAN DUNN: Hello. I'm
15 Congresswoman Jennifer Dunn. I want to thank you for
16 participating in this important workshop on pipeline
17 safety. I wish that I could be with you in person.
18 I've been working with my colleagues in the
19 Washington delegation on the pipeline safety issue
20 since 1999 when three young boys were tragically killed
21 in the pipeline explosion in Bellingham. I'll never
22 forget hearing about that explosion on that day. As
23 mother of two, I can't begin to imagine how devastating
24 it must have been for those families to face such a
25 tragedy, and my heart goes out to them.

1 The Bellingham accident, along with other
2 pipeline tragedies in New Mexico and Texas, taught all
3 of us -- citizens, government, and industry -- that we
4 need to do much more to keep pipelines safe. There's
5 no question that pipelines are essential to our economy
6 and our quality of life. Those of us in the Puget
7 Sound area, however, are all too aware of the potential
8 dangers pipelines pose.
9 As I've stated in the past, our number one
10 concern is community safety. To prevent another
11 tragedy from occurring, we've got to unite to improve
12 and ensure the safety of pipelines in all our
13 neighborhoods.
14 In the 107th Congress, I was pleased to
15 introduce pipeline safety legislation in the House that
16 will help prevent accidents like the one in Bellingham.
17 I worked closely with my colleagues to ensure that the
18 language for my bill was included in the comprehensive
19 Pipeline Safety Bill signed by the president last
20 November. This important legislation was responsive to
21 the needs of people in our communities. It will
22 require new pipeline inspections that will help protect
23 pipeline integrity and prevent future accidents. It
24 will increase state oversight of pipelines and it will
25 demand greater penalties for pipeline safety

1 violations. And it includes an increase in funding for
2 pipeline safety grants to local communities such as
3 Bellevue and Bellingham.
4 As many Washingtonians know, it's very
5 important that communities be given access to
6 information about the pipelines that run under the
7 ground near their schools and neighborhoods. My
8 pipeline safety bill included community right-to-know
9 provisions which were not included in the final
10 legislation because of security concerns over terrorist
11 attacks on pipelines. There must be a balance,
12 however, between our security and a community's right-
13 to-know. And so I will continue to push for increased
14 disclosure to the communities in the 108th Congress.
15 In the meantime, I want to thank Ellen
16 Engleman, RSPA Administrator, and the Washington
17 Utilities and Transportation Commission for sponsoring
18 this event today. Today's workshop will provide an
19 opportunity to improve the flow of information among
20 all of you responsible for pipeline safety.
21 I look forward to continuing our work
22 together to make our pipelines safe, reliable, and
23 secure.
24 Recap
25 MS. GERARD: Well, thank you all for staying

1 with us for three sessions. This is kind of a marathon
2 day for us, but we were serious when we came out to
3 this community to get some good input for conceiving of
4 where we need to go next in the area of pipeline safety
5 communications.
6 (Slide)
7 MS. GERARD: Just to recap a little bit about
8 why we're here and what we're doing, we have published
9 rulemakings a couple years ago on liquid integrity
10 management. And we said at the time that we were
11 focused on protection requirements and that we would
12 reserve until a later time the decisions that we would
13 make on requiring communications.
14 And since we have the integrity management
15 program for the liquid industry in place and we've
16 proposed requirements for the gas industry, we think
17 it's an appropriate time to revisit the subject of
18 potential requirements for communication in a number of
19 areas.
20 This afternoon we're focusing on the subject
21 of requirements for operators to communicate with the
22 public about how the public can protect itself,
23 recognize hazards, and how local officials can help
24 with the public education process.
25 I'm going to take a little time to bring you

1 up-to-date on a number of current OPS communications
2 initiatives that are in place or regulations that are
3 in place today by way of a backdrop. And I'm going to
4 start by reiterating, you know, some general goals that
5 we have in this area.
6 (Slide)
7 MS. GERARD: We always have the goal of
8 improving safety and environmental protection through
9 improved awareness and education and involvement of the
10 community. We certainly intend to develop effective
11 and meaningful solutions and to establish requirements
12 that are what we would call regulatory minimums. And
13 we hope to have a collaborative process and to be able
14 to find a way to work with the diverse stakeholder
15 group to come up with effective solutions for public
16 awareness and education programs.
17 We do have existing regulations in both the
18 liquid and gas program and they provide general
19 coverage in the area of required customer notification,
20 emergency planning and communications, marking, the
21 requirement to have a public education program, and
22 damage prevention programs.
23 As part of our broad communication strategy,
24 we have a number of initiatives.
25 One thing I should have mentioned when we

1 were having our last conversation, in terms of balance
2 and neutrality, some of you may not be aware that we do
3 have federally mandated advisory committees. They are
4 -- they're very valuable to us and there's actually a
5 limited number of them that federal agencies can have.
6 And I mentioned that a couple of the folks
7 who are with us today -- Denise and Lois -- are
8 representatives of that committee. And the law
9 provides that there be balance between industry,
10 government and the public in the structure of these
11 committees. And these committees are the only ones
12 allowed by law where a committee can meet and make
13 recommendations to the government about what it should
14 do.
15 So we always have the option if we design a
16 solution like a "Consumer Reports" performance measure
17 system, that we could prepare a design and take it to a
18 meeting of our balanced advisory committee and have a
19 public meeting on this. And we can have these public
20 meetings anywhere and take the advisory committee to a
21 community or a setting.
22 So that's another option that I need to make
23 sure you're aware of.
24 (Slide)
25 Previous OPS Communication Initiatives

1 MS. GERARD: In terms of some of the types of
2 initiatives that we have ongoing in that advisory
3 committee, a couple of years ago we started a
4 subcommittee on pipeline communications. And that
5 group heard a number of concepts that were discussed a
6 few years ago. And we had some conference calls with a
7 representative cross section of pipeline stakeholders.
8 We have a "Dig Safely" program which is a
9 public education campaign at the national level.
10 We responded to requirements of the statute
11 from the "One Call" bill I think of 1999 to look at
12 best practices.
13 We've created a Common Ground Alliance which
14 is a broad-based utility stakeholder group, utilities
15 and state agencies, to look at the improvements in
16 damage prevention practices.
17 Two years ago we had a public workshop
18 something like this in Washington to begin to scope out
19 ideas. And of course, we've had some analyses of
20 security issues since 9/11.
21 (Slide)
22 MS. GERARD: We also have a pipeline
23 information web site, fact sheets, the National
24 Pipeline Mapping System. I mentioned earlier the new
25 contract with the Transportation Research Board to look

1 at the issue of encroachment and how we're doing with
2 planning and design. We have a project with the
3 National Association of State Fire Marshals and the
4 initiative that we had asked be taken up in an industry
5 consensus standards process known as RP 1162, which
6 Louise is going to be presenting on.
7 We've also embarked on a more comprehensive
8 research program within the federal family, and we have
9 some public information in that area. So I'd like to
10 just talk about each of these just a little bit more so
11 you know -- have a little bit more background on what
12 activities are underway.
13 (Slide)
14 Current OPS Communication Initiatives
15 MS. GERARD: In terms of the Common Ground
16 Alliance, this was a federally sponsored initiative
17 that the Office of Pipeline Safety led in I think it
18 was 1999. And we actually had a congressional mandate
19 with a one-year deadline to consider whether or not we
20 need to study best practices. We decided we did, and
21 we've created kind of a stakeholder group with 132
22 representatives from around the country who look
23 closely at opportunities for improving practices and
24 damage prevention. And here was a case where we
25 actually met a statutory deadline and the group

1 presented a report to the secretary the following year
2 after working on that study.
3 We then decided that the synergy and dynamism
4 that came from bringing those 132 people together was
5 something we had to continue, that we needed to
6 formalize and perpetuate that alliance. And we worked
7 with a number of parties to create the organization
8 called the Common Ground Alliance. And it's alive and
9 well. It's self-sustaining today.
10 And that organization also is dealing with
11 the question of public education. They have a public
12 education committee. Many companies help sponsor it,
13 companies who are here today. We provide some funding.
14 And they're funding themselves through membership
15 fees. And it is really a neutral, broad-based type of
16 organization that is dealing with advancing public
17 education practices in the area of damage prevention.
18 Now, we do have a cooperative agreement with
19 the Common Ground Alliance, and we take issues and
20 concerns to them, including recommendations from the
21 National Transportation Safety Board. And one of the
22 reasons why we asked for a consensus standard to be
23 developed on improving public education and evaluating
24 effectiveness is because we have many recommendations
25 from the National Transportation Safety Board in this

1 area. And we're a little organization. We could only
2 do so much at a time, and we thought that it would be a
3 good thing to ask a bunch of smart people to get
4 together and start working on this issue. And so we
5 were glad to see the formation of a consensus standards
6 group in this area.
7 But I bring this up because we refer many
8 problems to the Common Ground Alliance and collaborate
9 with them on numerous practices, including the
10 consensus standard development we're talking about,
11 other best practices, the issue of advancing locator
12 practices and locator equipment performance, the
13 creation of a database to be able to evaluate the
14 effectiveness of damage prevention programs and to
15 create a uniform basis across the states. And they're
16 making progress in that area.
17 (Slide)
18 MS. GERARD: We also have a -- a reference
19 library and a web site where we're beginning to post
20 information. This is not publicly available yet, but
21 it's a work in progress. And we've referred to it as
22 "Pipeline 101." That's a term that's kind of a generic
23 way of saying basic pipeline information.
24 The liquid pipeline industry has also used
25 the term "101 dot com" for its own pipeline safety

1 fact-based initiative.
2 We intend to have this type of information
3 available as what the federal government portrays in
4 terms of basic information. We happen to believe that
5 redundancy in this area is important, that the public
6 needs numerous sources to go to for basic information.
7 So our plan is to make this web site a three-level
8 source of information, sort of the very quick answer, a
9 more comprehensive answer, and then a very technical
10 answer, with the intention of serving multiple
11 audiences.
12 Also available on our web site would be
13 pipeline fact sheets, answers to key questions that
14 have come up, certainly the data that's -- Lois has
15 referred to on pipeline accident history, annual report
16 industry -- annual report history. And we've talked
17 about how we're trying to plug the holes in terms of
18 the quality of that information.
19 (Slide)
20 MS. GERARD: Earlier this morning we talked
21 about the National Pipeline Mapping System a little
22 bit. And that's obviously an important communications
23 initiative. And we talked about that we did change our
24 practice of making the entire mapping system publicly
25 available after 9/11. We currently are using a

1 password-protected system for access for state and
2 local officials. And we're planning for a public
3 access that would be a different level of information
4 that we hope will be relevant to a homeowner who wants
5 to know what pipelines are in my area. So it's sort of
6 zip code-based.
7 And once we fill in some information on
8 emergency contacts, we'll put that up in June. And
9 Lois has already made the suggestion that we consider
10 some other kinds of information besides the location of
11 a pipeline and who the contacts are.
12 (Slide)
13 MS. GERARD: I mentioned the TRB Study a few
14 minutes ago. We felt that we needed to be able to go
15 an independent body with a little bit of panache. And
16 the TRB at the National Academy Sciences generally has
17 a reputation for that, maybe with some other
18 characteristics. But we're hoping that this will be
19 workable and that this can deal with the issue of how
20 are we doing with controlling encroachment on pipelines
21 and how are we doing with adopting planning and design
22 practices that were identified in the Common Ground
23 study of a few years ago. Are we making improvements.
24 And can we produce information that would be
25 meaningful and credible to Chuck Mosher when he in his

1 capacity as a local official has to consider on what
2 basis would I decide whether or not it's a good idea to
3 site this school near this existing pipeline.
4 So this is a study that's just beginning.
5 And actually, the Congress and the legislation passed
6 December 17th had such a study in it. And we're
7 modifying this scope of work to meet the intent of the
8 congressional mandate. And we are obliged to produce a
9 product by next December. So there's an area where
10 there's some work underway.
11 I should say that I wasn't really sure
12 myself. Some of you had asked, you know, who will be
13 in this study group. And the study group will be a
14 bunch of objective people on a committee. "A bunch,"
15 that -- that's technical for 12 to 14 people. And they
16 are disinterested but knowledgeable. That means it
17 will not include pipeline operators on that group, nor
18 will it include us.
19 But the group will have representatives from
20 organizations like the National League of Cities, the
21 National Association of Counties, and they will hear
22 testimony from operators, from the government, from
23 communities. And we'll have more information on that
24 study in the real near future.
25 They are currently checking with the members

1 of Congress who wrote the requirement in the statute to
2 make sure that we understand the congressional intent
3 there.
4 (Slide)
5 MS. GERARD: This is my favorite project that
6 we've started recently. It's a program with the
7 National Association of State Fire Marshals with the
8 goal of improving the preparedness of the fire service
9 nationally to deal with a variety of scenarios.
10 Certainly, the first scenario is responding to the
11 scene of a pipeline accident and making sure that we
12 have the best quality information for responders at the
13 scene of a pipeline event.
14 In addition, we -- we look at the fire
15 service as kind of the last American hero. And as
16 such, we think that they might be surrogates for us at
17 the community level to be able to help with community
18 education projects and to be able to speak to the
19 community about what they know about integrity
20 management programs.
21 So we intend to engage the fire service as
22 just one of the types of state and local officials who
23 can help us share responsibility for educating the
24 community and helping raise confidence, dealing with
25 this crisis of confidence.

1 And I know that I -- in a community hearing
2 from the state fire marshal that he had looked at an
3 integrity management program and felt that the operator
4 was using a perfectly reasonable basis to choose his
5 tools for testing and had good repair criteria. I
6 would find the state fire marshal's word or the fire
7 chief's word meaningful because they are trained in
8 dealing with risks. They're organized. They have the
9 mission of protecting the public. And I think that
10 they can be a really important partner for us in not
11 only suppression of -- of the consequences of an
12 accident but dealing with the question of community
13 education and public information.
14 So this project is underway. They will be
15 guided by two steering committees, an all-government
16 committee and an industry committee. And we're
17 formulating the steering committees to help them out
18 now. And the advisory groups plan to be meeting in
19 March. Representatives on the government side will
20 include Bob Chipkovich from the NTSB, Mark Robinson
21 from FERC. I hope a representative from the Secretary
22 of Interior's office, representatives from Homeland
23 Security, representatives from NARUC, and the like.
24 So on the industry side, we know that chief
25 executives will want to have input into content of

1 material for the curriculum, and so invitations will be
2 going out soon.
3 So, a very important project that I'm pleased
4 to tell you all about.
5 (Slide)
6 MS. GERARD: A lot of our discussion this
7 afternoon are going -- is going to focus on the public
8 education standard. We're going to hear about -- from
9 Louise about that momentarily.
10 Workshops such as the one we're having today,
11 public communication workshops. The goal of building
12 the cooperative and collaborative process while we talk
13 about regulatory minimums. We expect to have other
14 workshops such as this in other areas of the country.
15 And certainly, I would encourage representatives from
16 this community, like the City-County Consortium, to
17 think in terms of packaging their experience and what
18 has worked for them that we might be able to take as a
19 presentation to some other parts of the country.
20 In the research area, I mentioned that we're
21 only about a year old, really, in terms of having a
22 research program, although we've funded some different
23 studies over the years to support our regulatory
24 activities. We funded a number of projects at the end
25 of September that dealt with leak detection and damage

1 prevention. This week we intend to announce a series
2 of awards in the area of improved operations controls
3 and monitoring, with a particular emphasis on internal
4 corrosion, external corrosion, and monitoring problems
5 with scenes.
6 And what's relevant here is that we do have
7 up and running a web site to be able to share
8 information about these projects. And we do have
9 abstracts in place. They're readily available.
10 Where's Lois? There's a search capability.
11 I know she always likes to hear that.
12 And we have been scanning and loading dozens
13 of studies that we have done over the years. And the
14 only prohibition would be if our contract had property
15 -- intellectual property restrictions in it, and some
16 of them do.
17 So it's a mix, but information about research
18 activities will be much more publicly available.
19 (Slide)
20 MS. GERARD: So that's what it looks like,
21 the web page. And then the final slide in this area --
22 (Slide)
23 MS. GERARD: -- is information on how you can
24 get to it and how you can get to us for all types of
25 communication contacts.

1 At this point I would like to -- before we
2 get into the questions, I'd like to ask Louise Scott to
3 provide a brief presentation on the public education
4 standard that I referred to a minute ago.
5 Louise is a senior associate with the
6 American Petroleum Institute in the area of pipelines.
7 She's a principal staff person for the effort in the
8 public education area, this voluntary industry standard
9 on development of public awareness programs known as
10 Recommended Practice 1162.
11 She's been with API for over 20 years, has a
12 wide range of environmental and safety regulatory
13 experience. She has certainly been pivotal in some of
14 the work that we've done to divine unusually sensitive
15 environmental areas. And welcome Louise to our panel
16 discussion. Thank you.
17 Pipeline Industry Initiatives in Public Awareness
18 MS. SCOTT: Thank you, Stacey. And good
19 afternoon.
20 (Slide)
21 MS. SCOTT: My name is Louise Scott. I am
22 with API, the American Petroleum Institute.
23 Today I am here really representing a
24 slightly broader group to tell you about an -- an
25 initiative that we have underway in the pipeline

1 industry that includes both the liquid industry and
2 natural gas. And it includes both transmission and
3 local distribution. And it's in the area of
4 communication with the public.
5 And so -- we call it Pipeline Public
6 Awareness Programs for Pipeline Operators. But, Chuck,
7 I think you'd agree that RP 1162 is easier in this
8 particular case.
9 I want to talk to you -- why are we doing
10 this, first of all. And API undertakes standard-
11 setting or recommended practice development in a number
12 of areas and -- and has done that for a very long time.
13 In this particular case, it's felt that we
14 need to enhance public awareness outreach to key
15 stakeholders along existing pipeline routes. And the
16 overall reason we are doing this is to improve the
17 pipeline operators' ability to protect the public and
18 the environment.
19 So the key words here as far as the
20 recommended practice is concerned is that we are going
21 to be addressing the awareness campaigns to key
22 stakeholders and it will be along existing pipeline
23 routes. So our emphasis is on prevention.
24 (Slide)
25 MS. SCOTT: Who is involved in this? Oh,

1 yes, it's a long list. The American Petroleum
2 Institute, who will be the publisher of the final
3 document. The Association of Oil Pipelines and the
4 Interstate Natural Gas Association of America. Those
5 three groups are the basic transmission line folks.
6 Then we have the American Gas Association and
7 the American Public Gas Association representing the
8 local distribution companies for natural gas.
9 Also participating in the work group as
10 observers, the Office of Pipeline Safety, the National
11 Association of Pipeline Safety Representatives, and the
12 Gas Technology Institute. And while I call them
13 observers, they really are active participants and we
14 welcome their observations and -- and their help in the
15 development of this document.
16 (Slide)
17 MS. SCOTT: Any interested party may
18 contribute views and comments in the development of
19 this. And many of you here today have participated in
20 public meetings and gone on our web site and provided
21 comments to our first draft of this document. And we
22 do appreciate that, and keep the comments coming,
23 please, because we have a way to go yet.
24 I want to take a minute to talk to you about
25 what a recommended practice is and the process by which

1 it's established. This is a voluntary industry
2 initiative. And it does establish a recommended way
3 that companies in the industry will conduct specific
4 activities. It's a big deal in the industry when
5 there's a recommended practice. Companies sit up and
6 look at it and would at their peril decide to totally
7 ignore this kind of recommended practice.
8 Because of its importance in the industry,
9 these recommended practices are developed under
10 established policies and procedures, and I've listed a
11 web site, www.API.org, where you can go in and read
12 about the standards development activity at API. A
13 recommended practice is considered an industry
14 standard.
15 This recommended practice will be balloted by
16 the industry before adoption. And the recommended
17 practice will be published by API and it will be
18 available on API's web site free of charge. And
19 there'll be a nominal charge for actual paper copies
20 and mailing, but it's available electronically.
21 (Slide)
22 MS. SCOTT: So I've described to you the API
23 side of this recommended practice. In this case, this
24 recommended practice will -- is intended to also be
25 what is called an ANSI standard.

1 ANSI is the American National Standards
2 Institute, a long-standing group in the United States,
3 a private, non-profit organization that administers and
4 coordinates standardization activity in the United
5 States.
6 They do all kinds of things in the area of
7 standardization just like ASME has done infrequently.
8 They have similar kinds of projects.
9 There is an ANSI standardization process. It
10 includes public notice and comment. And so when we put
11 the draft recommended practice out for ballot in the
12 industry, it will also be available public for --
13 publicly for comment. And ANSI requires that all
14 public comments are reviewed and the disposition of
15 those comments and the reason for the disposition is
16 made public. And there is an appeal process if the
17 final standard is -- is felt to be unfair.
18 (Slide)
19 MS. SCOTT: ANSI accredits organizations that
20 can develop ANSI standards. And API has -- is an
21 accredited ANSI standard body and has been for some
22 time. They do independent audits every few years to
23 make sure that the policies and procedures are being
24 followed.
25 If you'd like more information on ANSI, it's

1 A-N-S-I dot org.
2 (Slide)
3 MS. SCOTT: Now for the real deal. The scope
4 of the recommended practice. It focuses on public
5 awareness programs for key stakeholders. I don't like
6 that term but I don't like "target audience" either.
7 It sort of makes you feel like "huh."
8 And it's along existing pipelines.
9 This recommended practice will establish a
10 minimum set of practices for all pipeline operators.
11 And then it will provide guidelines for supplemental
12 practices that might be undertaken where conditions
13 would suggest a more intensive public awareness
14 outreach.
15 This tiered approach will address the
16 differences in the location of pipelines, the pipeline
17 systems, the risks, what's going on, and the
18 stakeholder needs.
19 We have chosen not to address in this
20 recommended practice the area of new pipeline
21 construction or of incident response. Those two kinds
22 of communications may be addressed in the future. They
23 are certainly very, very important. They are also very
24 specific to a situation. And we decided we would start
25 with the general first, we would stay with the area of

1 promoting prevention of pipeline incidents. And so
2 this is limited to existing pipelines.
3 (Slide)
4 MS. SCOTT: What is in this new recommended
5 practice? One of the big changes is from other -- from
6 another older recommended practice is that it will
7 recommend a written public awareness program. The
8 document will identify specific stakeholder audiences
9 along the pipeline route and it will tailor message
10 content for each audience. Not specific content, but
11 make suggestions about the kind of message to be
12 delivered. The message delivery frequency is addressed
13 with minimum requirements and then supplemental
14 suggestions.
15 And there is a section for program
16 evaluation. And we have found in other areas in the
17 industry as well as other industries have found that if
18 you don't have a written program, it's a little hard to
19 evaluate. So we have both the written program and the
20 evaluation recommendations.
21 (Slide)
22 MS. SCOTT: This isn't the first recommended
23 practice in the area of public awareness. It's a
24 little more geared toward outreach, a little less
25 straight education. We certainly hope that it is

1 interpreted to mean establishing dialogue, not just a
2 telling of things that need to be known.
3 The older recommended practice is from 1996
4 under our process for recommended practices that is
5 outdated. This effort wasn't originally intended to
6 update that recommended practice, but it's so different
7 that we've chosen to totally renumber it and rename it.
8 What's different? It includes not only
9 liquid pipelines but natural gas. And it includes
10 local distribution, not just transmission.
11 There is a recommended model program with a
12 baseline set of recommended practices. That's brand
13 new.
14 There are the tiered recommendations to
15 accommodate additional outreach activities that are
16 based on differences in the pipeline risks and the
17 stakeholder needs.
18 We'll provide a tool box to assist pipeline
19 operators in the development and implementation of
20 their outreach program. This is particularly helpful
21 for smaller pipeline companies who don't have public
22 affairs staffs at their disposal to -- to help with
23 this kind of activity.
24 And of course, I've mentioned before the
25 evaluation factor which is really important.

1 (Slide)
2 MS. SCOTT: The key stakeholder audiences.
3 Along the existing right-of-way, landowners, residents,
4 places of congregation that are near the pipeline.
5 Local and state emergency planning and
6 response officials who have responsibility for
7 protecting the public in the event of a pipeline
8 incident.
9 Local public officials and governing
10 counsels. And excavators.
11 They're the four broad categories of
12 stakeholders that are talked about in the recommended
13 practice.
14 (Slide)
15 MS. SCOTT: And when we have -- we have once
16 defined the stakeholder groups, we find later in the
17 recommended practice that the message content, the
18 delivery methods, and the frequencies are linked to the
19 particular stakeholders. So that will assist the
20 pipeline operator in developing their programs.
21 The development process. It follows the ANSI
22 consensus standard process, as I've mentioned. It has
23 also included independent review by public
24 communication experts and active solicitation of other
25 input. When we were -- when we were working on this,

1 we realized that we really needed some independent
2 expertise to look at what we were doing. And so API
3 and the transmission gas companies and OPS each had an
4 independent consultant review the draft and provide
5 input.
6 (Slide)
7 MS. SCOTT: Let me tell you where we are in
8 this process. We have a web site. And it's here.
9 API.org slash pipeline public awareness.
10 There is a draft document on there -- on that
11 web site. It's been there since, I believe, the end of
12 November. We received comments. The official comment
13 period was through December, although we've had
14 subsequent comments which we've also accepted.
15 We haven't -- until last week, we had not met
16 to discuss as a work group those comments. We did meet
17 last week and went over each of the comments or the
18 kinds of comments that were received. The topics were
19 pretty identifiable. And obviously, various commenters
20 had different opinions.
21 We purposely held off on another draft until
22 we came to this public meeting to hear what your
23 suggestions and observations are. We will be doing at
24 least one other informal draft before we move to a
25 final balloting draft of this recommended practice.

1 We're hoping that by May of 2003 -- I'll even
2 state the year -- that we can vote on a recommended
3 practice and go through that process. And hopefully,
4 we'll have a document complete before the end of the
5 year.
6 Thank you.
7 (Pause)
8 MS. SCOTT: Oh, there's one more slide. Can
9 I --
10 (Slide)
11 MS. SCOTT: I do want to tell you -- and
12 Stacey has covered most of this -- that we recognize
13 this recommended practice is only one piece of
14 communication. And I wanted to point out specifically
15 the pipeline industry's educational web site which is
16 up and running as of the last week in December. And of
17 course, many of the pipeline companies have broad
18 public outreach programs already in place, as well as
19 the significant efforts that OPS has underway.
20 Thank you again.
21 (Applause)
22 Panel Session on Public Awareness Communications
23 MS. GERARD: At this point I'd like to
24 identify the new faces on the panel. And -- see.
25 Shirley Olson, who you've heard from a little

1 bit today, is a recent pipeline right-of-way landowner.
2 She's retired from state government and is a recent
3 appointed member of the Washington Citizens Advisory
4 Committee on Pipeline Safety.
5 Bob, I don't have much of a bio on you, so
6 why don't you introduce yourself?
7 Bob is vice president of pipeline operations
8 for PG & E National Energy Group.
9 MR. HOWARD: Well, as she said, I'm vice
10 president of pipeline operations for the PG & E
11 National Energy Group.
12 I'm sorry. I'm going to --
13 (Pause)
14 MR. HOWARD: Is that better? Yes, it is.
15 I've been in the energy industry for 25
16 years, in the electric and natural gas business
17 primarily. Most of my career has been spent in
18 regulatory affairs, but I have been in various
19 positions, mostly for PG & E Corporation, for -- since
20 1980.
21 So that really does describe me. I am an
22 economist by training. I'm originally from Texas and I
23 now live in Portland, Oregon.
24 MS. GERARD: Let's see. Phil you've met
25 earlier.

1 I think I see Carl next.
2 Carl Weimer is the executive director of RE
3 Sources for Sustainable Communities in Bellingham,
4 Washington. RE Sources' programs include retail stores
5 that collect and sell used building materials, a
6 recycling hotline, school programs on recycling, waste
7 prevention, and air quality issues, the Whatcom
8 Watershed Pledge Program, and North Sound Baykeeper
9 Program.
10 Since the 1999 explosion in Bellingham, Carl
11 has led Safe Bellingham, a pipeline advocacy group that
12 provided community leadership to ensure that this type
13 of tragedy doesn't happen again.
14 He has testified to the United States House
15 and Senate and organized the first ever National
16 Pipeline Reform Conference in Washington, D.C. He's
17 been a strong advocate for pipeline safety legislation
18 and runs the National Safe Pipelines listserv that
19 includes over 160 people from around the country.
20 John Carpenter I think is on Carl's right.
21 John has been in -- a resident of many developing
22 countries where -- he says codes were unheard of. He
23 has his Bachelors from the American University of
24 Beirut and ended up as a small business owner in a shop
25 that was next door to a volunteer fire station.

1 This sounds like an odd career path to me.
2 (Laughter)
3 MS. GERARD: As a means of getting away, he
4 would grab a customer and tell him to watch the counter
5 area until he returned from a fire call.
6 (Laughter)
7 MS. GERARD: John was hired by the Tumwater
8 Fire Department in 1982 and has worked from numerous
9 range positions: firefighter, paramedic, fire
10 lieutenant, training officer, and currently serves as
11 the battalion chief for prevention.
12 Not only is John the chief, but he's also the
13 battalion. I can relate to that.
14 (Laughter)
15 MS. GERARD: Let's see. And the only other
16 new face on the panel is Dr. Frank James at the end
17 there near Nancy.
18 Dr. Frank James is a health officer for San
19 Juan County, teaches at the University of Washington in
20 public health and community medicine. For 10 years he
21 was the medical director of an interfaith clinic
22 community healthcare service that sees patients without
23 regard for their ability to pay.
24 He also became involved with pipeline safety
25 in June of 1999 as founder of Safe Bellingham after the

1 -- the pipeline explosion in that community.
2 He's raised funds to support legislative
3 reform for pipeline safety and also worked to create
4 the National Conference on Pipeline Safety in
5 Washington, D.C.
6 Disillusioned by the lack of strong reform of
7 the regulatory process, he's been working with leaders
8 within the pipeline industry to bring about safe --
9 safety changes, including a major pipeline on the
10 eastern seaboard, the Colonial pipeline. He's been
11 working alongside of Jim Hall to create major safety
12 improvements in that pipeline program.
13 So that is the panel plus the distinguished
14 guests we had introduced earlier. And I'd like to
15 bring up the questions that we'd asked for panel
16 discussion.
17 What additional material can OPS provide to
18 educate the pipeline on -- public on pipelines? And
19 how should that information be provided?
20 Based on what you've heard about the industry
21 consensus Recommended Practice 1162, what information
22 should pipeline operators provide along the right-of-
23 way, how should it provide it? What do you think of
24 that standard that you've -- what you've heard so far?
25 We've talked about many ways that pipeline

1 operators communicate with public and -- the public and
2 public officials. How can operators and OPS measure
3 the -- the effectiveness of these initiatives?
4 Do you have specific suggestions for
5 providing information of value to state and local
6 officials and to the public? And any other specific
7 suggestions for how information might be posted, such
8 as through a web site.
9 Congress and the administration have voiced
10 concerns about the security of pipeline information.
11 How should security concerns be balanced with the value
12 and usefulness of providing pipeline location and
13 operational information to the public?
14 I think, Shirley, we're going to start with
15 you.
16 MS. OLSON: Well, I've already spoke on this
17 before when she asked me some questions.
18 But I want to tell you, I am just a wife and
19 a housewife, a mother, a grandmother. Best
20 grandchildren in the world, by the way. And my views
21 are strictly what we lived through when we knew the
22 pipeline was coming in.
23 We heard about it. My husband and I went to
24 a lot of the meetings. This is a pipeline that was
25 crossing Thurston County to Satsa.

1 The one thing that I remember now, and it was
2 strange then, but I don't remember seeing anybody from
3 OPS at this -- at any of these meetings. After I
4 became part of the -- the committee at WUTC, I found
5 out that OPS does not get involved with pipelines.
6 That's part of FERC's authority, and they usually come
7 in after the pipeline has been laid.
8 I believe it's time now to reevaluate and
9 review this relationship. If it is the intent of OPS
10 to provide the best -- the best available information
11 to public and city and county officials, perhaps this
12 is the time for them to become involved at the
13 beginning, along with FERC, so that there are people
14 from OPS there along the pipeline as it's being laid so
15 we can ask questions about safety. We could get
16 information on how valuable the safety information that
17 is given to the homeowners from the operators really
18 is. And OPS could assure us that the pipeline safety
19 standards are there to protect the public.
20 At these early meetings that we attended,
21 most of us, the house owners and the property owners,
22 we didn't know enough about what we should ask the
23 operators except, how close are you going to come to my
24 house. Some of the pipelines were within 10 feet of
25 bedrooms, and this is really scary.

1 I believe that whatever information the
2 operators want to provide should be done in a non-
3 aggressive and more hands-on -- a more hands-on way of
4 talking to the homeowner. I have already told you
5 about my experience about having them measure from the
6 middle of a road up to a few feet of our front door.
7 The easement wasn't even on our property --
8 property deed. The easement was across another
9 driveway, and that property had easement. We did not
10 when we bought the property. We looked for those
11 things.
12 We understood perhaps that there would be
13 compensation or fixing whatever was disturbed by the
14 pipeline, but most of us just wanted to know how safe
15 it was going to be.
16 Not only was I told if I heard a loud noise I
17 should run, but they wanted to park a large machine
18 called a boring tool. This is a multi-tonned thing.
19 And they wanted to park it on my drain field. Now, a
20 gentleman said it would only be there for a couple of
21 days and if we didn't think we could use our water or
22 our bathrooms, they'd put us up in a motel for a couple
23 of days. You don't park a 60-ton thing on a drain
24 field and expect it to work. We would have had to put
25 in a whole new drain field. That is the kind of

1 information we were given.
2 At the meetings we went to, we had a lot of
3 brochures. They were very well done, but they didn't
4 say much.
5 I think the end product of effective
6 communication is that the homeowners don't have to call
7 again and again and again and ask for information. I
8 would like to see a centralized information center that
9 would be staffed by knowledgeable people who could
10 answer questions or who could come out to the site and
11 look at what's being done and reassure people or tell
12 them what would be helpful and if the pipeline was
13 being laid properly and according to plan.
14 People who are interested and have a
15 financial interested in their property being crossed
16 are the ones who need more direct, hands-on attention.
17 I also believe we need public hearings for
18 those people who are near the pipeline but not directly
19 affected by being on their property.
20 I believe this is where OPS has really not
21 made their presence known. I think OPS, just the
22 operation of pipeline safety in itself, just the term,
23 means that we should be able to have someone there who
24 knows what the -- the safety standards are and who
25 would be giving us another point of view.

1 Specific information that needs to be given
2 to the public and the official. I honestly believe
3 that everybody doesn't need to know everything that's
4 going on and that there are some things we have to
5 protect for the national security.
6 However, whatever safety information that is
7 available -- and I mean something that if you wanted to
8 call and want to know what to do in case of a leak,
9 who's the first to be contacted, what do we do to
10 protect ourselves, where are the evacuation routes.
11 That kind of information needs to be in a place that's
12 handy, easy, and available to get to.
13 I sometimes think if it was put next to the
14 911 telephone number and it was a 1-800 number either
15 to OPS or some local official who has a direct pipeline
16 to OPS would be very helpful. Putting on the --
17 putting it on the web is fine. But when you're
18 panicking and there's a problem, who's going to run to
19 the computer to look up the web site and who's going to
20 remember what the darn web site is? So I don't think
21 that's what we need.
22 I think state and local officials should
23 receive training and be part of emergency services and
24 know what procedures to be used in case of an explosion
25 just as well as they know what procedures are used for

1 other disasters, such as earthquakes, floods,
2 landslides, surface water flooding, these kind of
3 things.
4 These things are required of operators, but
5 they always aren't explained or passed on to the public
6 as well as they should be. If we can't get the
7 industry and the community and the local officials to
8 talk about what works and what doesn't work with proper
9 information, we'll never get it out to those who need
10 it and who ask for it.
11 Thurston County Emergency Services. We had
12 some very severe flooding about three years ago. It
13 was -- it was bad. It was four years of it.
14 The Thurston County Emergency Service sent
15 each homeowner through the mail a list of telephone
16 numbers of who is responsible for what and who you
17 could contact to get what. And I would think that this
18 would also have been a good place to put a number for
19 OPS or their -- the local official's contact person.
20 Something you could post on a -- on a bulletin board,
21 something you could post in a retirement home,
22 something you could post in a school lunchroom.
23 Something that would be available and close.
24 And regarding the security concerns, I feel
25 this is a hard one. I feel that, no, we don't need to

1 tell everyone where the pipeline is. Usually, in a
2 dream world, all the easements for the pipelines would
3 be included in our property -- property deed or could
4 be identified by the developers who are building there
5 and could be made available to the homeowners. That
6 doesn't happen. I searched our property deed before we
7 built and it wasn't there. It was in -- on somebody
8 else's.
9 Maybe when the pipeline company is beginning
10 to site a new line or replace older lines, it would be
11 helpful if they were required to refile their easement
12 and right-of-way documents to be sure they are clear to
13 property owners and to the pipelines. It would be up
14 to the property owner to search out this information,
15 but the information has to be there to be found.
16 And if something is updated and you're
17 looking at property, you will know that this thing has
18 been updated because you'll know it by the dates. Some
19 of the information I saw on some of the maps in
20 Thurston County had 1852 dates on them. That was a
21 little old.
22 1852.
23 AUDIENCE MEMBER: That's what I thought you
24 said.
25 MS. SCOTT: Yes. That's when we had

1 floodings.
2 Something that I feel also is that we need to
3 define just how much easement a pipeline company needs
4 when they're replacing a pipeline or adding a new
5 pipeline. When the pipeline started to go through,
6 they were telling the people who had already had
7 easement on their property they'd need 20 feet. When
8 -- the first time we heard about it, this gentleman
9 was measuring with a very long tape measure, and he
10 wanted 75 feet. Then somebody wanted 100 feet.
11 And we went to search to see what was in the
12 documents, just how much property could they use for
13 their construction trucks and things that had to be
14 parked. There was no such definition. I don't know
15 what amount easement is actually required or how much
16 of it is actually needed to do what they need.
17 If these new documents that had to be filed
18 and the new easements had to be determined, they could
19 put in a number of feet they need then. Then the
20 homeowner would know what's going on.
21 I want to tell you, we sold our house just
22 before the pipeline went through. It was on a private
23 road. There are only three of us on that road. I'm
24 still very good friends with our other two neighbors.
25 And I called one of them yesterday and I

1 said, what can I tell this group, how do you feel the
2 pipeline went. How did it go. Did they lay it, did
3 you have troubles. And she said then, she said, after
4 we got through the very beginning about who was going
5 to do what and how much they were going to take, the
6 actual people that came out and laid the pipeline were
7 courteous. They answered questions whenever they were
8 asked. The cleanup work was done. It went quickly.
9 And she said she had no problems and they had no
10 concerns.
11 But it was the up front part, the unknown,
12 that is what upset most of us.
13 I would like to see the pipeline owners, OPS
14 working together when they decide that FERC wants to
15 put in a new pipeline, that they all work together,
16 that we have a number. A 1-800 number for OPS on a
17 sign board near the pipeline that's being laid would be
18 a great idea.
19 Other than that, I think that most
20 homeowners, unless they have really done some homework,
21 have no idea of what the safety of the pipeline is. We
22 don't know things about pigs. You know, we don't know
23 things about pressure. But we do know that we have to
24 live with that day in, day out, probably some of us for
25 the rest of our lives. And I think early education of

1 the homeowner and the property owner and those who live
2 near the pipeline is going to save a lot of problems.
3 And I think it makes a happier community and a better
4 working partnership with the owners and the federal
5 government.
6 Thank you.
7 (Applause)
8 MS. GERARD: Shirley, I -- I do want to make
9 one comment before we go on to Bob. And that is, about
10 a year ago we did make the decision to change the
11 practice of what our rule was in the sighting of
12 pipelines. And we do have an arrangement with the FERC
13 now on the sighting of interstate gas pipelines that,
14 to the best of our ability, we will be present at the
15 beginning because it didn't seem right to us that when
16 this issue of safety came up that FERC would say, well,
17 that's the Department of Transportation's job.
18 I don't want to promise you that we have all
19 the resources we need to be able to do it, but those
20 CATS positions that we discussed earlier, that's --
21 that's in their set of duties.
22 MR. HOWARD: Well, Stacey, and if I could
23 add, there would be absolutely no resistance from us on
24 any of that.
25 Thank you, Stacey. This is a wonderful

1 meeting. And I do thank Administrator Engleman,
2 although she couldn't be here; Congresswoman Dunn and
3 her delegation that I know is here; and the OPS staff
4 here and your consultants for sponsoring this meeting.
5 In the break I overheard a comment that was
6 -- I'm quoting. "People that need to hear the
7 lecture aren't in the room today." I hope they weren't
8 speaking about me because I am the operator.
9 I'm Bob Howard. As I said, I'm vice
10 president of pipeline operations for PG & E Gas
11 Transmission. And I know Carol's not here, but my name
12 is on the tag. And I'm the one that could go to jail
13 for my lack of diligence. And I basically sign at
14 least once a month some tag for some agency in the
15 federal government that basically says I am
16 responsible.
17 That includes the Securities and Exchange
18 Commission. It includes the EPA and Safety and FERC.
19 We are a member of the Interstate Natural Gas
20 Association which is the pipeline industry group
21 referred to today as INGAA.
22 PG & E Gas Transmission owns and operates two
23 pipeline systems. Our northwest operation is located
24 in Idaho, Washington, and Oregon. And to maybe put it
25 in very simple terms, because we're talking about

1 communities, if you were to start north of Sandpoint,
2 Idaho, and draw a line to Spokane and then draw a line
3 to Pasco and the Tri Cities area, and from Pasco, keep
4 going down to Bend, and then into Klamath Falls, and
5 not into Klamath Falls but east of Klamath Falls, you
6 basically have the line that defines that northwest
7 operation and the communities it serves.
8 We also operate a new pipeline that we just
9 put into service that became operational in September
10 of 2002.
11 Nancy, that pipeline is located in southern
12 California, basically from Aronberg, Arizona, crossing
13 the Colorado River, running just south of Blythe, and
14 on down to -- no communities and ex-communities,
15 basically Mexicali. We cross the All American Canal
16 and then a pipeline that is owned by Sempra runs across
17 northern Mexico basically to Tijuana.
18 My response to your questions is really to
19 tell you what I do. And while I'm speaking on behalf
20 of the industry, I'm also speaking to my industry as
21 well as my constituents and stakeholders here that are
22 present today.
23 I'm here to tell you how we communicate at PG
24 & E Gas Transmission. And I want you to know that I'm
25 asking for your feedback, and I've asked a number of

1 you, as you listen to my remarks, to give me specific
2 feedback. I hope that Doug Kilpatrick is still here.
3 And I'm speaking of Jean and Les who were speaking this
4 morning, and Chuck.
5 It is a statement of what we do now, and I
6 want your feedback. A lot of the context today has
7 around -- been around Bellingham and that very
8 significant tragedy that has affected us all in the
9 Pacific Northwest. And it affected me no less
10 personally because many of the things that my company
11 has been doing since I started in this position in July
12 of 2002 are directly related to some of my impressions
13 as I first watched some of the news reports.
14 I want you to know, as I speak for the
15 industry, that INGAA and its members are committed to
16 working with the Office of Pipeline Safety, state and
17 local governments, communities to promote consensus on
18 communications practices, to educate the public, and to
19 help keep our communities safe.
20 I will refer people -- and we can make these
21 copies available to you. They just didn't get here.
22 But INGAA developed a best practice report published in
23 May of 2002. Our INGAA Foundation, which is also made
24 up of other related companies to the natural gas
25 industry, supported this report. And it was an effort

1 to benchmark effective communication methods for
2 informing stakeholders, government officials, community
3 members, landowners about pipeline projects.
4 So I'm very interested in your remarks,
5 Shirley, and I take those as very serious feedback to
6 us.
7 We did this to ensure we were responding in a
8 meaningful way to your concerns about safety. We know
9 what some of those are, and you all have repeated them
10 several times today. Face-to-face first responder
11 meetings, electronic newsletters to stakeholders,
12 project web sites, town hall meetings, advertising or
13 public services announcements, and with the
14 admonishment do it early and do it early.
15 I agree with you. These tools help open
16 lines of communication between the industry and the
17 public. Their focus is on improving education,
18 communication on public safety, and that is my focus as
19 a pipeline operator, is to educate our communities on
20 our active efforts and what they need to maintain
21 public safety.
22 And I admit they do focus on vital programs
23 which we believe are critical, such as one-call
24 programs and other damage prevention efforts.
25 At PG & E Gas Transmission, I believe I can

1 sincerely say that safety is our top priority 24 hours
2 a day, 365 days a year.
3 I can't help myself, Chuck, but I have been
4 thinking about this for a long time because we are
5 having our annual safety meeting here in just a couple
6 of weeks for our employees. And I came across an
7 article in about the third page of the Metro section in
8 the "Oregonian." I think it speaks to the points that
9 you were making of what we need to do. But basically,
10 you were saying, walk the talk.
11 And so I hope these are constructive because
12 I'm not only responsible for our communities' safety
13 but I'm personally responsible for every employee in my
14 company. And we know that -- that the equipment that
15 we work around is heavy equipment, as Shirley
16 described, and it does require very skilled operators
17 to be able to manage that equipment in a safe way. But
18 it is safe when it's operated correctly and it takes
19 those kind of people to do it.
20 So as I looked at this article, it was titled
21 "Room to Improve on County on Job Safety." I'm not
22 going to talk about who it was because it's a good
23 lesson learned for all of us, but some of the findings,
24 if I could.
25 No department, with the exception of the

1 Health Department, has a written safety program that
2 meets the guidelines of best practices and state law.
3 The county does not always follow the guidelines for
4 safety prevention efforts. Managers wrote few written
5 accident reports. Departments often do not investigate
6 accidents. Most employees did not feel that they had
7 adequate safety training.
8 We all know that we do have dangerous
9 equipment that we all know how to -- need to operate in
10 our public works efforts. And few safety committee
11 teams are making quarterly inspections or understand
12 that every work site is to inspect -- be inspected in
13 each quarter.
14 You must know that I am a zero tolerance
15 company. That is the standard that I try to maintain.
16 I have a standard of no accidents. I have a standard
17 of 100 percent pre-job safety briefings for the work
18 that we do. And we write near-miss reports and we have
19 written accident reports. And we respond to employees'
20 safety concerns in writing, and they are documented and
21 they are shared across our crews.
22 So we do understand the environment of
23 continuous improvement that you expect of us. But that
24 is not something that I'm complacent about because, as
25 I said, we have taken several steps to increase

1 awareness of our vigilance. And it was directly
2 related to the incidents that occurred -- the tragic
3 incidents that occurred in this community.
4 In 2002, Gas Transmission Northwest
5 representatives personally conducted safety
6 presentations in-person in virtually every community
7 along our 612-mile pipeline in-person. Audience
8 members -- and these are general presentations --
9 included fire departments, law enforcement agencies,
10 one-call centers, emergency response personnel,
11 hospitals, contractors, landowners, residents living
12 near our right-of-way, local utilities, excavators, and
13 government agencies. These are all the stakeholders,
14 in fact, that are part of the Common Ground Alliance,
15 but we treat each community as if it were a member of
16 that very excellent organization.
17 There has been a great response to this
18 effort. They have been welcomed in every community.
19 And I could tell you stories which would bore you.
20 In addition, we regularly conduct emergency
21 drills internally with our employees and externally
22 with first responder agencies on our system. We all
23 know that that's a challenge to do. People don't have
24 time to do it. And the latter part of that statement
25 is new. We did it for the first time twice this year.

1 For several reasons, we have a standard of at
2 least two unannounced drills during each year and we,
3 as I said, have made a significant effort to involve
4 first responders in our drills. And it does go to the
5 counties and the state governments because we are
6 trying to get together with groups like FEMA and
7 involve them in those efforts as well.
8 And I have a saying that comes from Vince
9 Lombardi that I quote among my employees. It's not
10 practice makes perfect, it's perfect practice makes
11 perfect. We can't expect to just practice if we're not
12 doing it the way that it's supposed to be done.
13 I am very proud to report that we
14 consistently -- this isn't the first time, not just in
15 2002, but we make face-to-face contract -- contact not
16 with just the general group, but there is one group
17 that our standard in the company takes the cue from
18 OPS. But our standard is that we meet 100 percent --
19 we meet with 100 percent of the more than 150
20 responders along both of our systems each and every
21 year. And I can document each and every person we met
22 with, when we talked to them, what we talked about.
23 And it is a standard that I hold in my
24 employees. I want to send a letter each year to thank
25 them for their participation in that year. And it is

1 my hope that they recognize my name when myself or one
2 of my employees signs that letter. I want to be able
3 to come back. I want to be welcomed through that
4 effort.
5 By working with first responders through this
6 effort, we have gained a better understanding of how to
7 communicate with them in an emergency. We know what
8 they know. We know what they didn't know. And they
9 know about us.
10 And as Fred was asking, I think that most of
11 the information that was on Fred's list as a first
12 responder in the first panel, our first responders have
13 that information about our pipeline.
14 We are also giving them a better
15 understanding then of how our system operates, which
16 aids in their own training efforts and planning. And
17 it is the fact that most of our fire departments, for
18 example, along those lines I drew for our system in the
19 northwest, are rural fire departments which are
20 volunteers.
21 And I'll tell you something. We meet with
22 them when they can meet with us, whether that's a
23 Saturday morning or a Tuesday night or whenever they
24 can get together. It is at their convenience, not
25 ours.

1 Talking about construction, Shirley, we
2 recently did have some construction on our project.
3 And we made it a point to involve people in that
4 effort. We hosted construction seminars. And I know,
5 as Carol and Doug know, we invited the WUTC to watch
6 the construction, in spite of the fact that it was in
7 Idaho, so they could see and learn about our
8 construction practices from the ground up.
9 We maintain regular communications along our
10 pipeline right-of-way, of course, in writing at least
11 once a year to remind them of the safety precautions
12 that they should take before any excavation is begun to
13 our system. And we recognize them for the fact that
14 they are, in a system like ours, our eyes and ears.
15 We want to make sure they know how to call
16 us. And if they have any concerns about safety or --
17 and if they plan to dig near our system.
18 And like many pipelines, we increased the
19 frequency of communication after the tragic events of
20 September 11th, 2001, to assure our landowners or
21 nearby residents of our increased vigilance to protect
22 our systems. And one of the things that we do is we
23 are flying our pipeline on a weekly basis.
24 I know Stacey knows what the standard is, but
25 every week there is somebody flying over our pipeline

1 so we know what our landowners are doing and they hear
2 from us. I hope that doesn't become a standard, but if
3 it does, I'm fine with that because I've done that on
4 my own.
5 Twice a year we place ads in communities all
6 along our systems reminding the public to call the
7 local one-call center before digging.
8 I hope what you're realizing is I speak, and
9 I believe this is verifiable and measurable. We have a
10 proud history of implementing enhanced safety measures
11 long before the actions are required by law or by
12 regulation. I've already listed what some of those
13 methods are, and I won't talk about smart pigs. But
14 we've done some of that.
15 But I will say as a measure, because we know
16 it's on people's mind, that when we started commercial
17 operation of our North Baja pipeline, even though it
18 was fresh and even though we had conducted all the
19 inspections, we did a baseline smart pig run -- and I
20 know you know what it means because you've been using
21 the term -- inspection before commercial operation
22 began for that pipeline. So we have a baseline on that
23 system to benchmark on how we read future anomalies if
24 they're there or indications.
25 And I do want to say to Chuck that, you know,

1 that is part of the reason why we're here.
2 This language is not difficult. It has grown
3 out of a good, honest effort of -- and good
4 engineering, but we know we have to communicate with
5 the public. So we need to know the terms that you
6 understand. And if "indications" is a better term,
7 please support me. And if "data points" help and those
8 data points require further analysis, if those words
9 help, that's what we're trying to mean by "anomalies."
10 And we look at those.
11 In fact, we did find two data points that we
12 provided or that -- that came up in that inspection and
13 we resolved them. And we documented what they are.
14 And we're certainly happy to share it with OPS.
15 We were an early and strong proponent of
16 enhanced federal -- pipe -- pipeline -- I'm sorry. We
17 were an early and strong proponent of enhanced federal
18 pipeline safety legislation and we were very, very
19 happy to see that law enacted on December 17th.
20 We have also worked constructively with our
21 various jurisdictions, including here in the state of
22 Washington, on efforts legislatures and others have
23 made to examine and enhance pipeline safety.
24 We believe that by reaching out and
25 communicating with first responders, local officials,

1 landowners, and community members, we hope we are not
2 only improving our ability to deal effectively with an
3 incident but we are increasing the likelihood that we
4 will prevent problems. That is the best possible
5 outcome for us and for our communities.
6 And I will add, based on the first panel,
7 that a key takeaway for me, Stacey, was Greg
8 Zimmerman's suggestion to us that we use local
9 officials as a resource when we develop our
10 communications plans in response to the new rule. We
11 will think about this, and we look forward to working
12 with the Office of Pipeline Safety and all of you here
13 on the development of public communications and safety
14 regulations. Thank you.
15 (Applause)
16 MR. SCHAENMAN: I don't want to answer the
17 questions -- all the questions one by one. I want to
18 just add a couple of pieces of information on top of
19 what other people said and talk a little bit about
20 evaluating public education programs, okay?
21 The kind of information that I think is very
22 valuable both for the regulators and the public is
23 relative risk. And I think -- at several levels. I
24 think relative risk across companies, relative risk of
25 different pipeline segments. I think we talked about

1 that earlier today. But also relative risk compared to
2 other hazards and relative risk to other nations. I
3 mean, how does our pipeline industry do relative to
4 pipelines overseas? Are we safer or less safe? I
5 think that would be of general public interest.
6 And I think regulators would also like to
7 know relative risk across states, of course all
8 normalized per, you know, X miles of -- of pipeline.
9 The regulators in the state of Washington would like to
10 know how things are in Washington relative to other
11 places. So notion of relative risk.
12 A second type of information is anecdotes.
13 Now, this is strange coming from an engineer who really
14 believes in statistics, but I have always found that to
15 flesh out the statistics, it's very useful to have
16 anecdotes. Anecdotes of good cases and anecdotes of
17 bad cases.
18 The Bellingham anecdote certainly caused an
19 awful lot of action, but there are positive ones also
20 that -- that could be used to illustrate good behavior
21 as well as bad behavior.
22 Just as we were talking before about
23 different types of publics, I think there are different
24 people to whom public education is aimed. And I think
25 you have to measure effectiveness for the different

1 target groups or whatever you want to call them,
2 stakeholder groups, differently. The two big ones are
3 -- one are excavators and the other, the public along
4 the right-of-way.
5 When you're trying to measure effectiveness
6 of public education, you can think in terms of a
7 hierarchy of things you have to do to get your message
8 across and to have a bottom line effect. First, you
9 need outreach. What percent of the target group are
10 you reaching. What percent of excavators, what percent
11 of the public.
12 Then, you need to know, did they understand
13 what you're saying. You can't quite give them a test,
14 but there are various ways to tell, did they understand
15 the message. Do they know what number to call. Do
16 they understand what behavior they're supposed to
17 exercise.
18 And then you measure, do they actually
19 perform the behavior when they're supposed to perform
20 the behavior. How often do excavators call before they
21 dig. How often does the public call right away when
22 they notice something. There's a number of ways to
23 measure whether you actually change behavior because
24 they may know what to do, but if they don't do it, you
25 haven't gotten across in the right way.

1 And then finally is the -- is the effect on
2 the bottom line of safety which gets muddied by lots of
3 things contributing to it.
4 But if you go through that hierarchy of -- of
5 outreach, change in knowledge, change in behavior, and
6 then bottom line, you have a fairly convincing story if
7 you do have success in those. And you also can see
8 where the holes are if you don't.
9 As far as how should you provide information,
10 you really can't answer that just winging it. You
11 really have to do market research to find out.
12 Different groups get information from different
13 sources. And we have just gazillions of images out
14 there from all kinds of purposes, and you don't know
15 what's going to sink in or what not.
16 Some information you want on call. I think
17 Shirley was talking, you know, very articulately about
18 when the time comes somebody needs to find information.
19 But -- and earlier this morning a point was made, you
20 need to use multiple paths of information.
21 But you really need to do research -- and it
22 can differ in urban versus rural areas. It can differ
23 from one state to another -- of who are trusted sources
24 and where do people get their information. And -- and
25 you'd be shocked at how much variation there is from

1 community to community on what the right answer is.
2 There's not one approach that applies all over a state
3 or all over nationally.
4 So you really need to do a little market
5 research to find out are people -- where do people get
6 their information and who do they trust to deliver the
7 message. Do they trust the federal government. Do
8 they trust the local garden club. And you really need
9 to do a little homework and market research. And I
10 think the industry probably has lots of excellent
11 market researchers that could help in that process.
12 MS. GERARD: Thank you, Phil.
13 Carl?
14 MR. WEIMER: I come at this from a little bit
15 different perspective, and I just want to kind of be up
16 front about that to begin with.
17 I don't get paid to do this. I've been doing
18 this since the day the Olympic pipeline exploded in
19 Bellingham. I operate a business that is right on
20 Whatcom Creek. It's the largest retail business in
21 downtown Bellingham. And I was standing in the parking
22 lot chatting with some customers when something that
23 looked like an atomic bomb to us went off over the top
24 of the city. And it was the most evil-looking cloud
25 I've ever seen.

1 And everybody wondered what could possibly be
2 in town that would do that. And no one had a clue.
3 And we listened to the radio for a long time, and the
4 radio didn't have a clue for a long time either. And
5 then they finally made an announcement that there was
6 fuel running down Whatcom Creek, which we were standing
7 right in front of. So we rapidly closed up the store
8 and got the heck out of Dodge.
9 So you'll hear a lot of discussion about
10 corporate culture and the need to change corporate
11 culture. Well, I come from a little different culture
12 because for the last three years the people I've been
13 dealing with are homeowners who have been bullied by
14 people trying to get right-of-way agreements signed.
15 Or homeowners who were given misinformation by pipeline
16 companies. Or farmers who are concerned because a
17 pipeline is going through the middle of their tile
18 fields and going to ruin their drainage and a hundred
19 year old farm that their family has owned is gone. Or
20 people who see the value of their property going down
21 because of a pipeline running through it.
22 Or people -- environmentalists who are
23 concerned because of damage to sensitive areas in
24 creeks and wetlands and those types of things. Or
25 people from towns like Edison, New Jersey, or Mounds

1 View, Minnesota, or San Bernadino, California, or
2 Lively, Texas, or Carlsbad, New Mexico, or Bellingham,
3 Washington, who have lost loved ones in explosions.
4 So my perspective is very much different than
5 a lot of the people in the room today. And it's kind
6 of -- I come from the pipeline activist culture, and so
7 I just wanted to be up front about that.
8 A few weeks ago when I found out I was going
9 to be on this panel, I sent out messages to a lot of
10 these people I've mentioned around the country asking
11 them to read RP 1162 and to let me know what I ought to
12 say today. And it was kind of interesting because what
13 came back was a pipeline activist consensus standard
14 that in reality people didn't know whether what they
15 were reading in 1162 was a public awareness program or
16 a public relations program.
17 And that's certainly coming from the activist
18 culture reading through that stuff, but it -- it rings
19 true. And I don't think we've taken part in any of the
20 comments on 1162 other than very early on when we found
21 it at -- coming from an activist standpoint. We said,
22 why in the world is OPS asking API to come up with a
23 standard that they might make rulemaking about. It
24 just didn't make any sense that the industry should
25 come up with a standard that OPS may then somehow adopt

1 as rulemaking. There's lots of other organizations
2 that could come up with an independent standard instead
3 of the American Petroleum Institute.
4 So we decided not to be part of this just
5 because we thought it was severely faulted right from
6 the beginning, and we haven't made any comments.
7 One of the comments I got back after people
8 did read it comes from Marlene Robinson, whose son was
9 lost in the Olympic explosion. She was actually on a
10 plane on the way out of here today or she would have
11 been here. And I'd just like to read her quick comment
12 because it kind of pretty much sums up what I was
13 getting from people around the country.
14 "I downloaded RP 1162 from the API site, and
15 it clearly has almost nothing to do with what we the
16 public would consider important in a communications
17 plan. As its goal is to communicate only the public's
18 responsibility in relation to pipelines -- in
19 emergencies. It has nothing to do with informing the
20 public about the reality of pipeline practices and
21 safety records. And in any case, it should not
22 emphasize purpose and reliability statements that are
23 promotional rather than accurately informational."
24 The one thing that really stuck in her craw
25 about what she read is in one place there's a

1 recommendation that all web sites from companies should
2 include stuff about -- from an NP -- let's see. An
3 NTSB study that talks about pipelines being the safest
4 means of fuel transportation. And we've heard
5 arguments today about different ways of looking at
6 that, whether that's true or not.
7 But -- but there wasn't any recommendation in
8 1162 to look at other things that NTSB has said about
9 pipelines. And they've been fairly critical about
10 pipelines in the last few years, other than this one
11 study that was quoted.
12 So what I was hearing is, it was unclear. If
13 you look at education and information, usually that's
14 kind of neutral and provides both sides of the story.
15 And what people were seeing in 1162, it was in -- just
16 including kind of what the pipeline industry and the
17 pipeline culture sees from their point of view.
18 Marlene made the recommendation that if
19 you're going to include stuff about an NTSB study that
20 said pipelines were the safest form, you should also
21 include all the recommendations that NTSB has made
22 about pipelines and maybe even the quote from Jim Hall
23 that he made in front of the Association of Oil
24 Pipeline Congress in December of '99 when he said,
25 quote, "There is nowhere today the sense that the

1 Office of Pipeline Safety is in charge or that its
2 regulations, its inspections, its assets, its staffing,
3 and its spirits are adequate to the task." That's what
4 the chairman of the NTSB said. I didn't see that
5 recommended in 1162 anywhere.
6 And I think that quote from '99, you know,
7 that may not be reality anymore because people have
8 seen OPS change and move forward on some rulemakings.
9 But still, what activists around the country were
10 looking at was something much different than what was
11 coming out of the API.
12 I went and looked at the Pipeline101 dot com
13 web site, which to me almost seemed like to represent
14 what was coming out of RP 1162. And I asked other
15 people to look at it, and that -- we got the same
16 reaction from that. It was more of a PR piece than an
17 education piece.
18 I don't want to go through a whole list of
19 what we -- should be included because you heard a lot
20 of that today and it would just be duplicative, and I
21 think there aren't all that many new faces here. I'd
22 like to leave time for questions from the public since
23 this was supposed to be a public meeting, although I
24 think there's only about seven public in the audience.
25 But there are some things that I think should

1 be included that haven't been mentioned. Most
2 everything I believe should be included that people
3 have talked about. Certainly, what pipelines -- how
4 they were constructed, what materials they're made of,
5 all the safety records from pipelines, when they were
6 inspected, how often they're inspected, what was found,
7 what was done about that. That should all be easily
8 available to the public. None of those types of things
9 are included in 1162.
10 Spill data should be made more user-friendly.
11 Office of Pipeline Safety does have a pretty good
12 database of reports, but for the most part, people I
13 run into around the country don't know how to access
14 that information or what to do with it once they see
15 it. Some of us have figured out and downloaded it onto
16 our computers. And I get calls once a month or so from
17 people in weird states that I've never visited saying,
18 they're putting a pipeline through my backyard, how
19 safe is it. And I can pull up and pick out different
20 states or different companies' records and send that to
21 them. And sometimes it's a relief. I did one on PG &
22 E not too long ago, and you guys have got a pretty good
23 record. And other times they get the stuff and they're
24 not very heartened by the information they get.
25 But it would be pretty easy to manipulate

1 that stuff on the OPS web site by company, by state so
2 people could get it in a variety of ways or could
3 access it at all. I hear a lot of people have trouble
4 with that whole software system.
5 Also, it would be nice to get a sense of how
6 often these regulations are updated. I mean, we were
7 talking about unusually sensitive areas today, and I
8 don't remember if there's any timeline in that for when
9 that's going to be updated.
10 MS. GERARD: We -- we just updated it last
11 week.
12 MR. WEIMER: Yeah, but I mean, when -- how
13 often will you go back to counties and say, is the
14 environmental sensitive areas you've given us still
15 accurate. Because the -- my concern is that I'm
16 sitting on a watershed group right now in Whatcom
17 County that is trying to deal with our watersheds. And
18 in the last three years, we've spent $10 million on
19 experts trying to define environmentally sensitive
20 areas. And if you'd asked the state department of
21 natural resources or the fisheries people three years
22 ago what was important, it was -- it'd be very
23 different than what it would be today after they've
24 done these types of looks. So there needs to be kind
25 of an iterative process of -- of looking at those

1 areas, too.

2 The other thing that I think would be very

3 interesting to include, I was reading the NTSB report

4 on the Bellingham accident. And it's very accurate,

5 and it's a very good way to kind of walk through what

6 happened. And it talks about at milepost such-and-

7 such, a valve slammed shut causing fuel to flow

8 backwards, and then at milepost such-and-such 250,000

9 gallons of materials escaped into a creek and people

10 were killed. But it's fairly dry reading and hard to

11 read.

12 I think there's a whole other part of the

13 story that you don't hear. And you heard a little bit

14 of it from Carol this morning. I mean, there's the

15 part of the story about Liam Wood who graduated from

16 high school six days earlier and got the day off from

17 school and ran home and got his fishing rod and was

18 fishing in Whatcom Creek -- beautiful day, one of his

19 favorite spots -- when a 10-foot wall of vapor hit him.

20 And he was overcome with that and fell into the creek

21 and drowned before the fire even exploded.

22 The two other boys who were playing basically

23 in their backyards when 95 percent of the skin was

24 burned off of them.

25 The NTSB report doesn't really explain that,

1 but there are things that can. I mean, a year after
2 the Bellingham explosion, the local university
3 journalism department put out a publication called,
4 "Olympic Pipeline Explosion, a Retrospective." And I
5 think if every time there's a major problem where
6 someone's killed or there's major environmental damage,
7 maybe the Office of Pipeline Safety should contract
8 with a local newspaper in that area to write the real
9 story about how it's affected people, affected people's
10 property, how people's fears are still -- people in
11 Bellingham, you mention the kids' names and they break
12 out crying. There's veterans in Bellingham that they
13 hear a loud boom and they still run because they still
14 have this vision that Bellingham was being napalmed
15 that day.
16 There's emergency responders who still aren't
17 back to work three years after it because it was such a
18 horrendous thing for them to have to live through.
19 Those are parts of the stories that I'd love
20 to see. You know, if a company messes up and does
21 something like this, let OPS hire an independent
22 journalist to produce a booklet like this and then that
23 company should have it on their web site along --
24 available to anybody else that wants to put it on a web
25 site.

1 Those are the few things that I can see that
2 really need to be on there. I think most everything
3 needs to be made available to the public. This whole
4 notion of security versus community right-to-know has
5 been the most disheartening thing I've had to deal with
6 in the last year because we had some pretty good
7 community right-to-know information in some of the
8 bills that were moving through Congress. You heard
9 Representative Dunn talking about that that was a
10 disappointment for her too that those -- that stuff got
11 cold after 9/11.
12 And in reality, when you look at the types of
13 stuff most people around the country are interested in
14 having the right to know, it's not stuff that
15 terrorists would be particularly interested in.
16 There's certainly some things that shouldn't be listed,
17 but safety records and spill data and what pipelines
18 are made out of aren't of much interest to terrorists.
19 In Bellingham, and it comes from our
20 different perspective because our whole town was
21 traumatized by this, we kind of learned a valuable
22 lesson that there's really two types of terrorists.
23 There's terrorists that wear funny hats and come from
24 strange countries that we all worried about after 9/11.
25 And then there's terrorists who don't pay very much

1 attention to their pipelines and are part of the
2 Fortune 500. And our community was terrorized by those
3 people.
4 And it's a fine dance to try to make the
5 decision about which type of terrorist you want to
6 protect a community from. And I think that most
7 information on pipelines should be considered innocent
8 until proven harmful. And I've asked a number of
9 people to show me what information should be pulled off
10 pipeline web sites because it somehow could be used by
11 a terrorist, and I would love to hear that -- that
12 discussion because so far no one has explained that to
13 me regarding pipelines.
14 So I -- I think and I hope Jennifer Dunn will
15 move forward with some kind of a bill to reintroduce
16 some community right-to-know stuff because it seems
17 like stuff's getting jerked off web sites right and
18 left instead of the community knowing the safety
19 records of pipeline companies. And there's some good
20 companies doing a good job, and that would reassure and
21 help build trust again with pipelines. And the other
22 people, if that information was easily available on a
23 web site, that would give them some incentive to step
24 up to the task as some of the more progressive pipeline
25 operators have already done. Thanks.

1 (Applause)
2 MS. GERARD: John, are you down there?
3 MR. CARPENTER: Okay. Yeah, I'm John
4 Carpenter. I'm from the City of Tumwater. We are the
5 smallest jurisdiction in the City-County Consortium.
6 And after the Bellingham incident, my council and mayor
7 had a concern whether or not our pipeline was safe in
8 the city. At that point we were told it was okay.
9 We've done some research since then with the
10 consortium and found that information was very hard to
11 come by at that time. They -- we would either get some
12 hype which was public information or we would go into
13 the proprietary or very technical information that was
14 way beyond my level and anyone in our city's level to
15 understand.
16 Consequently, we joined the consortium and
17 hired our own experts to try and translate and
18 understand what we were dealing with at this point.
19 We -- I continue going back to my council and
20 city and reporting on what's going on. They are still
21 active concerned. They are also a good communication
22 point to start getting to the public. Councils and
23 mayors and elected officials are the representatives of
24 the people, and it's -- would be a good spot to start
25 communicating with them on a regular basis.

1 Our particular pipeline has not had regular
2 communication ever since the Bellingham incident. We
3 get it occasionally but not on a regular basis.
4 The city also provides a lot of outreach
5 programs that could actually dovetail in with -- with
6 some of these programs that the pipeline company is
7 doing. We teach emergency preparedness. That would be
8 an ideal spot to add a section in there about being
9 prepared for a pipeline incident. What would you need
10 to do if you live in the pipeline area. And could
11 tailor that for -- for that area that was -- you know,
12 people who lived in the pipeline corridor.
13 We also do fire prevention talks to not only
14 children but adults. These are existing programs that
15 go on within the city.
16 Our water quality people put on talks about
17 protecting our water quality. That would be also
18 another spot where we could incorporate some of this
19 information as long as we had information that we were
20 comfortable with in presenting to people.
21 And the only way we're going to get
22 comfortable with that information is to be given
23 information, one, that we can understand, and two, on a
24 regular basis so that there are contacts available that
25 you can recognize their face. And I guess one way of

1 measuring success of your program may be to look at
2 your address book and see how many faces you can put to
3 the contact people in those local government and also
4 the public that's out there.
5 In terms of additional information, I'm not
6 sure if there's more information than the program gave,
7 but it -- but it really should be on a regular basis by
8 giving it to local government, particularly to make a
9 presentation. For example, most city council meetings
10 are televised. I'm not sure how large an audience you
11 get, but you do get an activist audience there, people
12 who are concerned about what's going on in the area.
13 It might be a good spot to -- to get some information.
14 The other way would be mail, and particularly
15 direct mail, to the property owners on the pipeline
16 corridor. Most people -- not just a bulk mailing but a
17 personal letter with some personal information to them.
18 The regional forums are a good spot to be
19 able to get out information such as this, such as the
20 pipeline -- the City-County Consortium.
21 We have or are looking into installing a
22 reverse 911 system for use, as was mentioned earlier.
23 Some of the testing of that could be done with a
24 message from the -- about what to do in a pipeline
25 incident.

1 What kind of information should go out to
2 people? Well, the right-to-know, we -- we came up with
3 the MSDS program which gives you a pretty broad,
4 general range of information for most chemicals out
5 there. Most people are trained in how to read those at
6 this point. Employers are required to do that. I
7 think that information should be provided to everybody
8 along the pipeline as well as responders that are --
9 that are responding.
10 For people in the pipeline corridor, they
11 really should have -- be explained what is -- what
12 could happen. What are the potentials with a leak, a
13 slow leak, a large leak, would have a lot of noise to
14 it. And what protective actions should they take
15 during an incident.
16 I don't want my citizens, if there's a
17 petroleum leak in their backyard, to take time to call
18 the pipeline company to ask them what to do. I want
19 them to call 911 and get the appropriate people en
20 route right away.
21 A response overview. Coordinate with the
22 local responders by -- by educating and -- and teaching
23 people, particularly in smaller jurisdictions. If you
24 teach the volunteer firefighters, you probably have
25 taught a good portion of the community that you're

1 dealing with and done a lot to do that outreach program
2 going on.
3 I think continuing programs so it happens on
4 a regular basis is extremely important, again so you
5 get that face -- face-to-face contact and start
6 developing some trust in -- in the communications that
7 are coming out, that we're not just receiving hype,
8 that it is actual information that's good in quality.
9 How to measure those -- the effectiveness.
10 Some of the things I came up with were probably the
11 number of requests for further information. Reading
12 the letters to the editor after an article on a
13 pipeline incident and see how many positive-negative
14 comments are in there.
15 Do I have any suggestions for providing
16 information to the public? Again, working with local
17 government to develop the relationships with the
18 community leaders. Again, the elected officials are
19 the representatives of the people. If you can't reach
20 all of the people, at least their representatives are a
21 good place to start because when the incident happens,
22 those are the people that are going to be on the front
23 lines and getting the -- getting the heat from the
24 public even if it doesn't happen in their -- their
25 area.

1 Another area to get with people would be the
2 LEPC, the Local Emergency Planning Commission. I would
3 think that a pipeline company would want to be an
4 active member of all of the LEPCs in their
5 jurisdiction. It's a good place to hit most of the
6 responders and also some of the local government
7 people.
8 Again, I know most LEPCs are looking for
9 members from the private side, or at least in our
10 jurisdiction and our area they are. Government seems
11 to be well represented but it is actually designed to
12 be a private -- yeah, there as well.
13 Speaking of planning and -- and the response
14 agencies, develop the -- your response plan in
15 conjunction with the fire departments and the emergency
16 management. After the Bellingham incident I went to
17 get the response plan for a local pipeline and found I
18 didn't have one. And when I asked for one, I got it
19 about six weeks later, and it came in three great big
20 huge copier paper boxes. And obviously, it took me a
21 lot of time to figure out what it had to say.
22 So if that plan had been -- when I found that
23 information, it was inaccurate. It showed the City of
24 Olympia as responding in our area and taking care of
25 the pipeline when they -- it doesn't go anywhere near

1 their city. It was -- obviously had been written at
2 home and really didn't meet reality.
3 Consequently, had that been exercised or
4 worked out or contacted with me, we would have both had
5 a better idea of what to do if there were a spill in
6 our area. And we would have developed those personal
7 contacts.
8 Some of the other areas of getting your
9 information out is to make regular contacts with your
10 public works or building departments. Again, that can
11 be done through your contact in the emergency -- in the
12 -- in the government. With us, it's myself. Because
13 we see the plans of what's coming in in our -- our
14 jurisdiction. And we know what's going on and we can
15 at that point intercede and say, you know, you need to
16 contact the pipeline because it's underneath there and
17 work with -- work with them.
18 In terms of security, I am real concerned
19 again about all of the information being hidden. What
20 we heard before was it's proprietary information. And
21 now we're hearing that it's a matter of national
22 security. And a lot of the information that's being
23 hidden, I -- I agree, is -- probably should be out and
24 open to the public and at least to local government,
25 particularly -- we talked about critical areas.

1 So kind of in a nut shell, that's what I had
2 to say.
3 (Applause)
4 MS. GERARD: Chuck?
5 MR. MOSHER: Chuck Mosher. Just as far as
6 having a liaison, I do appreciate the idea, Stacey, of
7 having a CATS group. I'm just not sure how you're
8 going to herd them.
9 (Laughter)
10 MR. MOSHER: One of the things that you have
11 to be concerned about with getting information out to
12 the public, I think you have a list of all the people
13 that are, you know, logically you would contact. The
14 problem is, so when are they going to be interested?
15 And are you going to spend a lot of time sending out
16 all kinds of information to people when they really
17 don't care.
18 It's kind of the two-by-four method. You
19 know, if they've been hit by the two-by-four and if
20 they are, you'd better provide a lot more information
21 at that point because they're going to be mad.
22 The same thing about simplify, simplify,
23 simplify. I do like Phil's comment about having a
24 hierarchy of -- of information. You could have a web
25 site that certain information is provided and it can

1 refer to hot links or whatever else -- however else you
2 want to set it up to more information. And if there's
3 a concern about safety, you can have a -- have to hot
4 link to where you can get the information from
5 individuals and having telephone numbers and the names
6 of individuals so that, you know, you can contact them
7 and they can get the information for you and probably
8 screen who they're giving the information to.
9 But I like that idea of having that
10 information tree hierarchy so some can go in and get
11 the information very quickly. Others can spend a lot
12 of time going through the detail.
13 You do have an opportunity of -- of working
14 with the cities. I know that in our city we had state
15 and our congressional delegation work with us on having
16 town meetings. That's a good way of -- of bringing
17 people into a town meeting and having information
18 available for them and having local officials get the
19 inputs and concerns of the folks that are -- that are
20 in the community.
21 You could also have hot links from the --
22 from the city web sites. We've got some pretty
23 sophisticated city web sites, and you could go in and
24 click on some hot links there. So I think that there's
25 more that could be done with the cities.

1 Plus, I think it was mentioned, cities and
2 counties have TV networks. You can get great
3 information out over those TV networks, be it emergency
4 information, be it a film on what to do in case of an
5 accident.
6 Plus, I believe that on the information you
7 provide, I'm not sure I've seen that you have the
8 general products that are being handled, you know, just
9 the basic description and concerns with the products.
10 What are things that can happen. It's probably good to
11 know. I mean, I know there's a 16-inch fuel pipeline,
12 20-inch, that goes right down by my church. Other
13 than, you know, knowing what happened in Bellingham,
14 you know, the other areas, they may not know what -- so
15 if we see something, what -- how concerned should we
16 be. You know, I think that -- that could be provided,
17 a little bit about the product and a little bit about
18 the concern.
19 The other thing that would be interesting
20 would be doing -- I know the tabletop exercises are
21 done with your first responders. And by the way, first
22 responders are someone people in my community would
23 listen to. Maybe even better than the electeds.
24 But tabletop exercises with your electeds
25 might be a good idea, too, because you can practice

1 getting information out. And when you have the
2 emergency, that's a time it's a tough time to learn
3 what to do, what to say, what good information should I
4 get out, what misinformation should I not get out. So
5 I think it would be a good idea to include some
6 electeds in your tabletop exercises.
7 Those are some of the ideas that I have.
8 (Applause)
9 MS. WOLFE: Well, Stacey, I'm not going to
10 repeat a lot of what's already been said here today
11 because I know that the -- I do agree with a lot of it.
12 As a state regulator, I hope I speak for Doug
13 Kilpatrick in the Washington UTC. I know I speak for
14 the California state fire marshal.
15 You call us your state partners. I ask you
16 to rely on us as a liaison with the local communities
17 and with the operators. OPS headquarters is three time
18 zones away from the West Coast. The useful direct
19 contact between us and OPS headquarters is only three
20 hours a day, from 11 in the morning until two in the
21 afternoon. That's very limiting. And if you rely on
22 your state partners now, I think we can get a better
23 product out to the public.
24 I would encourage you to increase your
25 resources channeled to the state partners. They can be

1 effectively used to improve the communications and
2 response both with public and with the local officials.
3 And -- officials being fire departments, law
4 enforcement folks, planning, zoning, franchise, public
5 health, and the environmental health departments. We
6 can act as a communications link with all of that.
7 I hope that -- that we don't forget the
8 emotions that we've heard here today. There's been a
9 lot of frustration and anguish and anxiety and anger
10 and extreme mistrust. These are emotions that affect
11 real people, not just these companies or bureaucrats.
12 We need to make sure that public
13 communications efforts recognize the needs of special
14 groups who -- who require focused or enhanced outreach.
15 The details of communications methods cannot
16 and should not be mandated at the federal level. They
17 really need to be tailored to the needs of the local
18 communities.
19 And let me give you an example of what we
20 experienced several years ago in California. During
21 the Northridge earthquake, crude oil from a pipeline --
22 ruptured and resulted in a fire in a low-income
23 residential section of the San Fernando area of Los
24 Angeles. This area had an extensive non-English-
25 speaking Hispanic population and these people were in a

1 panic. Not only had they just been through a 7-plus-
2 point earthquake and had -- literally had the earth
3 beneath their feet shaken away from them, but then they
4 had this pipeline fire with crude oil running in their
5 -- in their streets.
6 They were near panic not because they feared
7 for themselves but mostly because they feared for their
8 children. They assumed that the event would result in
9 total devastation of their community because the
10 pipeline was designed, operated, and regulated like the
11 one that exploded in Guadalajara, Mexico. That was
12 their only point of reference at the time.
13 Our job as public officials is to help all of
14 our citizens understand how we protect them. I would
15 encourage the personal -- the communications methods to
16 remain at a real personal level. We need to reinforce
17 the humanness in understanding the needs of the public,
18 the operators, and the regulators.
19 I encourage you not to underestimate the
20 information that the local and state officials have
21 available to them.
22 And in closing, I'd like to thank you all for
23 having this workshop. And it emphasizes that you
24 recognize the benefits of a dialogue over a lecture.
25 And it's a much more effective communications method.

1 (Applause)
2 MS. GERARD: Dr. James?
3 MR. JAMES: Just one more person to listen
4 to.
5 I'm Dr. Frank James, and I'd actually rather
6 not be here today. I -- I'm a doctor. I like taking
7 care of patients. I teach. I like being with
8 students. I don't like sitting in a room all day long
9 with a group of folks like yourselves. Now, no
10 offense, mind you, but there's better things for a
11 doctor to be doing with his time than sitting here
12 writing on a computer and taking notes.
13 Having said that, I want to tell you that
14 I've got a specific list which I'll provide in writing
15 to OPS of things that I think can and should be
16 communicated, things for which there are no national
17 security reservations about sharing, things that can be
18 standardized across every pipeline. And it's a simple
19 list and it's not new.
20 How many gallons were released to the
21 environment in the past month. Size of each spill, if
22 it escaped confinement. Did it reach a water supply.
23 how much was recovered. How many people were injured
24 or were there any deaths. Those are the simple things.
25 There's a few more complicated.

1 Segmental information about each pipeline.
2 In other words, for each segment of the pipeline, when
3 it was constructed, what materials it's made out of,
4 the defects that are found, defects that have been
5 repaired. Release detection and sensitivity.
6 Performance data on each section which is not currently
7 available anywhere that I know of. The release and
8 overpressurization data, both should be available.
9 Near misses count. The distance between shutoff
10 valves. The history of inspections and activities by
11 regulators. The time to shut downs once a leach was
12 detected. The history of the -- well, institution of a
13 licensing program, just like the haircutters only for
14 operators of pipelines and a history of that being up-
15 to-date. The history of each -- each fine that a
16 pipeline has received and a history of the collections
17 of those fines.
18 Those are all things that can be put online
19 tomorrow if people wanted to do it. There's absolutely
20 no reason. There's no national security interest.
21 There's no interest of any other kind that would
22 prevent that except our desire to do so.
23 That's the first thing I had to say. The
24 second is, I'm damn puzzled why I'm here today for
25 another reason, and that is that I went up and I took

1 the -- the list where people signed in and I went over
2 it.
3 Now, I was told this is a public input at the
4 earliest stage of regulatory development sort of
5 meeting, right? Public input at the earliest stage of
6 regulatory development. Sixty-five percent of the
7 people on the list signing in were industry people.
8 Twenty-five percent were government people.
9 And I've got to tell you, I know a lot of the
10 pipeline activists. And if you count them, there ain't
11 no citizens here. It's a very odd exercise we're
12 engaging.
13 And I would encourage the announcement to be
14 in something besides the "Federal Register." I would
15 encourage the OPS to perhaps have a link to the 1162
16 that actually works, which it didn't until a couple
17 days ago when I finally asked them to fix it.
18 It's very disappointing and disheartening.
19 I've got to say, I have very low confidence or faith in
20 the Office of Pipeline Safety. Now, I'm not the first
21 one. Read the report from the National Transportation
22 Safety Board. Read the report from GAO.
23 I don't think it's possible -- quite frankly,
24 I'd given up. And as much as we all want to be nice
25 and polite and all that, you know, the emperor is

1 sitting around buck naked, friends. Quite frankly, I'd
2 given up entirely on regulatory reform. I raised
3 $60,000 to try to make something happen in Congress.
4 We got something through the Senate. API sent $3
5 million on lobbyists, had 50 people on contract, many
6 of them former legislators.
7 Now, what does a nice group of people like
8 myself -- we got a good lawyer, one good lobbyist, a
9 young man, pretty inexperienced, and three families.
10 And we went to Congress. You know what happened the
11 first time? They let us get it through the Senate and
12 then they kicked us really hard in the House of
13 Representatives.
14 It is not possible to get meaningful
15 regulatory reform just because of the players that are
16 there. Quite frankly, I gave up entirely. I'd -- I
17 found more good people within the pipeline industry
18 that wanted to do meaningful things than I have in any
19 regulatory body anywhere.
20 For the past year and a half, I've been
21 working with Colonial Pipeline. And they're not
22 perfect. But quite frankly, they used to be one of the
23 worst companies in the industry. I believe one year
24 they spilled nearly a million gallons down a river.
25 Now, what I know is I know all of you that

1 are here can -- can make a difference because they are
2 the largest pipeline going from Houston, Texas, to New
3 York City. And they were able to make a difference.
4 In 2002, they put 16 barrels of oil on the ground. And
5 they recovered 90 percent of that.
6 Now, if they can do it, why can't everybody
7 do it?
8 In 2001, they didn't have as good a year.
9 They put 462 barrels. Again, they recovered 90 percent
10 of it and none of those either year left their
11 facilities. They were totally contained. None of them
12 made it to water.
13 Now, they're nice people and they mean well
14 and they're really trying and I'm willing to help them.
15 Jim Hall and I are both trying to help them. And
16 they're making a damn good effort. But why is that we
17 can't have that standard for everybody? Why is it that
18 some people aren't held accountable at all?
19 I've got to say, I was totally disgusted by
20 OPS. When we put on that conference in Washington,
21 D.C., we invited OPS. You know who showed up? No one.
22 When we would ask about that, you know who
23 was taking notes for OPS? An industry representative,
24 somebody that's paid by the gas and oil industry was
25 there to takes notes for OPS and take -- take them to

1 them. Doesn't that seem just a little bit
2 inappropriate?
3 I'm glad to be here and -- but I know what's
4 going on. I have an opportunity to talk to some of the
5 leaders in the pipeline industry in this room. That's
6 what's going on. And what I want to do is I want to
7 ask you to do things differently. Please. Because you
8 can prevent these kinds of deaths from happening. And
9 they're horrible. You never ever ever want to have
10 this happen in your community. I gotta tell you, you
11 don't want that to happen. Ever.
12 You've heard it all before. I've said it
13 lots of times at different meetings. I don't want to
14 make you live through what it's like to have a kid have
15 something like that happen to him. But you know what?
16 There are people in our community it still happens.
17 For Frank King who's back here in the back, he relives
18 that every single day.
19 Now, they're small members. One of the
20 people from OPS had the gall to say that, you know,
21 only a dozen people died in New Mexico and 50,000 a
22 year die on the highways.
23 If there were two kids outside the room out
24 here in the courtyard and if somebody came in here and
25 said, somebody was going to burn their skin off and

1 they were going to be killed that way, every person in
2 this room would run out there and do whatever it took,
3 wouldn't you? You would do that right now. You would
4 put yourself in harm's way to keep that from happening.
5 You have that opportunity from this day
6 forward to make that happen. You have the opportunity
7 to make sure that that doesn't happen. But it's going
8 to take doing things differently.
9 I certainly hope OPS follows through on this.
10 I hope they have the integrity and the wisdom to move
11 forward to make meaningful reforms and not just be the
12 -- doing whatever industry asks them to do. It pisses
13 me off. And it's blind, naked stuff. It is -- if you
14 want the citizens to show up at a meeting like this,
15 the "Federal Register" is not the place to advertise
16 it. If you want people to look at 1162, it is not --
17 then you want a link that works on your web site.
18 I was on the earlier committee that -- that
19 generated the IM standards. And you know what? I
20 couldn't go to a single meeting. All the industry
21 people went because they got paid to go. Somebody paid
22 their airfare, somebody paid their -- I couldn't take
23 three days off of work to go to every one of those
24 meetings, you know. The processes here aren't right.
25 Now, I'm proud of the people that I've begun

1 to work with to try to get meaningful change in one
2 company. And my deal with them is I'm working with
3 them in order for them to be leaders. I want them to
4 succeed because I want them to set a standard the rest
5 of you can try to meet. And that's the only thing I
6 know how to do. I don't have any confidence in
7 regulatory reform. I don't at all. None.
8 But I think that if you, the people that are
9 in this room, not a citizen one except for a couple of
10 exceptions, you have the ability to make things
11 different and you can start today. Thank you.
12 (Applause)
13 Open Question and Answer Session
14 MS. GERARD: Are there comments or
15 suggestions from anybody in the audience, public or
16 otherwise?
17 AUDIENCE MEMBER: I have one back here. I
18 don't have access to a microphone so I'll --
19 (inaudible).
20 MS. GERARD: I did mention the study with the
21 Transportation Research Board which is part of the
22 National Academy of Sciences. And we just signed a
23 contract with them recently. And the focus of that
24 study is to create a board of objective people who can
25 hear recommendations from communities that have

1 upgraded their practices. If you're interested in
2 making recommendations about practices that should be
3 heard by that, you can let us know about it and -- or
4 you could call the Transportation Research Board
5 directly. The project manager at the TRB is a man
6 named Steve Godwin. I'm sorry. I don't have his phone
7 number with me.
8 Yes, sir?
9 MR. SKINNER: I'm Harry Skinner from Sumas
10 Mountain, having a little trouble getting to the
11 microphone because my feet are off the ground from what
12 I'm hearing today. Telling it like it is. I'm one of
13 those citizen activist people, your general public,
14 okay?
15 A couple of quick anecdotes. After the Sumas
16 Mountain Williams Pipeline explosion in 1997, the local
17 police chief said, beware of getting into low spots
18 because this natural gas is going to collect in the low
19 spots. And if any -- in the community. And if there's
20 any kind of a spark, it'll be an explosion.
21 Does anybody see anything wrong with that?
22 Natural gas goes up. And so we are totally unaware of
23 what we're dealing with locally. I'm sure that's
24 changed, so.
25 The other thing is when Frank James showed

1 the picture of the -- of the flames and the smoke in
2 Bellingham, I was -- the county's facilities manager.
3 Somewhat responsible for a jail with 400 people in it,
4 the courthouse filled with people. I had no idea that
5 we were standing on -- on a drainage system of -- of
6 drainage sewers, not the sanitary sewers but the storm
7 sewer that goes through the City of Bellingham that
8 connects with Whatcom Creek, okay. Anybody -- I had no
9 clue that possibly those fumes would have found
10 themselves throughout the whole understructure of the
11 City of Bellingham and going off. I mean, that's a
12 quick anecdote.
13 I mean, there are some real public access
14 information that needs to be out there. I'm sure
15 you'll -- agree with that.
16 I think the first responder, I'm sorry, from
17 Tumwater hit right on the head. How do these pipelines
18 fail? You have to tell people. What happens
19 specifically? What are the consequences from those
20 things that happen? Do they climb up out of the
21 ground? I mean, are they oil pipelines under real
22 pressure and they climb up out of the ground like big
23 snakes? I've heard that. Do they simply leak quietly
24 and saturate the aquifer? These are the kinds of
25 things -- I haven't heard that, so please plug that

1 into your information system.
2 You have to tell people as -- as you, Chief,
3 I'm sorry, indicated. It has to be -- you have to tell
4 people what happens, what to look for, what to be aware
5 of, what to do, and how do they fail.
6 And then finally, is it true that if I own
7 property and the pipeline had an easement or more
8 likely a right-of-way across my property and somebody
9 got killed because of a rupture while it was on my
10 property for one reason or another, would I have some
11 legal exposure as the owner of the property where the
12 accident occurred? Not liability, not would I have to
13 probably be put in jail because I own the property.
14 That isn't the issue.
15 But in terms of informing people who own
16 property over which they have allowed a public -- a
17 pipeline to come, they will, I think -- I'm speculating
18 here. I'm not an attorney. If -- if an attorney is
19 taking the case of somebody who gets killed or injured
20 to court, the owner of the property is going to be in
21 court as well along with the -- the pipeline owner.
22 Isn't that a possible legal exposure that you ought to
23 tell people about?
24 So anyway, just a real quick shot from the
25 left field here.

1 MS. GERARD: Before you sit down, sir, I
2 could ask you, how did you find out about this meeting?
3 MR. SKINNER: It was in the newspaper and we
4 have mailings. So I really can't criticize that. We
5 really got good up front information about it. And
6 thank you for that.
7 MS. GERARD: And where did you get the
8 mailings from?
9 MR. SKINNER: The Washington Utilities and
10 Transportation Commission.
11 MS. GERARD: And Safe Bellingham --
12 MR. SKINNER: On e-mail.
13 MS. GERARD: Okay. And so Safe Bellingham
14 was notified and Safe Bellingham did notify you?
15 MR. SKINNER: Yes. Kudos to you for that.
16 It was well done, so. Okay?
17 MS. GERARD: Thank you.
18 MR. SKINNER: Thank you.
19 MR. WEIMER: Can I make just one comment,
20 Stacey?
21 MS. GERARD: Sure, Carl.
22 MR. WEIMER: He reminded me of something that
23 I was thinking that also would be interesting to
24 include in public information. A lot of other
25 industries have to include a worst case scenario for

1 what would happen if a tank on their property blew up
2 or something.
3 And I think that would be very interesting
4 for pipelines. You know, in reality Bellingham was a
5 terrible accident but it wasn't anywhere near the worst
6 case scenario. We got very lucky in Bellingham. And
7 Frank King, whose son died that day, actually saved a
8 lot of the town by igniting that fuel when it did. And
9 it killed him and that was terrible, but in some ways
10 he was a hero because if that fuel had kept falling a
11 little ways longer not getting ignited, it would have
12 been downtown. It would have destroyed the jail full
13 of people that Harry was talking about. It would have
14 taken out the city hall and a number of businesses
15 along the creek.
16 There was levels of vapors in the sewer
17 systems like Harry was talking about high enough to
18 explode that evening. And they were considering
19 evacuating all of downtown but were afraid it was going
20 to set off the storm sewers. And they just waited it
21 out and got lucky.
22 So the worst case scenario in Bellingham, we
23 got very lucky that only three people died.
24 MS. GERARD: Carl, are you familiar with the
25 requirements of the Oil Pollution Act Plans and the

1 worst case scenarios in there?
2 MR. WEIMER: I'm more familiar with some of
3 the LEPC things where -- that require some of the big
4 industries, but --
5 MS. GERARD: Well, pipeline companies for the
6 last 10 years have been required to calculate worst
7 case discharge scenarios, and those documents that are
8 required to be filed are publicly available if they are
9 --
10 MR. WEIMER: I've never seen one. That'd be
11 interesting.
12 MS. GERARD: Yes, Phil?
13 MR. SCHAENMAN: If I can make a quick comment
14 on that point. I believe the International Association
15 of Fire Chiefs is lobbying against the publication of
16 worst case scenarios. And that's one thing they feel
17 specifically is in the terrorists' interest to public
18 -- and so they want that --
19 MR. WEIMER: Where they could do some real
20 harm.
21 MR. SCHAENMAN: Yeah. So they want the local
22 officials to have access to that kind of information
23 but not the general public. I mean, that's exactly the
24 wrong information to get out publicly.
25 MS. GERARD: Yes, Chuck?

1 MR. MOSHER: Just a quick comment. In 1162
2 they talk about getting out information to the property
3 owners every two years. That's something I think I
4 remember specifically. It ought to be done every year.
5 I'm just thinking of the fact that if you try to get
6 information out every two years, you miss a year. It's
7 going to be a long time before they get the
8 information.
9 MS. GERARD: Any other comments from the --
10 the audience?
11 Hello, Frank.
12 MR. F. KING: Hi, Stacey. How are you doing?
13 MS. GERARD: Not bad. How about you, Frank?
14 MR. F. KING: Good. I didn't come here today
15 -- my name is Frank King and my son Wade was killed in
16 Whatcom Falls Park. And I didn't come here today to
17 really address this group. But seeing how I have so
18 many government officials and so many people from the
19 industry within this group, I want to tell you what
20 it's really like looking at it from the standpoint of
21 what the public really cares about.
22 Because, obviously, the public really doesn't
23 care about this information. They expect government to
24 pass laws to make pipeline operators operate their
25 pipelines properly.

1 We lived in this neighborhood for 25 years.
2 My oldest son, Jason, who is 29 today, and my oldest
3 daughter Tracy, who is 31, played in that park for
4 probably 15 years. My son knew exactly where Liam Wood
5 was when he was fishing.
6 The day of the accident, I pulled Wade out of
7 the woods. I stood in the front yard with Wade and
8 Steven with the skin burned off their bodies from their
9 ankles up.
10 Now, you might ask why I describe this to
11 you. Well, I only wish that I had had my wits about me
12 that day and I'd have gone home and gotten my video
13 camera so you could have seen those two little boys.
14 And then maybe it would have the same impact upon you
15 people in the industry that it's had upon me.
16 I'm not someone who is against pipelines, but
17 I resent the fact that the pipeline industry says it's
18 the safest way to move fuel. There are no statistics
19 that support that. None.
20 But I'll tell you what it is. It is the
21 cheapest way to move fuel. And we need cheap fuel.
22 So you need to understand I'm not against
23 pipelines. I'm for pipelines. They need to be
24 operated properly. This kind of an accident should
25 have never happened.

1 Now, Bob, I listened to your comments and --
2 and -- and, you know, Frank Hock, who is the president
3 of Olympic Pipeline, and I have become pretty good
4 friends. After an emotional first meeting of -- of him
5 wanting to tell me and my wife and family how terrible
6 he felt about this accident happening, he told me that
7 the day that he came up to that accident he was flying
8 up in a helicopter and his wife called him on the cell
9 phone and said there were two little boys that were
10 burned very, very badly. And his thoughts were, maybe
11 I should jump out of the helicopter.
12 I don't think Frank Hock or Ron Berenson or
13 Kevin -- wanted this accident to happen. I don't think
14 if an accident happened you would want it to happen.
15 But what I've got to ask myself is, what are our
16 politicians in Washington, D.C. doing?
17 Jennifer Dunn is on video. She supported the
18 bill that was passed in the House. She supported the
19 bill. Patty Murray supported the bill that was passed
20 in the Senate. And I've asked every one of them, what
21 about that bill that you passed? Would it have
22 prevented the accident from Bellingham happening?
23 Nothing. This bill would have done nothing to prevent
24 that accident in Bellingham from happening.
25 Now, what are our politicians doing when they

1 pass a law that wouldn't even have prevented the worst
2 -- one of the worst accidents from happening?
3 Now, I've said this on many, many, many
4 occasions, and I'm glad you said, Bob, that you're a
5 zero tolerance kind of guy because I appreciate that.
6 I wish you were running every pipeline across this
7 country. I'm a zero tolerance kind of guy. I honestly
8 believe that if you're going to get to the root cause
9 and -- and -- and regain the public confidence -- and I
10 know there aren't very many people that die from
11 pipeline accidents every year. In fact, I guess the
12 API has used the statistics that more people die of
13 mosquito bites than of pipeline accidents. We can't
14 control mosquitos. We can control pipelines.
15 My main impetus is, we need to get
16 legislators to pass laws that subject you as pipeline
17 operators to stricter laws. And I'm a firm believer.
18 I'm in the car business and that's why I say we need
19 cheap fuel. And there isn't anybody except car people
20 that would say we need cheap fuel. I'm not an
21 environmentalist.
22 If -- if spills are outlawed, if they are
23 against the law, you operators won't have them. And
24 you need to get rid of the poor operators because in
25 your industry as well as in any industry there are good

1 operators and there's bad operators. Well, the bad
2 operators give you a bad name. And the bad operators
3 are going to cause you a lot of grief because the
4 public is going to be angry about those bad operators,
5 like Olympic Pipeline.
6 So I've asked -- I've asked legislators, fine
7 these people for having spills. The only kinds of
8 accidents that should happen -- the only kinds of
9 pipeline accidents that should happen are accidents
10 where a contractor goes in, he hits the pipe.
11 Do you realize that -- that you people even
12 have a hard time locating where your pipes are for the
13 contractors? You called One-Call and have them locate
14 the pipes. And in -- in Olympic Pipeline's case, they
15 actually located the pipe to be 18 inches deeper than
16 it actually was. And then the NTSB turns around and
17 blames the whole thing, even though they say they
18 didn't blame it on -- they blamed the whole thing on a
19 contractor who did everything right, but he gets the
20 blame.
21 Easy to pass the blame off. Why don't you as
22 an industry get together? I'm willing to work with
23 you. I'm -- I'm willing to say, if you will subject
24 yourselves to higher integrity, higher standards, and
25 you will -- you'd be willing to subject yourselves to

1 fines, heavy fines, so that you can't build it into the
2 cost of your gasoline, so that you can't build it into
3 the cost of your natural gas, so that you can't build
4 it into the cost of your jet fuel. Heavy fines for
5 having leaks. I maintain that the profit motive alone
6 will -- will make you make sure you train your -- your
7 people properly, that when you do have a question as to
8 whether there's an accident going on, those people will
9 turn off the pipe rather than turn it back on twice
10 like they did in the Olympic Pipeline case, to make
11 sure the spill is small.
12 Now, am I suggesting that you will get rid of
13 every leak? I'm not. I think that that's impossible.
14 I don't think there's anything that's perfect. But I
15 do maintain that we would not be here today had they
16 not turned that pipe on at 4:15. There would never
17 have been any fuel in Whatcom Falls Creek had they not
18 turned that pipe on at 4:15. Liam Wood wouldn't have
19 drowned at 4:15 or at 4:20 because that's when the gas
20 started to flow into Whatcom Falls Creek.
21 Now, why are our legislators -- why are our
22 legislators passing laws that are -- have no meaning?
23 Now, in this -- in this Senate bill they stepped up
24 inspections. Olympic Pipeline inspected their
25 pipeline.

1 They increased fines. The OPS hasn't
2 collected a fine prior -- 10 years prior to 1999. And
3 I -- and I don't know how many fines you've collected
4 since. I know they haven't collected the fine of 3.2
5 million that was levied against Olympic Pipeline in
6 October of 2000.
7 We need to stop these accidents from
8 happening and -- and you people can help us by going to
9 the legislators and asking them, fine us. We're good
10 operators. If I'm Bob Howard, I'm saying, I'm a good
11 operator. Fine me.
12 You know, there's a lady that -- that -- she
13 lost her daughter to a drunk driver. And she got a law
14 passed that -- that made it illegal to drive drunk.
15 And I don't know, you know, how many of you can say
16 this, but I know when I was in college and when I was
17 younger -- I didn't drink when I was in high school.
18 But when I was in college, I drank and I drove.
19 Fortunately, I didn't kill anybody. There's a lot of
20 people that drink and drive that don't kill anybody.
21 Now, the biggest difference here is this. We
22 have eliminated drunk drivers. And the reason is, is
23 because we have some people who aren't responsible who
24 drink and drive. We can't make them responsible.
25 But we have an industry here who wants to be

1 responsible and who is responsible. They can subject
2 themselves to more strict laws. I don't want Frank
3 Hock to go to jail just because he -- just because he
4 was part of this company. But you know, it's almost
5 that that's the only thing that -- that we think might
6 get through to the industry. But then we're worried
7 about, well, who's going to be running the pipelines if
8 nobody wants to go to jail?
9 So maybe we can all get together and maybe we
10 can get legislators to pass a law that -- that
11 eliminates criminal prosecution for breaking pipeline
12 safety laws but puts strict liability for having a
13 leak. Because if we can eliminate the leaks or we can
14 make the leaks smaller, we won't be having to have
15 meetings like this because three little kids died for
16 no good reason in a pipeline explosion in Bellingham.
17 Or because 12 people died fishing by a creek in
18 Carlsbad, New Mexico.
19 Thank you.
20 (Applause)
21 MS. GERARD: Any other comments, questions,
22 suggestions? Chuck?
23 MR. MOSHER: Yeah. One of the things that
24 happened after the accident, just from a public
25 official's standpoint, we went to a meeting in -- in

1 Bellevue put on by the pipeline company. And you know,
2 we're talking about providing information. What
3 happens when there is certain information that they
4 don't feel they can provide because they're under a
5 criminal investigation? Who steps in and provides that
6 information?
7 And I think that's critically important
8 because if that information isn't provided, I can
9 assure you that the public officials in that room when
10 we tried to get the information were antagonized and
11 mad. I had to hold back my -- one of my other council
12 members who was ready to get in a fight with the person
13 providing the information.
14 So it's -- there's a qualitative sense here
15 in information that's being provided, not just a
16 quantitative sense.
17 Later on, this same company, Olympic
18 Pipeline, BP Amoco, put on a presentation which was
19 totally 100 degrees different. The attitude of the
20 people who were giving the information out, the amount
21 of information. It was more of a dialogue and people
22 from the pipeline were actually in the meeting there to
23 answer questions, to show how pipelines work. I mean,
24 it was just a breath of fresh air.
25 And I don't know how to put that in this

1 1162, but you know, there is -- there is some ways to
2 provide it where you can end up -- you can give the
3 same information and you can end up with a room full of
4 people that are ready to go to war.
5 But I -- but I do think from kind of a legal
6 sense, when things are happening or just after things
7 happening, you might have to have an independent source
8 there to prevent -- to provide certain information
9 which the company may not wish to provide.
10 MS. GERARD: To speak to a couple of those
11 points, Chuck, I do think that there was a change in
12 the law to make it easier for us to require that
13 information to be provided for the purposes of
14 investigation.
15 And secondly, the idea of having neutral
16 sources of information available at a range of times,
17 not just after an accident but before, is one of the
18 concepts behind our -- our fire service -- National
19 Association of Fire Marshals project. Because we are
20 hoping that we can identify representatives from not
21 just the fire service but the emergency responder
22 community who can be educated and be linked to
23 information from operators' integrity programs so that
24 they are available as a neutral source of information
25 that has some credibility and is -- you know, that

1 they're trained and they have the educational
2 background.
3 And it's -- it's -- you know, we are looking
4 for ways to be able to satisfy the public's need for
5 information that they can depend on. And understanding
6 that there are people who will never believe that it is
7 the federal government, you know, no matter what we do,
8 we are looking to add to that cavalry. And we
9 appreciate suggestions in that area.
10 Nancy?
11 MS. WOLFE: Stacey, I hear -- I've heard a
12 lot of comments about fines. This -- this suggestion
13 is not one that's related to communications, so it's
14 not directly related to what we are here for today.
15 But one of the -- the problems or issues that
16 I see from a state regulator perspective is -- is the
17 credit, if you will, that -- that is -- that we as
18 regulators at the state level get for fines.
19 In California, when I fine a pipeline
20 operator, by state law that fine is not deposited for
21 use by the state pipeline program. It goes to the big
22 general fund in the sky which does absolutely no good.
23 So to be as creative as we can be allowed
24 under the law, what we try to do as a program is to
25 maximize the -- threat of the money that we want the

1 operator to pay. And so we enter into stipulations
2 with them that they take the equivalent amount that we
3 fine them and we agree on something that is beneficial
4 that they can put that money toward.
5 And some of the examples that we've done are
6 buying equipment for local responders where some of
7 those fire departments are very strapped for -- for the
8 equipment they would need in order to respond to -- to
9 a pipeline incident. We have had money put to support
10 an in-flow system, things like that.
11 So it's as creative as the law, but
12 collecting statistical data, that's not captured. So
13 if we can develop some flexibility in -- so we think as
14 a regulator we should get credit for the fact that we
15 did something positive and it cost the company money
16 and we got the attention that way.
17 To -- to collect fines and have it deposited
18 into either the state general fund or to the federal
19 pot in the sky I don't think is -- is really the intent
20 of or the most effective use of -- of that.
21 MS. GERARD: We've had the same discussions
22 about being able to do that. And unfortunately, we
23 don't have the authority to be able to negotiate the
24 direction of alternative remedial actions like that.
25 The company can propose some of those and take some of

1 those actions and then we can consider what the actions
2 of the company have been. And we could probably
3 identify and put a value on those things at the time we
4 might negotiate down the size of the fine.
5 But there's a lot of different views, you
6 know, about this situation. And -- and the law would
7 have to change for us to be able to have the authority.
8 There are other federal agencies that do have
9 authority to negotiate where equivalent to fines would
10 go, but we don't have that statutory authority.
11 Bob?
12 MR. HOWARD: Thank you, Stacey.
13 Frank, I did want to acknowledge and I do
14 consider it an honor that I have met you because I did
15 feel you were speaking to me personally. And I hope
16 you'll give me the opportunity to meet you personally
17 after this meeting is over.
18 Chuck and John, I did have something to -- in
19 response to your remarks. And you know, John, I just
20 wanted to say that, I mean, some of the experiences
21 that we've had in recent years struck me in contrast to
22 your remark that it took three weeks to get a box full
23 of paper as an emergency response finder.
24 One story that I have was at a meeting with
25 the fire chief in Phoenix, which is just outside of

1 Medford. As we finished our meeting, and these were
2 with our local people, this is not our professionals
3 that are coming from the main office that are speaking
4 with people. These are our foremen that are on the
5 ground every day with people and know many of our first
6 responders personally.
7 He asked for 10 copies so he could have that
8 for each one of his people on his crew, and he got that
9 immediately. And I can't help myself, but I know that
10 industry is well represented here and I want to say
11 that that is not something that helps us because I
12 personally believe that, you know, what we do on our
13 day-to-day basis reflects on the discipline that we
14 have in everything that we do. And that was really,
15 unfortunately, very undisciplined and it doesn't help
16 us to demonstrate to someone like Frank that -- that we
17 can prove that the actions that we take are going to
18 prevent an accident.
19 And so I just wanted to acknowledge how I
20 felt about how long it might have taken to get
21 something that is very simple to produce. And
22 hopefully, I can work with you some more sometime.
23 MS. GERARD: Question here?
24 MR. FEINBERG: I am --
25 MS. GERARD: Could you get a little closer to

1 the mike?

2 MR. FEINBERG: I am Richard Feinberg from

3 Fairbanks, Alaska. And I do research on the Trans

4 Alaska pipeline.

5 I would like to ask a question about the OPS

6 ability to deal with pipeline economics. It strikes me

7 -- I work on a very profitable pipeline that I think

8 still delivers substandard performance but probably far

9 superior to many of the smaller lower 48 pipelines.

10 Not only the value of the commodity, but the profit in

11 the transportation. That's the gold-plated pipeline.

12 Lois works on very poor pipelines.

13 So I come up with a simple theory that, A,

14 either have the money to do better but don't because of

15 the bottom line or they don't have the money to do

16 better and don't because of a negative bottom line,

17 perhaps.

18 And with that preface, the question is -- and

19 the FERC data make no sense and do not -- do not show

20 you the first thing about pipeline profitability. So

21 the question with all of you in the room with such a

22 remarkable body of knowledge, many of you knowing each

23 -- each -- each other's faces, do you have any

24 capability in the research end to deal with the

25 economics and can you -- do you have -- have leverage

1 at FERC?
2 I know Department of Energy and Interior have
3 some status at FERC. But I think that the -- the
4 economic tail is wagging the dog either for bad or for
5 bad. And I would suggest that we're not going to fix
6 any of this unless we understand the economics, whether
7 the money is in the profit of the product and not in
8 the pipeline, therefore substandard, or the pipeline is
9 operating hugely profitly. But until OPS deals with
10 the economics, until we as a nation and therefore OPS
11 as the agency on point, we're not going to get very
12 far.
13 That's a very long-winded preface to the
14 question. Who does talk about pipeline economics?
15 MS. GERARD: Up until present day, there have
16 been few conversations between OPS and FERC about
17 economics. But that -- that process has begun a bit
18 this year.
19 We've only developed a relationship with the
20 FERC in the past year and a half. And it -- it mainly
21 had to do with the question about standing up for
22 safety and explaining what our regulations are intended
23 to do and how they work when pipelines were being
24 cited. And there's been some changes in -- in process
25 within the federal family this year to be able to make

1 all that work better.
2 But we've been concerned about whether
3 economic policy and safety policy might be working at
4 cross purposes. And it's not an area that we're
5 particularly well informed about. We've had our
6 blinders on, and thank you very much. You know, we're
7 focused on the safety questions. We have to do cost
8 benefit analyses the best we can. We're trying to do a
9 better job at that.
10 But it seems to us that there might not be a
11 good understanding of how big this thing gets. You
12 know, when you look at what it's going to cost to meet
13 the standards that we have been finalizing recently, we
14 want to make sure that the policies that are there, you
15 know, are fully considering the full impact of the
16 costs.
17 So we have begun to have those discussions
18 and we're trying to figure out the proper way to do it.
19 MR. FEINBERG: (Off microphone) I would
20 strongly encourage you to do so. Lois and I, we're
21 very fortunate we're based in a small state and can see
22 some things -- but I think from the true paradigm of --
23 I'm very comfortable from 30 years of watching -- that
24 we understand the economics --
25 MS. GERARD: And just to clarify, when you

1 say you work on a pipeline, you don't mean you're
2 employed by a pipeline, you're a citizen?
3 MR. FEINBERG: (Off microphone) I am in the
4 state government and I'm an independent researcher and
5 watchdog --
6 MS. GERARD: And if I could ask, how did you
7 find out about this meeting?
8 MR. FEINBERG: (Off microphone) I think from
9 a friend who forwarded the state pipeline e-mail --
10 MS. GERARD: Thank you.
11 Any other comments or questions or
12 recommendations about how we can improve the public
13 information that's available?
14 MR. COOPER: I'll try to address that a
15 little bit. But first, I just wanted to say --
16 MS. GERARD: Please identify yourself.
17 MR. COOPER: My name is Ben Cooper. I am the
18 executive director of the Association of Oil Pipelines.
19 Our companies are the interstate liquid pipelines.
20 Colonial's a member of my association. Olympic is a
21 member of my association.
22 And I just wanted to say a little bit about,
23 you know, questions that have been asked about why are
24 we here. And there's a bunch of people from the
25 industry here, including me. I think I know why

1 they're here, but I should probably just speak for
2 myself.
3 I mean, I'm here because I'm interested to
4 see what would happen at this meeting. This is a --
5 this is a part of the country that's interested in
6 pipelines. And we really supported the idea of OPS
7 having this public meeting. We think it's the kind of
8 thing OPS ought to do. So we came out to see what the
9 public would say because there's a lot of regions of
10 the country where people are not very interested in
11 pipelines. And if you called a public meeting to
12 discuss pipeline safety policy, we wouldn't have
13 anybody there.
14 So I think -- I want to thank OPS and for the
15 people who came to the meeting and spoke. I haven't
16 spoken until now because, really, I didn't think it was
17 appropriate. It's really appropriate to hear from the
18 public and we've heard some really interesting
19 observations and ideas. And I hope we can work with
20 them.
21 Let me just say to Carl, I think, you know,
22 it's sometimes hard for me to -- and my people in my
23 industry to hear the force in your voice. We've got to
24 remember that there is an activist perspective here.
25 I'm coming from a different perspective. I

1 -- I'm hoping to find a way that the processes under
2 which the liquid pipelines in the country operate in
3 the future are better than they are in the past. And
4 that's a perspective which isn't yours.
5 You've got to draw your lines cleanly. I've
6 got to get done what I can get done. And I appreciate
7 the -- very much, Dr. James, the path that you've
8 chosen because it's a quite legitimate decision to come
9 to that I'm going to save the world one company at a
10 time because it's too hard to save all of them at once.
11 But our industry is not privileged to give up
12 on the OPS. We haven't given up on the OPS. I don't
13 think it's right to give up on the OPS. I think you
14 have a lot of very dedicated people who do work a lot
15 harder than you can imagine. And getting better
16 pipeline safety laws, getting better pipeline safety
17 regulations, getting pipe -- better pipeline safety
18 performance takes -- it's just a lot harder than it
19 should be. But it is hard. And so we need to keep
20 working on that.
21 And I guess the one thing I want to say here
22 after having done all that is I think pushing sort of
23 the heat aside here, there was really a lot of very --
24 an area what I see is a lot of common agreement. And I
25 think my companies understand that confidence -- public

1 confidence is their issue. And our first focus is, in
2 guaranteeing that confidence, is to try to guarantee --
3 try to prove the confidence in the OPS because they're
4 the ones the public rightly looks to to see if we have
5 the right kind of rules and we're obeying the rules.
6 But it takes much more than that, and we know
7 that. And it's got to be -- you know, it's a very
8 legitimate question for a member of the public to ask.
9 Is the pipeline operator in my neighborhood a good
10 operator or a bad operator and how do I know that.
11 That's a legitimate question to ask, and we've got to
12 work to find a way to answer that.
13 I don't know whether it's to adopt Lois's
14 list or Carl's list or somebody else's list, but that's
15 a problem we've got to work on. And Stacey has started
16 a process which is headed in a number of directions,
17 but that's one of them.
18 I think it's -- we need to be -- we know we
19 need to be able to assure the people who live on
20 pipelines that we know that our pipeline's not leaking
21 right now. And we ought to be able to explain how that
22 is. And we ought to be able to explain to people how
23 we hope or how -- what we're doing to assure that it
24 doesn't start leaking sometime in the future. And we
25 need to be able to explain in an intelligent way to

1 people what to do if it does start leaking and what the
2 process is and how we're going to do that because we're
3 going to need to enlist local people in that.
4 And maybe that's the place I would start
5 here. I'd put on the table what we need in public
6 communications sort of from a company side. We need to
7 be able to respond to emergencies. We have to have a
8 plan to respond to emergencies because that's going to
9 happen by definition in a local environment. We need
10 to practice that response.
11 We need to fix the pipeline, make the repairs
12 when we should. And we're going to need help to do
13 that. You can't just go out and dig a hole just
14 because you want to.
15 And we need to protect that right-of-way
16 against damage that would -- would -- would hurt the
17 pipeline and thereby cause accidents.
18 These are all things that we have to come --
19 we should -- we need to come to the local community to
20 ask their help. So maybe that's the beginning of a
21 conversation on what kind of information needs to be
22 transmitted.
23 And so, you know, I didn't want to leave this
24 venue with all the interesting stuff that's happened
25 without extending at least for our association's part,

1 we'll get involved in this. We are involved. We're
2 going to stay involved. We're not going to maybe agree
3 with everything you want to do, Carl. I don't know if
4 I can sell all that. But -- or if I should.
5 But let's not give up on the OPS. Let's --
6 let's not give up on the companies that we think are
7 not the good performers. Let's -- let's try and work
8 together on this.
9 So I want to thank you for having this. I am
10 not part of the program and this is really not my place
11 to make myself a part of the program or our industry.
12 But -- but we had to come here because we are
13 interested in this and the effects of it. And we think
14 this is the right thing for the OPS to be doing.
15 And actually, it's worked out pretty good.
16 We've heard a lot of very interesting stuff and we've
17 been reminded very appropriately of the -- the outrage
18 which really drives progress in this area. So thank
19 you. I'll fade out. Thanks.
20 (Applause)
21 MS. GERARD: It's your turn again, sir.
22 MR. SKINNER: There's only one more -- one
23 person more tired of hearing me than you, and that's
24 me.
25 But there is a reason why the public doesn't

1 come to these meetings. And I -- I don't know whether
2 any of you have been a member of the general public. I
3 hope so. I don't want to see a showing of hands
4 necessarily of -- of who's -- who considers themselves
5 general public, but ever so briefly, I've been working
6 in the public sector on forestry, on sludge, solid
7 waste management, on gravel mining, on pipeline issues
8 for over 25 years in the state of Washington.
9 And I know what I'm talking about when I say
10 how hard it is for the public to have the stomach to
11 come to a meeting like this when they're not paid
12 during the day and -- and stand up and be counted, try
13 to make some kind of a coherent statement that matters
14 in this kind of a setting. It does not work.
15 And the honorable gentleman here from the
16 industry says he thinks it's working. I've got to
17 disagree with that. It's not working.
18 And so you are doing a worthwhile thing, but
19 it is still not working. Thank you.
20 (Applause)
21 MS. GERARD: Carl, I do want to point out
22 that we purposely planned that the public education
23 section of this program would be held after working
24 hours to at least some part. And I was sort of hoping
25 that there would be additional people who would come

1 after working hours.
2 MR. WEIMER: I just wanted to thank Ben for
3 his comments, and that's kind of why I started my
4 comments by trying to describe the background I come
5 from. I talk with Frank King quite often. I had
6 dinner two or three times this week with Marlene
7 Robinson and Bruce Braybeck who lost their son.
8 So I see things increasingly from a different
9 point of view. I think too often on both sides of this
10 fence we see things as black and white. There's the
11 evil industry representatives in the audience and then
12 there's the wacko pipeline activists.
13 And if you look at any of those groups,
14 there's a whole range within either -- any of those
15 groups. You've heard Frank who's given up on OPS. I'm
16 fairly hopeful that OPS is actually showing some signs
17 of doing -- turning their culture around. Frank wants
18 to just fine everybody, and I think that's a solution
19 that might work, too.
20 So there's a range within us just like
21 there's a range within the industry. And I appreciate
22 that and didn't want to come off too negative. But I
23 just also wanted to pass along some of Bellingham's
24 concerns that aren't reflected a lot at some of these
25 events.

1 And one of those concerns, it just dawned on
2 me that I was so focused on 1162, which is kind of what
3 the industry should be telling the public. I think one
4 of the other things that I've heard consistently is
5 what the regulators ought to be telling the public in
6 making information easily available to the public on
7 just basic stuff that OPS is doing, you know, because
8 we understand you've been underfunded and understaffed.
9 So just basic information about how much -- how many
10 inspectors there are, how many miles of pipeline, how
11 many inspections happen each year, how many state
12 partners you have, what kind of state partnering system
13 you have with each of them, whether they're making
14 recommendations to OPS on fines for pipelines within
15 their states and how OPS responds to those
16 recommendations coming from state partners and how OPS
17 responds to those. I think all that type of stuff
18 would be very valuable for the public to evaluate
19 whether the regulators have come around, too.
20 Because it's not -- like you -- you had the
21 puzzle up here, and it's not one -- you can't just pick
22 on one piece of the puzzle. There's the regulators and
23 there's the public who are sometimes wacko and there's
24 the industry. And we all have to play our part.
25 MS. GERARD: Well, just for the record, we're

1 -- we're authorized to be about 135 people right now in
2 OPS. And we have about 400 state program inspectors.
3 So you know, all together that's a little bit more than
4 500.
5 But while we're authorized to be at 135, I'll
6 be damned if I can find people who will take those jobs
7 because we keep advertising them and we think we have
8 qualified people applying. But you know, by the time
9 we get to hire them, they usually decide that, you
10 know, they've heard what people have had to say about
11 us and maybe don't really want to be associated with
12 our kind of people.
13 But we're keeping on trying and we keep on
14 fighting to get more resources and more people. And
15 you know, if you think that there needs to be more of
16 us, you know, there is a process that you can use to
17 tell people that.
18 And appreciate that there's a lot more
19 information that we need to make available. And you
20 know, that's why we came here to ask you what you
21 think. This is a public meeting. That is a public
22 transcript. And it's the best tool that we have to be
23 able to make judgments about changing regulations.
24 So the reason why we came here to this
25 community is we figured we have a better chance of

1 getting more representatives of the public to say
2 something on the record than about anything else we
3 could think of. And you know, while there may only be
4 a handful or 10 or 15 people, it's about 15 times what
5 we usually get before we are involved in a rulemaking.
6 So everything that you all said is on that
7 tape. And you know, we'll be able to consult it when
8 we are in that rulemaking process in the near future.
9 Yeah, Dr. James?
10 MR. JAMES: I'd just like to suggest that
11 it's -- at least for people from our community, it's a
12 bit wishful thinking to think they're going to get off
13 work at 5:00, get in the car, drive through very heavy
14 traffic, and get here at about 6:15, six -- 6:45
15 probably, realistically, to be here for 15 minutes of a
16 meeting. I mean, if you really want to have a meeting
17 with citizen participation, we will deliver that up to
18 you. Our group in Bellingham could do that. We can
19 deliver lots of people to talk to you about this issue.
20 But not in Bellevue, not during the day, not
21 during the week. It's very convenient for some of the
22 people who are being paid to come here. For citizens,
23 that's -- it's not a workable plan.
24 MS. GERARD: Where should the meeting be?
25 MR. JAMES: I can guarantee you a turnout in

1 Bellingham. Happy to.
2 And I'm really glad the UTC helped. They're
3 wonderful people. And I'm really glad that Safe
4 Bellingham was able to advertise this and get some
5 people there.
6 But I know that timing and location are
7 things that you -- you can do something about. And it
8 just seems really odd and I couldn't help commenting on
9 it. I apologize for my negativity. I really -- I
10 really want to be positive. I just have had my hopes
11 dashed more than once.
12 MS. GERARD: Well, we'll keep trying to earn
13 your confidence.
14 Chuck?
15 MR. MOSHER: Yeah. I just would like to put
16 out a positive note. I appreciate on the part of the
17 Washington State Citizens Committee, we've had a number
18 of participants here from that group. We've been
19 involved in trying to work on legislation both at the
20 state level and at the federal level.
21 And from what I see, there is quite a change
22 in what OPS is doing. When I first got involved with
23 pipeline safety, it was on a task force. I'm on the
24 Energy, Environment, and Natural Resource Steering
25 Committee with the National League of Cities. And when

1 I went back to a conference -- this is a few years back
2 -- I was absolutely aghast at being invited to a
3 reception. It was an OPS reception for the delegates
4 paid for by the industry. And -- and I thought that
5 was a total lack of -- of independence. I mean, very
6 nice to do.
7 And one of my colleagues on EENR from Houston
8 was behind it, you know, and did it, but it was really
9 -- to me, that was totally different than this sort of
10 activity. I mean, this is -- this --
11 MS. GERARD: That was an OPS reception?
12 MR. MOSHER: Yes.
13 MS. GERARD: I --
14 MR. MOSHER: That's what -- that's what the
15 invitation had on it that was out there in the middle
16 of National League of Cities meeting for thousands of
17 delegates that were there.
18 But I'm just saying, this -- this approach,
19 even with API going out trying to do some things, at
20 least you're getting towards the right -- getting the
21 information, trying to be more up, and trying to be
22 more creative about doing it. I'm sure there are other
23 focus groups you can have, you know, that will do that.
24 I do know that here in Bellevue it was in the
25 newspaper. People could come if they wanted to. And

1 that we do have some citizen activists in Bellevue that
2 are concerned about it.
3 Like I say, though, with the number of issues
4 that we're confronted with, it's hard for people to get
5 out to meetings like this. So it was good to have
6 other -- others and representatives invited from the
7 community, Safe Bellingham, you know, the Citizens
8 Committee, and others. And I think there were some
9 good inputs from the first responder community.
10 And so I say thanks for the effort. I think
11 you're moving in the right direction.
12 MS. GERARD: A lot of the credit for who got
13 here goes to -- to Carol Washburn from the WUTC. And
14 they did, you know, go to a lot of effort to try to
15 help plan the meeting and get the right folks here.
16 You know, we really appreciate that.
17 MR. MOSHER: And as a matter of fact, that's
18 one of the things. We will send a letter back to
19 Congress on it and thank -- we're very happy to have
20 inspectors out in the field, you know, independently
21 verifying what's going on out there. And so I think
22 that is an important addition to your staff.
23 MS. GERARD: Well, I -- I guess I should
24 point out -- I don't know if Frank's still here -- that
25 one of the changes in the law that, you know, might not

1 be entirely obvious. But by having that provision
2 about interstate agency in the -- in the federal statue
3 is -- it does give us the opportunity to fund state
4 activities to an extent we wouldn't have been able to
5 without the changes in the law. So it means that
6 there's a range of activities that we can now fund the
7 WUTC to address at the state level which wouldn't have
8 been legal prior to the change in the law.
9 And so that -- I mean, there are subtle
10 differences that enable us to do more with that
11 legislation.
12 A comment here?
13 MR. KUPREWICZ: I'm Rick Kuprewicz. I've got
14 a couple comments here I'd like to summarize.
15 The first one is, I think the positive side
16 out of this is people are talking. You may not all
17 agree, but let me tell you, if you've ever been in a
18 room where everybody's trying to kill each other, no
19 one communicates, nothing gets done. So there's a lot
20 of different interests here, so I think the fact that
21 people are talking and trying to communicate in itself
22 is a positive sign.
23 There's a high level of frustration because
24 the world isn't getting fixed overnight. And, well, it
25 hasn't -- it didn't take this -- it wasn't a short time

1 to break. It took a long time to get where we're at.
2 The big problem is, how do you reestablish confidence
3 with the public in terms of what's going on.
4 Well, I'm going to tell you, I think you need
5 to take back to Washington, D.C. one message. National
6 security may be over used. If you're trying to instill
7 confidence that people -- and there are a lot of good
8 people operating responsibly, there may be legitimate
9 issues regarding national security. But if it comes
10 across, it's real easy to send a message that "I can't
11 tell you because of national security," does not
12 appease people's anxiety levels.
13 So we've got to be real careful about that.
14 This country's about to enter into a test here that's
15 going to bring a lot of issues to the focus. If we
16 stop communicating because of national security, we
17 could be in some serious trouble. The anxiety levels
18 are not going to go down.
19 So I just leave that as a message.
20 MS. GERARD: Before you sit down, I -- I do
21 want to make one comment on a remark you made earlier
22 about what the regulations allow in terms of over --
23 overpressuring the pipeline.
24 And we don't believe that the regulations
25 permit overpressurization. We believe they recognize

1 that there are certain abnormal conditions under which
2 an overpressurization might take place. But one of
3 the, you know, tenets of our enforcement program is to
4 go after overpressurization. And I -- I didn't want
5 the day to pass without making that comment.
6 MR. KUPREWICZ: I respect and honor your
7 position, and I think that's appropriate.
8 I'll just say, I've been in too many rooms
9 where people have advised, we don't have to report this
10 to the Office of Pipeline Safety.
11 MS. GERARD: Well, if we find out about it, I
12 promise you we would fine the operator.
13 MR. KUPREWICZ: Okay. Well, that's a
14 positive signal, and you need to reinforce that line of
15 communication.
16 I'll just leave it with, there are good
17 people in industry who see this as a sanctimonious
18 regulation that never is violated. And there are
19 others who don't understand that. So you need to get
20 that message out.
21 MS. GERARD: One thing we are doing, Rick, to
22 make it much more clear about our method of enforcement
23 is to publish what our methods of inspections are in
24 much more voluminous detail than has been the case in
25 the past. And so, you know, if you check for

1 information on our web site about this, you'll find
2 that our protocols as we're evolving them -- we use the
3 term "protocols" for how we're harmonizing our approach
4 to inspecting these systemic type regulations like
5 integrity management, operator qualification, security
6 guidelines, and so on.
7 So we had a public meeting, for example, last
8 week in San Antonio just on the process of enforcing
9 the operator qualification requirements. And so there
10 are opportunities for you to follow the developments in
11 that area.
12 MR. KUPREWICZ: Well, that's a positive step.
13 And again, I think the -- the vast majority of the
14 people in the room, they probably say, what's he
15 talking about. And the answer is, the vast majority
16 are responsible people. It's the people who are the
17 exception that are giving us the problem. Thank you.
18 MR. HOWARD: Stacey, I wonder if I could
19 comment for just a brief moment to Rick on the security
20 question, if you don't mind.
21 I hope it's not misunderstood, and I'm
22 getting the sense that it is. But the one thing that I
23 do want people to understand, it really is a result of
24 the legislation that was passed on homeland security.
25 We do have another regulatory agency. And we don't

1 have regulations yet. And we will be audited on our
2 security practices.
3 So I think the best way that I can describe
4 to you what the issue is for us is that we are asking
5 for protocols, no different than what Stacey's saying
6 about how she publishes her inspection protocols, so
7 that we do maintain a way of communicating with our
8 public in a way that is secure. Thank you.
9 MR. KUPREWICZ: Good.
10 (Slide)
11 MS. GERARD: Looking around, going once?
12 Going twice?
13 (No response)
14 MS. GERARD: Okay. I put the puzzle back up
15 on the screen there just to sort of close with the
16 concept that improving pipeline safety is a really big
17 job. We know we can't do it by ourselves. We're
18 trying to do our dead-level best to figure out what the
19 functions are that need to happen, who has to undertake
20 those functions, what information is necessary for
21 everybody who has a role to play, and to lay out an
22 approach to making sure that that information is
23 available.
24 This meeting is just one step in the process
25 of moving the ball down the field. There'll be other

1 meetings. There'll be other initiatives. And we
2 intend to do a better job keeping you informed about it
3 and getting your input.
4 So there's a lot of things we haven't tried
5 that we'll try to do to do a better job with getting
6 balanced input into our policies and to our
7 regulations.
8 So I thank you all for your attention and for
9 the trouble and the extent of travel that you went to
10 to get here today. I think it's important for the
11 representatives of the City-County Consortium and
12 representatives of public to realize that there was an
13 awful lot of people who did come a long way across the
14 country just to hear a meeting about the discussion.
15 People did come here to listen. We do care. And we
16 certainly have learned a lot from the tragedy in
17 Bellingham.
18 So I commit to you that we'll keep working on
19 it and I thank you very much for coming today.
20 (Applause)
21 MR. WILHITE: Just for information, the vide
22 of this meeting that's been taped today should be
23 available for viewing on the web -- on the Internet by
24 Friday. And it'll stay up on there for one month. And
25 you would get to that -- it'll be in three different

1 sessions, and you'll get to that by the same address or
2 URL that you got to the meeting record. And actually,
3 if you don't have that written down or you don't have
4 that link, if you just go to OPS dot DOT dot gov, then
5 you'll be able to find it from there.
6 MS. GERARD: Thank you, Herb. And there is
7 an open docket so that, Dr. James, if you can get
8 people from the community to view the tape at their own
9 convenience and if they want to comment, the open
10 docket is the RSPA dash 02 dash 14079 open docket.
11 And I would like to thank Carol and the WUTC
12 for helping us set up this meeting. I'd like to thank
13 Janice Morgan from our staff and the Bellevue Community
14 College for arranging for the meeting site here for the
15 people in the Office of Pipeline Safety, Jeff Wiese and
16 Christina Sames, who are the program managers
17 responsible for the direction that we have in this area
18 of public communications, mapping, research, and some
19 of our other new initiatives.
20 So, panelists, all of you all day long, I
21 thank you for your attention and your intelligent
22 comment. Thank you very much. This concludes this
23 meeting.
24 (Applause)
25

1 (Whereupon, at 6:46 p.m., the proceedings
2 were concluded.)
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