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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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CHAIRMAN

June 20, 2007

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Ms. Stacy Gerard
Acting Assistant Administrator
Chief Safety Officer
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
East Building
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Dear Ms. Gerard:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Wednesday, May 16, 2007, at the hearing entitled "2006 Prudhoe Bay Shutdown: Will Recent Regulatory Changes and BP Management Reforms Prevent Future Failures?" We appreciate the time and effort you gave as a witness before the Subcommittee.

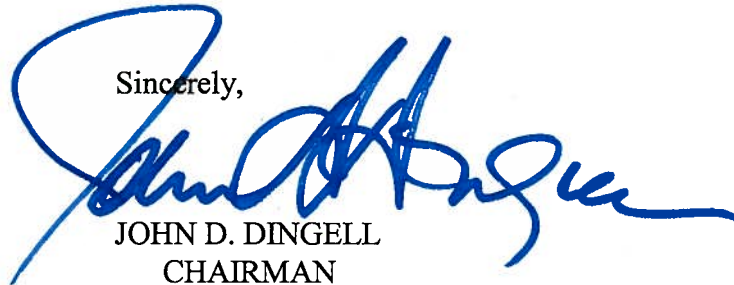
Under the Rules of the Committee on Energy and Commerce, the hearing record remains open to permit Members to submit additional questions to the witnesses. Attached are questions directed to you from certain Members of the Committee. In preparing your answers to these questions, please address your response to the Member who has submitted the question(s) and include the text of the Member's question along with your response.

To facilitate the printing of the hearing record, your responses to these questions should be received no later than the close of business **Friday, July 6, 2007**. Your written responses should be delivered to **316 Ford House Office Building** and faxed to **202-225-5288** to the attention of Kyle Chapman, Legislative Clerk. An electronic version of your response should also be sent by e-mail to Mr. Kyle Chapman at kyle.chapman@mail.house.gov in a single Word formatted document.

Ms. Stacy Gerard
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Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Kyle Chapman at (202) 226-2424.

Sincerely,



JOHN D. DINGELL
CHAIRMAN

Attachment

cc: The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations

The Honorable Ed Whitfield, Ranking Member
Subcommittee on Oversight and Investigations

The Honorable Bart Stupak

1. Last September, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposed new regulations to cover the low stress oil transit lines, such as those that leaked at Prudhoe Bay. When will these rules be finalized?
2. For how long does PHMSA plan to keep BP under a compliance order at Prudhoe Bay?
3. How will PHMSA prevent cost cutting from compromising the safety and integrity of the BP pipeline systems it oversees? Will this include steps to assess the bonuses and incentives provided to managers to ensure they are not rewarded for cutting costs for process safety?
4. Was BP positioned to successfully respond to PHMSA's March 2006 order?
5. What specific organizational and process safety weaknesses identified by the Chemical Safety Board at BP's Texas City Refinery were also observed by PHMSA in evaluating BP's Prudhoe Bay operation?
6. Attached to this letter, please find an exhibit entered into the record for the May 16, 2007 hearing, pertaining to cutting the frequency of coupon pulls. BP's coupon program was designed to show how much corrosion was occurring on various pipelines. This document suggests that coupons pulls were reduced to "Make Stretch Budget" and that cutting it 25 percent would save 1.1 man-years or about \$250,000. If BP was so reliant on the coupon program, why would they want to reduce the number of coupons and pulls by 25 percent? Was this a wise move?

Opportunity to Make Stretch Budget

- **Reduce WOA Weight Loss Coupon Program**
 - Reduce WOA weight loss coupon program by 25%
 - Relax the WOA weight loss coupon pull frequency from every three months to every four months
 - Estimated cost saving: 1.1 man yr (\$250,000)

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