



August 17, 2011

The Honorable Cynthia Quarterman
Administrator
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Administrator Quarterman:

We are writing to update you and to highlight several key initiatives of the Association of Oil Pipe Lines (AOPL) and the American Petroleum Institute (API) and our members to build on our industry's well-established efforts to improve pipeline safety. Public safety and pipeline safety is the number one priority for liquids pipeline operators. For more than a decade, our industry has significantly reduced pipeline accidents by improving our performance processes through our Environment and Safety Initiative, the Pipeline Performance Tracking System and advisory program, and the Performance Excellence Team. In addition, we periodically review our processes and seek to build on our record through new initiatives, such as creating the Pipeline Information Exchange to enhance our members' ability to share lessons learned. Recognizing there is always room for improvement, we have also recently launched Leadership Teams that will focus on seven specific pipeline safety improvement areas described in more detail in this letter.

We are committed to continuous improvement in pipeline performance and safety, with an ultimate goal of zero accidents. Our members have shown a willingness to not only satisfy regulatory requirements, but also to go above and beyond those requirements in the interest of advancing public safety and protecting the environment. In addition to completing the required Integrity Management Plan baseline assessments and subsequent reassessments of liquids pipeline segments that could affect High Consequence Areas (HCAs), our members conduct assessments on nearly all of the nation's liquids transmission system. More than 90 percent of liquid transmission lines are assessed by in-line inspection devices (ILI) or other qualified assessment techniques¹, and our members continue to increase the use of ILI as a key component of integrity management programs. Our members also perform the most critical repairs on the same schedule throughout their systems, regardless of HCA boundary designations. We do this not because it is required, but because it makes pipelines safer.

Earlier this year, we proposed several significant new requirements on liquids pipeline operators in the AOPL-API response to your Advanced Notice of Proposed Rulemaking (ANPRM) for hazardous liquids pipeline safety. We proposed, among other things, that PHMSA:

¹ Based on a recent survey of hazardous liquids operators' practices for assessment and repair of non-HCA mileage.

- require all liquid pipeline operators to comply with the regulatory schedule for “immediate repairs” in response to all integrity assessments, not just for segments which could affect HCAs;
- require all liquid pipeline operators to conduct leak detection capability evaluations for all transmission pipeline segments, not just for segments which could affect HCAs; and
- regularly update HCAs to reflect new water intake data and population data from the decennial census.

We are committed to increasing R&D funding, focusing that funding on fewer, high priority topics, and achieving usable results on shorter timescales. Our trade associations are jointly funding research on safety sharing models with other liquids and natural gas pipeline trade associations in the U.S. and Canada. Our two associations had pledged cash contributions to share the costs of the PHMSA Research Announcement on seam failures of Electric Resistance Welded (ERW) pipe. This research initiative serves our shared goal of further improving pipeline performance. We hope to continue engaging in research planning to ensure that federal and industry research dollars are spent effectively and projects are not redundant.

Our associations and their members participate actively in Common Ground Alliance activities promoting 811, best excavation and damage prevention practices, and key damage prevention messages. We helped develop and promote the Pipeline Emergencies internet training portal in collaboration with the National Association of State Fire Marshalls, PHMSA, and other stakeholders. We revised API Recommended Practice 1162 to improve public awareness programs and submitted it to PHMSA for potential incorporation by reference into federal regulations.

The DOT Call to Action has inspired us to do even more, building upon our efforts. Our member companies have held a series of meetings dedicated to considering additional safety improvement initiatives beyond our longstanding performance improvement programs. As a result of this intensive effort, executive leaders representing our member companies created the seven Leadership Teams we mentioned earlier. More teams may be created in the future. The first AOPL-API Leadership Teams are developing better solutions for:

- Research and Development/Enhanced Technology
- Leak Detection
- Enhanced Data Integration
- Sharing Practices and Learnings
- Damage Prevention
- External Communications
- Strategic Planning

Each Team includes executive and operational personnel from our member companies and reports directly to the executive officers of AOPL and API, who comprise the Steering Committee of the Environment and Safety Initiative created in 2001. Details about these Teams and their missions are enclosed.

On September 13, in Denver, Colorado, AOPL and API are conducting a special Executive Leadership Meeting to review the missions and performance of each Leadership Team. On December 1 and 2, in Washington, D.C., we will meet again on these topics. We invite you and PHMSA staff to join us then for a discussion on the work of these Teams.

On behalf of the liquid pipeline industry, thank you for the leadership you and Secretary LaHood have shown to improve pipeline safety. Our members were pleased to take part in the National Pipeline Safety Forum on April 18 of this year and look forward to continuing to work with the Department and PHMSA in the months and years to come so that, together, we can further improve pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Wuori', with a long horizontal flourish extending to the right.

Steve Wuori
President, Liquids Pipelines
Enbridge, Inc.
Chairman, AOPL Board

A handwritten signature in black ink, appearing to read 'Harry Pefanis', with a long horizontal flourish extending to the right.

Harry Pefanis
President and COO
Plains All American Pipeline, L.P.
Chairman, API Pipeline Subcommittee

Enclosure