

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

November 21, 2011

The Honorable Ray H. LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary LaHood,

I would like to express my support for your efforts to improve pipeline safety. Your “Call to Action” comes in the wake of recent pipeline incidents. It displays the leadership our country needs to ensure the safety of the pipeline infrastructure that our people and economy depend upon on a daily basis. While statistics show that pipeline incidents are trending downward, we have not yet reached the ultimate goal of no accidents and, more importantly, no fatalities. All stakeholders, especially the energy industry, must do more for us to reach this goal.

The Federal Energy Regulatory Commission (Commission) is tasked with, among other things, the siting of interstate natural gas transmission pipelines. Since the beginning of 2000, the Commission has approved the siting of over 16,000 miles of pipeline and I expect will approve many more proposals to site pipeline in the future. The Commission’s focus in siting pipeline infrastructure revolves around economic and environmental issues; the Commission does not have a safety mandate. The responsibility for pipeline safety lies with the Department of Transportation (DOT), specifically, your Pipeline and Hazardous Materials Safety Administration (PHMSA). The Commission and DOT have recognized the complementary nature of our responsibilities, as evidenced by the January 1993 Memorandum of Understanding (MOU) between our agencies.

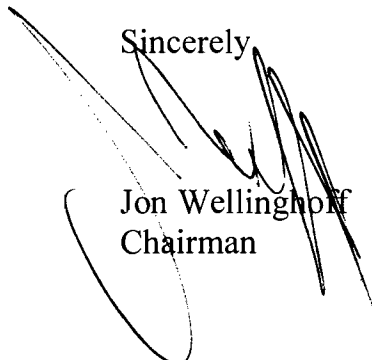
The Commission is cognizant of the importance of pipeline safety via DOT’s authority and, as such, my agency’s regulations require that any applicant for a certificate of public convenience and necessity shall certify that it will design, install, inspect, test, construct, operate, replace, and maintain its facilities in accordance with Federal safety standards – that is, those standards promulgated

by DOT. The Commission's efforts do not stop there. We communicate on a regular basis with PHMSA's Community Action and Technical Service (CATS) to make them aware of the projects at the Commission and their status. Further, when we receive applications that lead us to believe there will be public concerns over safety, we contact the CATS team immediately. We inform our contacts about the project schedule; especially the public meetings at which PHMSA's presence would enhance the value of the meeting for the public.

The Commission's environmental responsibilities pursuant to the National Environmental Policy Act (NEPA) does not direct the Commission to make safety recommendations on pipeline projects. However, pipeline safety is of such paramount importance that the Commission includes an explanatory section on pipeline safety when it issues environmental documents. Moreover, the Commission's assistance to pipeline safety does not end upon approval of a project. The Commission is responsible for environmental monitoring during the construction phase of the project. If the environmental monitors become aware of a potential safety problem, Commission staff will notify PHMSA and invite its inspectors to visit the construction site.

Please know that I applaud the leadership that you have shown. While the Commission does not have a pipeline safety mandate, it has strongly supported pipeline safety and continued cooperation with DOT and PHMSA as evidenced by the 1993 MOU. I am confident that your "Call to Action" will allow stakeholders to focus on identifying pipeline risks and accelerate rehabilitation, repair and replacement of problematic infrastructure. To that end, this effort will be a driving force in restoring the public's confidence in its energy infrastructure.

Sincerely



Jon Wellinghoff
Chairman