

GOVERNOR'S FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

FINAL REPORT AND RECOMMENDATIONS DECEMBER 1999

Fuel Accident Prevention and Response Team

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Alternate: Lt. Steve Kalmbach, WA State Patrol

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Alternate: Dave Williams, Whatcom County Fire Commissioner

Bill Hinkle, Kittitas County Commissioner

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December 1999

TO: The Honorable Gary Locke, Governor

FROM: Members of the Fuel Accident Prevention and Response Team

SUBJECT: Final Report and Recommendations

In June 1999, you asked us to come together to evaluate the current mechanisms for regulating petroleum and natural gas pipelines and local and state agencies' ability to respond to major pipeline accidents. This was in response to the terrible tragedy in Bellingham in which thousands of gallons of leaking gasoline ignited and three young people died. That accident also destroyed a city park that had been the site of a successful community restoration project.

You charged us with reviewing existing state and federal standards for pipeline construction, operation and maintenance and identifying any gaps. You further directed us to look at local and state readiness to respond and to judge whether better response planning and coordination were needed. Finally, you told us that if we were to recommend changes that would require funding, we should identify the source of such funds.

We have worked intensively over the intervening months. We have learned about current regulatory responsibilities and state, federal and local agencies' ability to fulfill them. We have heard speakers from the oil and natural gas industries, from local fire and police departments, from citizen groups and neighborhood associations, from the U.S. Department of Transportation's Office of Pipeline Safety and the National Transportation Safety Board. We were fortunate to have representatives from California, Minnesota and Virginia share their states' and communities' experiences with us. More than a hundred Washington residents have attended our meetings to listen, to speak and to engage in deliberations with us.

If they are implemented, the recommendations in this report will achieve our mission: *To improve prevention, preparedness and response to fuel pipeline incidents in Washington State.* We present our report with pride because we believe that implementing these recommendations will strengthen protection of the safety and environment of Washington's citizens for years to come.

Background:

When the Olympic Pipe Line Company's 16-inch pipe ruptured in Bellingham, Washington residents were awakened to the presence of a little-noticed component of many communities' infrastructure: the underground pipelines that transport petroleum products and natural gas to our gas stations, airports, homes and businesses. The Bellingham accident was one of a number of liquid fuel pipeline spills in the state over recent decades. Sadly, we have also experienced a number of sizable natural gas leaks and fires.

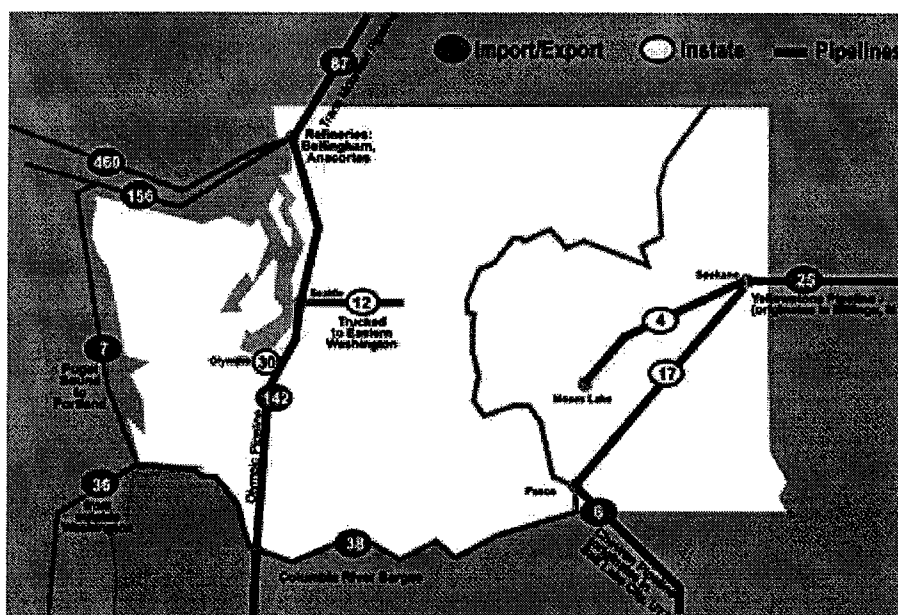
But the Bellingham incident was exceptional because the hundreds of thousands of gallons of spilled

gasoline ignited and three young people died. This tragedy heightened public concern about whether enough is being done within the state to ensure pipeline safety and protect the public and our natural resources.

Sharing this concern, Governor Locke created a Fuel Accident Prevention and Response Team (FAPRT or Team) to be sure that, within our borders, everything is being done to ensure that pipelines are meeting the most stringent possible standards and that their compliance is being fully enforced. Recognizing that nothing in the world is risk-free, the Governor also directed the Team to focus on whether more should be done to strengthen local capacities to respond to pipeline accidents. He asked the Team to report back to him before the end of the year.

Movement of Petroleum Products in Washington State

(Thousand Barrels Per Day)



The Team:

To allow the FAPRT to begin its work as soon as possible, it was composed of state government agencies and local elected officials. The Governor insisted, however, that the group's process be thoroughly open to the public, so that any interested citizen or organization could be heard.

Four state agency directors – of the Department of Ecology, the Emergency Management Division, State Fire Marshal's Office, and the Utilities and Transportation Commission – were asked to name members to the Team; subsequently, it was decided that each member should have a designated alternate to ensure representation at each meeting. The Governor also asked the state associations of cities, counties and fire commissioners to designate members and alternates. Members and alternates are shown on the inside cover of this report.

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The Team's Work:

FAPRT members agreed they would need background information and preparation before they could undertake any discussion of the adequacy of current prevention and response programs. In light of the short timeline available to complete their assignment, they agreed to meet every two weeks for the first three months to pursue their shared "education." They also agreed to defer any meetings devoted specifically to public comment until they had enhanced their understanding of the existing situation.

The Team held six work sessions between July and September. Three were held in SeaTac and one each in Olympia, Bellevue, and Vancouver. The September 22 meeting in Vancouver was especially valuable because it included presentations by government officials from Minnesota, California, and Fredericksburg, Virginia, who briefed the Team on their respective jurisdiction's spill history and pipeline safety programs. Minnesota and California are two of only four states in the country that have agreements with the U. S. Department of Transportation's Office of Pipeline Safety to inspect interstate pipelines. Appendix A presents the summaries of these work sessions.

During September, the Team held three evening sessions to allow the public to present its thoughts on improving pipeline safety. Over a hundred people attended the sessions in Bellevue, Moses Lake and Vancouver, with 72 taking the opportunity to present their perspectives and suggestions.

Team members and alternates divided into 3 subcommittees by the September 22 meeting and began the focused work of developing recommendations on Prevention and Siting, Preparedness and Response, and Funding. The subcommittees met throughout October and included all interested attendees in their discussions of appropriate next steps.

On November 5 the full FAPRT reconvened and heard presentations by the subcommittees. Based on these discussions, the Team formulated its draft recommendations. FAPRT traveled to Bellingham, Spokane and Olympia in mid-November to allow interested parties to comment and react to its draft. Interest was again high and 41 people offered comments.

Summaries of the six public comment meetings held during the Team's work can be found in Appendix B.

Written comments on the draft recommendations were received from two dozen individuals and organizations; these were provided to all Team members and alternates.

Team members completed their work on December 7, when they held their final meeting and evaluated the draft recommendations in light of the public comments received. They believe they have fulfilled the Governor's assignment and are eager to see their recommendations implemented. They anticipate working with the State Legislature, the Congressional delegation, their communities and the larger public to help ensure the necessary action steps will occur. Each member realizes that follow-through is essential if the goal of improving prevention, preparedness and response to pipeline incidents in Washington State is to be achieved.

RECOMMENDATIONS

The Fuel Accident Prevention and Response Team recommends that the Governor seek changes in law and practice at the federal, state, and local levels and recommend changes in practice by fuel transmission pipeline operators in Washington. While most of these recommendations are to be implemented in the short term, a few require longer-term action.

I. FEDERAL:

A. LEGISLATIVE CHANGES:

- 1) WA should pursue changes in the federal Pipeline Safety Act (49 USC § 60101, et seq.) to eliminate federal preemption. Alternatively, the law should be changed to direct the U.S. Department of Transportation's Office of Pipeline Safety (OPS) to delegate authority to qualified states to regulate interstate petroleum and natural gas pipelines using standards more stringent than OPS standards and to enforce state and federal regulations. The Pipeline Safety Act is to be reauthorized in 2000.
- 2) WA should pursue changes in the federal Pipeline Safety Act to direct OPS to provide higher levels of grant support to states with delegated authority to regulate interstate pipelines.
- 3) WA should work with the White House and Congressional appropriations committees to increase the funding available to OPS to support a) more research and development on technologies for testing, leak detection, and operations and b) larger grants to states.

B. EXECUTIVE BRANCH CHANGES:

- 4) Regardless of the state's success in achieving Recommendation 1 above, WA should press the Secretary of the U.S. Department of Transportation and the Director of its Research and Special Programs Administration to enter into agreements with qualified states that would authorize them to administer a program for regulation of interstate petroleum and natural gas pipelines based on federal standards.
- 5) WA should urge the OPS to amend its regulations to require petroleum pipeline operators to periodically plan and drill cooperatively with local first responders (police, fire and emergency management agencies).

II. STATE:

A. FEE ESTABLISHMENT:

- 6) WA should seek voter approval to impose fees on all pipeline operators for an expanded program of pipeline safety and improved response capability. Fee levels would be determined based on the tasks described in Recommendations 7, 11, and 16.

B. EXECUTIVE BRANCH CHANGES:

- 7) The Governor should immediately designate a lead state agency to improve state and local inter-agency coordination. This agency should work with other agencies responsible for pipeline safety to begin developing a program to include:
 - a. Development of "best management practice" standards for dissemination to the industry and potential incorporation of key elements into regulations;
 - b. Coordination of information and provision of technical assistance to local planning and siting authorities and the state-wide siting body and facilitation of ongoing interaction among the industry, communities, emergency response providers and the general public;
 - c. Utilization of a holistic approach in the review, monitoring, and regulation of all pipeline operations

with an emphasis on process safety management principles that would result in pipeline systems that are designed, developed, constructed, operated, and periodically modified to provide the highest level of public safety;

- d. Evaluation of OPS and other organizations' proposals for technologies that can and should be applied to new and existing pipelines related to such activities as non-destructive internal testing, testing protocols and appropriate test result evaluation, leak detection and related elements of operations;
- e. Development of coordinated GIS-based maps and model franchise agreements for local governments' use in dealing with existing and proposed pipelines;
- f. Development of public education programs that would increase citizen awareness of the hazards related to pipelines and the care that must be shown within the vicinity of pipelines;
- g. Development of recommendations to local government concerning appropriate setbacks from pipelines and maintenance of pipeline right-of-way markers;
- h. Development of data and establishment of special standards applicable to existing and proposed pipelines for protection of environmentally sensitive areas and population centers;
- i. Establishment of fines for violation of regulatory provisions at levels sufficient to provide a significant incentive for continuous improvement of pipelines and compliance with regulatory requirements; and
- j. Establishment of a formal mechanism for meaningful and effective local government and citizen participation to ensure that local issues and concerns play a significant role in the regulatory supervision of pipelines. This task should include analysis of the applicability of the Alaska model of a Regional Citizens Advisory Council.

[NOTE: Specific technical recommendations regarding pipeline testing and leak detection and isolation can be found in Technical Recommendations 1.]

8) The lead agency designated by the Governor should create a temporary position for the coming year to pursue changes in federal legislation, seek delegated authority from the U.S. Department of Transportation's OPS for Washington to assume responsibility for interstate petroleum and natural gas pipelines, and develop a fee proposal to fund the State OPS and the needs identified in Recommendation 11.

9) In the event that a fee system to fund a State OPS cannot be adopted and such an Office not be established, the Governor should designate a permanent lead agency for pipeline safety which would be responsible for coordinating the work of state and local agencies addressing pipeline accident prevention and response.

10) The Utilities and Transportation Commission should initiate rule-making to consider standards to apply to the ~ 80 miles of intrastate petroleum pipelines in WA.

11) The Governor should direct the State Fire Marshal's Office to evaluate preparedness of local first responders in communities housing fuel transmission lines.

- a. In consultation with the Military Department's Emergency Management Division, the Department of Ecology and local agencies, the Fire Marshal should conduct a Needs Assessment of local first responders' readiness and equipment needs particularly relevant to fuel transmission pipelines. This should include consideration of the costs and benefits of meeting identified needs.
- b. The Fire Marshal should establish a temporary position to develop curricula for training local first responders – police, fire and emergency medical service staff and volunteers – to deal with pipeline accidents. This person should coordinate with pipeline operators to identify their role in providing the training and identify the timetable and costs for providing this training to first responders in communities housing transmission pipelines. The program should also address community education and response, including support materials and handouts.
- c. The Fire Marshal should evaluate the need for a training program to enhance regional incident management teams to assist local responders in managing fuel pipeline accidents.
- d. The Fire Marshal should consult with other agencies to identify the need for and legislative means of achieving consistent application of the National Interagency Incident Management System.
- e. The costs identified for providing necessary equipment and training to local governments should be incorporated into the fee structure developed in Recommendation 6 above.

12) The Department of Ecology should amend its Contingency Planning recommendations to establish specific planning benchmarks [see Technical Recommendations 2] and to require annual or biennial coordination and planning with first response agencies in local jurisdictions housing transmission pipelines.

13) The Department of Ecology should establish a temporary position to work with pipeline operators and local governments to develop and field-test Geographic Response Plans that address environmentally sensitive areas, cultural and economic resources, and responses in remote locations.

14) The Department of Ecology should add a full time staff member to work with operators on prevention of and response to environmental damage from liquid pipelines.

15) To enhance public education and awareness efforts, a single statewide number should be established for call-before-digging notification; the six One-Call Centers in WA should be reachable through that number. *Note: The Team commends the efforts already in process to accomplish this.*

C. LEGISLATIVE CHANGES:

16) If the fee proposal recommended above is adopted, WA should enact legislation establishing a State Office of Pipeline Safety to improve public safety through the regulation of new and existing petroleum and natural gas pipelines with the option to adopt standards more stringent than federal standards. This office would assume the functions described in Recommendation 7. *NOTE: This recommendation was not adopted unanimously. One Team member opposed it.*

17) In the event that Recommendation 1 is not successful, the functions of the legislatively established Office of Pipeline Safety should be modified to eliminate adoption of standards more stringent than federal standards and appropriately modify enforcement responsibilities.

18) The State Fire Protection Statute (RCW 48.48) should be amended to direct the State Fire Marshal to

require that local first responders are immediately notified by pipeline operators of any leak or spill.

D. LONGER TERM EXECUTIVE AND LEGISLATIVE ACTION:

19) To address widespread dissatisfaction with the current siting process for pipelines, the Governor and legislative leaders should establish a task force to study, during the year 2000, reform of the state's energy facility siting legislation. This task force should be charged with conducting a thorough, comprehensive analysis of and developing amendments to the current siting statute for consideration by the 2001 legislature. They should give special attention to the relationship between facility siting and the State Environmental Policy and Growth Management Acts and to improved public access to the deliberative process.

20) The Governor should ask the Washington Utility Coordinating Council, in consultation with state agencies and the public, to analyze Washington's existing One-Call Notification system; the Council should be asked to create a group with a balanced membership to undertake this analysis. They should particularly focus on overlapping territories of One-Call centers and the June, 1999 report prepared by the U. S. Department of Transportation Office of Pipeline Safety "Common Ground." The Council should be asked to evaluate the need for legislative changes to RCW 19.122, which would improve the effectiveness of the One-Call system in the State of Washington with particular attention to improved enforcement of violations.

III. LOCAL:

21) Local governments should increase the emphasis placed on pipeline preparedness in their planning, training, and equipment purchases.

22) Local community planning should identify and practice methods of relaying information to the public in the event of a pipeline spill or leak that could affect the community.

23) Local community education programs should address standards for public alert notification and appropriate public responses to specific information provided.

24) Local governments conducting land use planning should include detailed topographical, land use and zoning mapping of pipeline rights-of-way and spillway runoff paths. The State OPS should be responsible for providing coordinated GIS-based maps.

IV. PIPELINE OPERATORS:

25) Pipeline operators, in their planning, should include descriptions of local roles in emergency response and should periodically drill cooperatively with local agencies to improve protection of life and property.

26) Pipeline operators should provide response planning and program development at the neighborhood and community levels. Such programs could be modeled after the Seattle and Pierce County "Neighborhood Emergency Team" programs.

27) Pipeline operators should work with local first responders in jurisdictions housing transmission pipelines to initiate annual or biennial community coordination and planning.

28) Pipeline operators should allocate and manage materials to provide local stockpiles of supplies and resources necessary for first response agencies to initiate command and control functions, first stage

mitigation efforts and other measures identified through the Needs Assessment conducted under Recommendation Number 11.

29) Pipeline operators should establish mutual aid agreements with existing facilities (such as refineries or other pipelines) to maximize use of available resources for incident response.

Technical Recommendations 1

Pipeline Testing:

1. The U.S. Department of Transportation OPS, or the State of Washington if authorized, should initiate rule-making that proposes:
 - a. Requiring pipeline operators to periodically submit comprehensive reports on the condition of their hazardous liquid and natural gas transmission pipelines.
 - b. Requiring appropriate testing based on concerns identified in the reports and apply these requirements much more rigorously to transmission pipelines in populated or environmentally sensitive areas.
 - c. Requiring comprehensive reports at least once every four years for pipelines less than 15 years old up to annually depending on age, type of pipeline, incidence and nature of leaks and spills and population densities adjacent to the pipeline. Such reports would cover all leaks and causes of leaks, results of cathodic protection surveys and studies, and findings of past testing.
 - d. Requiring appropriate tests (hydrostatic testing, instrumented (smart) pigs, more detailed evaluations of cathodic protection, etc.) if a report reveals significant areas of concern. When necessary, the agency should require the operator to reduce operating pressures, recondition the line or remove the pipeline from service.
2. The state should recommend that USDOT-OPS use state-identified environmentally sensitive areas and the development of area-specific response plans for all pipelines. These plans should address demographic issues, cultural resources, and economic resources as well as environmental protection.
3. Congress should require pipeline operators to establish contingency plans for the abandonment or utilization of pipelines that do not perform to the standards of federal regulations.
4. Replacement or rerouting of a pipeline can impose a serious financial burden on a pipeline company. Preparation of contingency plans for pipelines that have experienced problems would identify the costs of alternatives to the current pipeline and the necessary preparations for meeting capital requirements.

Rapid Detection And Isolation Of Leaks And Spills:

The U.S. Department of Transportation OPS, or the State of Washington, if authorized, should initiate rule making that proposes that hazardous liquid pipeline operators improve their ability to rapidly locate and

isolate pipeline leaks or spills. The regulations should propose the following:

1. Installation of remote-control shut-off valves at a distance of no less than four to ten miles in urban areas and 20 to 60 miles in rural areas, depending on type and density of development, the presence of environmentally sensitive areas, and the application of appropriate engineering standards. The installation of remote valves should include design features and safety procedures to minimize risks associated with valve malfunctions.
2. Installation of remotely monitored pressure gauges and meters at each pump station and remote valve location.
3. More specific regulations should be considered for emergency response procedures, combined with thorough training, for shutting down pumps, locating leaks and spills, and shutting appropriate valves as rapidly as possible.

Technical Recommendations 2

The Department of Ecology should add the following planning benchmarks to state Contingency Planning regulatory requirements:

Less than or equal to one hour

- Benchmark to be determined on a case-by-case basis. Will involve some level of pre-staged equipment to provide potential for one-hour deployment.

Less than or equal to six hours

- Capacity to recover 10% of worst case spill volume (or 12,000 barrels, whichever is less) within a 24 hour period. *

Less than or equal to twelve hours

- Capacity to recover 15% of worst case spill volume (or 36,000 barrels, whichever is less) within a 24 hour period. *

Less than or equal to twenty-four hours

- Capacity to recover 20% of worst case spill volume (or 48,000 barrels, whichever is less) within a 24 hour period. *
- Sensitive areas protected by sufficient types and amounts of boom.

Less than or equal to forty –eight hours

- Capacity to recover 25% of worst case spill volume (or 60,000 barrels, whichever is less) within a 24 hour period. *
- Sensitive areas protected by sufficient types and amounts of boom.

*Recovered oil transfer system and interim storage capacity must be able to keep pace with oil recovery. For persistent oils, interim storage capacity should be 5 times the recovery benchmark volume for a given time period, unless higher oil recovery efficiency can be demonstrated.

APPENDIX A

MEETING SUMMARY
JULY 13, 1999
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

Members introduced themselves and spoke about their background and relevant experience.

Slight modifications were made to the Mission Statement; a revised copy is attached.

Decisions were made on the group's operating procedures:

- Meetings will be held bi-weekly on Wednesdays. At least the first 3 or 4 meetings will be held at SeaTac (from 8:30 to 4:30) to simplify logistics for attendees.
- Each member will designate an alternate. Members and alternates will attend all meetings so all will be up-to-date on information presented and decisions made.
- Meeting discussions will be captured in summaries rather than detailed minutes.
- A web page should be set up and linked to other suitable sites (e.g. state agency programs and Whatcom County page on accident aftermath). This should be kept current with information about meeting locations, outcomes, etc.
- Each member will assess whether their organization has mailing/notification lists that would be relevant to our issues. These will be combined, and, at a minimum, used to notify people about web site.
- A public meeting (where comments are solicited) will be deferred for about 2 months until we have had an opportunity to gather basic information and background.
- Information will be sought from those with varied perspectives, but it is not necessary to include additional interests on the Team itself.
- Every effort will be made to reach unanimous decisions, but if members reach different conclusions, votes will be taken. Those holding a minority view will have the opportunity to convey it along with the majority view.
- While each member can speak freely about the Team from his or her own perspective, no one is authorized to speak for the Team without consultation with other members.

After brainstorming on the subjects to be covered, the agendas for the first 3 meetings were established:

1. July 28 – Morning: How does the fuel distribution system work? Where are its facilities located? How do pipelines function? [Presentations by oil and natural gas representatives and the Department of Ecology]

Afternoon: What is history of spills/accidents? What is now required for spill detection and monitoring? [Presentations by the UTC, Ecology, WSP, and a report prepared by a consultant for the Counsel for the Environment].

2. August 11 – All day: What is the existing regulatory framework? What is on the books (federal, state and local)? How does actual performance compare? How are programs funded to meet performance expectations? What is the situation with federal preemption of state authority? [Presentations by the UTC, Ecology, WSP, locals, and the Attorney General's

Office].

3. August 25 – All day: What can we learn from others' experiences? [Presentations by representatives from VA, MN, CA, and FL (if funding available); possible presentation on how regulatory system operates in B.C.]. What has the NTSB recommended after its accident investigations in the past; how well have its recommendations been implemented? [Presentation by NTSB representative]. What does industry see as the problems in the current regulatory system? [Presentations by natural gas and oil industries, representatives of trucking and barging industries].

It was agreed the fourth meeting should begin focusing on local response capacity, but specifics were not determined.

A number of topics of interest were identified for future meetings:

- What is now required for system operator training and qualifications;
- Would it be beneficial to have industry/public sector cross training?
- How does the Emergency Mobilization System work?
- How did the Emergency Operations Center work in the Bellingham accident?
- Where are hazardous material teams located?
- What is the status of responder readiness, especially re plans and training?
- What is the state-of-the-art for spill detection and monitoring? Can systems be retrofitted?
- What education is needed? Who should be educated? By whom?
- Are current regulations adequate with respect to seismic events?
- What would be the costs/benefits of utility corridors?
- Should land use controls be instituted to reduce human risks from facilities?
- Is a different "1-call system" needed?
- How adequate are enforcement tools for non-performance?

Mayor Asmundson graciously agreed to chair the July 28 meeting in Carol Jolly's absence. The Governor's Office will take care of logistics (lining up meeting space, refreshments, etc.) and will coordinate with the Mayor about the detailed agenda.

MEETING SUMMARY JULY 28, 1999 FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

Acting Chair Mark Asmundson, Mayor of Bellingham convened the meeting, at a meeting room in Sea-Tac Airport at 8:30 a.m.

After a brief discussion regarding the focus of the Task Force's initial efforts, Mayor Asmundson expressed the group's consensus that the primary focus should initially be on pipelines alternative transportation modes would be considered for additional focus later in the Task Force's proceedings. The focus on pipelines appears to be necessitated because of the relatively short time in which the Task Force is to develop recommendations.

Mayor Asmundson read a letter from Laura Hartman (Pilchuck Audubon Society) concerning environmental organization membership in the Task Force and requesting clear opportunities for public participation during meetings. The Team reaffirmed its previous determination that membership at this

time should be limited to those appointed by the Governor but that clear and continuing opportunities for public participation would be provided.

The draft agenda for today's meeting was amended to allow time for public comment.

A web site for the Task Force has been established at:

<http://www.governor.wa.gov/taskcomm/faprt/faprt.htm>.

Representatives of the natural gas industry made a 90-minute presentation on their distribution system from high-pressure transmission lines to the very low-pressure delivery lines that are buried in our neighborhoods. Handouts from the presentation are attached to these minutes. Additional points that may not be evident from the handouts include:

- Land movement is the most common cause of large releases from Williams' natural gas pipelines.
- In some areas, Williams is buying trees in the vicinity of its pipeline to maintain slope stability.
- While federal regulations provide that operators cannot exceed 40 percent of the rated pressure in urban areas, many companies restrict their pressure to approximately 20 percent.
- The distribution system's SCADA system is only able to detect major leaks. Valves are both automatic and manual.
- The main transmission lines are initially buried approximately 3 to 4 feet deep.
- Hydrostatic tests are typically done only when a line is put into service or when there is a change in service; hydrostatic test results are not filed with public agencies but are available for inspection by public agencies.
- Smart pigs have only recently begun to be used; smart pig inspection records are not filed with public agencies but are available for their review.

ARCO representatives gave a presentation about petroleum fuel pipelines, entitled Transportation System Overview. In addition to items covered in the handouts, they explained the process of exchanging or trading product with other shippers to avoid transportation costs. For example, a shipper in Washington trades with a competitor in California for product (instead of the product being physically transported to that market).

Normally ARCO accounts for 1/3 of the shipments on the Olympic Pipeline (OPL), but with the Ferndale to Allen segment ruptured, their shipments are down. Crude runs have diminished from about 8.5 million gallons a day to around 6 million gallons. They are now shipping 15% via pipeline and 70% via ship & barge. They are 15% over capacity so are running additional ships and barges to satisfy demand. They also are running about 90 trucks per day. Typically that number is 40. Before the incident they only occasionally barged to Seattle, but that has increased now.

The EPA is currently doing a multimedia review of the ARCO facilities.

ARCO offered the task force a tour of their facilities.

Richard Kuprewicz of Accufacts, Inc. provided a presentation on the manner in which petroleum product pipelines operate. Among points that he made that may not be evident from his handout materials (attached) are the following:

- There is no federal requirement for leak detection, but some states do mandate it.
- There is no federal requirement for "fail safe" design (*i.e.*, a design that assures that pressure in the

pipe system cannot exceed maximum operating pressures by ten percent).

- There is no federal requirement for computer monitoring of the pipeline (the Office of Pipeline Safety apparently has a concern about too many false alarms).

Steve Hunter (Washington Department of Ecology) provided a summary of spill statistics (see attached).

Dennis Lloyd, WA Utilities and Transportation Commission, provided a summary of natural gas line leak statistics, including the following information involving four interstate gas transmission incidents in Washington caused by "outside forces (landslides)" due to the increase in rain and ground water on Northwest Pipeline Corporation facilities:

- On March 6, 1995, near Castle Rock, the 26-inch pipeline failed.
- On February 8, 1997, near Everson, the 26-inch pipeline failed.
- On February 9, 1997, near Kalama, the 26-inch pipeline failed.
- On February 26, 1999, near Stevenson, the 22-inch pipeline failed.

Other incidents occurring at Northwest Pipeline Corporation facilities:

- On June 28, 1997, human error caused a valve to leak near Woodinville
- On January 3, 1998, a weld defect located on a fitting caused the 22 inch pipeline to rupture at a location east of Pendleton, Oregon, resulting in the loss of gas service to 10,000 customers in the Walla Walla area.

After the presentations, there was some discussion by Team members. Mary Corso stated that she perceived that there were two types of gaps that merited the group's focus: gaps in available data and gaps in the regulatory framework. Regarding data gaps, she noted that there is not good Washington State data on the spill histories of interstate pipelines operating in the State and that the Washington State Patrol cannot document the number of hazardous materials movements per day on state highways. Mary stated that we need to have a data collection system that considers not just the frequency of spills but the volume and consequence. Plus, we should have both national and regional data and better records of the causes of various spills.

On logistical matters, the group agreed that it needed a larger space than the present meeting room, preferably at the airport but, if that is not possible, then near the airport.

The group decided that the August 11, 1999 agenda item concerning state regulations should include an analysis of the EFSEC statute (which regulates the siting of new pipelines). Kittitas County Commissioner Bill Hinkle stated that he would invite the Deputy Kittitas County Prosecutor who was involved in the Cross Cascade EFSEC proceedings to share his perspective on how the current process works from a local government point of view.

Mary Corso suggested that the four state agencies on the Task Force should ask their Assistant Attorney Generals to examine the legal issues that are arising regarding who has jurisdiction over what.

In response to an inquiry from Susan Harper (Cascade Columbia Alliance Executive Director) that group was requested to submit a proposal by August 11, 1999 regarding non-industry, non-governmental organizations presentations to be made on August 25, 1999.

The meeting was adjourned at approximately 3:30 p.m.

**MEETING SUMMARY
AUGUST 11, 1999 MEETING
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM**

Members reviewed the key decisions made at their July 28 meeting:

- The Team will address only pipelines, not other modes of fuel transportation;
- The Team will retain its current membership;
- Public comments and questions will be taken during meetings as time allows.

Tom Morrill, Assistant Attorney General, presented a summary of the legal framework regarding federal preemption of state authority for pipeline regulation. Among his key points:

- For intrastate lines, if the state has been certified by the Office of Pipeline Safety (OPS), it can serve as the enforcing agency and can adopt standards more stringent than federal ones; the Utilities and Transportation Commission performs this role in WA. WA and CA are the only certified Western states.
- For interstate lines, the federal statute explicitly preempts state authority to adopt "safety" standards. OPS exercises this role.
- If a main pipeline carries products across state borders, but trunk lines carry it to destinations within the state, the state can regulate the trunk lines.
- There is much ambiguity about the distinction between environmental and safety standards. While the federal OPS have not challenged states on environmental standards if they do not jeopardize OPS standards, pipeline companies frequently have.
- Some states have successfully imposed financial assurance or other funding obligations on interstate lines.
- Federal law does not preempt a state role in siting pipelines. In WA, this authority is exercised by the Energy Facility Site Evaluation Council (EFSEC).

Joe Stohr, Manager, Spills Program, Department of Ecology, gave a presentation on the current regulatory system for liquid petroleum pipelines. He used a handout.

Some of the key points covered:

- The program has 55 FTE's and regulates 39 facilities. 18 work on transmission prevention and 22 on transmission preparedness and response; 2 focus on facility prevention and 6 on facility response. One-fourth of an FTE is devoted to pipeline prevention and three-fourths of an FTE is dedicated to pipeline preparedness and response.
- Most of their effort is focused on large facilities (e.g., refineries) and on vessels.
- The program is funded by a 5 cents per barrel tax on imported oil, with 4 cents going to program operations and 1 cent going into a response account for significant spills. If the finished product is exported, the tax payment is refunded; this applies to about half the revenue received.
- Spills to water are subject to penalties of up to \$10,000 per day.

Dennis Lloyd, Manager, Pipeline Safety, Utilities and Transportation Commission addressed the current regulatory system for intrastate pipelines. He used a handout.

- The UTC is certified to regulate intrastate natural gas and hazardous liquid pipelines. Its standards

for natural gas lines are more stringent than federal with respect to incident reports and the frequency of leak surveys. The standards for liquid fuel lines equal the federal rules.

- If a state has an agreement with OPS, it can serve as the federal agency's agent in inspecting, auditing, and reporting violations to the OPS for enforcement. CA, AZ, MN and NY operate under such agreements.
- The federal Pipeline Safety Law authorizes OPS to collect safety user fees from pipeline companies. While the fees should enable OPS to cover 50 percent of certified states' costs, for 1999 Congress has only appropriated funds to cover 44 percent of such costs.
- The UTC receives the remainder of its funding from fees charged to regulated businesses.
- Dennis cited a 1999 report from OPS (Special Report 219) offering lands use recommendations to local and state governments. While these jurisdictions are preempted from adopting safety regulations, they can control where pipelines are located.
- The agency has 4 FTE's for inspections, response and enforcement; it will be adding 2 more.
- The state does not maintain current maps showing the location of all existing pipelines. Such mapping systems are difficult and costly to create and maintain.

Jim Hurson, Deputy Prosecutor, Kittitas County, spoke on the flaws in the current system for pipeline siting, based on the County's experiences in the recent Cross-Cascades Pipeline case before EFSEC. The major problems he cited:

- EFSEC does not require the applicant to submit a complete and detailed application.
- The sequencing and links between the EFSEC process and the State Environmental Policy Act (regarding Environmental Impact Statements) are confusing and ineffectual.
- Local governments are not given adequate authority.

Tom Morrill also noted several issues surrounding the EFSEC process, including:

- The absence of clear connections with the Growth Management Act and local ordinances.
- The appropriate extent of EFSEC's right of eminent domain on private land and the unanswered questions about whether they also have this authority for public lands.

DISCUSSION:

The Team agreed that a series of questions arose from the presentations and that they should work on developing answers to these:

Ecology's Program for Liquid Petroleum Pipeline Regulation

- Should prevention plans be required for interstate pipelines?
- Should companies be required to include local governments in response plan development and should local governments include pipeline companies in their plan development?
- What is needed to improve local emergency response capability?
- How can the agency's data systems be improved?
- Should the planning standards controlling industry plans be more prescriptive?
- How can local response capability be funded?
- Is the local role in the Unified Command System adequately clear? Should it be reinforced?

UTC Program for Intrastate Pipeline Regulation

- Should a single excavation damage prevention call center be established in WA?

- Should an agency be established to oversee damage prevention and enforcement?
- Should hazardous liquid companies be required to submit annual reports?
- Should we impose requirements for thicker walled pipelines and allow uncased pipelines for road, rail and water crossings?
- Should we require identification of Unusually Sensitive Areas and increase standards for such areas?
- Should we require periodic inspection of pipelines in Sensitive Areas?
- Should we mandate the use of internal inspection devices?
- Should we increase the frequency of inspections of master meters and small gas systems?
- Should we increase monitoring of cast-iron pipe replacement?
- Should we improve data collection and transmittal to local governments?

Legal Issues

- Should we be setting financial assurance or other funding requirements – such as taxes – on pipelines?
- Should we require companies to fund local first response capacity?
- Should we consider changing liability standards and/or penalties for incidents?
- How do we clarify or set different requirements for main and lateral lines?
- Should we set our own pipeline monitoring requirements?
- Should we pursue an agreement with OPS for oversight of interstate lines?
- Should we be working to change the federal law to give states more authority?

Siting Process, how can the current siting process be improved with respect to:

- eminent domain;
- consistency with the Growth Management Act;
- linkage to the State Environmental Policy Act;
- linkage to the Shoreline Management Act;
- respective roles of state and local governments

How can better decisions be made about land use around existing pipelines?

The Team discussed and agreed on a **purpose statement** to define our task:

To improve prevention, preparedness, and response to fuel pipeline incidents in WA State.

We agreed to establish **three subcommittees** to better focus our work and to open participation on those subcommittees beyond the Team's members. The subcommittees will be **Prevention and Siting; Preparedness and Response; and Funding.**

The **August 25 meeting will be at the Seatac Doubletree Hotel** and focus on **Preparedness and Response, First Responders, and Follow-Up and Restoration** after incidents occur. Mary Corso, Glen Woodbury and Joe Stohr volunteered to organize the agenda and arrange for speakers.

The **September 8 meeting** will include presentations on lessons learned and current regulatory systems in **California, Virginia and Minnesota.** It will also include presentations by industry and the public interest sector on their views of the shortcomings of the current regulatory system.

Public meetings will be held in Moses Lake, the Bellevue/Redmond/Kirkland area, and Vancouver where citizens will have an opportunity to present their views on the Team's work. These will be held

in conjunction with Team meetings. Locations will be announced.

**MEETING SUMMARY
AUGUST 25, 1999
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM**

State Fire Marshal Mary Corso facilitated two panel presentations on disaster preparedness and response. The morning panel featured local government officials.

Robert Johnson, Auburn Fire Chief and Chair of the State Emergency Response Committee, described the work of that Committee, which is now a subcommittee of the State Emergency Management Council. It includes state agencies, a local fire chief, 2 local emergency response representatives and a representative of the transportation industry. The Committee will soon have its first 2 full-time staff members.

Chief Johnson explained the multiple roles of local fire departments in fire suppression, provision of emergency medical response, urban search and rescue, investigations, and education and training. He noted that the structure and funding sources for such agencies varies widely among communities. Ms. Corso noted that 18,000 of the 22,000 fire fighters in WA are volunteers and that 580 of the 650 departments serve populations of 20,000 or less.

While the numbers of fire response calls are decreasing, the numbers of hazardous materials calls are increasing. According to a State Patrol survey, 63% of calls relate to transportation, 27% to fixed facilities, 5% to marine incidents and 5% to pipelines. There are 24 publicly funded hazardous material teams around the state and 12 specialized teams. All face serious problems in keeping their staff trained and prepared. Much of the training must be done on overtime.

The major difficulties facing local responders are:

- Fire departments are under-funded to deal with hazardous materials; they have particular problems covering the costs of their equipment.
- The state and federal government do not provide enough assistance to locals.
- The state needs greater regional response capacity – with dedicated funding – to coordinate equipment, training and supplies.

Trudy Winterfeld, Cowlitz County Emergency Management Director, described the role of emergency management staffs who handle mitigation (efforts to avoid hazards), preparedness, response and recovery. Local capacity varies, but is rarely sufficient to meet the need, particularly since most areas face a large number and variety of hazards. Federal funding assistance is diminishing and it is often difficult to get state and local policy makers to recognize potential dangers and fund preparedness.

Ms. Winterfeld suggested that it would be desirable to:

- establish a disaster trust fund to avoid problems that arise when funding is provided on a reimbursement basis;
- mandate joint planning between local responders and pipeline operators.

Dean Mitchell, Assistant Police Chief, Moses Lake, reiterated the problem local governments face in

getting their staff trained to address hazardous materials; funding for such training is particularly difficult to obtain. He noted that state-funding assistance is resulting in improved inter-jurisdictional communications and coordination.

State and federal agency representatives spoke during the afternoon session:

Lt. Steve Kalmbach and Glenn Brautaset of the Washington State Patrol's Fire Protection Bureau described that agency's work. Their handouts display the agency's structure and mission and describe the mobilization process used for response to major events (such as wildfires). The Fire Marshal has 5 teams around the state, whose members are trained and qualified to respond to national or even international incidents.

Glenn displayed a Washington State map showing locations of major pipelines in relation to the location of trained hazmat teams; he expressed concern about the gaps in coverage for response to pipeline incidents. The Fire Protection Bureau operates the Fire Training Academy in North Bend that offers training to local responders on a fee-funded basis; some 5,000 people are being trained annually. Glenn explained that once a mobilization occurs, the Mobilization Incident Commander establishes an Overhead Team to handle operations, logistics, planning and finance. Dave Wakefield of the East Pierce County Fire and Rescue Squad joined in the discussion.

The speakers offered 2 recommendations. One would be to establish a cadre of trained Incident Commanders who can respond to and assist local responders in the first critical hours. This would require identification of funding for training and response capacity. The second is to strengthen first responder training for fire service, law enforcement, emergency management and hazardous materials personnel; this too would necessitate identification of funding sources.

Dave Hodgeboom, Emergency Management Division, provided handouts giving an overview of the Division and the state's Fire Services Resource Mobilization Plan. He explained the notification/response procedures, the operation of the Emergency Operations Center and its activation phases, the Division's liaison with local jurisdictions and the Hazmat training and assistance EMD provides to local jurisdictions.

Steve Hunter, Spill Preparedness, Prevention and Response Program, Department of Ecology, discussed the penalties Ecology can impose for spills that pollute water. There is a basic penalty up to \$10,000 regardless of fault; additional amounts can be charged if the violation is willful, negligent or if the operator fails to clean up promptly. Steve pointed out what his staff sees as the biggest gaps in their program: they are preempted from requiring prevention plans for interstate pipelines, they are seriously under-funded because of the refunds to exporters authorized in the law establishing the barrel tax on imported oil, and their resources are increasingly being diverted to deal with methamphetamine laboratories.

Anthony Barber, U.S. Environmental Protection Agency, explained that his agency deals with prevention of spills of oil or hazardous materials from fixed facilities while the U.S. Department of Transportation deals with transportation facilities such as pipelines. EPA gives grants to state and local agencies to help them enhance spill preparedness; they also provide technical experts to assist state and local agencies. He noted that EPA provides training to local government staffs, but recognizes that cost may constrain attendance at such training. In a post-spill situation, the Coast Guard-administered Oil Spill Liability Trust Fund can partially reimburse local expenses; Superfund, administered by EPA, sometimes covers the costs of hazardous material cleanups.

The Team discussed its 3 upcoming meetings to hear public comment on fuel pipeline incident prevention and response. The meetings will be in Bellevue, September 8; Moses Lake, September 16; and Vancouver,

September 22. The September 8 and 22 meetings will follow daytime work sessions. The public comment meetings will run from 5:30 to 8:30 p.m. Each will follow the same structure:

- introductions by team members.
- brief explanation of Team assignment and progress to date.
- opportunity for public comment with the time divided equally among the number wishing to speak.

We reviewed the **three subcommittees** that will be established: **Prevention and Siting; Preparedness and Response; and Funding**. Members and alternates were asked to contact Carol Jolly about which subcommittee they wished to serve on and/or chair.

MEETING SUMMARY SEPTEMBER 8, 1999 FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

Two presentations were given on requirements for operator qualification and training:

Zach Barrett, Federal Office of Pipeline Safety, explained the agency's recently (August 1999) adopted regulation and the process used in its development. He noted that under the 1996 Accountable Pipeline Safety and Partnership Act, system operators must be qualified "to safely perform O & M tasks and to recognize and react to abnormal operating conditions." OPS placed its emphasis on having systems establish qualifications rather than on specifying training or testing requirements. Each operator has the flexibility to establish a qualification program and include an evaluation mechanism that ensures ongoing qualification. The regulation is effective in November 1999; by October 2002, all operators must be qualified.

In response to questions, Zach explained that compliance with the regulation will be determined by OPS and state inspectors when they are conducting their regular inspections; these generally occur on a 2 to 3 year cycle. They expect to begin "enforcement" in an education mode and gradually phase in the use of more stringent tools. Regulatory agency inspectors will judge the adequacy of an operator's plan or its implementation.

Dennis Lloyd, Utilities and Transportation Commission described Washington's requirements for operator qualification. State regulations require training for operators and contractors. Such training can occur on-the-job, in classrooms, or in classes offered by equipment manufacturers. These rules apply to 4 gas utilities, 7 industrial gas operators, 3 municipal gas systems, 240 master meter operators, and 7 hazardous liquid pipelines.

Compliance is evaluated by inspectors; large systems are inspected 4 to 5 times per year; for smaller systems, the frequency of inspection is determined by their past performance record. The UTC will soon have 6 engineers working on pipeline safety, including conducting inspections.

A series of speakers then presented different perspectives on the adequacy of the current regulatory system and recommendations for potential improvements. Each provided handouts.

Ben Cooper, Association of Oil Pipelines, and Marty Matheson, American Petroleum Institute, presented the views of liquid fuel pipeline operators. They noted that the 200,000 miles of interstate pipeline carry

about 64% of the ton-miles of petroleum transported across the U.S., and that pipelines are the safest and most economical transport mode. Ben reviewed a number of initiatives underway by the industry to improve safety.

Marty provided a handout offering recommendations to the Team. She first emphasized the importance of avoiding pipeline damage by third party excavations and urged the adoption of a single one-call system. She urged support for the voluntary system the Office of Pipeline Safety is instituting with operators to establish uniform mapping coordinates. She recommended that WA better incorporate information about pipeline locations into local land use planning, work with OPS on defining and protecting Unusually Sensitive Areas, and promote cooperative efforts among system operators, federal and state regulators, and an informed public.

During the Q & A period, Ben explained that while OPS only requires reporting of spills of 50 barrels or more, the API and AOP are seeking voluntary reporting of spills of 5 barrels or more in the hope that increased information exchange about causes of such incidents will help improve performance. The industry sees these small spills as potential precursors to larger problems.

Terry Boss, Interstate Natural Gas Association, reviewed the uses and advantages of natural gas over other fuels. His handout explained the current regulatory system for siting and operating natural gas lines and the applicable regulations. Terry emphasized that risk management was a central tool in promoting safety and distributed a report on this topic prepared by the oil and natural gas industries and the OPS. He stressed the large proportion of incidents related to outside force (third-party damage) and emphasized the importance of avoiding this.

Mike Faulkenberry, Avista, explained the views of local gas distribution companies. Residents have more exposure to these lines because they provide individual service, but the lines operate under lower pressure than large lines. Mike described the various regulatory systems covering their operations, stated that they are adequately regulated and concluded that further regulations are not warranted.

Susan Harper, Cascade Columbia Alliance, presented a panel of environmental organization representatives. They began with a video called "Out of Sight, Out of Mind" created in Fredericksburg, Virginia after they experienced 2 pipeline accidents that threatened their drinking water.

Susan urged the Team to pursue a regional liquid fuels transportation policy and to promote conservation and the use of renewables as a means of reducing the use of liquid fuels. She criticized the exclusion of citizens from government regulatory processes, with particular focus on the process used by the Energy Facility Site Evaluation Council (EFSEC) in considering an application for a Cross-Cascade Pipeline between 1996 and 1999.

Claudia Newman, Board Member, King County Conservation Voters, also said that citizens have too limited a voice, and industry too great a voice in the regulatory process. She cited difficulties she had faced in trying to urge the state UTC to adopt more stringent pipeline safety regulations. Claudia emphasized the value of more stringent regulations, including double-walled pipes and more leak detection equipment. She urged substantial revision of the EFSEC statute to remedy its many procedural flaws. She also urged the Team to press Congress to adopt a stronger pipeline regulation law.

Greg Winter, Safe Bellingham, explained the Regional Citizen Advisory Council established in Prince William Sound Alaska and urged WA to adopt a similar model. He explained that the RCAC was created by federal law following the Exxon Valdez spill and receives over \$2 million in funding from the oil industry. Its recommendations go to the Alyeska Company and affect the company's operations.

Fred Felleman, Ocean Advocates, also recommended a regional fuel transportation policy and a reduction in petroleum demand. He criticized the inadequate funding available for the Department of Ecology's Spill Preparedness and Response Program and urged a change in the statutory provision requiring a refund of the barrel tax for fuel exported from WA. He urged greater citizen oversight to ensure political integrity.

John Philbin, Somerset Neighborhood Association, Bellevue Washington, criticized the performance of the Olympic Pipeline Company after its recent spill in Renton. He urged that the state and federal government require more automatic shut-off valves and stressed the value of having OPS adopt the recommendations made by the National Transportation Safety Board.

Bob Chipkevich, Safety Board, was the next speaker. He reviewed testimony delivered by Board Chairman Jim Hall at a recent congressional hearing and cited the many recommendations the NTSB has made over the years to the OPS, which the latter agency has not adopted. He noted that the NTSB's top priorities for OPS improvement related to pipeline integrity, training, corrosion protection, valve automation, and excavation damage prevention. He distributed a copy of comments the NTSB had submitted on OPS's proposed Operator Qualification regulation and stated that the Board did not consider the adopted regulation satisfactory because it does not have sufficient testing requirements to ensure performance.

Zach Barrett, Office of Pipeline Safety, was the final speaker. He cited the history of fatalities, injuries and damages from pipeline incidents in the past 10 years. He noted that the agency's responses to the NTSB's recommendations could be viewed on their web site at ops.dot.gov. He stressed the importance of damage prevention in reducing pipeline incidents, since this is the main cause of failures.

**MEETING SUMMARY
SEPTEMBER 22, 1999
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM**

The morning was devoted to presentations by three speakers from other jurisdictions:

Jim Pates, City Attorney of Fredericksburg, VA

Tom Brace, State Fire Marshal and Director, Office of Pipeline Safety, MN

Nancy Wolfe, Chief, Hazardous Materials Safety Division, CA

Jim Pates described his city's efforts to enhance the safety of the Colonial Pipeline Company's line that runs nearby, after 2 line failures contaminated their drinking water supply and the federal Office of Pipeline Safety (OPS) provided inadequate response and enforcement. Mr. Pates stressed that OPS's performance has been inadequate regardless of the political party running the federal executive branch, contending that this is due to industry influence success- fully keeping the agency underfunded and understaffed. He cited as examples of OPS failures:

- The agency's agreement with Colonial in response to their 1989 accident was developed with no local or state government involvement.
- OPS have never required a defective pipeline to be replaced; it has instead directed the operator to reduce pressure in the line.

- The agency has failed to establish criteria for Unusually Sensitive Areas despite Congressional direction to do so by 1994.

Mr. Pates explained how Virginia decided, with OPS support, to pursue designation as an "agent" for oversight of interstate pipelines. But after the state had invested substantial time and effort in this attempt, OPS advised them it had changed its policy and was no longer accepting additional states as agents. He distributed a handout recounting this history.

Mr. Pates urged the FAPRT to: focus on both liquid fuel and natural gas pipelines, insist on wide rights-of-way when pipelines are sited, take advantage of court decisions supporting state and local rights to impose fees on interstate lines, and press our Congressional delegation and the Administration to reverse the OPS policy precluding designation of additional state agents.

Tom Brace explained how a commission formed in response to a fatal 1986 accident led to Minnesota establishment of a state pipeline safety office, first within the Department of Public Safety and then under the State Fire Marshal. Mr. Brace said that he is less critical of OPS than Mr. Pates, but still believes strongly that states should operate their own safety programs. He also recommends establishing a citizen advisory committee to a state OPS.

Minnesota has, after much effort, mapped all the major interstate pipelines in the state and he strongly urged WA to do this. Mr. Brace emphasized the value of establishing a One-Call Notification system and investing heavily in advertising it; he stressed the importance of large penalties for violations of such a system. He also spoke about the need to establish reasonably large rights-of-way around pipelines and the need to track abandoned as well as active lines.

Minnesota has 19 people in their state OPS, overseeing 50,000 miles of pipeline; 9,000 of those are interstate lines. They are one of four states in the country designated as agents for oversight of all hazardous liquid interstate lines. Their budget is funded 56 percent by fees on operators and 44 percent by the federal OPS, although funds from the latter are provided retroactively and are often as much as nine months late.

Nancy Wolfe explained how California has a different approach to pipeline regulation, with the fire marshal's office responsible for hazardous liquid pipelines and the Public Utilities Commission responsible for natural gas lines. The California liquid fuel regulatory program covers 8,000 miles of intra and interstate lines. They use an eight-member advisory committee and find it very valuable. For intrastate lines, California has more stringent standards than the U.S. OPS for hydrostatic testing and risk evaluation. They also require more data for mapping, emergency contacts, and coordination with local emergency responders.

Ms. Wolfe stressed the need to automate data collection as much as possible and to correlate pipeline locations with public facilities (such as schools) and environmental features (such as drinking water sources). She noted that all her agency's staff is peace officers with enforcement authority, but that they emphasize technical assistance to achieve compliance.

The base funding for their program (about \$1.2 million per year) is generated by operator fees; CA charges its 80 operators \$3,000 each plus \$150 mile of pipeline. Because funding from U.S. OPS is so variable and often so late, they do not rely on it for basic operations. Ms. Wolfe emphasized that a state does not receive any additional funds for becoming an interstate pipeline agent, though OPS audits state performance on such lines and can reduce their annual grant if they do not consider the performance satisfactory.

Ms. Wolfe spoke of the benefits of an inter-agency oil spill committee that ensures coordination among the 30 agencies with any related responsibilities. She noted that it is generally desirable to involve local planning and utility officials in the state program. She explained that her state trains pipeline operators and local emergency response staffs, often with assistance from pipeline companies. She urged Washington State to minimize local regulations that would impede a company's proactively replacing old or inadequate lines.

During the Question and Answer period, the speakers said that laws and regulations should allow for "equivalent" techniques (e.g., smart pig inspections in lieu of hydrostatic testing) approved by the regulatory agency. All the speakers recommended the use of strong penalties for violations of "One-Call Systems," including against the entities responsible for accurately flagging utility locations for excavators. The speakers noted that old pipeline is not necessarily the biggest problem, and that the site a pipeline traverses or the product it carries can greatly influence its condition.

There was agreement that the data available to conduct thorough risk assessments is generally lacking, but that companies usually have better data than the federal OPS. In response to a question about local capacity to meet their needs for dealing with hazardous materials, the speakers said companies should be required to support and assist local first responders and should be required to meet with these agencies annually.

The entire Team expressed its appreciation to the speakers for their helpful presentations.

The group discussed the need for intensive efforts during October if a report is to be prepared in early November for public review; this work will be done by three subcommittees. The three – Prevention and Siting, Preparedness and Response, and Funding – met during the afternoon to establish organizational ground rules and schedule future meetings. They then reported back to the full Team:

Prevention and Siting, Mayor Mark Asmundson, Chair:

This group plans meetings on September 28 and October 6, 13 and 20, between approximately 10 a.m. and 2 p.m. They prefer to hold their meetings at the World Trade Center Offices at SeaTac Airport if that facility is available. [NOTE: it has since been determined that this facility is not available.] They will allow any interested party to participate in their discussions, and have deferred a decision on how they will arrive at conclusions.

Their first meeting will focus on one-call systems, the second on internal pipeline inspections, preemption and franchise authority, the third on siting, and the fourth on reaching conclusions.

Preparedness and Response, Joe Stohr, Department of Ecology, Chair:

This group will hold its first meeting September 30 or October 1 via a conference call. Any party wishing to participate should contact Joe (at 360-407-7450) for information on how to get access to the conference call. This discussion will focus on identifying an issue list and giving assignments to members to develop recommendations on specific issues. The committee will meet during the week of October 11 in Bellevue and the week of October 25 (specific dates have not yet been set) to finalize and prioritize its recommendations. They will allow any interested party to participate.

Funding, Bill Hinkle and Rick Mattoon, Co-Chairs:

This committee will meet on September 30, and October 7, 14, 21, and 28 from approximately 8 to 10:30

a.m. Its first meeting will be held at the Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, SW, Olympia. Subsequent meetings will be held in Room 440 of the Insurance Building on the Capitol Campus (14th and Water Streets). The group will allow participation by any interested party, but Team members and alternates will make consensus decisions. If those parties cannot reach consensus, the committee will provide the Team majority and minority reports.

The committee's first meeting will focus on payments currently made by oil and gas companies to state and local governments. It will include presentations by pipeline operators and the Department of Revenue. The group will also hear data gathered by the National Association of Utility Regulators about other states' programs for funding pipeline safety (if it is available).

At subsequent meetings, the group will consider funding options, including changes to the current barrel tax on imported oil, operator fees, local franchise agreements, changes to funding one-call systems, and penalty levels.

All committees were asked to ensure that minutes are taken of each session. These are to be submitted to Carol Jolly, who will ensure they are posted on the FAPRT web site and made available to the public.

APPENDIX B

PUBLIC COMMENTS - MEETING SUMMARY SEPTEMBER 8, 1999, BELLEVUE, WA FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

Forty-one people spoke during the three-hour meeting; each speaker was limited to four minutes.

Three key themes emerged from multiple speakers:

- Twenty individuals emphasized the necessity of focusing on improved accident prevention by better technology (e.g., monitoring systems, shut-off valves, leak detection, etc.); strengthened regulation and standards; stronger operator training requirements; or tougher enforcement to create incentives for better performance.
- Nine speakers cited specific flaws in their criticisms of the process used by the Energy Facility Site Evaluation Council (EFSEC) in evaluating the Olympic Pipe Line Company's proposed Cross-Cascade Pipeline between 1996 and 1999.
- Five people cited concerns about land uses near pipelines, the need to acknowledge land stability in siting new lines, and the absence of public awareness of pipelines present in their neighborhoods.

Two people generously offered assistance to share information or experiences:

- Frank Planton of Portland, OR, offered to share information about Oregon's One-Call Notice Center and the Oregon statute addressing one-call pre-dig notification.

- Brad Rosewood, with the Chevron Pipeline Corporation in Pasco, discussed his firm's positive experiences with state and local regulators and emergency responders and offered various suggestions about techniques that work effectively for the 300-mile pipeline he oversees.

Other comments offered by speakers (not in any particular order):

- It is essential that we protect surface and ground water in making siting decisions; this is especially true with respect to drinking water sources.
- Allowing too large a volume to be spilled without an obligation to report the incident flaws the current spill notification system.
- While standards may need to be tightened, the Team should use reason in establishing new requirements.
- The cost of spill clean up should not be a tax-deductible expense.
- The federal Office of Pipeline Safety is ineffectual in regulating pipelines.
- In comparing fuel transport by pipelines vs. other modes (e.g., barges, trucks), pipeline transport is the safest.
- The authority of pipeline operators to exercise eminent domain should be reexamined, since they are profit-making businesses.
- Public access to decision-making about pipeline safety issues should be increased.
- The state should work to decrease fuel consumption, which would diminish the need for transportation.
- The state should develop a comprehensive fuel transportation safety policy.

**PUBLIC COMMENTS - MEETING SUMMARY
SEPTEMBER 16, 1999, MOSES LAKE, WA
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM**

Nine people spoke during the meeting, with each speaker having an open-ended opportunity to present his or her views. The predominant topic for the session was the One-Call Notification system, and there was an extended discussion among audience members and the Team about the pros and cons of having a single One-Call Number for the state of WA.

Several speakers contended that it would be inappropriate to alter the current "Call before You Dig" program, which relies on 6 centers across the state. They asserted that there is no data showing that any benefits would be gained by a change and that the current system is working effectively for contractors and utilities. These speakers agreed that the biggest problems related to third party damages arise from parties failing to call in at all or failing to wait the required 48 hours to have underground facility locations identified by the responsible operator.

There was related discussion of the statute dealing with excavation damage prevention (RCW 19.122) and the absence of meaningful enforcement or penalties for violation of that law. The statute is unclear about the regulatory agency responsible for its implementation.

Speakers emphasized the need for clearly visible markers displaying pipeline locations (in both urban and rural settings), the need for markers to state clearly that a pipeline [rather than "underground cable" is present, and the advantages of having markers show a One-Call number.

Other comments included:

- An objection that no local emergency management agency representative is on the Team.
- The public needs more education about the benefits of pipelines.
- An effective pipeline operation and maintenance program necessitates stringent examinations – internal, surface and by air – by the operator, careful scrutiny of any excavation in the vicinity of the pipeline, and close working relationships with the Department of Ecology and local emergency management agencies.
- Based on observations with the Alaska oil pipeline, WA should require 100% X-ray inspection of pipeline welds before pipe is laid, hydrostatic and soil testing of lines, and strong regulations and standards.

**PUBLIC COMMENTS - MEETING SUMMARY
SEPTEMBER 22, 1999, VANCOUVER, WA
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM**

Twenty-two people spoke during the 95 minute meeting. Each speaker was limited to five minutes to ensure that everyone who wished to do so was given an opportunity to speak.

Multiple speakers expressed three major themes:

- Eight speakers emphasized the need for better accident prevention through requirements imposed on pipeline operators. These could include double-wall pipelines, increased pipe thickness, automatic shut-off valves, better operator certification requirements, more frequent inspection and maintenance, ground-motion sensors and requirements to replace all pipe over 20 years old. One speaker suggested banning any development within 60 feet on each side of pipeline.
- Five speakers expressed serious concerns about the safety of a Williams Natural Gas Pipeline and compressor station in their neighborhood. They cited the absence of a neighborhood evacuation plan, slow response by the company to a previous accident, local government's lack of essential information including maps of pipeline location, insufficient shut-off valves, and the seismic condition of the underlying land. Several of these people spoke of concerns about air pollution from the compressor station and their dissatisfaction with controls imposed by the regional air pollution agency and the Department of Ecology.
- Four speakers stressed that more forceful enforcement – including higher penalties – is essential when accidents damage human safety or the environment. Some of these speakers also urged repeal of the tax-deductibility of clean up costs.

Additional comments offered included:

- Better communication is needed between utilities and local planners under the Growth Management Act.
- Better coordination is needed between pipeline operators and local police and fire departments.
- Pipeline operator companies are doing the best they can and do try to keep in touch with local response agencies.
- While improved pipeline standards may be warranted, pipelines are still far safer than truck or barge transport of liquid products.
- It is essential that contractors call a one-call system before digging to avoid third-party damage.
- More stringent and costly regulations are unnecessary for companies to operate safely.
- The Labor and Industries legislation concerning workers harmed by serious accidents is flawed with

respect to families' rights to compensation.

PUBLIC COMMENTS
MEETING SUMMARY ON DRAFT REPORT RECOMMENDATIONS
FUEL ACCIDENT PREVENTION AND RESPONSE TEAM

The Fuel Accident Prevention and Response Team held three public comment meetings on its draft recommendations. These were evening meetings in Bellingham, Spokane and Olympia. About 120 people attended, with 41 offering remarks. Following are the key points made:

- Most speakers generally endorsed the draft, although they may have differed on some of the recommendations. There was very wide agreement that standards for siting, testing, operating and inspecting pipelines should be strengthened.
- Opinion was divided about the merits of establishing a WA State Office of Pipeline Safety. Some speakers saw this as another unnecessary layer of bureaucracy and want us to focus on improving the work of the federal OPS. Others felt that an accountable agency in the state is essential if we are to maintain a focused, effective program.
- Several of those who supported a State OPS urged that it be placed in the State Fire Marshal's Office; no one spoke in favor of its being placed in the UTC.
- A number of speakers emphasized the need to provide for a Citizen Advisory Council, modeled after that established in Alaska, and funded by pipeline companies. This group, to be composed of local governments and citizens, should provide oversight of both state agency and company performance.
- There was wide endorsement of the recommendations for additional training and equipment for local first responders (police, fire and emergency medical personnel) but major concern about the need for external funding to implement these.
- A number of people commented that the current reporting threshold for leaks – 2,100 gallons – was far too high and should be reduced to a low figure.
- Several speakers emphasized the need for larger, more certain penalties for spills and leaks.
- Operators of several of the state's "One-Call Centers" spoke about the recommendations concerning this issue. Most agreed with the suggestion to establish a single statewide One-Call number, but many questioned how this would be funded. The members of the Washington Utility Coordinating Council agreed that they would be willing – if asked by the Governor – to evaluate potential improvements to the statute regulating one-call requirements.
- Several speakers urged elimination of the "tax loophole" that allows pipeline operators to "write-off" their expenses for cleaning up spills. [Note that this issue has been explored with the Attorney General's Office and we have been advised that this "write-off" is a provision of the federal Tax Code.]

Written comments on the draft recommendations will be accepted through November 30, 1999.

