

Facts About Pipeline Safety and Canadian Crude

Pipeline Safety Oversight in the United States

- Liquid petroleum pipelines carry crude oil and refined petroleum products (gasoline, diesel, jet fuel, heating oil, etc.) across state and even country borders (interstate & international) as well as within states (intrastate).
- Pipelines are widely acknowledged to be the safest and most efficient way to move energy products overland for long distances; crude oil and natural gas from production areas to processing plants and refineries, and consumer-ready products to markets.
- All pipeline safety is regulated by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA).
- What pipeline operators may charge for transportation is regulated by the Federal Energy Regulatory Commission (FERC). FERC has siting authority for electric transmission lines and interstate natural gas pipelines but not for oil pipelines.
- States may choose to regulate the rates and safety of intrastate pipelines (most usually natural gas utility pipelines), but are preempted by federal laws from regulating interstate pipeline safety.
- Liquid petroleum pipelines have been subject to DOT regulations since 1970. PHMSA's regulations include comprehensive requirements addressing pipeline design, construction, operation, inspection, maintenance, repair and emergency response.

Pipeline Safety – A Decade of Improvement

- From 1999-2011, the number of spills from onshore liquid petroleum pipelines was reduced by about 60% while volumes spilled were reduced by more than 40%¹.
- Releases from crude oil pipelines have declined even more over that period, by nearly 70%.
- All major causes of liquid petroleum pipeline accidents were reduced over that period:
 - Corrosion – ↓76%
 - Third Party Excavation Damage – ↓59%
 - Equipment Failures – ↓26%
 - Pipe Material, Seams and Welds – ↓23%
 - Operator Error -- ↓53%
- Pipeline releases related to threats that can worsen over time declined by 36% from 2002 to 2009.² The decline was even greater for pre-1950s vintage pipe at 83%. This demonstrates that these age-related threats can and are being managed effectively by pipeline operators.
- Industry continues to learn and improve from shared incident information and best practices.

Transporting Canadian Crude in Pipelines

- Canadian crudes, including those extracted from the oil sands of Western Canada, have been shipped via pipeline for decades. Once oil sands crudes have been upgraded for transportation they are just "crude oil". Their characteristics are similar to crudes from California, Mexico and Venezuela.
- Canadian crudes pose no more of a threat to U.S. pipelines than any other crude. In examining accident reports from PHMSA from 2002 to mid-2012³, no pipelines carrying Canadian crude had experienced releases resulting from internal corrosion.
- Corrosion experts support these facts and do not believe that Canadian crudes pose a unique threat to pipelines.

April 1, 2013

¹ Pipeline safety statistics are based on reports from pipeline operators to the Pipeline Performance Tracking System, an industry pipeline release data base. PPTS participants operate 85% of DOT regulated liquid pipelines.

² From data collected by DOT/PHMSA on form PHMSA F 7000-1 (30-day accident report form).

³ Ibid.