



Associated Petroleum
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A Division of API

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**TESTIMONY OF ROLF HANSON, EXECUTIVE DIRECTOR
ASSOCIATED PETROLEUM INDUSTRIES OF PENNSYLVANIA
BEFORE THE HOUSE CONSUMER AFFAIRS COMMITTEE
FEBRUARY 24, 2011**

Good morning, Chairman Godshall, Chairman Preston and members of the Committee, I am Rolf Hanson Director of the Associated Petroleum Industries of Pennsylvania. On behalf of API, I would like to thank you for inviting me here today to share our views on HB 344.

The Associated Petroleum Industries of Pennsylvania represents the American Petroleum Institute in Harrisburg and across Pennsylvania. The American Petroleum Institute (API) is the only national trade association that represents all aspects of America's oil and natural gas industry. Our more than 450 corporate members, from the largest oil company to the smallest of independents, come from all segments of the industry. They are producers, refiners, suppliers, pipeline operators and maritime transporters, as well as service and supply companies that support all segments of the industry.

For more than 75 years, API has led the development of petroleum and petrochemical equipment and operating standards. These represent the industry's collective wisdom on everything from drill bits to environmental protection and embrace proven, sound engineering



and operating practices and safe, interchangeable equipment and materials. API maintains more than 500 standards and recommended practices. Many have been incorporated into state and federal regulations; and increasingly, they're also being adopted by the International Organization for Standardization, a global federation of more than 100 standards groups.

The Pipeline and Hazardous Materials Safety Administration works to protect the American public and the environment by ensuring the safe and secure movement of hazardous materials to industry and consumers by all transportation modes, including the nation's pipelines. Through PHMSA, the Department develops and enforces regulations for the safe, reliable, and environmentally sound operation of the nation's 2.3 million mile pipeline transportation system.

Within PHMSA is the Office of Pipeline Safety (OPS). OPS administers the Department's national regulatory program to assure the safe transportation of natural gas, petroleum, and other hazardous materials by pipeline. OPS develops regulations and other approaches to risk management to assure safety in design, construction, testing, operation, maintenance, and emergency response of pipeline facilities.

The statutes under which OPS operates provide for state assumption of all or part of the *intrastate* regulatory and enforcement responsibility through annual certifications and agreements. This cooperative, collaborative relationship between the federal and state



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government--the Federal/State Partnership--forms the cornerstone of the pipeline safety program.

The Pennsylvania Public Utility Commission has a pipeline safety program which is a recognized by the Office of Pipeline Safety to oversee intrastate natural gas transmission pipelines.

We believe our support of HB 344 will help strengthen the public's confidence knowing that the additional safety oversight is taken very seriously. HB 344 grants the PUC the necessary authority to regulate additional (private operators) pipelines in Pennsylvania that are consistent with federal regulations. Our members always strive to ensure safety. To say that they are risk adverse is an understatement.

On behalf of API, I would like to commend Representative Baker for his leadership in bringing the stakeholders together in order to craft good public policy. API supports HB 344.
