



**Testimony of
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August 17, 2021

**Before the PA House Environmental Resources & Energy Committee
Hearing on Environmental and Economic Benefits of Pipelines**

Good morning Chairman Metcalfe, Chairman Vitali and members of the House Environmental Resources and Energy Committee. I am Paul Hartman, Senior Policy Advisor at the American Petroleum Institute (API).

I appreciate the opportunity to testify before the committee today on the environmental and economic benefits of pipelines.

API is a national trade association representing nearly 600 member companies that operate throughout the United States. Our members are involved in all aspects of the oil and natural gas industry, including exploration, development, production, transportation, storage, refining, and marketing.

Thanks in large part to Pennsylvania – now the second largest natural gas producer in the nation – and the innovation and vitality of the oil and natural gas industry, the U.S. is the global leader in both energy production¹ and emissions reductions². Our country has witnessed an unprecedented energy renaissance over the past two decades, transitioning from an era of energy scarcity and dependence to one of energy abundance and security. In 2005, the U.S. was only producing five million barrels per day of oil. In 2020, the U.S. has more than doubled that number and produced over 11 million barrels a day despite all of last year’s challenges.³ A similar transformation has occurred in natural gas production, which has grown by over 90 percent since 2005.⁴ Increased domestic production also decreased the U.S.’s reliance on foreign oil imports, which have decreased over 40 percent since 2005. This domestic resurgence has created American jobs, bolstered U.S. manufacturing, strengthened our economy, and enhanced our national security interests.

Despite the COVID-19 pandemic economic downturn posing myriad challenges over the past year and a half, the natural gas industry has continued to power Pennsylvania’s economy and enhance our everyday lives.

¹ U.S. Energy Information Administration, “U.S. Energy Facts Explained”
<https://www.eia.gov/energyexplained/usenergy-facts/>

² U.N. Climate Change “GHG data from UNFCCC” (CO2 Total w/o LULUCF 2000-2018) <https://unfccc.int/process-and-meetings/transparency-and-reporting/greenhouse-gas-data/ghg-data-unfccc/ghgdata-from-unfccc>

³ U.S. DOE, Energy Information Administration, Weekly U.S. Field Production of Crude Oil

⁴ U.S. DOE, Energy Information Administration, U.S. Natural Gas Marketed Production (Annual)

Furthermore, production in Pennsylvania has helped U.S. families save on their energy bills. This savings has come at a critical time when costs for other critical needs have increased. For instance, between 2008 and 2019 US healthcare spending grew by 75 percent and education spending increased over 38 percent. However, household energy spending declined by 10 percent.⁵

As Pennsylvanians and Americans alike look to recover from the pandemic and continue to create workforce opportunities, we must acknowledge that pipelines mean jobs. According to two studies⁶ released in July by North America's Building Trade Unions, union and nonunion workers alike said natural gas and oil projects provide wages and benefits that make the American Dream a reality. Tradespeople overwhelmingly report that they consider projects in natural gas and oil to have higher wages, better benefits, and greater career opportunities than other energy sectors. Better pay and career stability translate into an improved quality of life for workers, their families, and the communities in which they live.

As API Pennsylvania, a division of API testified before this committee back in February, natural gas has supplied a record-high 40% of U.S. electricity generation in 2020 per the U.S. Energy Information Administration (EIA)—a sub-agency to the US Department of Energy—and drove U.S. carbon emissions from power generation to their lowest levels in over 30 years. Here in Pennsylvania, greenhouse gas emissions from electricity generation fell between 2005 and 2018 by 40percent based on the 2020 EPA GHG Emission Inventory. This was driven in large part by transitioning energy production to clean burning natural gas, much of which came from Pennsylvania's Marcellus shale and other similar shale plays, as well as advancements in energy efficiency.

Pipelines make this possible by enabling us to bring the critical energy produced in this state to electric utilities, factories, homes, hospitals, and other critical sectors for use.

API believes an "all of the above" approach must be taken to meet US energy demand. Undoubtedly, wind, solar and other renewables will be a critical component of our Nation's energy portfolio. Our industry recognizes this and continues to invest heavily in this area. But we also recognize that oil and natural gas will play a significant role in our Nation's energy equation as well. In fact, the U.S. Department of Energy's, Energy Information Administration has predicted that natural gas and oil will continue to provide 70 percent of the U.S.'s energy for the next 30 years.

So, for as long as natural gas and oil are providing that share of our energy mix, we will need to continue to transport those products from Pennsylvania and other producing regions over long distances to the markets that need it and benefit from it.

Infrastructure, including refined products, oil, and natural gas pipelines, have played a critical role in our energy renaissance. New areas of production, including the Marcellus, Bakken, and Utica formations, demanded safe and efficient modes of transportation to carry these products to refineries and processing plants, manufacturers, and end users such as gas stations and airports.⁷

Pipelines are the safest and most environmentally friendly way of reliably delivering the energy Americans use every day. Pipelines reduce the utilization of more carbon-intensive modes of transportation making them the most environmentally friendly way to move energy resources from producing regions like Pennsylvania, to consumers. Pipelines reduce congestion on highways, railroads, and other shipping networks which contribute to GHG emissions reductions in the transportation sector.

⁵ U.S. Bureau of Labor Statistics, Consumer Expenditure Surveys <https://www.bls.gov/cex/>

⁶ [NABTU Job Quality Matters: What Workers Think About Energy Construction](#)

⁷ <https://www.eia.gov/outlooks/aeo/>

Pipelines are essential to enabling US LNG exports which drive environmental progress in countries around the world by enabling them, like the United States, to transition to natural gas power generation.

While pipelines are the safest means to transport oil and natural gas, the industry is committed to continually growing and advancing safety. And indeed, pipelines are getting even safer. Using the latest technologies, pipeline operators can detect leaks before they occur, protecting our communities and environment. Pipeline safety improved last year and over the last 5 years even with the challenges that the pandemic has provided. According to the 2020 Liquid Pipeline Safety Excellence Performance Report (API/AOPL), performance improved across nearly every metric.

Industry's commitment to safe operations is evident by the strong safety record of the pipeline system that delivers oil, natural gas, and petroleum products. Protecting the public and the environment is the top priority for pipeline operators and a central component to pipeline design, construction, and maintenance. Ultimately, the development of a comprehensive pipeline safety system is the product of a shared commitment from key entities in the stakeholder community. The first element involves the federal and state governments, which provide the safety regulations for the industry. Next, is the contribution of the industry trade associations that develop the industry guidance, recommendations, and best practices. The third key entity is the individual company, which makes the commitment to develop and implement an effective safety program. While each individual function is critically important to advancing safety in the pipeline industry, the true effectiveness of the pipeline safety program exists because these three functions complement one another through the coordination and collaboration of all three of these entities.

In 2020, total liquid pipeline incidents decreased 13 percent and they are down 21 percent over the last five years, reflecting industry's commitment to safety and goal of zero incidents.⁸ Incidents impacting people and the environment, a key safety metric developed in collaboration with federal regulators and pipeline operators, are down 38 percent over the last five years. We also see downward trends in natural gas transmission incidents as well with a 26 percent decline over the last five years. Similarly, significant incidents are down 29 percent over the last five years.

These safety improvements have come as our nation has built more infrastructure to transport energy safely and efficiently to market. Since 2010, the pipeline industry has built more than 70,000 miles of oil, refined products, and natural gas pipelines, adding 137 billion cubic feet of natural gas and over 38 billion liquid barrels per day in capacity. All of this with the highest commitment to safety.

Even with its positive pipeline safety performance record, the member companies of API are constantly working to improve pipeline safety even further. Despite the industry's strong safety record, we are committed to continuously developing new ways to preventing damage, improving pipeline safety, and ensuring we are prepared to respond in the unlikely event of an incident. For pipeline operators this means being proactive, and constructing robust prevention, mitigation, and response strategies in a layered approach to ensure pipeline safety.

And industry is being proactive. This year, pipeline companies who participate in The Environmental Partnership, a growing coalition of more than 90 oil and natural gas committed to improving the industries environmental performance, will report their first data on efforts to implement technically feasible, commercially proven solutions to reduce emissions from their operations. We look forward to

⁸ PHMSA Incident Data

sharing information on these companies' progress when the 2021 TEP Annual Report is released later this year.

Overall pipelines are an essential component of our energy infrastructure. Pipelines contribute significantly to federal, state, and local economies by providing affordable energy, supporting jobs, and generating tax revenue. Constructing new oil and natural gas pipelines supports high-paying construction jobs. And in the current economy it is vital to note, that cancelling of pipeline projects means cancelling jobs, which cannot be easily replaced.

Pipelines are the cornerstone to progress, jobs, economic growth, and national security. Thank you for the opportunity to address the committee today. I look forward to answering any questions you may have.