



417 Walnut Street
Harrisburg, PA 17101
717 255-3252 / 800 225-7224
FAX 717 255-3298
www.pachamber.org

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Aug. 28, 2019

RE: Docket No. L-2019-3010267 Hazardous Liquid Public Utility Safety Standards at 52 Pa. Code Chapter 59 Advanced Notice of Proposed Rulemaking Order

I write on behalf of the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth in response to the Public Utility Commission's request for comment regarding Docket No. L-2019-3010267 Hazardous Liquid Public Utility Safety Standards at 52 Pa. Code Chapter 59 Advanced Notice of Proposed Rulemaking Order (ANOPR). The PA Chamber represents nearly 10,000 member companies of all sizes and industrial and commercial categories, and our interest in this matter is to ensure a regulatory environment that is in keeping with the energy policy goals established by our diverse board of directors.

The Pennsylvania Chamber of Business and Industry believes that environmental excellence and economic growth are mutually-compatible objectives, and that environmental and natural resources laws and programs should be framed and implemented to concurrently meet these twin objectives. The PA Chamber advocates for energy and environmental laws, regulations and policies that:

- are based on sound science and a careful assessment of environmental objectives, risks, alternatives, costs and economic and other impacts;
- set environmental protection goals, while allowing and encouraging flexibility and creativity in their achievement;
- allow market-based approaches to seek attainment of environmental goals in the most cost-effective manner;
- measure success based on environmental health and quality metrics rather than fines and penalties;
- do not impose costs which are unjustified compared to actual benefits achieved;
- do not exceed federal requirements unless there is a clear, broadly accepted, scientifically-based need considering conditions particular to Pennsylvania; and
- develop a private-public relationship which promotes working together to meet proper compliance.

We appreciate the PUC's discussion in the ANOPR of the jurisdictional issues at play with respect to the Commission's authorization to regulate interstate and intrastate pipeline infrastructure. We support the Commission's stated desire to not establish a regulatory framework that is rendered moot by pre-emption by federal statute. Should the Commission determine any additional regulatory requirements are in the public interest, it is paramount that the Commission be deliberate and judicious in shaping the specifics of the proposed rulemaking so as to avoid pre-emption.

To be clear, it is our position that existing federal pipeline safety requirements under 49 CFR 195 are sufficient in protecting public health and the environment. As the Commission notes throughout the ANOPR, nearly every issue raised for comment is being regulated by the requirements of 49 CFR 195. The Commission has exercised its delegated regulatory authority under these requirements and existing state requirements in enforcement proceedings against pipeline operators.

The ANOPR states the Commission's purpose in this proceeding is "to enable the Commission to more comprehensively regulate public utilities that transport petroleum products and other hazardous liquids in intrastate commerce [... and] to seek comments from hazardous liquids public utilities and the public on amendments and enhancements to Chapter 59 to more comprehensively regulate the design, construction, operations and maintenance of public utilities transporting petroleum products and other hazardous liquids under the jurisdiction of the Commission." It is not apparent, from a comparison of the list of issues identified as of interest to the Commission to existing regulatory requirements under 49 CFR 195, that there is a need to more comprehensively regulate such infrastructure.

Additionally, as stated above, a fundamental tenet to our organization's energy policy is to carefully balance risks, objectives, costs and alternatives. While the ANOPR states the Commission believes "[t]he time is ripe to move forward with specific proposals to enhance pipeline safety in Pennsylvania. [...]" Significant improvements to hazardous liquid public utility safety standards can be accomplished by building upon the federal pipeline safety laws," it is not clear to what end. The ANOPR does not clearly state a desired level of risk mitigation or operational success rate – only a desire to promulgate additional regulation on the energy sector. Without a clearly stated objective, we cannot conduct an assessment of costs, benefits and alternative approaches.

It is our understanding individual utility companies will be filing more detailed comments in response to the ANOPR, including their direct experience in conducting public awareness meetings and communications with the public, local elected and emergency response officials and their implementation of federal and industry-standard construction, design and operational practices. We urge the Commission to give weight to the knowledge, experience and perspective of companies whose business model relies on the safe and reliable transport of commodities through pipeline infrastructure.

Finally, Section C Item 14 of the ANOPR requests comment on "Integration of new regulation on existing facilities." It is difficult for us to provide perspective on this matter given there are not detailed proposed regulations to map onto the operation of existing facilities. Should the Commission determine it is in the public interest to require additional regulation, we request the Commission provide sufficient time for companies and stakeholders to evaluate their potential impact and file comments to the Commission.

In closing, thank you for the opportunity to provide comment on this matter and we look forward to continuing to engage with the Commission on thoughtful energy regulatory policy.

Sincerely,

Gene Barr
President and CEO