



WHY PIPELINES MATTER TO YOU

Pipelines, like roads, are for the public benefit and are an essential component of our modern infrastructure. Through pipelines, the primary transportation mechanism of the oil and gas industry, we are able to safely and reliably transport the hydrocarbons – such as crude oil, petroleum products and natural gas – that fuel our economy.

Pipelines reduce burdens on our infrastructure. A moderate 20” pipeline running 50 miles through a county can displace 1,650 trucks – lessening congestion, pollution, traffic accidents and highway damage.

PIPELINES ARE HIGHLY REGULATED

The pipeline industry is highly regulated by state and federal agencies, including the Railroad Commission of Texas (RRC), the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Federal Energy Regulatory Commission (FERC) and the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA).

TPA member companies support regulatory oversight and work in partnership with these agencies to ensure full regulatory compliance. However, in order to construct and maintain the infrastructure necessary to meet the dramatically increasing demands of end-users and producers, the industry must be able to rely on sound, consistent and science-based policies. Inconsistency and unpredictability result in unnecessary delays and increased costs for pipeline companies, ultimately increasing the prices paid by the public for the fuels on which we are reliant, including gasoline, natural gas and natural gas liquids.

PIPELINES ARE SAFE AND RELIABLE

Placing the highest priorities on safety, the industry continuously strives for improvement through ongoing training and awareness programs designed to ensure compliance with regulations and industry standards. In partnership with state and federal governments, pipeline companies work aggressively to enhance pipeline safety awareness through programs such as "811: Call Before You Dig."

TPA member companies monitor pipelines using advanced technologies and techniques, including smart pigs, drone surveillance, advanced laser leak detection and telecommunications and computer systems such as SCADA (Supervisory Control and Data Acquisition). The industry also employs Cathodic Protection, a technique used to control the corrosion of a metal surface by placing an electrical current on the pipeline that reduces external corrosion.

Additionally, in accordance with company policies, as well as state- and federally-mandated requirements, the industry meets regularly with, and trains, first responders to test and refine emergency equipment.

Pipelines are the safest, most reliable, efficient and economic means of transporting natural gas, crude and refined petroleum products.

DID YOU KNOW?

Pipeline safety is improving. In 2018, API and the Association of Oil Pipe Lines (AOPL) released the *Pipeline Safety Excellence Report* showing that barrels of crude oil delivered by pipeline in the U.S. rose by 43 percent from 2012-2016, while liquids pipeline incidents impacting the public or the environment declined 19 percent over the last five years.

The liquids pipeline industry spent more than \$1.6 billion in one year alone to enhance pipeline safety measures, according to the AOPL, which also found that the industry safely delivered 99.999 percent of products transported annually.

Texas was the first state in the nation to mandate a pipeline integrity management program, which requires pipelines to be inspected, both physically and visually, for safety and reliability and covers more miles of pipeline on each system than the federal integrity program. These integrity assessment and management plans are reviewed every three years. Member companies also voluntarily inspect their pipelines regularly.



Know what's below.
Call before you dig.

Information provided by the Railroad Commission of Texas, [Updated Aug. 23, 2017]



MORE THAN **448,446**
TOTAL PIPELINE MILES IN TEXAS

MORE THAN **396,916**
TOTAL INTRASTATE PIPELINE MILES IN TEXAS

METHANE EMISSIONS HAVE REDUCED DRAMATICALLY

Over the last two decades, companies in the midstream oil and gas sector have substantially reduced methane emissions – both on an absolute basis and on a per-unit of gas-produced basis. These reductions have been achieved by, among other things, voluntary efforts to integrate emission reduction practices into company operating procedures, participation in voluntary industry programs focused on reducing emissions and installation of more efficient, lower-emitting equipment.

An April 2016 report* reviewing more than 70 analyses of methane emissions from natural gas systems concluded that the natural gas industry continues to reduce methane emissions through a number of voluntary actions. Citing data from the EPA's Inventory of Greenhouse Gases, the report stated that methane emissions from the natural gas industry have been declining steadily since the early 1990s, with absolute emissions declining by 15 percent between 1990 and 2014 and methane emissions per unit of gas produced declining by 43 percent in the same period. The report also pointed out that natural gas combustion releases significantly less carbon dioxide and other pollutants than other fossil fuels, and that domestic carbon dioxide emissions are near 20-year lows, due in large part to increased use of natural gas in the domestic power sector.

TPA supported passage in 2017 of a legislative amendment to TCEQ's New Technology Implementation Grant Program, which expanded the program to include upstream and midstream oil and gas sources. Under that legislation (Senate Bill 1731), certain projects are eligible for a state grant. Eligibility is determined by projects that reduce emissions from upstream and midstream sources through one or more of the following: compressor engine replacement; repower or retrofit; installation of systems to reduce the loss of gas; flaring of gas or burning of gas using other combustion control devices; or installation of systems that reduce flaring emissions by capturing waste heat to generate electricity for on-site service. TCEQ anticipates it will begin accepting grant applications to fund this new oil and gas program in the Summer of 2018.

PIPELINES HELP BUILD TEXAS INFRASTRUCTURE

As pipelines are a necessary component of the state's energy infrastructure, the Texas pipeline industry commits to safe operation, environmental stewardship and respect for landowners and the communities in which they operate.

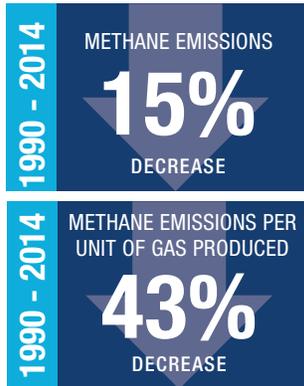
Because pipelines are considered common carriers or gas utilities for public use, pipeline companies have the right to invoke eminent domain when necessary. However, the use of eminent domain is never the industry's first preference. Eminent Domain has the potential to hinder the construction of a pipeline and drive up construction and project costs. Recognizing that it is important to cultivate good neighborly relations, pipeline companies much prefer to obtain property rights-of-way through fair, market-driven negotiations with landowners. Negotiations between landowners and pipeline companies are overwhelmingly successful – though this fact is not often publicized. In fact, the vast majority of pipeline miles built in Texas were not constructed using condemnation.

In 2017, TPA conducted a sampling of 15,000 miles of pipeline that were constructed over the past six years from almost 35,000 tracts of land. The data shows that the industry sent condemnation filings less than four percent of the time, illustrating a 96 percent success rate in negotiating with landowners; less than one percent ever went to a special commissioners' hearing and less than three hundredths of one (0.03) percent ever went to trial.

This underscores that negotiations between landowners and pipeline companies are overwhelmingly successful. We are very proud of that.

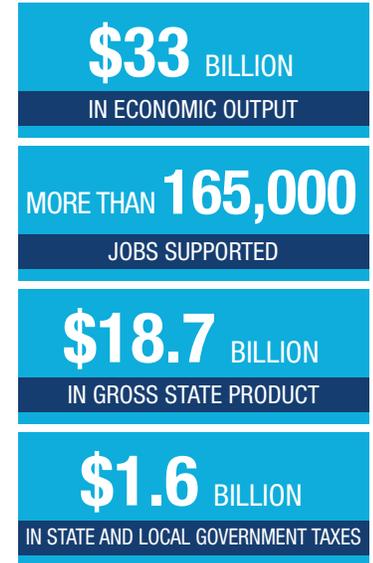
**Finding the Facts on Methane Emissions: A Guide to the Literature* (April 2016). Prepared for The Natural Gas Council by ICF International, Fairfax, Virginia.

***Current And Future Economic Impacts Of The Texas Oil & Gas Industry* (July 2014). Prepared for the Texas Pipeline Association by multiple departments at Texas Tech University; including Area of Energy, Economics & Law, Jerry S. Rawls College of Business; Bob L. Herd Department of Petroleum Engineering and the Department of Construction Engineering and Engineering Technology, Edward E. Whitacre Jr. College of Engineering, Lubbock, Texas.



WHAT WOULD WE DO WITHOUT THEM?

A one-of-a-kind TPA-commissioned study** led by Texas Tech found that in one year alone, through its ongoing operations and related construction, the pipeline industry contributed:



Through 2024 the industry is estimated to inject significant dollars and myriad jobs into the Texas economy:



Texas Pipeline Association is the largest state trade association in the country representing solely the interests of the intrastate pipeline network. TPA is the primary resource for information regarding the Texas pipeline industry and provides advocacy on issues related to pipeline safety, environmental regulations, taxation and legislation. Member companies and their representatives commit to conducting their business in accordance with integrity, honest communication, fair right-of-way acquisition, respectful construction and safe operations. For more information, please visit www.texaspipelines.com.