



Sunoco Logistics

Sunoco Logistics Partners L.P.

**Testimony before the
Senate and House Veterans Affairs & Emergency Preparedness Committee**

November 16, 2016

Good morning, my name is Joseph McGinn and I am the Senior Manager for Public Affairs at Sunoco Logistics.

Sunoco Logistics is proud to call Pennsylvania home. Our company is headquartered in Newtown Square, Delaware County. Vital to the operations of our pipeline network is our operations center located at in Sinking Springs, Berks County.

Overall, Sunoco Logistics employs over 600 employees in the Commonwealth of Pennsylvania. This employment figure does not include the more than 2,000 thousands of contractors who are currently working on projects in the state like Mariner East 2.

Sunoco Logistics Background

Protecting the environment, the community and our employees is our first priority, and we're proud that for more than 80 years, Sunoco Logistics has been moving products safely. This is not new to us, or to most of the communities we pass through.

Sunoco Logistics (SXL) controls more than 7,500 miles of America's 2.5 million mile pipeline network. Of that 2.5 million mile network, approximately 199,000 miles are liquids pipelines transporting approximately 16 billion barrels of crude oil and petroleum products every year at a safety rate of 99.999%.

Few people are aware of this statistic and even fewer people are aware of the extensive and comprehensive measure that we take to ensure that our pipeline systems are safe for our employees, the environment and for the communities in which we operate.

That is why we are all here today. Our company and employees are committed to our safety mission of doing what is right, without compromise.

Pipeline Safety and Emergency Preparedness & Safety

Liquids pipelines and utilities must adhere to strict state and federal regulations. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Pennsylvania Public Utility Commission (PUC) oversee the safe operation of Sunoco Logistics pipelines in Pennsylvania.

That means rigorous testing of all pipes, new and existing, using the most advanced technologies available to analyze a pipeline's condition, and monitor its operation in real time.

Certified controllers closely watch the pipeline's pressure, temperature and flow, 24 hours, 7 days a week from a control center dedicated exclusively to the safe operation of our pipelines, and can shut down pipeline operations remotely. We patrol the pipeline route, or right-of-way, on the ground and by air for any potential hazards. And we reach out to neighbors, contractors and first responders to educate them about the pipelines in their communities.

Sunoco Logistics works closely with the companies that design, build and coat the pipelines we use in our operations. All new pipe is thoroughly tested and inspected to ensure the pipe meets industry standards and is in accordance with all regulatory requirements.

To prevent corrosion, all newly-installed steel pipelines are treated with a protective bonded-epoxy coating, by companies like Pennsylvania-based Dura-Bond Coating, which has plants in both Duquesne in Western PA and Steelton, not far from here. To further inhibit corrosion, cathodic protection systems are placed along the pipeline. These systems use a low-level current to essentially repel the corrosion process.

As the sections of pipeline are being welded together, an independent, third-party inspector must approve each weld, using x-ray technology to ensure that each weld meets federal standards. Federal regulations require only a percentage of those welds to be tested, but our policy is to inspect every one with the best technology.

To confirm the pipeline's strength, Sunoco Logistics hydrotests the line with water at pressures that exceed the top pressure at which the line will be operating by at least 25 percent.

To ensure the pipeline is operating safely and efficiently, Sunoco Logistics uses inspection tools commonly referred to as "smart pigs" to travel within the line, measuring wall thickness and searching for areas that warrant attention.

In an effort to prevent damage to our pipelines, Sunoco Logistics participates in the One Call program in all areas where we have operations including right here in Pennsylvania. One Call works with project owners, designers, excavators and facilities owners to make sure utilities and pipelines are clearly marked prior to any surface work being done, and that Sunoco Logistics personnel are on hand to inspect any work being done in the vicinity.

In Pennsylvania, Sunoco Logistics this year sent more than 147,000 safety brochures to various stakeholder groups, including neighbors, emergency responders and construction and excavation companies. We regularly offer to emergency responders and others annual training sessions related to pipeline awareness and emergency response. Each year we work with other pipeline operators to deliver training sessions across the Commonwealth. Last year, more than 2,100 people attended the free training sessions.

In addition to these programs, Sunoco Logistics developed a training program especially for emergency responders in the communities where the Mariner East and Mariner West pipelines operate. The program is known as MERO – Mariner Emergency Responder Outreach.

Utilizing a safety consultant who researched the best practices for responding to natural gas liquids pipeline incidents, we held training sessions in all 17 counties where our Mariner projects operate in Pennsylvania. Since 2013, 1,278 responders have attended one of the 44 MERO sessions in Pennsylvania. These sessions cover the properties of the products we are moving through the lines, how to recognize a release and best practices in response.

We also brought firefighters and public safety officials into our pump stations and terminals so they would be familiar with both the layout and inner workings should they need to respond. Since the start of 2015, 604 responders have attended either a MERO session or a facility tour for Mariner East Pump Stations.

We continue to work closely with County Emergency Management to provide additional information and resources for their emergency response plans. We are currently working with the Delaware County Emergency Management and the County LEPC on their initiative to develop their own pipeline-specific emergency response plans for each of the many pipelines, owned by various companies, that crisscross the county. The LEPC has also offered to coordinate with school districts and others to develop plans specific to their institutions, and we have offered to be a part of that.

Pipeline markers and signage are placed along all of our routes at key intersections to notify the community of the pipeline location, and the next pipeline marker should be visible in either direction to clearly demarcate the right-of-way. All signage will identify Sunoco Pipeline or affiliate company as the operator and have our emergency toll-free number: 800-786-7440.

In the unlikely event of a release from the pipeline or facility, we have in place the emergency and spill response plans required by Federal and State regulatory agencies and we have highly trained response teams and contractors prepared to respond immediately.

Sunoco Logistics also conducts emergency response training with local first responders throughout all of our pipeline operations as well as our project development areas. We have held tabletop and tactical field exercises with departments, and will continue to do so. We have also sponsored specialized training for departments in and around our Marcus Hook Industrial Complex.

Leadership Safety Improvements

Now earlier in my remarks I cited that the approximately 199,000 miles of liquids pipelines nationwide operate at a safety rate of 99.999%. While this is a tremendous safety statistic as an industry and as a company we are constantly looking at ways to improve.

Throughout Pennsylvania and nationally, pipelines coexist with Municipal buildings, near schools, hospitals, parks, and shopping centers. We have more than 1,000 miles of pipelines in Pennsylvania, transporting tens of millions of barrels per year. We have the most mileage in two of the most densely populated counties, Delaware (87 miles) and Chester (102 miles). Sunoco Logistics has been transporting products through these counties for 80 years, and residents have safely coexisted with the industry. We have been transporting ethane and propane safely through the same corridor since December 2014 as well as in communities along the Delaware River waterfront since the 1990s.

In 2012, our current leadership team conducted an intense review of our safety and emergency preparedness protocols and determined that additional resources and focus was needed. These actions have led to several measures to build upon our commitment to safety.

Sunoco Pipeline has enhanced and improved our integrity management program to include more frequent inline testing, pressure testing and more frequent external monitoring. What is integrity when it comes to a pipeline? It's just like it sounds – how strong and solid is that pipe, and how well can it stand up to stress factors? A significant part of what we do every day is to assess just how healthy those steel pipelines are.

We have accelerated our inspection programs, and between 2012 and 2015, for instance, we doubled the number of miles we inspected with in-line tools or hydrotested to confirm pipeline strength and condition. Many of these actions exceed federal regulations.

We started the Mariner Emergency Response Outreach program and our First Responder Grant program, which offers fire departments and others in our service areas access to grants to

support their mission. Our public awareness and emergency response teams are in communication with County emergency management personnel to help with emergency response planning.

We also instituted an Operations Excellence team, which augments our integrity efforts with refined procedures, training and overall management of the assets. What does that mean? It means we have a team dedicated to looking at how we do our jobs every day in the field, and how we can do those jobs more safely. Mariner East 2 is classified differently than a natural gas (*methane*) line, it is a natural gas liquids (*propane, butane*) pipeline. There are more than 67,000 miles of natural gas liquids pipelines in the U.S. and more than 200,000 miles of liquids pipelines in the U.S.

There are many layers of safety to prevent a serious incident and, if you look at the national statistics for natural gas liquids (NGL) lines, that kind of scenario doesn't happen. Even one fatality as a result of an NGL pipeline release is rare.

In the last 20 years, for all operators of liquids pipelines in Pennsylvania (like Mariner East 1 & 2), there have been no fatalities resulting from pipeline releases, and only two injuries.

Closing

Safety is a hallmark principle of Sunoco Logistics. We take the safety of our workers, community and the environment seriously, and that commitment extends to our emergency preparedness measures. From the materials and methods we utilize to build our pipelines and terminals, to the extensive work we do with first responders and municipalities we work and operate, Sunoco Logistics' takes protecting our communities seriously.

On behalf of Sunoco Logistics, I would like to thank Chairmen Vulokovich, Costa, Barrar, Sainato, all committee members and other guests for allowing me to testify as part of today's panel.