



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

January 19, 2024

Via Email

Senator Sean McCann
Chair, Senate Energy and Environment Committee
Michigan Legislature
P.O. Box 30036
Lansing, MI 48909-7536

Dear Chair McCann and Members of Senate Energy and Environment Committee:

I'm writing in support of Senate Bill 366 which, if passed, will allow the Michigan Public Service Commission (MPSC) to continue a 60105 Certification with the Pipeline and Hazardous Materials Safety Administration (PHMSA) and retain authority to determine if civil penalties are warranted for pipeline safety violations and if so the amount of the civil penalty. If Senate Bill 366 is not successful, the MPSC will not have maximum civil penalty limits for pipeline safety violations substantially the same as PHMSA, which is required to maintain a 60105 Certification with PHMSA. As a result of Senate Bill 366 not passing PHMSA would convert the MPSC 60105 Certification to a 60106 Agreement where PHMSA determines if civil penalties are warranted for pipeline safety violations and assigns the civil penalty amount.

The MPSC current maximum civil penalty limits of \$10,000 per each violation per day up to a maximum of \$500,000 for any related series of violations are some of the lowest in the Nation. Section 60105(b)(7) of the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 requires the MPSC's civil penalties to be substantially the same as PHMSA to maintain the 60105 Certification. If Senate Bill 366 is not passed PHMSA would convert the MPSC 60105 Certification to a 60106 Agreement where PHMSA determines if civil penalties are warranted for pipeline safety violations and assigns the civil penalty amount.

Finally, beyond just meeting PHMSA's state program requirements, Senate Bill 366 also ensures the MPSC can impose a civil penalty, when appropriate conditions warrant, more consistent with the magnitude and circumstances of the non-compliance event.

Utilizing appropriate civil penalties, commensurate with identified non-compliances, supports public confidence in the MPSC's oversight of pipeline safety.

If there is anything I can do to assist the MPSC in this matter, please do not hesitate to contact me at 405/834-8344 or zach.barrett@dot.gov I appreciate your support for pipeline safety.

Sincerely,

A handwritten signature in blue ink that reads "Zach Barrett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Zach Barrett
Director, State Programs

cc: Mr. Dan Scripps, Chairman, MPSC
Mr. David Chislea, Director, Gas Safety and Operations, MPSC