



United Transportation Advisors Monthly Newsletter

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New study reveals similarities between dilbit and crude

New research from the National Academies of Science reveals diluted bitumen, or dilbit), from Alberta's oil sands is so similar to the heavy crude being pumped through U.S. pipelines it is unlikely to cause corrosion problems. Researchers say one processed, dilbit is made of the same components as oil.

Tariff specification's from the U.S. Federal Regulatory Commission limit impurities from crude oil to less than 0.5 percent. However, scientists now say it's nearly the same as crude oil in Canada.

Those opposed to the Keystone XL pipeline worry the system may become corroded and have serious environmental implications. Research, however, shows in the last 10 years, only nine corrosion incidents have been reported in pipelines.

New pipelines designs and manufacturing techniques are expected to be implemented in the coming years that will better protect pipelines from corrosion.

PHMSA to strengthen pipeline safety regulations

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration is its implementing new statutory authority to strengthen and improve federal pipeline safety regulations. The new rules are the first steps of the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 to go into effect.

The act encourages PHMSA to increase the maximum civil penalty for pipeline safety violations from \$100,000 to \$200,000 per violation and per day. The new maximum will apply to violations that happened after January 3, 2012.

PHMSA will also regain control of enforce the Oil Pollution Act of 1990. Authority was transferred to the U.S. Coast Guard during the establishment of the U.S. Department of Homeland Security.

The public is also welcome to provide input on what they would like to see done regarding pipeline safety.