

February 26, 2020

Howard Elliott, Administrator Pipeline and Hazardous Materials Safety Administration U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Re:

Shell Falcon Ethane Pipeline

Corrosion Coatings

Dear Administrator Elliott:

I write to you regarding a very serious public safety matter for Pennsylvania, and because of your role in pipeline safety oversight. The Pennsylvania Department of Environmental Protection (PA DEP) has received what appears to be credible information that sections of Shell's Falcon Pipeline project in western PA, developed for the transportation of ethane liquid, may have been constructed with defective corrosion coating protection. This information was reported to your agency, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) by a former Shell employee acting as a whistleblower. The whistleblower also reported separate, environmental concerns that PHMSA then referred to PA DEP. In the course of investigating the concerns referred to PA DEP, we obtained additional information related to the corrosion protection allegations. Our Southwest Regional office provided this additional information regarding concerns related to defective corrosion protection to PHMSA which appears to corroborate the whistleblower's original allegations.

As you know, the coatings at issue help to protect the pipeline from corroding underground. Corroded pipes pose a possible threat of product release, landslide, or even explosion. Matters related to pipeline construction and operation fall under the jurisdiction of PHMSA. Following a brief inquiry in 2019, PHMSA concluded there are no deficiencies with the coatings. PA DEP believes PHMSA's initial inquiry was incomplete and has referred the matter to other authorities for investigation of the safety of the corrosion protection on the Falcon Pipeline. Apparently in response, at least one of those authorities put the matter back in front of PHMSA, and PHMSA has begun a further inquiry into this matter.

While PA DEP does not regulate the construction, maintenance or operation of the pipeline itself, our staff was alarmed by the whistleblower's allegations and concerned for the safety of people living along the pathway of the Falcon Pipeline. These are very serious allegations, they deserve thorough investigation and appropriate resolution.

I ask that you ensure that PHMSA conducts a thorough and comprehensive investigation into these allegations. In addition to the whistleblower, there are other witnesses reported to have first-hand knowledge of bad corrosion coatings, falsification of records and reports, and retaliatory firings and other actions by Shell. My staff at PA DEP are more than willing to share

all of their investigative information, and to cooperate in any other way with PHMSA's employees. Our shared concern is that this matter will receive the proper scrutiny to ensure the protection of the lives, property and environment of Pennsylvania's citizens living in the communities along the Falcon Pipeline.

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If you, your staff or PHMSA representatives need further information, please contact John Herman, Regional Counsel in the PA DEP Southwest Regional Office at 412-442-4250. Our Bureau of Investigation personnel and their files can be made available through John. Thank you for your attention to this critical public safety issue.

Sincerely,

Patrick McDonnell

Secretary

c: Executive Director Howard McMillan, PHMSA

Secretary Elaine Chao, U.S. Department of Transportation

Chairman Peter DeFazio, U.S. House Committee on Transportation and Infrastructure Chairman Dan Lipinski, U.S. House Subcommittee on Railroads, Pipelines and Hazardous Materials

Representative Jackie Speier, U.S. House Committee on Oversight and Reform