**The original podcast transcribed below can be found* here

Alongside the publication of AFPM's new study, "The Fuel & Petrochemical Supply Chains: Moving the Fuels & Products That Power Progress," Flash Point interviewed leaders working on U.S. midstream infrastructure. Today, we're going to hear from Brigham McCown, founder and chairman of the Alliance for Innovation and Infrastructure (AII), as part of our series highlighting the U.S. fuel and petrochemical supply chains.

AII is an organization that identifies U.S. infrastructure needs and develops public-private partnerships to address those issues, with a goal of creating higher and safer standards through innovative technologies.

AFPM: **Can you tell us your background regarding issues of transportation during the Bush administration?**

Brigham McCown: I served in the Bush administration for almost five years as a senior executive at the United States Department of Transportation (USDOT). We all know the USDOT does highways and the FAA does aviation, but I was at a small agency at the Department of Transportation known as PHMSA, the Pipeline and Hazardous Materials Safety Administration. PHMSA is responsible for the safe and secure movement of all energy transported on a daily basis. That includes the oversight of the 2.6 million miles of pipeline and the daily shipments of hazmat throughout the United States by air, rail and sea.

AFPM: **What is your current assessment of U.S. energy infrastructure, in particular oil, natural gas and refined product pipelines?**

McCown: I know you talk about an energy renaissance in the introduction of the AFPM report – that's a term I started using in 2009 when we were on the edge of the renaissance. I think few could really understand back then what this would mean for the U.S. today. When you look at pipelines, for example, they began as early as the late 1830s. To some extent, they have been the preferred choice for transporting large volumes of crude, gases, refined products and chemicals for well over a century. Former Secretary of Transportation Norman Mineta, a Democrat in the Bush administration with whom I had the pleasure of serving, said that pipelines are like arteries. The products they transport are really the life blood of our economy. I think Secretary Mineta was right, and I think it's also true that pipelines are safe and economical as they have a low carbon footprint.

As I mentioned earlier, we have over 2.6 million miles of pipeline in the U.S. While the vast majority of that is devoted to natural gas transportation, we have to understand how important these lines are. If you look across all portions of U.S. infrastructure, from roads to bridges to the electric grid, we have been really strong in this area for a long time. This has enabled us to be economically competitive, but some of these things are starting to show age. When you look at the pipeline infrastructure, the industry has been pouring money into this system to update, modernize and, in some cases, replace entire systems with newer more robust pipe. As the former chief who oversaw pipelines, I'm happy to say that the lines

are up to the task and they are going to be relied upon for decades to come.

AFPM: **Can the midstream sector handle the U.S. energy renaissance?**

McCown: I think the midstream sector is up to the challenge – it's a different challenge though. What is fundamentally different this time around is that pipelines and energy transportation has been politicized like never before, and that's something we haven't had to deal with in the past. Typically, pipelines have been out of sight and out of mind. We quietly went about our business each and every day, but now we're no longer in the news – we *are* the news.

A few things are different. For one, we're producing energy from new locations. Pipelines are like energy highways, so that means we need new pipelines in areas where we're producing more today and into the future, and that requires new infrastructure.

The difficulty this time around has been that it takes longer and longer to obtain the permits, which are allegedly opposed on safety grounds but really for political measures. For example, if you look at the Keystone Pipeline or the Dakota Access Pipeline, these lines were held up because of concerns over the continued use of fossil fuels. I think that's a shame, but I think that's going to continue. We ought to be having that dialogue, but that conversation shouldn't hold a pipeline project hostage for years through endless review. I'm concerned that opponents of fossil fuels may keep trying to delay pipeline projects moving forward.

AFPM: **What are some of the most important policy issues that can be addressed to ensure the growth of our energy infrastructure is sufficient to meet the needs of our nation?**

McCown: That's an issue that the current administration has been considering, and it's an issue they understand very well. In order for our energy infrastructure to move forward and remain sufficient, we have to ensure a stable regulatory environment.

What do I mean by that? Well, uncertainty brings economic risk, while stability decreases that risk not only for consumers, but also for producers, regulated entities and investors. When you introduce uncertainty into the system, that increases risk, which can delay or terminate projects. Companies have to know what the rules are, whether it's from the economic side or the safety side. They have to know that things are not going to change or be manipulated for political convenience. Unfortunately, I think we saw some of that during the last administration – again with the Dakota Access Pipeline and TransCanada's Keystone XL Pipeline – and it's not just my viewpoint, it's pretty much an accepted fact by experts on both sides of the issue.

AFPM: **How important are integrated transportation systems?**

McCown: Different types, or modes, of transportation are akin to different tools in your toolbox. I like to use a hammer, but it's not the only tool. You need different tools just like you need different transportation options, depending on what you're trying to do. Pipelines are great for long distance movement of energy products, but some places have pipelines and some don't.

When you look at road transportation, over _ of fuels, gasoline and diesel oil are moved throughout the country each year. That's about 200 billion gallons. Pipelines bring our gasoline close to us, but then a

truck has to go to a facility and load up in order to hit each of the gas stations – we need trucks. Virtually, every gallon of fuel is moved to the consumer by tank truck. Waterways, on average, move over 18 million barrels per day of crude oil. Refined products and NGLs move through U.S. ports and waterways, many of which are under the oversight of the Army Corps of Engineers. We have dams and navigable waterways which are very important and crucial for what we do.

When you look at Florida, pipelines only serve the northern parts of the state. The rest of Florida is served by barge, waterway traffic and rail. We have over 144,000 miles of railway track throughout the country, so when it comes to moving ethanol, rail is the preferred transportation choice. You see where I'm going with this – depending on what you're trying to do, you need different tools in the toolbox. We have to ensure that our dams and levees are modernized, that roadways are up to the challenge and that rail is able to reinvest in its system. All of these things are crucially important in order to move the products that we rely upon. It's not optional – we require these each and every day.

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