



## Oil & Products Pipelines

### *Current Operational Complexities, Future Expansion Challenges*

Constructing, operating, and maintaining oil and petroleum product pipeline facilities are complex, multi-faceted undertakings that involve myriad safety, regulatory, and environmental issues.

Interstate pipeline companies transporting oil and other petroleum products or hazardous liquids must comply with federal minimum pipeline safety standards. In addition, owners and operators of intrastate pipelines must comply with state, and possibly local, pipeline safety requirements.

Apart from existing pipeline infrastructure, questions abound over how the burgeoning U.S. biofuel industry will transport its products. Certain biofuels can be batched through existing pipelines while others will require new infrastructure. Likewise, future options (or mandates) for carbon sequestration may create demand for a new network of CO<sub>2</sub> pipelines connecting industrial facilities and other CO<sub>2</sub> emitters with CO<sub>2</sub> storage sites.

Finally, capital requirements, risk profiles and pipeline ownership structures are sure to change in the coming years as these questions are resolved.