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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration (RSPA)

[Docket No. RSPA-04-19408]

Pipeline Safety: Public Meetings on Pipeline Safety Issues

AGENCY: Office of Pipeline Safety, Research and Special Programs Administration, DOT.

ACTION: Notice; four public meetings.

SUMMARY: The Research and Special Programs Administration's (RSPA) Office of Pipeline Safety (OPS) is sponsoring four public meetings on the following pipeline safety topics: Enhancing Integrity Management of Gas Distribution Pipelines; Communicating with the Public; Updates on Pipeline Drug and Alcohol Program; and Updates on Pipeline Operator Qualification Program Implementation and Standards Development. The meetings will be held on December 14, 16, and 17, 2004, in Washington, D.C. These meetings will provide detailed review and discussion on the above topics and will provide the public an opportunity to give comments.

ADDRESSES: The meetings are open to all. There is no cost to attend. The meetings will be held at the Marriott Washington, 1221 22nd Street, NW, Washington, D.C. The phone number for Marriott reservations is 1-800-228-9290. Reservations by attendees must be received on or before November 22. Priority is given to members of the pipeline safety advisory committees and

State pipeline safety representatives for the block of rooms reserved for the Department of Transportation. Any additional information or changes will be posted on the OPS web page approximately 15 days before the meeting date at <http://ops.dot.gov>.

DATES: The public meetings will be held Tuesday, December 14, Thursday, December 16, and Friday, December 17, 2004. Meetings of the pipeline safety advisory committees are scheduled for December 14 and 15. A separate notice has been prepared for the Committee meetings.

FOR FURTHER INFORMATION CONTACT: Cheryl Whetsel, RSPA/OPS, (202) 366-4431 or Richard Huriaux, RSPA/OPS, (202) 366-4565, regarding the subject matter of this notice.

Information on Services for Individuals with Disabilities

For information on facilities or services for individuals with disabilities or to request special assistance at the meeting, contact Jean Milam at (202) 493-0967.

SUPPLEMENTARY INFORMATION:

RSPA/OPS invites public participation in four public meetings to be held as follows:

1. Tuesday, December 14 – 1:00 p.m. to 5:00 p.m. – Communicating with the Public
2. Thursday, December 16 – 8:30 a.m. to 4:00 p.m. -- Enhancing Integrity Management of Gas Distribution Pipelines
3. Thursday, December 16 – 4:00 p.m. to 5:00 p.m. – Updates on Pipeline Drug and

Alcohol Program

4. Friday, December 17 – 8:30 a.m. to 12:30 p.m. – Updates on Operator Qualification Program Implementation and Standards Development

1. Public Meeting: Communicating with the Public

RSPA/OPS will hold a public meeting on Communicating with the Public from 1:00 p.m. to 5:00 p.m. on Tuesday, December 14.

Incorporating API RP 1162

On June 24, 2004, RSPA/OPS published a Notice of Proposed Rulemaking (NPRM) in the Federal Register (60 FR 35279) to require all pipeline operators to develop and implement public communications programs. The proposed rule requires that these programs be based on the provisions of a recently completed national consensus standard, API Recommended Practice (RP) 1162, Public Awareness Programs for Pipeline Operators. RSPA/OPS worked with its State partners and the National Association of Pipeline Safety Representatives (NAPSR) in developing the proposed rule.

At the public meeting on December 14 RSPA/OPS will discuss its analysis of comments received in response to the NPRM. These comments are accessible in Docket No. RSPA-03-15852 on the DOT Dockets Management System (DMS) web site at <http://dms.dot.gov>.

Numerous comments to the docket on the proposed NPRM raised questions relating to the regulator's use of language in consensus standards that employ the words "should" and "shall". RSPA/OPS intends to lay out its position on this pivotal issue and the history behind its many previous regulatory actions incorporating national consensus standards. In short, national consensus standards provide a clear consensus on what prudent operators would do to manage the aspect of their business governed by the final standard. Any use of the word "shall" means exactly that – the operator shall do as prescribed in the standard. Any use of the word "should" places an onus on any operator who deviates from the standard to document and prove the effectiveness of its alternative actions taken to comply with related provisions of the standard. This interpretation of "should" enables operators to innovate and seek efficiencies – as long as they can demonstrate that their alternative is at least as effective as the action required by the standard incorporated by reference. This matter will be discussed in detail in the public meeting.

RSPA/OPS will also discuss and solicit comments on its plans to meet its statutory responsibility to review the communications programs of pipeline operators. The United States Senate Appropriations Committee has proposed a budget increase to fund a central review clearinghouse, but that model is contingent on availability of financial resources. Other models for review of communications plans will also be discussed at the public meeting.

Crisis Communication

RSPA/OPS will also discuss "crisis communications" procedures used by pipeline operators and government. RSPA/OPS and the pipeline industry agree that all parties involved in pipeline

safety should be prepared to adequately respond to a crisis and communicate with the public and other audiences as the crisis unfolds. To promote certain expectations in crisis management performance, the pipeline industry and RSPA/OPS first need to understand current industry and government practices for crisis communications management. This assessment will include federal, state and local regulators, emergency responders, the public, the media, elected officials, industry organizations and their entities. The specific focus of this assessment is to identify and evaluate current practices for emergency response communications among the identified target groups. This initial assessment will yield the procedures and materials necessary to conduct a case study assessing a pipeline operator's ability to manage crisis communications during a critical event.

Information Grants to Communities

A brief discussion will be held to provide an update on how RSPA/OPS is addressing the Pipeline Safety Improvement Act (PSIA) provisions on this subject.

2. Public Meeting: Enhancing Integrity Management of Gas Distribution Pipelines

RSPA/OPS will hold a public meeting on Enhancing Integrity Management of Gas Distribution Pipelines on Thursday, from 8:30 a.m. to 4:00 p.m. on December 16. The nature of the specific efforts that will be required to develop appropriate guidelines or requirements, and the related milestones, will be determined following the discussions in the public meeting.

The preliminary agenda at this meeting includes briefings on the following topics:

- DOT Inspector General's Report to Congress on Gas Distribution;
- AGF study on Gas Distribution;
- DIGIT (Government & Industry roles);
- NARUC comments on Gas Distribution Safety;
- NAPSR comments on Gas Distribution Safety. This includes a report on State requirements (beyond federal code) and state program initiatives such as, replacement programs, State gas association initiatives with Public Service Commissions, etc.;
- Differences between Distribution and Transmission regulations;
- Report on Promising Technology (R & D related work on pipeline integrity management);
- Excess Flow Valves; and,
- Panel Discussion on path forward (goals, planning process, work needed, milestones).

Gas Distribution Incidents

Pipeline accidents with significant consequences gathered attention in recent years and prompted pipeline safety program changes. Integrity management rules were promulgated for hazardous liquid pipelines (65 FR 75378; December 1, 2000) and for gas transmission pipelines (68 FR 69778; December 15, 2003). In testimony before the Congress on July 20, 2004, the Office of the Inspector General (OIG) reported that the number of incidents reported on distribution systems has consistently exceeded that on transmission systems. And, the number of fatalities and injuries reported on distribution systems has consistently been much higher than for transmission systems.

The prevalence of incidents, particularly those with consequences to people, makes it important that some additional attention be paid to distribution pipeline integrity management. RSPA/OPS agrees the safety issues posed by gas distribution pipelines need to be addressed through appropriate integrity management initiatives.

American Gas Foundation Study

The American Gas Foundation (AGF) commissioned a study of trends in distribution pipeline incidents, as part of an effort to help define what additional safety actions may be necessary. The study included a survey of selected operators. The Distribution Infrastructure Government-Industry Team (DIGIT) was formed to consider the AGF study, and other information, in an attempt to jointly define an approach to distribution pipeline integrity management. DIGIT consists of equal numbers of industry and state regulator representatives, including representation from large/small operators and municipal gas distribution pipeline operators. RSPA/OPS participates in the DIGIT meetings as an observer. We expect DIGIT to complete its review of the AGF study by the end of calendar year 2004.

The decisions on what additional integrity management-related requirements would be appropriate for gas distribution systems will be made by federal and state regulators following completion of a series of activities or investigations initiated separately from the DIGIT effort. RSPA/OPS has developed an action plan for assuring integrity of gas distribution pipelines.

Differences in Gas Distribution Pipeline Systems

Ensuring the integrity of distribution pipeline systems is different from doing so for transmission pipelines because:

- Most pipe in distribution pipeline systems is small diameter and operates at low pressure. Transmission pipelines are generally large diameter and high pressure.
- Distribution pipeline systems are a more complex network, with frequent branching and interconnections. Transmission pipelines generally run for many miles without such connections.
- Distribution pipeline systems include a range of materials, including a significant amount of plastic pipe. Transmission pipelines are generally constructed of steel.
- Distribution pipelines are usually difficult to take out of service for inspection without interrupting gas service to customers. Transmission pipelines often include loop lines and bypasses that allow individual sections of pipe to be removed from service temporarily.
- Distribution pipeline failures tend to occur as leaks. Gas can migrate underground, accumulating in areas remote from the leak so that fires and explosions occur away from the pipeline. Transmission pipelines, because of their high operating pressure, tend to fail by rupture and the consequences occur on the pipeline.
- State pipeline safety regulators regulate most distribution pipeline systems.

Developing Gas Distribution IM Plan

A plan for assuring integrity of gas distribution pipelines must take these differences into account.

Expanding integrity management for distribution systems beyond currently required practices requires a thorough understanding of costs and benefits. As in our development of integrity

management (IM) requirements for gas transmission and hazardous liquid pipelines, RSPA/OPS intends to conduct analyses and evaluations to make decisions in the following areas in order to assure that the approach finally developed is effective and not unreasonably burdensome, including:

- Identifying the principal threats to the integrity of distribution pipelines;
- Identifying requirements and practices that currently exist at the state and federal levels that support management of these threats to integrity;
- Determining whether current requirements are written effectively to create opportunities and incentives for operators to use existing and developing technologies to support management of the integrity of distribution systems;
- Identifying whether opportunities exist for expedited development of new technologies supporting the assessment of gas distribution systems;
- Understanding practices beyond current requirements that are being used by operators and what the results are;
- Understanding whether there are requirements or approaches used by one or more states which are not included in federal statutes but which have proven effective in managing the integrity of gas distribution systems; and,
- Identifying whether the opportunity exists to codify currently demonstrated effective IM practices in a national consensus standard.

The plan for developing an approach to distribution pipeline integrity management will support RSPA/OPS and state regulators in making these decisions. The result of implementing a plan is not known at the outset. Achieving increased integrity of distribution pipeline systems may

involve Federal and/or state rulemaking, development of guidance for adoption by states, publication and promotion of best practices, national consensus standards, other actions, or some combination of these actions.

RSPA/OPS plan includes the elements described in the chart below. The nature of the specific efforts that will be required to develop appropriate guidelines or requirements, and the related milestones, will be determined after consideration of the discussion and comments at the public meeting.

Action	Milestone
<i>Analyze/Evaluate Current Experience, Requirements and Practices</i>	
<ul style="list-style-type: none"> • Survey States to identify requirements and programs beyond federal regulations 	September 2004
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ regulatory requirements in addition to federal standards 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ programs outside of regulations 	
<ul style="list-style-type: none"> • Analyze survey results 	October 2004
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ develop criteria for grouping states (e.g., common practices, similar environmental conditions) 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Develop “models” of state approaches, by group 	
<ul style="list-style-type: none"> • Analyze incident/leak performance by state group, identify statistically significant differences 	November 2004
<ul style="list-style-type: none"> • Analyze and update incident/leak performance data nationally 	December 2004

<ul style="list-style-type: none"> • Complete American Gas Foundation (AGF) study 	December 2004
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ analyze/characterize current safety performance 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ identify regulatory and data gaps 	
<ul style="list-style-type: none"> • DIGIT¹ review of AGF study 	January 2005
<ul style="list-style-type: none"> • Determine State Commission practices currently in-place to assess cost/benefit of distribution company initiatives, including cost-recovery approaches 	TBD
<i>Establish Mechanisms for Federal/State Management of the Plan</i>	
<ul style="list-style-type: none"> • Conference call with NAPS Board 	October 2004
<ul style="list-style-type: none"> • Meeting of State Commissioners, RSPA/OPS, and OIG (optional) 	November 2004
<ul style="list-style-type: none"> • Establish State/Federal oversight team 	November 2004
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ identify industry play role 	
<ul style="list-style-type: none"> • Increase RSPA/OPS staffing for state program coordination 	2005
<i>Begin Public Dialog</i>	
<ul style="list-style-type: none"> • Facilitate a series of Public Meetings 	December 16, 2004
<ul style="list-style-type: none"> • Identify stakeholders interested in this process 	TBD
<i>Conduct Needed Research and Development</i>	

¹ Distribution Infrastructure Government-Industry Team, a committee consisting of state pipeline regulators and pipeline operators, with RSPA/OPS participating as an observer; formed to help oversee the AGF study.

<ul style="list-style-type: none"> • Complete ongoing research on application of direct assessment in distribution environments 	TBD
<ul style="list-style-type: none"> • Identify means to focus integrity management 	TBD
<ul style="list-style-type: none"> • Identify other R&D needs 	February 2005
<ul style="list-style-type: none"> • Collect data needed to fill identified gaps 	TBD
<i>Develop and Implement Approach to Assure Distribution Integrity</i>	
<ul style="list-style-type: none"> • Identify technical elements applicable to distribution 	TBD
<ul style="list-style-type: none"> ○ review current IM rules for applicable elements ○ consider effect of new actions (e.g., excess flow valves), including cost/benefit of these actions. 	
<ul style="list-style-type: none"> • Identify need for new/revised standards and contact consensus standards organizations concerning new/revised standard 	TBD
<ul style="list-style-type: none"> • Select appropriate regulatory approach (not necessarily mutually exclusive) 	TBD
<ul style="list-style-type: none"> ○ Model regulations for state adoption 	
<ul style="list-style-type: none"> ○ Pilot programs 	
<ul style="list-style-type: none"> ○ Federal standard, possibly including options 	
<ul style="list-style-type: none"> ○ Guidelines 	
<ul style="list-style-type: none"> ○ Changes to state grant programs; incentives 	
<ul style="list-style-type: none"> ○ “Best Practices” 	

• Develop selected approach	TBD
• Evaluate potential for cost recovery through State Commissions	TBD

3. Public Meeting: Updates to Pipeline Drug and Alcohol Program

RSPA/OPS will hold a public meeting on Updates on Pipeline Drug and Alcohol Program from 4:00 p.m. to 5:00 p.m. on Thursday, December 16.

RSPA is considering a policy change. In 1993, RSPA issued a final rule requiring annual drug testing reports and ultimately concluded, based on industry comments, that “requiring submission of contractor drug testing data by operators would result in major problems such as duplicative reporting and inaccurate data.” At that time, RSPA indicated that the issue of collecting contractor testing data would be evaluated in the future. This issue was presented for discussion in a meeting of the technical pipeline safety advisory committees held in February 2004. Since that time, RSPA/OPS has examined statistical data provided by two large pipeline industry consortiums.

A public meeting will be conducted to provide an updated overview on the issue of collecting contractor testing data. In considering this policy, we need to explore possible methods to achieve this goal. Specifically, we are soliciting suggestions and public comment on collection methodologies that are cost effective and the least burdensome.

4. Public Meeting: Update on Pipeline Operator Qualification Program Implementation and Standards Development

RSPA/OPS will hold a public meeting on Updates on Pipeline Operator Qualification Program Implementation and Standards Development from 8:30 a.m. to 12.30 p.m. on Friday, December 17.

The preliminary agenda includes briefings on the following topics:

1. RSPA/OPS OQ Initiatives

- The developmental status of the ASME B31Q standard to address the need for a long term, holistic, technically-based resolution of 13 open items identified by the general public, the industry and the regulators. The 13 open items include:
 1. The Distinction between Maintenance and New Construction;
 2. The treatment of emergency response;
 3. Incorporation of Additional Covered Tasks (e.g., excavation);
 4. Justification of Re-evaluation intervals;
 5. Reference to Training;
 6. Inspection of the Approaches through which the Operator Expects to Achieve Improvement;
 7. Direct observation of Non-Qualified Individuals;
 8. Abnormal Operating Conditions;

9. Qualified Person Contribution to Incidents;
10. Acceptable Evaluation Methods (KSAs);
11. Extent of Documentation;
12. Noteworthy Practices; and
13. Acceptance Criteria for Small Operators.

2. RSPA/OPS Inspectional Findings

- What inspectors are discovering from their comprehensive inspections when utilizing the OQ protocol format.

3. RSPA/OPS Congressional Reporting

- What data RSPA/OPS is collecting, tabulating and analyzing for an OQ status and results report to Congress.

Congressional Mandates

The final rule on Pipeline Operator Qualification (OQ) on August 27, 1999 (64 FR 46853), required pipeline operators to ensure that individuals working on gas or hazardous liquid pipeline facilities have the knowledge and skills to competently perform covered tasks and to be able to recognize and react to abnormal operating conditions that may occur while performing covered tasks.

The Pipeline Safety Improvement Act (PSIA) of 2002 (Public Law 107–355; December 17, 2002), expanded OQ statutory mandates to require pipeline operators to: 1) establish

“appropriate” levels of training and document individual training; 2) establish credible and rational bases for subsequent evaluations; 3), eliminate performance observation as the sole means of evaluation for requalification (unless authorized by RSPA/OPS); and 4) notify RSPA/OPS when the operator “significantly modifies” an operator OQ plan or evaluation program after it was inspected by an authorized state or Federal pipeline inspector. In addition, Congress required RSPA/OPS to report on the status and results of its OQ initiatives. A public meeting on this matter was held during a joint technical pipeline safety standards committee session on February 4, 2004, in Dulles, Virginia.

Improvements in OQ Program Oversight

RSPA/OPS and state agencies have 1) developed OQ protocols as standards for inspectors to evaluate program adequacy; 2) conducted and are still conducting comprehensive inspections and data collection on OQ programs; 3) provided more consistent and thorough inspector OQ training; 4) addressed small pipeline operator OQ program issues; 5) worked on national consensus standards committees; and 6) provided Internet-based informational resources for operators and the general public.

Issued in Washington, D.C., on _____.

Stacey L. Gerard,

Associate Administrator for Pipeline Safety