



Pipeline Safety Update Issue No. 60 – July 12, 2013

Anthony Foxx sworn in as Secretary of Transportation. GAO releases report on 7-year reassessment period for gas transmission integrity management. PHMSA schedules meetings of technical advisory committees, issues advisory bulletin addressing potential flooding damage to pipeline facilities, and requests comments on revised hazardous liquid pipeline annual report form. DOT invites comment on information collection request for drug and alcohol testing program. Update on PHMSA's June enforcement activity and status of pending regulatory initiatives. Updates from states.

Anthony Foxx Sworn in as DOT Secretary

On July 2, Anthony Foxx was sworn in as Secretary of Transportation. From 2009 – 2013, Secretary Foxx served as mayor of Charlotte, North Carolina. DOT's press release is [here](#).¹

GAO Report on 7-Year Reassessment Interval for Gas Transmission Integrity Management

On June 27, the Government Accountability Office (GAO) issued a report addressing the requirement that gas transmission operators perform pipeline risk assessments every 7 years as part of their integrity management programs. The report concluded that allowing risk-based reassessment intervals beyond 7 years would require statutory amendment. Even with an amendment, allowing reassessment periods beyond 7 years presents oversight, resource, and implementation challenges, including a lack of guidance in developing and justifying risk models to calculate reassessment intervals.

GAO recommends that the Pipeline and Hazardous Materials Safety Administration (PHMSA) develop guidance for calculating reassessment intervals and collect information on resources needed to implement

Dates of Interest	
<u>July 2013</u>	
22-24	Southern Gas Assn Public Awareness and Damage Prevention Roundtable , Houston, TX
<u>August 2013</u>	
7	PHMSA Public Workshop on Integrity Verification Process , Arlington, VA
8-9	PHMSA Advisory Committee Meetings , Arlington, VA
12	Comments due on Revision to Hazardous Liquid Annual Report Form
13	Comments due on NPMS Information Collection Renewal
26	Comments due on PHMSA Report Form Changes
<u>September 2013</u>	
9	Comments due following PHMSA Public Workshop on Integrity Verification Process
9-11	Texas RRC/PHMSA Training
9-13	NAPSR National Meeting , Meredith, NH
17-20	AOPL Annual Business Conference , Newport Beach, CA
25-27	Southern Gas Assn DOT Compliance Workshop - Transmission & Midstream Pipelines , Houston, TX
<u>November 2013</u>	
21-22	2013 Pipeline Safety Trust Conference , New Orleans, LA

risk-based reassessment intervals longer than 7 years. The GAO report is [here](#).²

PHMSA and DOT Activities

PHMSA schedules Technical Advisory Committee meetings. On August 8 and 9, PHMSA will hold meetings of its Technical Pipeline Safety Standards Committee and the Technical Hazardous Liquid Pipeline Safety Standards Committee. The meetings will be held in Arlington, Virginia. Information and registration are [here](#).³

PHMSA issues Advisory Bulletin recommending measures to reduce damage caused by flooding. On July 12, PHMSA issued an advisory bulletin urging operators to direct their resources in a way that enables them to determine potential effects of flooding on pipeline systems, and specifying specific actions operators should take to prevent and mitigate damage to facilities. If a line is damaged, shut in, or operated at reduced pressure as a precautionary measure, PHMSA recommends that operators notify PHMSA or the appropriate state regulatory agency before changing the line's operating status, including returning the line to service or increasing its operating pressure. The advisory bulletin is [here](#).⁴

Regulations and Code Compliance: Upcoming PHMSA State Seminars

July 2013

22-26 Louisiana (Gas & Liquid)

August 2013

5-9 South Carolina (Gas)

September 2013

9-11 Texas (Gas & Liquid)

October 2013

21-25 Vermont (Gas)

PHMSA offers training on gas and hazardous liquid pipeline safety regulations. More information is available [here](#).

PHMSA requests comments on revisions to annual report form for hazardous liquid pipelines. On July 11, 2013, PHMSA issued a notice and request for comments on further proposed revisions to the annual report form for hazardous liquid pipelines (PHMSA F 7000-1.1). The notice addresses comments received regarding the state-by-state reporting requirement. PHMSA is forwarding the information collection request for the form to the Office of Management Budget (OMB) for approval. Comments on the revised form are due by August 12, 2013. PHMSA's notice is [here](#).⁵

DOT invites comment on renewal of information collection request for drug and alcohol testing program. On July 12, DOT issued a notice requesting comments on the agency's request for OMB approval to renew various information collection requests related to DOT's drug and alcohol testing regulations. DOT's Alcohol Testing Form (DOT F 1380) and Drug and Alcohol Testing Management Information System (MIS) Data Collection Form (DOT F 1385) are included in the request. Comments are due September 10, 2013. DOT's notice is [here](#).⁶

PHMSA Enforcement Activity. In June, PHMSA issued thirteen final orders assessing approximately \$584,000 in civil penalties. PHMSA also issued two corrective action orders, one amendment to a corrective action order, one decision on petition for reconsideration, ten notices of probable violation, seven notices of amendment, and three warning letters. Case documents and more information are [here](#)⁷ and [here](#).⁸

Status of PHMSA Rulemakings. The following chart reflects publicly available information on the status of PHMSA rulemaking projects. More information from DOT is available [here](#).⁹ Information from OMB's Office of Information and Regulatory Affairs (OIRA) is [here](#).¹⁰ Recently modified information is indicated in bold type.

Rulemaking	Next Action	Estimated Date of Next Action
Miscellaneous Rule on Construction Inspections, Leak Surveys, etc.	Publication of Final Rule	December 6, 2013
Enforcement and Regulatory Procedures Update	Publication of Final Rule	December 17, 2013
Enforcement of State Excavation Damage Laws	Publication of Final Rule	February 6, 2014
Standards for Conducting Condition Assessments of In-Service Pipelines	Publication of NPRM	March, 2013
Safety of On-Shore Hazardous Liquid Pipelines	Publication of NPRM	September 29, 2013
Excess Flow Valves	Publication of NPRM	December 6, 2013
Changes to NPMS Data Collection and Standards	Publication of NPRM	June, 2013
Miscellaneous Rule on Special Permit Renewals, Cost Recovery for Design Reviews, and Incident Reporting	Publication of NPRM	June, 2013
Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Amendments	Publication of NPRM	December 6, 2013
Safety of Gas Transmission Pipelines	Publication of NPRM	January 17, 2014
Issues related to Use of Plastic Pipe in the Gas Pipeline Industry	Publication of NPRM	April 2014

Select Activities from the States

Illinois

Illinois Gas Pipeline Safety Act. SB 1458, a bill to amend the Illinois Gas Pipeline Safety Act to add specific provisions describing the content and procedures for notices of probable violation, civil penalties, hearings and other matters, has passed both houses and was sent to Illinois Governor Pat Quinn on June 24. No change since the last report. SB 1458 is [here](#).¹¹

Missouri

Rate Recovery of Pipeline Replacement Costs. On July 10, Missouri Governor, Jay Nixon vetoed Senate Bill 240, which would have allowed gas corporations to increase from 10% to 13% the amount of revenues recoverable under an Infrastructure System Replacement Surcharge (ISRS). SB 240 also would have increased the length of

State-Specific Association Meetings

July 2013

17-19 [Mississippi Natural Gas Assn Annual Conference](#), Orange Beach, AL

August 2013

4 [Independent Oil and Gas Assn of WV Summer Meeting](#)

6-8 [2013 South Carolina Pipeline Safety Seminar and SIF Conference](#), Columbia, SC

20-21 [Kentucky Gas Assn Safety Summit](#), Lexington, KY

September 2013

9-12 [Alabama Natural Gas Assn - 2013 Natural Gas Fall Workshop](#)

22-24 [Arkansas Gas Assn 2013 Conference](#), Fayetteville

time an ISRS may be collected from three to five years. SB 240 is [here](#).¹² Governor Nixon's veto message is [here](#).¹³

For Additional Information

Van Ness Feldman counsels clients on pipeline safety compliance, enforcement, and litigation under the Pipeline Safety Laws and Regulations and related statutes. If you are interested in additional information regarding pipeline safety matters, please contact [Susan Olenchuk](#) at (202) 298-1896 or sam@vnf.com, [Jim Curry](#) at (202) 298-1831 or jbc@vnf.com, or any member of the firm's [Natural Gas](#) or [Oil & Products Pipelines](#) practice groups.



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¹ DOT Press Release

<http://www.dot.gov/briefing-room/charlotte-mayor-anthony-foxx-sworn-17th-us-secretary-transportation>

² GAO Report

<http://www.gao.gov/assets/660/655576.pdf>

³ PHMSA Technical Advisory Committee Meetings

<http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=92>

⁴ PHMSA Advisory Bulletin

<http://www.gpo.gov/fdsys/pkg/FR-2013-07-12/pdf/2013-16754.pdf#page=1>

⁵ PHMSA Information Collection Request and Request for Comments

<http://www.gpo.gov/fdsys/pkg/FR-2013-07-11/pdf/2013-16606.pdf#page=1>

⁶ DOT Information Collection Request and Request for Comments

<http://www.gpo.gov/fdsys/pkg/FR-2013-07-12/pdf/2013-16789.pdf>

⁷ PHMSA Enforcement Cases:

<http://www.phmsa.dot.gov/public/enforcement>.

⁸ PHMSA Enforcement Information:

<http://primis.phmsa.dot.gov/comm/reports/enforce/Enforcement.html?nocache=781>.

⁹ DOT Significant Rulemaking Report for June 2013.

<http://www.dot.gov/sites/dot.dev/files/docs/JUNE%202013%20Internet%20Report.docx>

¹⁰ OIRA DOT Rulemakings Status Page.

http://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST¤tPub=true&agencyCd=2100&Image58.x=52&Image58.y=10

¹¹ Proposed Illinois Legislation Amending Pipeline Safety Act.

<http://www.ilga.gov/legislation/98/SB/PDF/09800SB1458enr.pdf>

¹² Missouri Legislation Increasing ISRS.

<http://www.senate.mo.gov/13info/pdf-bill/tat/SB240.pdf>

¹³ Missouri Governor Nixon's Veto Message

<http://governor.mo.gov/newsroom/pdf/2013/sb240veto.pdf>