

**Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety**

SUPPORTING STATEMENT

Proposal for Rural Low-Stress Hazardous Liquid Pipelines Survey

Docket No. PHMSA-15864

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) grant approval for a new, one-time information collection survey entitled "Rural Low-Stress Hazardous Liquid Pipelines Survey".

Pipeline and Hazardous Materials Safety Administration (PHMSA) initiated the proposed survey on low-stress pipelines (LSP) following the Pipeline Inspection Protection Enforcement and Safety (PIPES) Act of 2006. The survey results will assist regulators to make more informed decisions regarding LSP.

Part A. Justification

1. Circumstances that make collection of information necessary:

Under the PIPES Act all low-stress hazardous liquid transmission pipelines will be subjected to the same standards and regulations as other hazardous liquid transmission pipelines. In order to assess the costs of implementing proposed changes in the regulation of rural LSPs, PHMSA is requesting approval to sponsor a one-time information collection survey on rural LSPs. PHMSA has designed the survey and is submitting the survey plan and its associated information collection burden to OMB for approval.

The information collection supports the U.S. Department of Transportation (US DOT) Strategic Safety Goal. PHMSA will be better able to promulgate future safety related LSP regulations with more accurate information about pipelines.

2. How, by whom, and for what purpose is the information used:

Survey results will be summarized by the US DOT's John A. Volpe National Transportation Systems Center (Volpe Center). The survey will solicit information on following:

- Pipeline Mileage – Total number of LSP miles.
- Rural LSP characteristics – Specific information on interplant pipeline miles, mileage of LSP having a diameter equal to or greater than 8 5/8 inches, mileage of steel LSP, and mileage of non-metallic LSP
- Pipeline Products – Listing of all products transported using rural LSP

- Pipeline Location by State – Listing of states with LSP and corresponding mileages
- Unusually Sensitive Areas – Total number of LSP miles within ½ mile of an unusually sensitive area.
- Breakout Tanks – Total number of breakout tanks associated with the LSP miles.

PHMSA will use the results to calculate the economic impacts associated with current and future LSP rulemakings. In addition, PHMSA will be able to monitor LSP more effectively with more accurate information.

3. Extent of automated information collection:

The survey will be posted on OPS Online Data Entry website (<http://opsweb.rspa.dot.gov/cfdocs/opsapps/pipes/main.cfm>). Pipeline companies with regulated pipelines use this website to report incidents and annual reports on their pipeline systems. The proposed LSP survey will be a web-based survey. Pipeline operators are by their nature generally large companies and most or all will have Internet access. We provide a contact if an operator does not wish to file electronically that will facilitate a hard copy or FAX filing in the survey instructions.

PHMSA believes that given the geographic distribution of the targeted population and the regulated entities familiarity with the Online Data Entry website as well as the expected sample size, it is also an efficient way to collect the requested data. Once completed, PHMSA will gather the information in a spread sheet format for statistical analysis.

To ensure that PHMSA reaches all the targeted operators, in addition to make the survey available on-line, PHMSA will deliver the survey discussed above electronically to each of the companies operating regulated hazardous liquid pipelines. E-mail address and contact information are available for these companies in a database linked to the OPS Online Data Entry website. PHMSA keeps a Master List for all its operating entities with contact names for person responsible for specific activities, such as, incident reporting, field contacts for inspection schedules, annual report submission etc. PHMSA will send the e-mail to the contact person responsible for their most recent Annual report submission as this survey is closely related to the infrastructure information PHMSA receives through the Annual reports. Respondents will be able to print an electronic version of the survey directly from the e-mail received and mail a hard copy to the Volpe Center or complete the survey on a computer and e-mail it to the Volpe Center.

Finally, in an effort to reach companies that own and/or operate currently unregulated pipelines exclusively, PHMSA will work with the Independent Petroleum Association of America (IPAA) and the Association of Oil Pipelines (AOPL) to announce and distribute the survey via these industry associations' e-mail newsletters to their members. Again, respondents will be able to print an electronic version of the survey directly from the e-mail newsletter received and mail a hard copy to the Volpe Center or complete the survey on a computer and e-mail it to the Volpe Center.

4. Efforts to identify duplication:

PHMSA is the only federal agency that collects this information related to hazardous liquids LSP. No similar information is requested by the government or industry. In 1991, PHMSA surveyed pipeline operators regarding LSP. The data collected is no longer current.

5. Efforts to minimize the burden on small businesses:

All companies owning and/or operating hazardous liquids LSP will have access to the voluntary survey. The estimated burden on completing the survey (16 hrs) should not change based on size of the business. A business can choose to ignore the survey request if it determines that the survey will cause an unacceptable burden.

6. Impact of less frequent collection of information:

This is a one time collection. A less frequent collection would prevent PHMSA's development of an accurate understanding of the existing LSP mileage. This, in turn, would affect PHMSA's ability to develop workable regulations.

7. Special circumstances affecting conduct of information collection activity:

Not applicable.

8. Efforts to consult with persons outside the agency to obtain their views:

The 60-day Federal Register (FR) notice was published on 09/06/2006 in FR volume 71, number 52504.

The 30-day Federal Register notice was published on 09 /07/2007in FR volume 72, page number 51489.

No comments were received.

9. Explanation of decision to provide any payment or gift to respondents:

Not applicable.

10. Assurance of confidentiality provided to respondents:

Not applicable.

11. Justification for collection of sensitive information:

Not applicable

12. Estimate of burden hours for information requested:

The survey will be made available on the PHMSA Pipeline Safety Data Entry Website. This website is currently accessed by 288 pipeline operators that own and/or operate regulated hazardous liquids pipelines. This population may also own and/or operate hazardous liquids LSP. The number of pipeline operators that own and/or operate unregulated pipeline mileage exclusively is unknown.

Based on a pre-test of the survey, PHMSA estimates 158 operators will complete the one-time survey (55 percent response rate). This response rate is based on the following assumptions:

- (1) At least half of the population will complete the survey
- (2) The response rate for the survey will be less than that of the pre-test (77 percent), which targeted a small population in comparison to the entire population of operators (9 out of 288). A lower response rate for the industry-wide survey is expected because the same intensive follow-up procedures (e.g. multiple phone calls and email to collect and confirm responses) will not be possible.

Pre-test findings also indicate that the survey should take a pipeline company 16 hours to complete. This is an average of the time needed by the pre-test respondents to collect the requested data. Not all companies are expected to have the requested data electronically, and thus may need to collect paper records of the data manually. Additionally, the requested data for one company may reside in several states. For these reasons, the 16 hour total per-company burden estimate includes reading the instructions, coordinating with various offices/contacts, answering the questions, and submitting answers. Although, the number of unregulated operators is unknown, it is anticipated to be very small and their participation in the survey is not expected to significantly impact additional burden hours.

The expected survey burden hours are 2,528 (= 16 hours to complete survey x 158 operators). Pipeline operations staff and/or Geographic Information Systems (GIS) specialists are expected to answer the survey. Total cost for the survey is estimated at \$103,673 (= 2,528 burden hours x \$41.01 hourly rate¹).

13. Estimate of total annual costs to respondents:

No costs beyond those cited above, in answer #12, are expected for the survey. The survey is a one-time event and no additional economic calculations evaluating the net present value of cost in real dollars are necessary.

¹ Based on the 2005 U.S. Department of Bureau of Labor Statistics National Industry-Specific Occupational Employment and Wages. The median hourly wage of a computer analyst is estimated to be \$30.38. With an estimated fringe of 35 percent, the fully loaded cost of a pipeline industry operations analyst is \$41.01 per hour.

14. Estimate of cost to the federal government:

PHMSA estimates that it will cost approximately \$20,000 to analyze and summarize survey results in a report.

15. Explanation of program changes or adjustments:

Not applicable.

16. Plans for tabulation, statistical analysis and publication:

PHMSA plans to tabulate the mileage information and characteristics of the LSP pipelines provide the overall summary on the PHMSA's website. The summary of the survey will not publish information such as name of the person who submitted or e-mail addresses, rather it will give an overview of the rural LSP mileage and characteristics of the rural LSP as compared to the currently regulated LSP.

17. Display of expiration date of OMB Approval:

PHMSA will display the expiration date.

18. Exceptions to certification statement:

There are no exceptions to the certification statement.

Part B. Collections of Information Employing Statistical Methods

1. Describe potential respondent universe and any sampling selection method to be used.

The population of interest for this one-time information collection survey includes operators from companies that own and/or operate rural low stress hazardous liquid pipelines. There is no sampling selection method used; rather this survey effort seeks to include the entire population. The population of unregulated operators is currently unknown. PHMSA will provide the survey to industry associations in order that unregulated operators' survey participation is encouraged.

2. Describe procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

A listing of the population for this study does not exist. Since rural LSP currently are not regulated, PHMSA has not identified the population of companies owning and/or operating these pipelines. However, PHMSA does maintain a database of hazardous liquid pipeline companies who do own and/or operate other types of pipelines that are

currently regulated (288 operators). Industry experts indicate that the companies included in the database (i.e. regulated companies) are likely to operate most, if not all, rural low stress hazardous liquid pipelines (although there is no way of knowing which regulated companies operate rural LSP). Consequently, this survey will be administered to all companies owning and/or operating currently regulated hazardous liquid pipelines, under the assumption that these regulated operators operate most, if not all, rural LSP. The American Petroleum Institute (API), the Independent Petroleum Association of America (IPAA) and the Association of Oil Pipelines (AOPL) have agreed to work with PHMSA to reach companies that own and/or operate currently unregulated pipelines exclusively. These trade associations will announce the survey via e-mail newsletters to their members.

The survey will be posted on the PHMSA Pipeline Safety Data entry website (<http://opsweb.rspa.dot.gov/cfdocs/opsapps/pipes/main.cfm>), which is currently accessed by all regulated hazardous liquid pipeline operators. Unregulated entities can request an Operator ID and thus be given access to the website. These entities may also obtain the survey via the e-mail newsletter to be distributed by the industry associations. The survey will also be delivered electronically to all regulated operators identified in the OPS database.

The data collection methodology (sending the survey to the 288 companies with regulated hazardous liquid pipelines) may under-represent companies that operate unregulated lines exclusively (which might include unregulated rural low stress pipelines). This population is not currently identified, and it would require a significant research effort to compile a list of such companies. This population is not being “excluded” from the survey. Through posting the survey in the Federal Register and provision of the survey via industry association e-mail newsletter, it is hoped that these operators will complete the survey. Industry experts have indicated that the number of operators who operate unregulated lines exclusively is expected to be small, so the potential under-representation of this population should have little, if any, effect on results.

3. Describe methods to maximize response rate.

Announcement of the survey’s availability will be posted in the Federal Register. According to participants in the pre-test, companies tend to read the Federal Register, and this posting should encourage participation. In addition, a letter explaining the importance of the study and encouraging the companies to participate will accompany the survey. A sample of the letter is below. The study team will follow-up via e-mail with companies who do not complete a survey to further increase the response rate. There will be a minimum of two follow-up e-mail contacts (per company) to encourage participation.

PHMSA will also post an announcement of the survey’s availability on PHMSA’s website and within an industry association’s e-mail newsletter.

Sample letter

To: Operators of Hazardous Liquid Pipelines

The Department of Transportation's (DOT) Pipeline and Hazardous Material Safety Administration (PHMSA), acting through the Office of Pipeline Safety, administers the Department's national regulatory program to assure the safe transportation of natural gas, petroleum, and other hazardous materials by pipeline. PHMSA develops regulations and other approaches to risk management to assure safety in design, construction, testing, operation, maintenance, and emergency response of pipeline facilities.

The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 directs PHMSA to apply the same standards and regulations to low-stress pipelines (which are defined in 49 C.F.R. 195.2) as PHMSA applies to other hazardous liquid pipelines. PHMSA is conducting a survey to gather information concerning the operation of low stress pipelines in rural locations. The survey will provide PHMSA better information about the number of miles of rural low-stress pipelines and an improved ability to assess the costs of implementing these changes to regulation of low-stress pipelines. PHMSA requests that all operators of hazardous liquid pipelines complete this voluntary survey. We are reaching out to both companies we currently regulate through our existing company contacts for filing the annual report and to the unregulated community via trade associations. We request that each company complete the survey only once to ensure the information is accurate and not duplicative.

Your cooperation is greatly appreciated.

Jeff Wiese
Associate Administrator
Office of Pipeline Safety

4. Describe tests of procedures or methods.

A pre-test of the survey was conducted in order to obtain feedback on the proposed survey, to estimate the level of effort required to complete the survey, and to obtain some initial insights on characteristics of existing hazardous liquid LSP, including mileage, pipeline material, products transported, and location by state. Seven of nine targeted companies completed the survey. Each operator was initially contacted by phone and then emailed the survey to be completed. To collect the responses, the Volpe Center conducted conference calls with contacts at the participating companies. On the calls, the participating companies provided their responses to the survey, their estimates on the level of effort required to complete the survey, and whether they encountered any difficulties in completing the survey. Each of the seven companies reported that they understood the task and did not have any problems completing the survey. The only issue that arose dealt with a company that did not have any low stress pipelines. They were trying to understand the need to fill out the survey.

5. Provide name and telephone number of individuals who were consulted on statistical aspects of the information collection and who will actually collect and/or analyze the information.

Margaret Petrella

Social Scientist, U.S. Department of Transportation John A. Volpe National
Transportation Systems Center (USDOT Volpe Center)
617-494-3582

Carson Poe

Transportation Industry Analyst, USDOT Volpe Center
617-494-2765

ATTACHMENTS:

Rural Low-Stress Hazardous Liquid Pipelines Survey Survey and Instructions

Introduction

Congress mandated in the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 (PIPES Act) that all low-stress hazardous liquid transmission pipelines be subjected to the same standards and regulations as other hazardous liquid transmission pipelines. As you may have read in recent newsletters from the Independent Petroleum Association of America and the Association of Oil Pipelines, Pipeline and Hazardous Materials Safety Administration (PHMSA) is sponsoring a request for information on rural low-stress pipelines currently not regulated under 49 CFR part 195 in order to assess the costs of implementing these changes in the regulation of rural low-stress pipelines. Your participation in this survey is voluntary. This data collection effort is being administered by the U.S. Department of Transportation Volpe National Transportation Systems Center.

To assist PHMSA in the collection of these data, please complete the following survey. Pipelines to be reported include all hazardous liquid pipelines operated by your company that:

- operate at 20 percent or less of the specified minimum yield of strength (SMYS) throughout the entire length of the separate pipeline
- are located in a rural area
- are outside a waterway currently used for commercial navigation
- do not transport highly volatile liquids (HVLs)

It is requested that this survey be completed only once by each hazardous liquid operator and online at <http://opsweb.rspa.dot.gov/cfdocs/opsapps/pipes/main.cfm>. For those individuals that cannot access the internet, please contact Carson Poe at 617-494-2765 for filing instructions.

In reporting for this survey, you should EXCLUDE low stress pipelines that were regulated prior to June 2008, as well as information concerning gathering lines (pipelines transporting petroleum from a production facility up to 8 5/8 inches in diameter. If you do **not** operate rural low stress pipelines, please click “no” on question 1.

If question 1 is answered “yes”, in order to obtain reliable data, it is important that all remaining questions be completed. In this way, PHMSA can accurately assess the impact of proposed changes in the regulation of rural low-stress pipelines. PHMSA plans to aggregate the information and characteristics of unregulated low stress pipelines in order to compare to the currently regulated pipeline mileage.

If you have any questions about the data collection effort, please contact Lane Miller at PHMSA (405-954-4969 or lane.miller@dot.gov). If you have any questions about the

survey, please contact Carson Poe at the Volpe Center (617-494-2765 or carson.poe@volpe.dot.gov).

Rural Low-Stress Hazardous Liquid Pipelines Survey

Full Company Name _____
Address _____

PHMSA Operator Identification Number (if applicable) _____

Please read the Introduction on page 1 before completing this survey.

Q.1. Does your company own and/or operate rural low-stress hazardous liquid pipeline? YES __NO __

If you answer NO do not complete the rest of the survey.

Q.2. What are the total number of miles of rural low-stress hazardous liquid pipeline your company operates (including rural interplant pipelines less than 1 mile in length) that are not regulated under Part 195?

_____ miles (This mileage should also included pipeline miles that may subject to the final rule on low-stress pipelines published in the Federal Register on June __, 2008 (73 FR _____)).

Q. 3 For the total number of miles of rural low-stress hazardous liquid pipeline reported in Q. 2, please provide the following information:

2a. Number of miles of interplant pipelines less than 1 mile in length _____ miles

2b. Number of miles with a nominal diameter of 8 5/8 inches or greater _____ miles

2c. Number of miles of steel pipe pipeline _____ miles

2d. Number of miles of non-metallic pipe pipeline _____ miles

Q. 4 Please check all that apply for products transported using rural low-stress hazardous liquid pipelines:

Crude Oil _____

Refined Petroleum Products _____

Other (specify) _____

Q. 5 . In which state(s) does your company operate rural low-stress hazardous liquid pipelines (excluding rural interplant pipelines less than 1 mile in length)? Please use column A below to record your response.

In column B below, please record the number of miles of rural low-stress hazardous liquid pipeline (excluding rural interplant pipelines less than 1 mile in length) operated in each state.

NOTE: If your company operates rural low-stress hazardous liquid pipelines in more than ten states, please append the additional data to the chart below.

Column A	Column B
State	Number of Miles
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Q. 6 What are the total number of miles of rural low-stress hazardous liquid pipeline your company operates within ½ mile of an unusually sensitive area (defined in 49 CFR part 195.6 as a drinking water or ecological resource area that is unusually sensitive to environmental damage from a hazardous liquid pipeline release)? Note that this mileage becomes regulated by final rule published June __, 2008 (73 FR _____).

_____ miles.

Q. 7 For the pipelines identified in Q. 2, please list the number of breakout tanks associated with that mileage.

_____ tanks.