

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

SUPPORTING STATEMENT
**Reporting of Safety-Related Conditions on Gas, Hazardous Liquid and Carbon
Dioxide Pipelines and Liquefied Natural Gas Facilities**

Docket No. PHMSA-98-4957

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests Office of Management and Budget (OMB) approval for renewal of an existing information collection entitled “Reporting of Safety-Related Conditions on Gas, Hazardous Liquid and Carbon Dioxide Pipelines and Liquefied Natural Gas Facilities” (OMB Control No. 2137-0578), which was previously approved on 07/21/2004.

Part A. Justification

1. Circumstances that make collection of information necessary – Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information:

Under 49 U.S.C. 60102, an operator of a pipeline facility (except master meter) must submit a written report to the Department of Transportation on any safety-related condition that causes or has caused a significant change or restriction in the operation of their pipeline or liquefied natural gas (LNG) facility or a condition that is a hazard to life, property, or the environment. PHMSA implemented this requirement under 49 CFR §191.23 and §195.56. A copy of the authorizing legislation and implementing regulations is attached to this supporting statement.

The information collection promotes the US DOT's and PHMSA's Safety and Environmental Strategic Goals. PHMSA, uses the information collected, to identify safety related trends and to take action to reduce pipeline accidents and incidents. Decreased incidents and accidents will better protect both human and environmental resources.

2. How, by whom, and for what purpose is the information used – Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection:

PHMSA requires each operator to provide detailed information documenting a safety related condition. A pipeline or LNG facility operator submits the safety related

condition reports every time there is a possible risk to the pipeline integrity. The operator must provide information on the operator, pipeline or LNG facility location, and the date of the safety related condition. In addition, the operator details the event characteristics and operator response to the safety related condition.

The information collection is needed to enhance PHMSA's ability to measure and assess the performance of pipeline and LNG facility operators; to integrate pipeline safety data and to conduct risk analysis.

3. Extent of automated information collection – Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden:

PHMSA does not specify the format of this information collection. PHMSA accepts electronic mailings of safety related condition reports. In the past, the majority of operators have faxed the reports. PHMSA expects the percentage of operators submitting the reports electronically to increase.

4. Efforts to identify duplication – Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above:

The information collection reduces duplication by exempting incidents that result in an accident before the safety-related condition report filing deadline. No other information collection exists to gather data on these pipeline safety-related conditions.

5. Efforts to minimize the burden on small businesses – If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden:

There are few small operators of hazardous liquid and carbon dioxide pipelines. Those operators have been able to continue operations while complying with this regulation. PHMSA has been collecting this information for the past six years. The smallest operators – master meter operators – are exempt from the reporting requirements. In addition, gas pipeline events that occur outside of populated centers are excluded from the information collection requirement.

6. Impact of less frequent collection of information – Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden:

The information collection is event driven and therefore cannot be conducted less frequently. PHMSA would be unable to appropriately and properly assess the safety of the impacted pipelines and LNG facilities in a timely fashion without the information collection. Less frequent information collection could compromise the safety and economic viability of the U.S. pipeline system.

7. Special circumstances – Describe any special circumstances that would cause an information collection to be conducted in a manner:

- **Requiring respondents to report information to the agency more often than quarterly;**
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **Requiring respondents to submit more than an original and two copies of any documents;**
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

No special circumstances apply with this regulation.

8. Compliance with 5 CFR 1320.8 – Provide an electronic copy and identify the date, volume number and page number of the publication in the Federal Register of the agency's notice (For a 60-day and a 30-day Notice), required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB:

The 60-day Federal Register (FR) notice on this information collection was published on 06/08/2007 (72 FR 31896). PHMSA did not receive comment. The 30-day Federal Register notice was published on 08/13/2007 (72 FR 45301).

9. Payments or gifts to respondents – Explain any decision to provide a payment or gift to respondents, other than enumeration of contractors or grantees:

Not applicable.

10. Assurance of confidentiality – Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy:

Not applicable.

11. Justification for collection of sensitive information – Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent:

Not applicable.

12. Estimate of burden hours for information requested – Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of responses, calculation for the individual burdens and for the total annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hour for customary and usual business practices
- If this request for approval covers more than one form, provide separate burden hour estimates for each form and aggregate the burden hours in items 13 of OMB Form 83-I.
- Provide estimates of annualized cost to respondents for the hourly burdens for collections of information, identifying and using appropriate wage rate categories. This cost contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in item 14.

Based on past reporting of safety-related conditions (2005) there are approximately 100 safety-related condition reports annually. The number of safety related conditions will likely increase based on past trends. From 2001 to 2005, the number of PHMSA safety-related condition reports increased an average of 12.5 percent annually. Using this trend to project for the full three years, there could be 127 safety related incidents in 2007. The last renewal estimated that there is an average of 65 safety-related condition reports per year.

PHMSA used the following assumptions in estimating the burden hours and costs of the reporting requirement:

- Response Time – Operators will require 4 hours to complete each report
- Recordkeeping -- Operators will require 2 hours to collect and maintain record for each report.
- Operator Completing Report – An engineering manager will perform all of the reporting related duties associated with the rule. Engineering managers have a fully loaded cost of \$64.75 per hour.¹

The full expected cost for the time that the engineering managers devote to reporting is estimated to be \$49,340 (= 127 reports x 6 hours x \$64.75).

13. Estimate of total annual costs to respondents – Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the costs of any hour burden in items 12 and 14):

- **Include a breakdown for total capital/start-up costs and operation/maintenance. The cost estimates should be split into two components: (a) A total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rates(s), and the time period over which cost will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made (1) prior to October 1, 1995, (2) to achieve regulatory compliance with the requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

¹ Based on the 2004 U.S. Department of Labor's Bureau of Labor Statistics National Industry-Specific Occupational Employment and Wage Estimates. The median hourly wage of an engineering manager (for NAICS 486000 – pipeline transportation) is estimated to be \$47.96. With an estimated fringe benefit of 35%, the fully loaded cost of an engineering manager in the pipeline industry is \$64.75 per hour.

PHMSA does not expect capital costs with this information collection. Based on the past increase in the annual safety-related reports submitted, the cost of compliance will increase. Assuming a 12.5 percent increase suggests there will be 142 safety-related condition reports in 2008 and 160 in 2009. The associated nominal costs are \$55,167 in 2008, and \$62,160.

The total value of the three estimated annual costs, is \$166,667 (= \$49,340 + \$55,167 + \$62,160). The present value of the aggregate cost using a 7% discount rate will be \$145,038. The present value of the aggregate cost over a period of 3 years using a 3% discount rate will be \$156,788. The fully loaded hourly cost of a senior engineer, \$64.75, is assumed to remain constant over the period. Analysis is limited to the three years, which is the time period that this regulation will be implemented before it needs renewal.

14. Estimate of cost to the Federal government – Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate costs, which should include quantification of hours, operational expenses such as equipment, overhead, printing, and support staff, and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table:

No additional costs are expected for the Federal government

15. Explanation of program changes or adjustments – Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I:

Not applicable.

16. Publication of results of data collection – For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions:

PHMSA will summarize the results of the safety-related condition reports and post the summary on the PHMSA's website.

17. Approval for not explaining the expiration date for OMB approval – If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate:

PHMSA will display expiration date.

18. Exceptions to certification statement – Explain each exception to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I:

There are no exceptions to the certification statement.

ATTACHMENTS:

Authorizing Regulation: 49 U.S.C. 60102

Section 60102. Purpose and general authority
facility

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(h) Safety Condition Reports. -

(1) The Secretary shall prescribe regulations requiring each operator of a pipeline facility (except a master meter) to submit to the Secretary a written report on any

- (A) condition that is a hazard to life, property, or the environment; and
- (B) safety-related condition that causes or has caused a significant change or restriction in the operation of a pipeline facility.

(2) The Secretary must receive the report not later than 5 working days after a representative of a person to which this section applies first establishes that the condition exists. Notice of the condition shall be given concurrently to appropriate State authorities.

Title 49: Transportation

PART 191—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE; ANNUAL REPORTS, INCIDENT REPORTS, AND SAFETY-RELATED CONDITION REPORTS

§ 191.23 Reporting safety-related conditions.

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(a) Except as provided in paragraph (b) of this section, each operator shall report in accordance with §191.25 the existence of any of the following safety-related conditions involving facilities in service:

- (1) In the case of a pipeline (other than an LNG facility) that operates at a hoop stress of 20 percent or more of its specified minimum yield strength, general corrosion that has reduced the wall thickness to less than that required for the maximum allowable operating pressure, and localized corrosion pitting to a degree where leakage might result.

- (2) Unintended movement or abnormal loading by environmental causes, such as an earthquake, landslide, or flood, that impairs the serviceability of a pipeline or the structural integrity or reliability of an LNG facility that contains, controls, or processes gas or LNG.
- (3) Any crack or other material defect that impairs the structural integrity or reliability of an LNG facility that contains, controls, or processes gas or LNG.
- (4) Any material defect or physical damage that impairs the serviceability of a pipeline that operates at a hoop stress of 20 percent or more of its specified minimum yield strength.
- (5) Any malfunction or operating error that causes the pressure of a pipeline or LNG facility that contains or processes gas or LNG to rise above its maximum allowable operating pressure (or working pressure for LNG facilities) plus the build-up allowed for operation of pressure limiting or control devices.
- (6) A leak in a pipeline or LNG facility that contains or processes gas or LNG that constitutes an emergency.
- (7) Inner tank leakage, ineffective insulation, or frost heave that impairs the structural integrity of an LNG storage tank.
- (8) Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20 percent or more reduction in operating pressure or shutdown of operation of a pipeline or an LNG facility that contains or processes gas or LNG.
 - (b) A report is not required for any safety-related condition that—
 - (1) Exists on a master meter system or a customer-owned service line;
 - (2) Is an incident or results in an incident before the deadline for filing the safety-related condition report;
 - (3) Exists on a pipeline (other than an LNG facility) that is more than 220 yards (200 meters) from any building intended for human occupancy or outdoor place of assembly, except that reports are required for conditions within the right-of-way of an active railroad, paved road, street, or highway; or
 - (4) Is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety-related condition report, except that reports are required for conditions under paragraph (a)(1) of this section other than localized corrosion pitting on an effectively coated and cathodically protected pipeline.

[Amdt. 191–6, 53 FR 24949, July 1, 1988, as amended by Amdt. 191–14, 63 FR 37501, July 13, 1998]

§ 191.25 Filing safety-related condition reports.

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(a) Each report of a safety-related condition under §191.23(a) must be filed (received by the Associate Administrator, OPS) in writing within five working days (not including Saturday, Sunday, or Federal Holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. Reports may be transmitted by facsimile at (202) 366–7128.

(b) The report must be headed “Safety-Related Condition Report” and provide the following information:

(1) Name and principal address of operator.

(2) Date of report.

(3) Name, job title, and business telephone number of person submitting the report.

(4) Name, job title, and business telephone number of person who determined that the condition exists.

(5) Date condition was discovered and date condition was first determined to exist.

(6) Location of condition, with reference to the State (and town, city, or county) or offshore site, and as appropriate, nearest street address, offshore platform, survey station number, milepost, landmark, or name of pipeline.

(7) Description of the condition, including circumstances leading to its discovery, any significant effects of the condition on safety, and the name of the commodity transported or stored.

(8) The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting and concluding such action.

[Amdt. 191–6, 53 FR 24949, July 1, 1988; 53 FR 29800, Aug. 8, 1988, as amended by Amdt. 191–7, 54 FR 32344, Aug. 7, 1989; Amdt. 191–8, 54 FR 40878, Oct. 4, 1989; Amdt. 191–10, 61 FR 18516, Apr. 26, 1996]

Subtitle B--OTHER REGULATIONS RELATING TO TRANSPORTATION

CHAPTER I--PIPELINE AND HAZARDOUS MATERIALS SAFETY
ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

SUBCHAPTER D--PIPELINE SAFETY

PART 195--TRANSPORTATION OF HAZARDOUS LIQUIDS BY PIPELINE

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§ 195.56 Filing safety-related condition reports.

(a) Each report of a safety-related condition under §195.55(a) must be filed (received by the Administrator) in writing within 5 working days (not including Saturdays, Sundays, or Federal holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. To file a report by facsimile (fax), dial (202) 366-7128.

(b) The report must be headed “Safety-Related Condition Report” and provide the following information:

- (1) Name and principal address of operator.
- (2) Date of report.
- (3) Name, job title, and business telephone number of person submitting the report.
- (4) Name, job title, and business telephone number of person who determined that the condition exists.
- (5) Date condition was discovered and date condition was first determined to exist.
- (6) Location of condition, with reference to the State (and town, city, or county) or offshore site, and as appropriate nearest street address, offshore platform, survey station number, milepost, landmark, or name of pipeline.
- (7) Description of the condition, including circumstances leading to its discovery, any significant effects of the condition on safety, and the name of the commodity transported or stored.
- (8) The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting and concluding such action.

[Amdt. 195-39, 53 FR 24950, July 1, 1988; 53 FR 29800, Aug. 8, 1988, as amended by Amdt. 195-42, 54 FR 32344, Aug. 7, 1989; Amdt. 195-44, 54 FR 40878, Oct. 4, 1989; Amdt. 195-50, 59 FR 17281, Apr. 12, 1994; Amdt. 195-61, 63 FR 7723, Feb. 17, 1998]

Part B. Collections of Information Employing Statistical Methods

Not applicable.