

Pipeline Safety: Periodic Underwater Inspections

OMB Control No. 2137-0618

Justification

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) approval for a revision and renewal of an existing information collection entitled "Pipeline Safety: Periodic Underwater Inspections" (OMB Control No. 2137-0618).

The Federal pipeline safety regulations at 49 CFR parts §§192.413 and 195.612 require operators to conduct appropriate underwater inspections in the Gulf of Mexico. If the operator finds pipeline exposed on the seabed floor or a hazard to navigation, the operator must contact the National Response Center by telephone within 24 hours of discovery and report the location.

The operator must mark the location within 7 days of discovery(see attached regulations for more details); and rebury the top of the pipe 36 inches below the seabed for regular excavation and 18 inches for rock excavation within 6 months of discovery. If an operator cannot obtain the required State or Federal permits in time to comply with the time requirement; the operator must notify PHMSA; specify whether the required permit is State or Federal; and, justify the delay.

Part A. Justification

1.Circumstances that make collection of information necessary:

Twice in the late 1980's fishing vessels struck shallow water offshore gas pipelines in the Gulf of Mexico,. These incidents resulted in the deaths of 13 fishermen. The National Transportation Safety Board (NTSB) recommended that PHMSA develop and implement requirements to ensure pipeline operators inspect and maintain submerged pipelines in areas subject to damage by surface vessels. Congress also required the Department of Transportation to establish a mandatory, systematic and where appropriate periodic pipeline inspection and reburial program for shallow water submerged pipelines. Copies of the sections of the authorizing regulations are attached to this supporting statement.

The information collections associated with these requirements promotes the U.S. DOT's Safety and Environmental Strategic Goals by reducing the hazard to navigation posed by underwater pipelines. These requirements also reduce the risk of rupture due to collisions with marine vessels. Ruptures can cause explosions and/or fuel spills that could cause fatal human accidents and harm nearby wildlife.

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

The information collection associated with this renewal will improve safety and environmental protection by providing a source point for safety notices to mariners of navigational hazards. The reports provide PHMSA with the information necessary to evaluate the risk posed by these underwater pipelines. PHMSA will use the information to more accurately assess the risks to pipeline infrastructure, understand emerging safety related trends, and identify opportunities for improving the regulatory system for underwater pipelines.

In addition PHMSA will use the information on operator's failure to obtain necessary permits from State and other Federal Agencies to inform and subsequently develop programs to mitigate these permitting conflicts.

3. Extent of automated information collection:

PHMSA encourages the use of electronic technology. However, operators must make initial notification of exposed pipeline on the seabed by telephone. The periodic underwater inspections can be recorded and kept internally within each pipeline operator's office. PHMSA expects that at least 75 percent of the recordkeeping associated with this regulation will be done electronically.

4. Efforts to identify duplication:

No other collection requires operators to report shallow water pipeline in the Gulf of Mexico found to be exposed pipeline or a hazard to navigation.

5. Efforts to minimize the burden on small businesses:

PHMSA expects impacted operators to be large and not small businesses.¹ Underwater pipelines require substantial resources to maintain and make it unlikely that small operators can have the necessary scale and infrastructure to maintain them. Further, this regulation is already implemented and presumably, operators have already made adjustments to minimize the economic impact from reporting and recordkeeping requirements.

6. Impact of less frequent collection of information:.

PHMSA would not be able to adequately assess potential risks associated with these pipelines, which could potentially be detrimental to the pipeline safety and the protection of the environment. Therefore, less frequent information collection could compromise the safety of the U.S. pipeline system and the environment.

7. Special circumstances affecting conduct of information collection activity:

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¹ Small businesses as defined by the Regulatory Flexibility Act (P.L. 96-354)

There is one anticipated potential special circumstance regarding information collection with this information collection. A special circumstance could occur if an operator identifies a compromised underwater pipeline, buries the pipeline, and then discovers that the burial was inadequate all within the same quarter. Operators' diligence and vigilance can avoid such circumstances. As such, PHMSA is not mandating information collection occur twice within a single quarter.

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

The 60-day Federal Register (FR) notice was published on 09/11/2007, 72 FR 51901.

PHMSA did not receive comments from the 60-day notice.

The 30-day Federal Register notice was published on 11/21/2007 72 FR volume 63643.

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:

Based on the number of operators filing annual reports, there are 82 operators with underwater pipeline in the States adjacent to the Gulf of Mexico. The original regulation required all operators to inspect the entire underwater pipeline network in shallow water. Now operators are required to perform periodic inspections. It is expected fewer than 10 percent (9 operators rounded up) each year will have to inspect their lines (as an update) each year. The update record keeping and reporting requirements are expected to take 150 hours each for an average burden of 15 hours. Total burden hours for the renewed regulation are expected to be 1,350 hours annually.

13. Estimate of total annual costs to respondents:

The expected costs associated with the burden hours given in the previous question are presented below. All submissions are assumed to be filled out by a senior engineer

whose fully-loaded hourly cost (i.e., salary plus overhead) is estimated to \$64.75.² The associated cost is expected to be \$87,413 (= 1,350 burden hours x \$64.75) annually.

The cost is estimated to be \$62,587 less than the expiring collection due to the lower labor price used and that fewer operators will be inspecting the lines. The existing regulation calculated the cost using \$100 per hour for the labor rate. There was no explanation on how this rate was selected.

The total annual cost associated information collection burden is expected to be \$262,239 (\$87,413 + \$87,413 + \$87,413).

The present value of the estimated cost over a period of 3 years using a 3% discount rate is \$254,604. The present value of the cost over a period of 3 years using a 7% discount rate is \$245,086. The analysis is limited to three years, which is the regulatory time period before it needs renewal.

14. Estimate of cost to the Federal government: :

Not applicable.

15. Explanation of program changes or adjustments:

The operators reported less than 2 percent of the pipelines exposed. The revision reflects a revised estimate.

16. Plans for tabulation, statistical analysis and publication:

Operator's are required to telephone the National response Center and maintain records. The National Response Center maintains a web site where the information is displayed.

17. Approval for not explaining the expiration date for OMB approval:

PHMSA will display expiration date.

18. Exceptions to certification statement:

There are no exceptions to the certification statement.

Part B. Collections of Information Employing Statistical Methods

Not applicable.

² Based on the industry-specific occupational and wage estimates provided by the U.S. Department of Labor's Bureau of Labor Statistics, median hourly wage of an engineering manager (for NAICS 486000 - pipeline transportation) is estimated as \$48.20. Using an estimated fringe benefit of about 35 percent, the fully loaded cost of an engineering manager is estimated to be \$65.07 per hour.

ATTACHMENTS: The relevant sections of authorizing regulation 49 CFR 192, and 49 CFR 195.

***PART 192—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE:
MINIMUM FEDERAL SAFETY STANDARDS***

Subpart L—Operations

Sec. 192.612 Underwater inspection and re-burial of pipelines in the Gulf of Mexico and its inlets.

(a) Each operator shall, in accordance with this section, conduct an underwater inspection of its pipelines in the Gulf of Mexico and its inlets. The inspection must be conducted after October 3, 1989 and before November 16, 1992.

(b) If, as a result of an inspection under paragraph (a) of this section, or upon notification by any person, an operator discovers that a pipeline it operates is exposed on the seabed or constitutes a hazard to navigation, the operator shall—

(1) Promptly, but not later than 24 hours after discovery, notify the National Response Center, telephone: 1-800-424-8802 of the location, and, if available, the geographic coordinates of that pipeline;

(2) Promptly, but not later than 7 days after discovery, mark the location of the pipeline in accordance with 33 CFR part 64 at the ends of the pipeline segment and at intervals of not over 500 yards (457 meters) long, except that a pipeline segment less than 200 yards (183 meters) long need only be marked at the center; and

(3) Within 6 months after discovery, or not later than November 1 of the following year if the 6 month period is later than November 1 of the year the discovery is made, place the pipeline so that the top of the pipe is 36 inches (914 millimeters) below the seabed for normal excavation or 18 inches (457 millimeters) for rock excavation.

[Amdt. 192-67, 56 FR 63771, Dec. 5, 1991, as amended by Amdt. 192-85, 63 FR 37504, July 13, 1998]

PART 195—TRANSPORTATION OF HAZARDOUS LIQUIDS BY PIPELINE

Subpart F—Operations and Maintenance

§ 195.413 Underwater inspection and reburial of pipelines in the Gulf of Mexico and its inlets.

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(a) Except for gathering lines of 41/2inches (114mm) nominal outside diameter or smaller, each operator shall prepare and follow a procedure to identify its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water that are at risk of being an exposed underwater pipeline or a hazard to navigation. The procedures must be in effect August 10, 2005.

(b) Each operator shall conduct appropriate periodic underwater inspections of its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water based on the identified risk.

(c) If an operator discovers that its pipeline is an exposed underwater pipeline or poses a hazard to navigation, the operator shall—

(1) Promptly, but not later than 24 hours after discovery, notify the National Response Center, telephone: 1–800–424–8802, of the location and, if available, the geographic coordinates of that pipeline.

(2) Promptly, but not later than 7 days after discovery, mark the location of the pipeline in accordance with 33 CFR Part 64 at the ends of the pipeline segment and at intervals of not over 500 yards (457 meters) long, except that a pipeline segment less than 200 yards (183 meters) long need only be marked at the center; and

(3) Within 6 months after discovery, or not later than November 1 of the following year if the 6 month period is later than November 1 of the year of discovery, bury the pipeline so that the top of the pipe is 36 inches (914 millimeters) below the underwater natural bottom (as determined by recognized and generally accepted practices) for normal excavation or 18 inches (457 millimeters) for rock excavation.

(i) An operator may employ engineered alternatives to burial that meet or exceed the level of protection provided by burial.

(ii) If an operator cannot obtain required state or Federal permits in time to comply with this section, it must notify OPS; specify whether the required permit is State or Federal; and, justify the delay.

[Amdt. 195–82, 69 FR 48407, Aug. 10, 2004]