

**Department of Transportation
Office of the Chief Information Officer**

Supporting Statement

**Integrity Management in High Consequence Areas for Operators
with Less than 500 Miles of Hazardous Liquid Pipeline**

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) renewed three-year approved clearance for the information collection entitled "Integrity Management in High Consequence Areas for Operators with Less than 500 Miles of Hazardous Liquid Pipeline," under OMB Control No. 2137-0605, which is currently due to expire on September 30, 2008.

Part A. Justification.

1. Circumstances that make collection of information necessary.

Certain areas are particularly environmentally sensitive to hazardous liquid pipeline failures. These areas are called "high consequence areas" (HCAs). Operators are required by 49 CFR §195.452 to develop and implement a program to provide direct integrity testing and evaluation of hazardous liquid pipelines in HCAs.

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

This information will be used by the Office of Pipeline Safety (OPS) and state pipeline inspectors to determine compliance with OPS regulations.

3. Extent of automated information collection.

OPS does not specify the format of this information collection. OPS encourages the use of electronic technology where applicable.

4. Efforts to identify duplication.

There is no duplication. There is no similar information available.

5. Efforts to minimize the burden on small businesses.

Small operators initially obtain assistance to develop an approach to documentation.

6. Impact of less frequent collection of information.

If the activities were done less frequently, there would be less up-to-date information pertaining to the condition of pipelines in HCAs.

7. Special circumstances.

This collection of information is generally conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Compliance with 5 CFR 1320.8.

A 60-Day Notice requesting comments was published in the Federal Register on February 27, 2008 [73 FR 10508]. No comments pertaining to this information collection were received. A 30-Day Notice requesting comments was published in the Federal Register on May 9, 2008 [73 FR 26468]. No comments pertaining to this information collection were received.

9. Payments or gifts to respondents.

There is no payment or gift provided to respondents associated with this collection of information.

10. Assurance of confidentiality.

The recordkeeping requirements of this information collection do not include anything of a sensitive nature or of any matters considered private. Therefore, we do not foresee any need to assure confidentiality of the information to be collected.

11. Justification for collection of sensitive information.

There are no questions of a sensitive nature.

12. Estimate of burden hours for information requested.

There are 132 operators with less than 500 miles of hazardous liquid pipelines. PHMSA regularly audits compliance. Based on PHMSA audits, it is assumed that approximately 50 percent (66 operators) of existing plans need to be revised and each operator would take an average of 1,400 hours to refine initial plan. The labor breakdown is as follows:

Administrative:	400 hours
Technical:	800 hours
Senior Engineering:	<u>200 hours</u>

1,400 hours per plan x 66 plans = 92,400 hours to refine initial plan.

Additionally, it is estimated that each company will be required to commit additional resources to ensure that the data collected is properly integrated and analyzed to ensure safety. It is estimated that to revise the plan operators will require a total of 1,040 hours of administrative (400 hours) and supervisory time (640 hours).

66 operators x 1,040 hours = 68,640 hours.

Therefore, it is estimated that the hour burden to complete the initial plan is 92,400 + 68,340 = 161,040.

Additionally, all 132 operators will be required to update their plans annually. It is assumed it will take each operator 310 hours to annually update the plan. The labor breakdown is as follows:

Administrative: 70 hours
Engineering: 200 hours
Senior Engineering: 40 hours

310 hours per plan x 132 plans = 40,920 hours to refine initial plan.

Additionally the 132 operators that will also need 500 hours of supervisory time to ensure that the data collected annually is appropriately analyzed and integrated, for an industry total of 132 x 500 = 66,000.

Each subsequent year will require:

Updates: 40,920
Data Integration: 66,000

106,920 annually each year

Therefore, the total annual burden hours are estimated as:

Initial Plans: 161,040
Annual Updates 106,920
267,960 hours

267,960 burden hours x an average hourly wage of \$50.00 = \$13,398,000.00 total burden costs.

Operators are required to either use hydrostatic testing or smart pigging as a method to inspect their pipelines. However, operators can use another technology if they request in writing and demonstrate that it is equivalent to the two technologies mentioned above. OPS believes that

few operators will choose this option. If they do choose an alternative technology, they will be required to put their request in writing, which should take them approximately one hour. Because OPS believes few if any operators will elect to use other technologies, the burden was considered minimal and therefore not calculated.

Additionally, operators could seek an extension to testing every five years if they request and provide their reason for seeking time extension. OPS believes that approximately 10% of operators may request an extension. This request can be in the form of a telephone call, fax or letter. OPS believes the burden of a telephone call or fax is minimal and therefore did not add it to the overall burden hours discussed above.

13. Estimate of total annual costs to respondents.

There is no cost burden to respondents except those identified in item 12 above.

14. Estimate of cost to the Federal Government.

The cost to the government to initially review the plans and annual updates is estimated to require 14 additional personnel (12 in the regional offices and two at headquarters). Assuming a loaded salary of \$60,000 per person, the cost for plan review for the cost to initially review the plans to the Federal Government is \$840,000. Annually, it will require a total of eight regional personnel to review the plans as part of the routine operator inspections.

At a cost of \$60,000 per inspector, the annual cost will be \$480,000 (8 x \$60,000).

15. Explanation of program changes or adjustments.

There is a no change in burden since the previous OMB approval of this information collection.

16. Publication of results of data collection.

The information will not be published for statistical purposes.

17. Approval for not displaying the expiration date for OMB approval.

OPS is not seeking approval to not display expiration date.

18. Exceptions to certification statement.

There are no exceptions.

ATTACHMENTS:

There are no attachments.

Part B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.

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

There is no potential respondent universe or any sampling selection method being used.

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.

There are no 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.

3. Describe methods to maximize response rate.

There are no methods to maximize the response rate.

4. Describe tests of procedures or methods.

There are no tests of procedures or methods.

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.

There were no individuals consulted on statistical aspects of this information collection.