

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

**Supporting Statement
“National Pipeline Operator Registry, Offshore Pipeline Condition Reporting, and
Reporting of Safety-Related Conditions on Gas, Hazardous Liquid and Carbon
Dioxide Pipelines and Liquefied Natural Gas Facilities”**

Docket No. PHMSA-2008-0291

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests Office of Management and Budget (OMB) approval for the revision 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). This information collection is being submitted to OMB to reflect the proposed amendments a NPRM entitled “Pipeline Safety: Updates to Pipeline and Liquefied Natural Gas Reporting” which was published on July 2, 2009 (74 FR 37675). This proposed rule will amend this information collection by creating a new form to collect safety related condition information; and including information collection burden for offshore pipeline condition reporting and the National Pipeline Operator Registry.

This package is one of five impacted information collections being submitted to OMB for approval. The other impacted information collections are 2137-0047, 2137-0522, 2137-0610, and 2137-0614. A complete list of impacted information collections, including this one, is as follows:

	Information Collection Title
2137-0047	Transportation of Hazardous Liquids by Pipeline: Recordkeeping and Accident Reporting
2137-0522	Incident and Annual Reports for Gas Pipeline Operators
2137-0578	Reporting Safety-Related Conditions on Gas, Hazardous A Liquid, and Carbon Dioxide Pipelines and Liquefied Natural Gas Facilities
2137-0610	Pipeline Integrity Management in High Consequence Areas Gas Transmission Pipeline Operators
2137-0614	Pipeline Safety: New Reporting Requirements for Hazardous Liquid Pipeline Operators: Hazardous Liquid Annual Report

Part A. Justification

1. Circumstances that make collection of information necessary.

Safety Related Condition Reports

This information collection revision (ICR) pertains to the Department of Transportation'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. 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. In the proposed rule PHMSA is proposing to require an operator of a natural gas or hazardous liquid pipeline, or of an LNG plant or LNG facility to use a new standardized form instead of the free-form Safety-Related Condition.

Offshore Pipeline Condition Reports.

As specified in 49 CFR §§ 191.27 and 195.57, PHMSA requires the filing of offshore pipeline condition reports by each operator following the inspection of underwater pipelines performed in accordance with § 192.612(a) for natural gas pipelines and §195.413(a) for hazardous liquid pipelines. PHMSA is generating a standardized form based on the requirements in §§ 191.27 and 195.57.

National Registry of Pipeline and LNG Operators

A National Registry of Pipeline and LNG Operators will serve as the storehouse for the reporting requirements for an operator regulated or subject to reporting requirements under 49 CFR Parts 192, 193, or 195. Essential to the effectiveness of PHMSA's oversight is the ability to monitor and assess the performance of the regulated community – examining both discrete performance as well as historical trending over time. The single greatest challenge to PHMSA's ability to track performance – and in particular, performance over time – is the dynamic nature of the regulated community itself. Due to conversions of service, new construction, and abandonments, or changes in operators that occur during divestitures, acquisitions, or contractual turnovers, operators' asset profiles often change year-to-year, rendering historical trending inaccurate. Currently, PHMSA does not receive any alerts, information, or notification of these types of changes and we lack any mechanism to track or capture these changes when they occur. As a result, PHMSA's ability to accurately portray and assess the performance of individual operators is severely compromised, with the problem deteriorating over time as operating and asset changes accumulate and compound.

Additionally, there is an increased burden to industry and to PHMSA in tracking and maintaining potentially numerous OPID's for the same company. Some companies accumulate a large number of OPID's, often inadvertently, as the company reports across a variety of lines of business (e.g., operators may use separate OPID's for reporting their user fee mileage, safety-related conditions, National Pipeline Mapping System (NPMS)

submissions, incidents, and annual infrastructure and integrity management data.) The proposed National Registry of Pipeline and LNG Operators will facilitate the use of one OPID across a company's reporting requirements for a given set of pipeline segments or facilities thereby reducing the burden on both PHMSA and industry for tracking these multiple, duplicative OPID's.

The proposed rulemaking will also require operators to notify PHMSA when they experience significant asset changes that affect PHMSA's ability to accurately monitor and assess pipeline safety performance. Certain types of changes to or within an operator's facilities or pipeline network represent potential safety-altering activities for which PHMSA may need to inspect, investigate, or otherwise oversee to ensure that any public safety concerns are adequately and proactively addressed. In these cases, this timely notification will allow PHMSA to mobilize inspection resources or notify one of its partner state pipeline safety agencies if needed.

Moreover, the accurate and timely representation of the scope and make-up of the nation's pipeline and LNG facility infrastructure is not only critical to PHMSA, but it is also critical to the various oversight bodies, Congress, the GAO, the DOT Inspector General, and the NTSB. Other stakeholders such as safety and environmental advocacy groups, and state and local pipeline safety partners also rely on the accuracy and completeness of this information.

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

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.

The proposed Registry would include mandatory registration and notification requirements, which do not exist within PHMSA's current OPID assignment process. This Registry is necessary to compile an integrated national pipeline inventory of operator contact and facility information that is sustainable and can evolve over time to accommodate an ever-changing environment. Implementing a National Registry of Pipeline and LNG Operators will ensure that PHMSA's communications with representatives of the regulated community are complete and accurate, achieving a level of assurance that does not exist within PHMSA's existing OPID assignment process. The proposed Registry will also enable PHMSA to distribute up-to-date pipeline safety

information for various technology applications used in the performance of inspections, regulatory oversight, reporting, and other safety-based needs, and will provide the accurate and up-to-date compilation of operating entities and facilities that is a critical element of PHMSA's pipeline safety mission.

3. Extent of automated information collection.

The National Pipeline Registry will be the primary tool for submitting reports to PHMSA. As specified above, PHMSA is creating new forms for condition reporting. These new forms will collect information previously requested and will not increase the burden hours related to this information collection. The new forms are attached for review and approval. Once approved, PHMSA will make this form available for electronic submissions.

4. Efforts to identify duplication.

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 effects on small business.

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. 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.

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.

No special circumstances apply with this regulation.

8. Compliance with 5 CFR 1320.8.

The NPRM was published on July 2, 2009 (74 FR 37675). PHMSA is awaiting comment.

9. Payments or gifts to respondents.

Not applicable.

10. Assurance of confidentiality.

Not applicable.

11. Justification for collection of sensitive information.

Not applicable.

12. Estimate of burden hours for information requested.

PHMSA estimates that this information collection affects a community of 2,673 operators including 2,212 Natural Gas (NG) operators, 77 LNG facility operators, and 384 Hazardous Liquid operators.

Condition Reports

Based on past reporting of, PHMSA estimates that a total of 142 safety-related condition and offshore pipeline condition reports will be submitted each year.

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

- Reporting – Operators will require 4 hours to complete each report
- Collection and Recordkeeping -- Operators will require 2 hours for collection and record maintenance for each report.

Based on this information, PHMSA estimates that each report (including collection, record maintenance, and reporting) will take a total of 6 hours. Therefore PHMSA estimates the total annual burden hours relative to this information collection at 852 hours (6 hours x 142).

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.

The full expected cost for the time that the engineering managers devote to reporting is estimated to be \$55,167 (= 142 reports x 6 hours x \$64.75).

National Pipeline Operator Registry

PHMSA is proposing to require all operators, estimated at 2,673 (2,212 natural gas, 77 LNG, and 384 hazardous liquid) to use the National Operator Identification Registry when reporting. In addition, PHMSA is also proposing to require these operators to notify PHMSA of certain changes to their operation. PHMSA estimates that each

operator will spend approximately 15 minutes (.25 hour) entering registration information. PHMSA also estimates that affected operators will take one hour to submit an operation change notification to PHMSA. PHMSA estimates that on an annual basis the following number of operators will be affected;

- 1) 15 percent of Hazardous liquid operators ($384 \times .15 = 58$ HL operators)
- 2) 23 percent of Natural gas operators ($2,212 \times .23 = 509$ NG operators)
- 3) 11 percent of LNG operators ($77 \times .11 = 9$ LNG operators)

This totals an estimated 565 operators that will be potentially impacted on annual basis. Therefore, the total estimated burden hours for this action will be 720 hours ((.25 hour for entering registry information + 1 hour to submit registry change notifications)*576 operators).

PHMSA expects for a senior engineer will to handle their company's registry information. PHMSA estimates the engineer's hourly wages at \$64.75 per hour. Based on this information, PHMSA estimates that this requirement will cost the community of impacted operators a total of \$26,340,300 per year (64.75×720).

Burden Totals for Information Collection

PHMSA estimates the combined total burden hours for this collection at 1,512 hours (852 hrs + 720 hrs). In addition, PHMA estimates the total cost for this information collection at \$26,395,467 ($\$55,167 + \$26,340,300$).

13. Estimate of total annual costs to respondents.

The approval of this information collection is not expected to increase operator costs beyond those cited in the answer to #12.

14. Estimate of cost to the Federal Government.

No additional costs are expected for the Federal government

15. Explanation of program changes or adjustments.

Not applicable.

16. Publication of results of data collection.

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

17. Approval for not displaying 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.

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.