

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

**Supporting Statement
Pipeline Integrity Management in High Consequence Areas
Operators with more than 500 miles of Hazardous Liquid Pipelines
OMB Control No. 2137-0604**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA, we) requests approval from the Office of Management and Budget (OMB) to renew a currently approved collection entitled “Pipeline Integrity Management in High Consequence Areas Operators with more than 500 miles of Hazardous Liquid Pipelines” (OMB Control No. 2137-0604). The expiration date for this information collection is currently designated as 2/28/2010.

Part A. Justification

1. Circumstances that make collection of information necessary.

Certain areas are particularly environmentally sensitive from hazardous liquid pipeline failures. These areas are called high consequence areas (HCA’s). The pipeline integrity management in high consequence areas requires operators to develop a program to provide direct integrity testing and evaluation of hazardous liquid pipelines in HCA’s. This information collection request supports the objective of the rule ensuring the safety and integrity of hazardous liquid pipelines in HCA’s.

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

This information collection was established in 2000 to implement integrity management programs (HL IM Program) for the Hazardous Liquid (HL) Pipeline Industry. The purpose of the program is to require HL operators to continually reassess their system in an effort to mitigate potential safety risk in High Consequence Areas. PHMSA details the required components of the HL IM Program in 49 CFR 195.452. The data collected as a result of this IC allows for both PHMSA and the state pipeline inspectors to ensure that operators are taking the necessary measures to review their system and implement their HL IM Program. The notifications allows for PHMSA, including the state pipeline inspectors, to be made aware of certain deviations from HL IM Program.

3. Extent of automated information collection.

PHMSA does not specify the format of this information collection. PHMSA encourages the use of electronic technology where applicable. Based on previous submissions, it is estimated that at least 90 percent of respondents will use an electronic format.

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 businesses make up approximately 90 percent of the impacted operators. These small businesses will likely get assistance from pipeline trade associations in helping them develop the necessary documentation in addition to the information provided by PHMSA.

6. Impact of less frequent collection of information.

If the activities were done less frequently this would pose a risk of pipeline failure in HCA's.

7. Special circumstances.

This information collection has no special circumstances described in the above list.

8. Compliance with 5 CFR 1320.8.

The 60-day Federal Register Notice was published on November 24, 2009 (74 FR 61403). No comments were received. The 30-day Federal Register Notice was published on January 28, 2010 (75 FR 4610).

9. Payments or gifts to respondents.

There is no remuneration provided.

10. Assurance of confidentiality.

There is no information that is being collected that is of a confidential nature.

11. Justification for collection of sensitive information.

There are no questions of a sensitive nature.

12. Estimate of burden hours for information requested.

PHMSA estimates that there are approximately 71 operators (unique OPIDs) with more than 500 miles of hazardous liquid pipelines. Each of these operators is required to update their plans annually.

It is assumed to take each operator 310 hours to annually update the plan. The labor hours are broken down as follows:

70 hours secretarial time
200 hours engineer time (including 17 hours for notification¹)
+ 40 hours senior engineer time
310 hours per company X 71 companies = 22,010 hours annually for update

¹{As part of the plan, operators must submit notifications to PHMSA for various situations. Notifications include: Repair, Alternate Technology, Interval Changes, and Long-Term Pressure Reductions. These notifications may be submitted in any form. PHMSA estimates that each notification takes approximately 1hour to submit. PHMSA receives approximately 50 of these notifications from the entire community of HL operators (71 operators with more than 500 miles and 132 operators with less than 500 miles) that are subject to this plan. PHMSA estimates that the (71) operators subject to this information collection submit 17 forms each year (50 *34%). This counts for 17 hours (17 forms * 1 hour) of burden that is included under “engineer time”. }

Additionally the 71 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 71 X 500 = 35,500

Each year will require:
22,010 for updating
+ 35,500 for data integration
57,510 annually each year

The total hourly burden is estimated at 57,510 burden hours (22,010 + 35,500).

13. Estimate of total annual costs to respondents.

Using an average hourly wage estimate of \$64.75, PHMSA estimate the burden cost at \$3,723,772.50 (57,510 hrs X 64.75).

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 2 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 8 regional personnel to review the plans as part of the routine operator inspections. The costs are limited to salaries. At a cost of \$60,000 per inspector the annual cost will be \$480,000 (8 X \$60,000). (These costs were submitted with the large operator submission).

The combined cost to the Federal Government is \$1,320,000 (\$840,000 + \$480,000).

15. Explanation of program changes or adjustments.

This is a renewal of an existing program with no programs changes or adjustments.

16. Publication of results of data collection.

There is no use of statistics.

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

Pipeline and Hazardous Materials Safety Administration is not seeking approval to not display expiration date.

18. Exceptions to certification statement.

There are no exceptions.

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.