

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

**Supporting Statement
“National Registry of Pipeline and LNG Operators”
Docket No. PHMSA-2008-0291**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests Office of Management and Budget (OMB) approval for a new information collection entitled “National Registry of Pipeline and LNG Operators.” On October 31, 1988, Public Law 100-561 was passed, requiring operators to provide detailed information regarding their pipeline facility when requested by the Secretary of Transportation. This provision is currently codified in 49 USC 60102. Although PHMSA collects information via annual reports and incident reports, it has been difficult to track activities such as mergers and acquisitions which occur throughout the year.

In an effort to implement an efficient risk based and data driven safety program founded on up-to-date information, PHMSA issued a notice of proposed rulemaking (NPRM) titled “Pipeline Safety: Updates to Pipeline and Liquefied Natural Gas Reporting” (One Rule) on July 2, 2009 (74 FR 31675). This NPRM proposed requirements for electronic operator submissions, revisions to a number of reports, and the implementation of a National Registry of Pipeline and LNG Operators. On November 26, 2010, the final rule was published (75 FR 72878), effectively incorporating the proposals including the establishment of the National Registry of Pipeline and LNG Operators. In an effort to gather comments on forms used to implement the National Registry of Pipeline and LNG Operators, PHMSA issued a 60 day federal register notice (December 13, 2010; 75 FR 77694). On November 10, 2011, PHMSA responded to comments and issued a 30 day federal register notice announcing that approval was being sought from the Office of Management and Budget on the revised forms. This information collection is being submitted to OMB to incorporate the use of the two new forms. The forms for assigning Operator Identification Numbers and maintaining updated information on operators’ safety programs and asset changes are the Operator Assignment Request Form (PHMSA F 1000.1) and Operator Registry Notification Form (PHMSA F 1000.2), respectively.

Part A. Justification

1. Circumstances that make collection of information necessary.

PHMSA has statutory authority to collect pipeline facility information from operators in 49 U.S.C. 60102. This authority allows for the collection of information such as pipeline location, description, transported products, and any other information pertaining to the safe operation of a pipeline facility under PHMSA jurisdiction. In an effort to promote

safety and manage the regulation of pipeline operators, PHMSA issued a final rulemaking titled “Pipeline Safety: Updates to Pipeline and Liquefied Natural Gas Reporting” (November 26, 2011; 75 FR 72878). This rulemaking incorporated the use of a National Registry of Pipeline and LNG Operators into new sections, 49 CFR 191.22 and 195.64. The National Registry of Pipeline and LNG Operators was established to serve as a repository of information for operators under PHMSA jurisdiction.

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, abandonments, divestitures, acquisitions, and contractual turnovers, operators’ asset profiles are constantly changing. Prior to the recent addition of 49 CFR 191.22 and 195.64, PHMSA did not require any alerts, information, or notification of these types of changes, consequently limiting PHMSA’s ability to accurately portray and assess the performance of individual operators. This issue becomes increasingly complicated over time as operating and asset changes occur and compound.

49 CFR 191.22 and 195.64, require operators to notify PHMSA when they experience significant asset changes, including new construction, 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, timely notification will allow PHMSA to efficiently manage its 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.

Sections 191.22 and 195.64 are detailed below:

§ 191.22 National Registry of Pipeline and LNG operators.

(a) OPID Request. Effective January 1, 2012, each operator of a gas pipeline, gas pipeline facility, LNG plant or LNG facility must obtain from PHMSA an Operator Identification Number (OPID). An OPID is assigned to an operator for the pipeline or pipeline system for which the operator has primary responsibility. To obtain an OPID, an operator must complete an OPID Assignment Request DOT Form PHMSA F 1000.1 through the National Registry of Pipeline and LNG Operators in accordance with § 191.7.

(b) OPID validation. An operator who has already been assigned one or more OPID by January 1, 2011, must validate the information associated with each OPID through the National Registry of Pipeline and LNG Operators at

<http://opsweb.phmsa.dot.gov>, and correct that information as necessary, no later than June 30, 2012.

(c) Changes. Each operator of a gas pipeline, gas pipeline facility, LNG plant or LNG facility must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60 day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

(ii) Construction of 10 or more miles of a new pipeline; or

(iii) Construction of a new LNG plant or LNG facility.

(2) An operator must notify PHMSA of any of the following events not later than 60 days after the event occurs:

(i) A change in the primary entity responsible (i.e., with an assigned OPID) for managing or administering a safety program required by this part covering pipeline facilities operated under multiple OPIDs.

(ii) A change in the name of the operator;

(iii) A change in the entity (e.g., company, municipality) responsible for an existing pipeline, pipeline segment, pipeline facility, or LNG facility;

(iv) The acquisition or divestiture of 50 or more miles of a pipeline or pipeline system subject to Part 192 of this subchapter; or

(v) The acquisition or divestiture of an existing LNG plant or LNG facility subject to Part 193 of this subchapter.

(d) Reporting. An operator must use the OPID issued by PHMSA for all reporting requirements covered under this subchapter and for submissions to the National Pipeline Mapping System.

§ 195.64 National Registry of Pipeline and LNG Operators.

(a) OPID Request. Effective January 1, 2012, each operator of a hazardous liquid pipeline or pipeline facility must obtain from PHMSA an Operator Identification Number (OPID). An OPID is assigned to an operator for the pipeline or pipeline system for which the operator has primary responsibility. To obtain an OPID or a change to an OPID, an operator must complete an OPID Assignment Request DOT Form PHMSA F 1000.1 through the National Registry of Pipeline and LNG Operators in accordance with § 195.58.

(b) OPID validation. An operator who has already been assigned one or more OPID by January 1, 2011 must validate the information associated with each such OPID through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, and correct that information as necessary, no later than June 30, 2012.

(c) Changes. Each operator must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, of certain events.

(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60 day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

(ii) Construction of 10 or more miles of a new hazardous liquid pipeline; or

(iii) Construction of a new pipeline facility.

(2) An operator must notify PHMSA of any following event not later than 60 days after the event occurs:

(i) A change in the primary entity responsible (i.e., with an assigned OPID) for managing or administering a safety program required by this part covering pipeline facilities operated under multiple OPIDs.

(ii) A change in the name of the operator;

(iii) A change in the entity (e.g., company, municipality) responsible for operating an existing pipeline, pipeline segment, or pipeline facility;

(iv) The acquisition or divestiture of 50 or more miles of pipeline or pipeline system subject to this part; or

(v) The acquisition or divestiture of an existing pipeline facility subject to this part.

(d) Reporting. An operator must use the OPID issued by PHMSA for all reporting requirements covered under this subchapter and for submissions to the National Pipeline Mapping System.

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

PHMSA will use two forms to collect the applicable registration and notification information from operators for the Registry. The forms and the purpose of the resulting information are identified below:

Operator Assignment Request Form (PHMSA F 1000.1)

The information provided in this form is broken into four different steps as detailed below:

Step 1 “.Basic Report Information”

This step allows for the operator to provide basic information that PHMSA will use to determine whether the requesting operator has regulated assets and currently exists in the registry. PHMSA will also use this information to distinguish relationships between companies and reduce the potential for assigning unnecessary OPIDs to companies.

Step 2 “...Description of Pipelines and/or Facilities”

PHMSA will use this information to collect asset type and location to determine oversight authority (PHMSA region staff or State partners). Once the oversight authority is determined, PHMSA will contact the appropriate entity to assist in the approval process for issuing OPIDs.

Step 3 “...PHMSA-Required Pipeline Safety Program Information”

PHMSA will use this information to quickly identify whether the requesting operator’s program is part of any programs for existing operators (i.e., whether the requesting operator is operationally related to other operators under PHMSA jurisdiction). PHMSA will use this information to efficiently coordinate future inspections.

Step 4 “Provide Contact Information”

PHMSA will use this information to maintain direct lines of communication with key Operator personnel. Contact information is invaluable and vital to the efficient handling of pipeline emergencies and regulatory compliance.

Operator Registry Notification Form (PHMSA F 1000.2)

The purpose of this form is to provide PHMSA with notifications as required under §§ 191.22(c) and 195.64(c). PHMSA will use the information from this form to update the Registry and equip PHMSA and state regulatory staff with relevant and up-to-date information on the operators subject to applicable jurisdictions.

Summary

This Registry is necessary to compile an integrated national pipeline inventory of operator contact and facility information that is current. The 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.

Operators will be required submit the required forms (OPID Assignment Request and Operator Registry Notification) electronically. Operators unable to submit electronically can contact PHMSA for an alternate means of submission.

4. Efforts to identify duplication.

This creation of this registry is necessary since it will be the only known consolidated list of regulated pipeline operators.

5. Efforts to minimize the effects on small business.

This information is necessary for safety and tracking purposes regardless of business size.

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 its regulated community. 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.

PHMSA published a 60-day FR notice on December 13, 2010 (75 FR 77694) to solicit comments on the associated forms (OPID Assignment Request and Operator Registry Notification). The comment period ended February 11, 2011. PHMSA received 1 joint comment submission from American Petroleum Institute (API) and American Oil Pipelines Association (AOPL). PHMSA's responses to that submission are detailed in a recently published 30- day FR notice that was published on November 10, 2011 (76 FR 70217). The comment period for the 30-day FR notice is set to end on December 12, 2011.

9. Payments or gifts to respondents.

PHMSA will not provide payments or gifts to respondents.

10. Assurance of confidentiality.

The 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.

The requirements of this information collection do not involve questions of a sensitive nature.

12. Estimate of burden hours for information requested.

PHMSA estimates that this information collection affects a community of 2,753 operators including 2,328 Natural Gas (NG) operators, 82 LNG facility operators, and 335 Hazardous Liquid operators.

OPID Assignment Burden

PHMSA estimates that each operator will take approximately 1 hour to complete the OPID Assignment form (PHMSA F 1000.1). Therefore, PHMSA estimates an hourly burden of 2,753 hours (1hour * 2,753 operators)

Operator Notification Burden

PHMSA estimates that each operator will submit an average of 4 notifications on an annual basis. PHMSA estimates that each Operator Notification form (PHMSA F 1000.2) will take approximately .25 hours to complete. Therefore, PHMSA estimates an hourly burden of 2,753 hours ((.25 hours * 4 submissions)*2,753 operators).

Summary

Therefore, PHMSA estimates the combined hourly burden for OPID Assignment and Operator Notification at 5,506 hours (2,753 burden hours for OPID Assignment + 2,753 burden hours for OPID Notifications).

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 \$356,513.50 per year (\$64.75* 5,506 hours).

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.

PHMSA estimates the first year cost of development and operations/maintenance of the web based operator registry system at \$360,000. PHMSA estimates that the cost will be reduced to \$50,000 per year in the subsequent years following development for operations and maintenance of the system. The average cost over three years is estimated at \$153,333 ((\$360,000 + \$50,000 + \$50,000)/3 years).

15. Explanation of program changes or adjustments.

This is a new information collection. PHMSA recently added provisions to the Pipeline Safety Regulations (49 CFR Parts 190-199) to establish a National Registry of Pipeline and LNG Operators via a rulemaking titled "Pipeline Safety: Updates to Pipeline and Liquefied Natural Gas Reporting" (One Rule) that was published as a Final rule on November 26, 2010 (75 FR 72878). The language was promulgated in 49 CFR 191.22 and 195.64.

16. Publication of results of data collection.

PHMSA will publish basic information at www.phmsa.dot.gov. "Basic Information" will be focused on summary data such as:

- # of operators per state/county
- # of operators by transported commodity
- # of operators for all commodities
- # of miles for each commodity
- # of miles for each operator

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

PHMSA is not requesting approval to not displaying the expiration date.

18. Exceptions to certification statement.

There are no exceptions to the certification statement.