



Peter T. Lidiak
Director, Pipeline
API
1220 L Street, NW
Washington, DC 20005
(202) 682-8323
(202) 962-8051 (fax)
lidiakp@api.org

Andrew J. Black
President and CEO
Association of Oil Pipe Lines
1808 Eye Street, NW
Washington, DC 20006
(202) 408-7970
(202) 280-1949 (fax)
ablack@aopl.org

February 11, 2011

Docket Management Facility US Department of Transportation 1200 New Jersey Avenue, SE West Building, Room W12-140 Washington, DC 20590-0001

Re: Comments on Pipeline Hazardous Materials Safety Administration (PHMSA), Pipeline Safety: Information Collection Activities, Docket No. PHMSA-2008-0291

We are pleased to offer comments on the Pipeline and Hazardous Materials Safety Administration's (PHMSAs) Information Collection Activities Notice regarding information collection on the National Pipeline Registry.

The American Petroleum Institute (API) represents more than 450 oil and natural gas companies. Our members are leaders of a technology-driven industry that supplies most of America's energy, supports more than 9.2 million U.S. jobs, accounts for 7.5 percent of the U.S. economy, and, since 2000, has invested nearly \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives, while reducing the industry's environmental footprint. The Association of Oil Pipe Lines (AOPL) is a national trade association representing 51 operators of hazardous liquids pipelines. Together, our members operate approximately 85 percent of the hazardous liquid pipeline miles in the United States.

Two forms have been submitted to the Office of Management and Budget (OMB) for approval: the Operator Registry Notification (Form PHMSA F1000.2, Revision xx-20xx), and the OPID Assignment Request (Form PHMSA F1000.1, Revision xx-20xx). These comments will address both forms.

The Federal Register Notice has requested comment on four main topics related to these forms:

- a. The need for the proposed collection of information for the proper performance of the functions of the agency, including whether the information will have practical utility;
- b. The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

- c. Ways to enhance the quality, utility, and clarity of the information to be collected; and
- d. Ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automatic, electronic, mechanical, or other technological collection techniques.

These comments identify specific issues by form question number to address these topics. API and AOPL request clarification on the following issues:

OPID Assignment Request (Form PHMSA F1000.1, Revision xx-20xx)

Step 1. Basic Information.

For Question 1, there appears to be some ambiguity in determining whether a pipeline and/or facility are subject to regulation. An unregulated low-stress pipeline is regulated under 49 CFR Part 195 for the purpose of reporting (see Section 195.48). Therefore, question 1a should be under the "yes" radio button. Unregulated gathering lines are not subject to the reporting requirements of Subpart B, so question 1a should be modified to only refer to unregulated low-stress pipelines.

Step 2. Description of Pipelines and/or Facilities.

Under Hazardous Liquid Breakout Tanks → Total Number of Tanks/Caverns/Vessels: We would like to request clarification on this question. Is there a definition of "vessel" to look to? There are many vessels not subject to Part 195 and most items that industry would refer to as vessels are not used as breakout tanks.

In addition, caverns are not regulated under Part 195 and we question whether the number of caverns is helpful in assessing pipeline safety. If number of caverns does have to be included, in identifying the number of caverns used, how should this be determined (for example, if there is one facility with eight caverns—is the correct number for this form one or eight)?

Step 2, Number 3, For Gas Transmission/Gathering or Hazardous Liquid, 2c&e.

Identifying all counties through which the pipelines cross will be an additional burden. The requirement will add to reporting time as most operators do not have ready lists of counties and this data will have to be compiled. Further there is not enough room on the lines provided on the paper form to fill in all counties. In terms of a facility, identifying the county is reasonable.

Our members suggest that a drop-down box should be utilized in the online submittal system, listing all counties for each state, to assist in quickly inputting this information.

PHMSA appears to have mixed up question numbers on the proposed form, as it refers to "STEP 2, Question 2 continued" at the bottom of each page in the section applying to question 3.

Step 2, Number 3, For Gas Transmission/Gathering or Hazardous Liquid, 2a and 2b.

This question requests that entities report right-of-way miles as well as pipeline miles. Please clarify the purpose of this distinction. In discussing this question with various companies, it appears that not all companies calculate their right-of-way miles for business purposes. To require this extra information adds additional burden on the reporter and adds additional time to the estimated hours.

Step 2, Question 4. Brief and General Description of Pipelines and Facilities Covered.

This question asks that entities provide a brief and general description of pipelines and facilities covered by the OPID Assignment Request. We request clarification as to whether this question is truly asking for a "brief" description, or if pipeline entities should give a more detailed description. PHMSA should provide in its instructions a complete example of what information is being sought in this question, to ensure that the requested information is included in the original submission of this form.

As a clarification on the instructions page, this section applies to Parts 192, 193, and 195 (not just subpart b). For the instructions to fully cover examples of all covered Parts, examples addressing Parts 192 and 193 (Gas and LNG) should be included.

Step 3. PHMSA-Required Pipeline Safety Programs Information.

This question requests information on PHMSA-required pipeline safety program information. While the instructions state that only the "primary" OPID should be entered for each of the various programs, we are unclear as to how that "primary" determination is made. We request clarification on this issue.

Step 4. Contact Information.

Question 1 requests contact information for an operator contact responsible for "assuring compliance." Our members request clarification as to who the proper contact person should be for the purposes of this question. There are several different types of positions that could fulfill a mandate of "assuring compliance" with PHMSA regulations. Our members request some examples to be provided by PHMSA to identify the attributes that the requested "assuring compliance" contact should have.

Further, our members request that the contact information provided on this part of the form be made confidential. Operators are required to provide public contact information as part of their Public Awareness and Damage Prevention materials. Emergency contact information is also made available to the public. While the additional information may be deemed necessary for PHMSA, it provides no benefit for the public and may actually work to confuse the issue of whom to contact in an emergency notification made by the public. Additionally, there are privacy act considerations, plus information regarding senior company officers that most companies would not like to make public.

When completing these forms, the contacts for a single operator will often be located at the same address. We suggest that PHMSA allow for a check box to indicate that all contacts are located

at the address initially entered under Question 1, unless otherwise entered. This will reduce the reporting burden.

Although not covered in this rulemaking, the ability to easily update the contact information listed in step 4 for existing OPIDs is something that is needed. PHMSA has not provided a method of updating this type of contact information, as well as other updates, for existing OPIDs. We request that this capability be added to the online system via this form or another mechanism.

While this form is applicable to requests for new OPIDs, it appears that this information will be used to populate a database. That database would then be fully populated for new OPIDs, but existing OPIDs might not have all of this data already available. Does PHMSA plan to use this form to verify/collect information for "current" OPIDs? The reporting burden for large companies to populate all of this data would be more than was anticipated from the text of the rule. At a minimum, we would suggest that PHMSA wait to require validation only once the online system is available, is able to display what information PHMSA currently has for an existing OPID and allows operators to make changes online.

Operator Registry Notification (Form PHMSA F1000.2 Revision xx-20xx)

Step 1, Number 7. Basic Information.

This question requests that the entity select only one type of pipeline and/or facility involved in the operator registry notification. For clarification, if an entity has both gas and liquid under the same OPID and wants to change entities for both types of facilities, does this form need to be filled out twice?

Step 2. Types of Change.

There are eight types of change currently identified in the form. Please clarify whether this form encompasses only one change per form, or if the form only asks for one type of commodity per form, allowing for multiple change types.

In all of these types of change, please clarify if, when an operator transfers responsibility of assets to another operator, both operators are expected to fill out this form, or if one should file for an OPID change and the other should file for a company change. Further, please clarify the effective date that is being requested—is this the date that a change in ownership occurs, or the date that a change in operating responsibility occurred?

In change Types A and B, we would like clarification as to what the legitimate purpose is to identify the reason for the change in subpart 2. What is the expectation that PHMSA has in asking this question and why would these type of changes require a specific change type while there is currently no mechanism to make more common changes such as change in address or Senior Executive Officer.

In change Types B & D subpart 4 asks whether the OPID should be deactivated. It seems that only the "owner" of the OPID should be able to request that an OPID be deactivated and that it shouldn't be tied to a change type where a new owner can request deactivation. Also, how should a company deactivate an OPID if they consolidate and roll assets into one OPID or if they abandon all the pipelines under an OPID. Perhaps deactivation of an OPID should be a standalone change type.

In change Type C, please clarify whether a services company (contract operator), with no physical assets, would operate under its own OPID or the owner's OPID.

A divestiture or acquisition of a pipeline system and the facilities related to the system are split into change Types D and E, respectively. If an entity is engaged in both, should two forms be filed?

Please clarify the full intent of "Type E" Pipeline Facility. The instructions are confusing. The definition of "pipeline facility" can be interpreted very broadly. Transfer of ownership of an entire pipeline and responsibility is called a type E, but acquisition of a portion of an existing line is supposed to be reported under Type D, which is only for sale of 50 or more miles of pipe. As an example of this issue, what if the entire pipeline is only 2 miles long? Would that have to be reported as a type E even though it doesn't come close to the mileage under a type D? What if the operator only sells a two mile portion of a larger system? It is unclear as to why one transaction would need to be reported and not the other. Type D may be superfluous if PHMSA requires information from acquisition or divestiture of any pipeline facility as well Is PHMSA's intent to have the "Pipeline Facility" designation act as a catchall for DOT tank farms, terminals, and other regulated assets? It is unclear what PHMSA's intent is in asking operators to report all divestitures/acquisitions for any pipeline facility, please clarify.

Please clarify whether, in Type F (construction or any planned rehabilitation), all basic rehabilitation work is included in this report and whether offshore connections should be included. Also, the phrase "other than line section pipe" is confusing. Does that mean a \$10 million reroute that involved only work with line pipe is not something that PHMSA wants reported? Generally, this form appears to have exempted all integrity work from being reported. For example, as currently written, a line rehabilitation project costing \$11 million dollars based on an ILI tool run would not need to be reported. Is this the intent of PHMSA?

In Type F and G, anticipated start dates are required. Sixty days from construction, those dates could easily slip. Is there any expectation that those dates would need to be updated?

In Type G, it is not appropriate to include an operations question referring to maximum allowable operating pressure (MAOP) in an ID data form.

Step 3. Supplemental Information for Pipelines and Pipeline Facilities.

In Step 3, Question 1, you can select all that apply for commodity types, but question 1 restricts the use of this form to one commodity type. This seems to be a conflict in the form.

In Step 3, Questions 1, please see our comments on hazardous liquid caverns/vessels above.

In Step 3, Question 3, subparts 3d, 3m, and 3q, PHMSA asks for mile divested, which seems to be a better fit under the section on divestitures. This section has questions that apply only to one notification type or the other. It is anticipated that the online entry system will automatically direct the operator to the correct questions for the change type. All of question 3 on the paper form is confusing at best with trying to make it a fit for all of the change types contained in this form.

For Step 3, Question 4, PHMSA should provide an example show what level of detail it expects in response.

There is no place on the notification form for changes in company contact information. As mentioned above, this capability should be available through some mechanism.

Timing, Burden, and Quality of Data

In reviewing this form, our members pointed out that navigation strictly on paper is cumbersome, confusing, and time-consuming. The forms are unnecessarily complicated and section header boxes are filled with text that is more appropriately captured in the forms' instructions. We urge PHMSA to utilize electronic collection techniques to minimize the burden on both the reporter and PHMSA, as this would be more reasonable. Further, we assume that the online system, when launched, will have "smart navigation" to streamline the reporting process by removing non-relevant sections based on earlier responses. PHMSA's priority should be to make sure that companies can easily enter and continue to update vital operator information.

Operators should have the reporting capability to update all information that may be used. Further, a drop-down menu should be available for those questions, such as type of person contact or region information.

In conversing with our members, we have determined that none of these sections will meet the fifteen minute time estimate, especially if the form is completed on paper. Operators expect that the burden is more than three times this estimate.

This form asks for information that extends beyond the One Rule rulemakings, and could be construed as regulatory rulemaking without notice and comment. For example, nowhere in the regulation is there a requirement to report all counties for changes reported to PHMS's OPID registry.

PHMSA should strive to expand the instructions where necessary to add relevant and detailed examples and recommendations. Operators desire to give the correct information to PHMSA the first time a form is filed, and helpful and useful instructions can go a long way in facilitating that goal.

As PHMSA considers the comments received, API and AOPL would welcome the opportunity to discuss our comments with agency staff and other stakeholders.

Thank you, in advance, for consideration of our comments.

Peter J. Sidral.

Sincerely,

Peter T. Lidiak Director, Pipeline

API

Andrew J. Black President and CEO

Arrohen of Blad

AOPL