

**DEPARTMENT OF TRANSPORTATION**

**INFORMATION COLLECTION  
SUPPORTING STATEMENT**

**Reporting Requirements for Hazardous Liquid Pipeline Operators: Hazardous Liquid  
Annual Report**

**OMB Control Number 2137-0614**

**Docket No. PHMSA 2013-0003**

This supporting statement is associated with a request for revision of a previously approved information collection. PHMSA has revised the Annual Report for Hazardous Liquid Pipeline Systems (PHMSA F 7000–1.1, hazardous liquid annual report form) to: (1) Remove sections A3, A6, and A8 which are of limited value (PART A); (2) Obtain additional information on a by-state basis (PARTS D and E); (3) Improve information collection on mileage of older pipe (PART I); and (4) Require reporting of actionable anomalies removed due to pipe replacement or abandonment (PART F) As a result of these changes, the burden for this collection has **increased by approximately 411 hours.**

**Part A. Justification**

**1. Circumstances that make the collection of information necessary.**

The Hazardous Liquid Annual Report supports the Department of Transportations strategic goal of safety. PHMSA shares responsibility for inspecting and overseeing the safety of hazardous liquid and carbon dioxide pipelines with many state pipeline safety offices. Pipeline operators are currently required to document safety incidents and report them to PHMSA. In past years, Congress and the National Transportation Safety Board (NTSB) tasked PHMSA to improve the quality of pipeline data analyses. The hazardous liquid annual reports support this goal.

Authority for 49 CFR Part 195 includes 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60118; and 49 CFR 1.53.

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

PHMSA uses the information to compile a national pipeline inventory, identify and determine the scope of safety problems, and target inspections. Additionally, State agencies and the Federal government use this information to identify pipeline systems or operators that have repeated issues with safety. The information is shared via the PHMSA website (<http://phmsa.dot.gov/pipeline/library/data-stats>).

**3. Extent of automated information collection.**

As specified in 49 CFR § 195.58, PHMSA requires operators to submit all required reports electronically with an exception for those operators to whom electronic submissions would pose

an undue burden and hardship. Pipeline operators are encouraged to file the annual reports on-line at [www.opsweb.phmsa.dot.gov](http://www.opsweb.phmsa.dot.gov). PHMSA expects 100 percent of the affected universe to submit their annual reports electronically.

**4. Describe efforts to identify duplication.**

This information is not currently being collected by any other agency. Operators of hazardous liquid and carbon dioxide pipelines are only required to complete one annual report per pipeline system.. The annual report compiles the entire year's data in a single source.

**5. Efforts to minimize the burden on small businesses.**

PHMSA expects impacted operators to include both large and small businesses and therefore the requirements will impact small businesses. For PHMSA to be able to effectively carry out its legislative mandate and monitor natural gas pipeline safety, it is essential that both large and small operators of pipelines provide annual reports.

**6. Impact of less frequent collection of information.**

PHMSA would not be able to appropriately and properly assess the integrity of the pipeline system without the annual reports. Less frequent information collection could compromise the safety and economic viability of the U.S. pipeline system.

**7. Special Circumstances.**

No special circumstances for reporting are expected.

**8. Compliance with 5 CFR 1320.8(d).**

A notice and request for comments was published in the Federal Register on February 6, 2013 under Docket No. PHMSA-2013-0003 (78 FR 8699) inviting public comment on the proposed revisions to this information collection. PHMSA received one joint comment from the American Petroleum Institute (API) and the Association of Oil Pipelines (AOPL) on this collection. Most of the comment was in reference to the reporting of information in Parts D and E on a by-state basis. API and AOPL commented that state-by-state reporting for parts D and E will not enhance pipeline safety or provide meaningful data, and that data collection will impose more burden on operators than PHMSA estimated.

PHMSA maintains the importance of collecting the information reported in Parts D and E on a by-state basis. PHMSA funds up to 80 percent of costs for state pipeline safety programs. By-state reporting will increase PHMSA's ability to oversee state pipeline regulatory activities. Without by-state reporting for the proposed information, PHMSA is unable to respond to elementary questions from State Governors, Senators, Congressmen, and the media, who frequently ask for such information especially following significant accidents within their state.

Safety analysis is a large part of PHMSA's mission, but responding to information needs from stakeholders is also critical to the mission. By-state information can also help track overall improvements in pipe inventory at a state level, which aides in understanding national improvement trends.

The annual report currently collects data about the size, age, pressure range, and high consequence area status on both a bystate and by-commodity basis. Fifty-six percent of operators in the calendar year 2011 data set reported in only one state. There will be no additional burden for these operators. For the 44 percent of operators reporting in more than one state, PHMSA expects that the additional data proposed for collection is already integrated with information systems containing the data currently reported on both a by-state and bycommodity basis.

On July 11, 2013, PHMSA published a notice in the Federal Register (78 FR 41831) requesting additional comments on the proposed revisions to the Hazardous Liquid Annual report. PHMSA received two comments – one from the Pipeline Safety Trust (PST) and a joint comment from The American Petroleum Institute (API) and the Association of Oil Pipelines (AOPL). A summary of the comments, along with PHMSA's response, is detailed below:

API and PST both fundamentally agree that separating replacement of pipe from repairs for Part F reporting is important.

API objects to by-state reporting in Parts D and E where PST endorses by-state reporting. API cites that many companies do not have the information we propose by states in GIS systems, therefore, reporting by-state will be time consuming, difficult, and from their point of view, not useful. Specifically, API stated that “many operator systems are designed so that operators must manually sort through data in order to assemble the requested information, which is a time consuming, cumbersome process. The information is not readily available or easily accessible and the proposed modifications will not enable PHMSA or operators to better understand the risks associated with hazardous liquids pipelines, or otherwise advance the goals of pipeline safety. As the industry stated in previous comments and testimony, pipelines are not managed according to geopolitical boundaries but rather by the physical features of the pipelines and environments they operate in.”

PST stated that “we find the by-state data collected by PHMSA to be a critical element in the ability to track progress in pipeline safety around the country. Some states are certified to oversee intrastate pipelines, and by-state data is crucial to understanding how those state regulators are doing in that role. By-state data is also useful for analyzing differences among states and exploring nuances that may help lead to improved safety.”

PHMSA notes that in discussions with API in 2007 that API endorsed obtaining annual report filing via GIS submission, stating that they believed that most companies had GIS systems and had the relevant information within GIS systems. While API seems to think that somehow since 2007 companies have perhaps demodernized, PHMSA would not agree but would rather think that perhaps the number of companies without GIS systems has decreased, not increased. To the

point that API makes about geopolitical boundary information being irrelevant to safety, perhaps API lives in a world where they think the need for information by state politicians, needed in turn for the citizens they represent, is of little to no value. PHMSA disagrees. In fact, in recent years, tragic pipeline failures like those in San Bruno, CA and others have increased the interest in such information by state Governors, Congress, and others. Pipeline safety information does not solely exist to further pipeline safety research. It helps to distinguish companies with good practices and good infrastructure from those with substandard safety practices and poor infrastructure. PHMSA has repeatedly emphasized the need for the information from a variety of perspectives in response to API recent concerns about providing by-state information.

PHMSA agrees with PST that by-state data is crucial for a variety of information needs and does not agree with API that by-state information does not serve a purpose.

**9. Payment or gifts to respondents.**

There are no payments or gifts to respondents associated with this information collection.

**10. Assurance of confidentiality.**

PHMSA does not have the authority to guarantee confidentiality.

**11. Justification for collection of sensitive information.**

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

**12. Estimate of burden hours for information requested.**

Based on the revisions to the information collection, PHMSA estimates the following burden:

Responses: 447  
Burden Hours: 8,457

PHMSA previously estimated that approximately 335 HL operators file an estimated 447 reports each year at a rate of 18 hours per report for a burden of 8,046 hours annually.

PHMSA is revising this information collection to require the reporting of abandoned or replaced pipelines in high consequence areas. Based on this revision, PHMSA estimates that ten percent of reporting companies will abandon or replace pipe in high consequence areas in any given year. PHMSA estimates that 30 minutes would be required to collect and report this information, resulting in **an increase in burden of 16.75 hours** (335 total operators × .10 affected × .5 hours). For the purpose of calculating burden hours, this amount has been rounded up to **17 additional hours**.

PHMSA is also revising this information to require operators to submit “by-state” data for Parts D&E. Currently, 44% of hazardous liquid operators (approx. 197 operators) submit interstate data. These are the operators that would primarily be affected by “by-state” reporting requirements. PHMSA estimates that it will take these operators an additional 2 hours to collect and disseminate this information on a by-state basis. As a result, PHMSA is adding an **additional 394 burden hours** (197 operators x 2 hours) for the collection of this information.

The revisions detailed above will result in an overall burden **increase of 411 hours** for a **total reporting burden of 8,457 hours** (8,046 currently approved burden hours + 411 additional hours).

### **13. Estimate of the total annual costs burden.**

It is expected that a senior engineer will complete the form. PHMSA estimates the engineer’s hourly wages at \$63.00 per hour (fully loaded). This will result in a cost estimate \$532,791.00 (63.00\*8,457).

### **14. Estimates of costs to the Federal Government.**

PHMSA will continue to review the annual reports from the pipeline operators, and does not expect any additional administrative costs associated with these revisions.

### **15. Explanation of the program change or adjustments.**

PHMSA is making revisions to the Hazardous Liquid Annual Report to improve the quality of data received by hazardous liquid pipeline operators. Revisions to the Hazardous Liquid Annual Report include streamlining the collection of information in the Hazardous Liquid Annual report by (1) Removing sections A3, A6, and A8 which are of limited value (PART A); (2) Obtaining additional information on a by-state basis (PARTS D and E); (3) Improving information collection on mileage of older pipe (PART I); and (4) Requiring reporting of actionable anomalies removed due to pipe replacement or abandonment (PART F). These revisions will allow PHMSA to better analyze the health and safety of the nation’s pipeline infrastructure and provide better support to our state partners and other stakeholders.

### **16. Publication of results of data collection.**

Annual reports summaries for hazardous liquid pipelines are available at the PHMSA website (<http://phmsa.dot.gov/pipeline/library/data-stats>).

### **17. Approval for not displaying the expiration date of OMB approval.**

PHMSA does not seek approval to not display expiration date.

**18. Exceptions to the certification statement.**

There are no exceptions to the certification statement.