

pipeline failure could have significant impact. These specify that RSPA/OPS:

(1) Prescribe standards establishing criteria for identifying gas pipeline facilities located in high-density population areas (49 U.S.C. 60109(a)(2)).

(2) Prescribe, if necessary, additional standards requiring the periodic inspection of pipelines in high-density population areas, to include any circumstances when an instrumented internal inspection device, or similarly effective inspection method, should be used to inspect the pipeline (49 U.S.C. 60102(f)(2)).

(3) Survey and assess the effectiveness of Remote Control Valves (RCVs) to shut off the flow of natural gas in the event of a rupture of an interstate natural gas pipeline facility and make determination about whether the use of these valves is technically and economically feasible and would reduce risks associated with a rupture of an interstate natural gas pipeline facility. If the use of these valves determined to be technically and economically feasible and would reduce risks associated with a rupture of an interstate natural gas pipeline facility, then prescribe standards on the circumstances where an operator of a gas transmission pipeline facility must use an RCV (49 U.S.C. 60102(j)).

Risk Management and Systems Integrity Inspection Initiatives

This proposed rulemaking is also based on what we learned about integrity management programs from our risk management and pipeline inspection activities, particularly the Risk Management Demonstration Program, the Systems Integrity Inspection (SII) Pilot Program and the new high impact approach to inspections. These precursor activities began in 1997.

In the Risk Management Demonstration and Systems Integrity Inspection Pilot Programs, we studied and evaluated comprehensive and integrated approaches to safety and environmental protection. These approaches incorporated operator- and pipeline-specific information and data to identify, assess, and address pipeline risks, in conjunction with compliance with existing pipeline safety regulations. From these programs, we also expanded our knowledge of the extent and variety of internal inspection and other diagnostic tools that hazardous liquid pipeline operators use in their integrity management programs. We also learned of the wide variability in the extent and effectiveness of programs in use by operators to support management of pipeline integrity.

Additionally, based on risk management principles, RSPA/OPS implemented a systems approach through a new high impact inspection format that evaluates pipeline systems as a whole, rather than in small

segments. The focus of the high impact inspection is on understanding how operators are addressing the issues that have been recognized as important through past inspections and incident history. High impact inspections are carried out periodically for each operator and the results are documented using heavier reliance on narrative description rather than on acceptability check marks. We found that a system-wide approach rooted in evaluation of operator response to incidents and recognized performance issues is a more effective and, in most cases, more efficient means of evaluating pipeline integrity. As part of this approach, we evaluate how pipeline operators integrate information about their pipelines to identify sources of risk and to determine the best means of addressing risk. This experience is helping us develop detailed inspection guidelines to evaluate compliance with the requirements of this rule.

RSPA/OPS continues to meet with representatives of the gas pipeline industry, research institutions, State pipeline safety agencies and public interest groups, to gather the information needed to propose an integrity management program (IMP) rulemaking pertaining to gas operators. Since January 2000, RSPA/OPS has attended several meetings with representatives of the Interstate Natural Gas Association of America (INGAA), the American Gas Association (AGA), Battelle Memorial Institute, the Gas Technology Institute (GTI), Hartford Steam Boiler Inspection and Insurance Company, several gas pipeline operators and several representatives of State pipeline safety agencies. (See DOT Docket No. 7666 for summaries of the meetings.) We also have met separately with Western States Land Commissioners, National Governors Association, National League of Cities, National Council of State Legislators, Environmental Defense Fund, Public Interest Reform Group, and Working Group on Communities Right-To-Know.

On February 12–14, 2001, RSPA/OPS held a public meeting in Arlington, VA, on integrity management in high consequence areas for natural gas pipelines. At this meeting, reports on the status of industry and government activities on how to improve the integrity of gas pipelines were featured and meeting attendees participated in in-depth discussions on the integrity of gas pipelines. The reports can be found in the DOT docket (#7666) and the RSPA/OPS Web site under Initiatives/ Pipeline Integrity Management Program/ Gas Transmission Operators Rule.

At the public meeting, industry and State representatives presented their perspectives on a number of issues relating to integrity management.

Gas Advisory Committee Consideration

The Technical Pipeline Safety Standards Committee (TPSSC) is the Federal advisory committee charged with responsibility for advising on the technical feasibility, reasonableness, cost-effectiveness, and practicability of gas pipeline safety standards. The 15 member committee is comprised of individuals from industry, government, and the general public.

On February 7, 2001, RSPA/OPS briefed TPSSC members on gas integrity management program development. After canceling the September 13, 2001 meeting with TPSSC members, we sent all presentation materials and progress reports to committee members by mail for their comments or concerns. In May, 2002, we sent a document highlighting major issues in the gas integrity management rule to the TPSSC members. On July 18, 2002 the TPSSC met to review the Gas Transmission Pipeline HCA Rule and the cost-benefit analysis for the Gas Pipeline Integrity Management Program Rule. The committee voted unanimously to accept the cost benefit analysis as the basis for proceeding with the integrity management rule provided RSPA/OPS gives consideration to several issues. These issues and the related RSPA/OPS positions are summarized below.

The committee noted that the pipeline covered by the IMP Rule would include class 3 and 4 locations. RSPA's initial estimates of the total mileage in Class 3 and 4 locations turned out to be low because it was based on earlier data. Natural gas transmission pipeline operators were required to include in their 2001 annual reports the breakdown of their onshore pipeline mileage by class location, but this information was not available at the time the preliminary draft analysis discussed with the TPSSC was prepared.

RSPA/OPS has modified the cost benefit analysis to use the industry-reported mileage in classes 3 and 4. Because the industry regularly determines the classification of its lines, industry is in a better position than RSPA/OPS to estimate the amount of this mileage. RSPA/OPS is aware that there may be some discrepancy both between RSPA/OPS and operators and among operators as to how to calculate Class 3 locations. The variation in the manner in which class 3 locations are calculated involves the concept of clustering of buildings intended for