

includes pipelines within storage fields as transmission lines. Thus, this proposed rule covers pipelines within storage fields. Pipeline, by definition, means all parts of those physical facilities through which gas moves in transportation, including pipe, valves and other appurtenances attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies. The proposed rule does not apply to gas gathering or to gas distribution lines.

(c) What Must an Operator Do?
Proposed § 192.763(c)

The rule proposes that no later than one year after the effective date of the final rule, each operator is required to establish a written integrity management program that addresses the threats on each pipeline segment that could impact a high consequence area. The operator would then implement and follow the program it has developed. Initially, the program would consist of a framework. Within one year after the final rule becomes effective, we would expect an operator's integrity management program to consist of:

- Identification of all pipeline segments that are in a high consequence area as defined in § 192.761 (and expanded by this proposed rule). It would also include categorization of whether these segments fall into a potential impact zone. All segments identified will be required to have enhanced integrity protection. The identification of potential impact zones is required to determine the length of baseline assessment intervals for these segments. Because identification of the pipeline segments is the trigger for all other integrity management requirements, the identification must be done within one year from the final rule's effective date. When evaluating the consequences of a failure within the potential impact zone the operator refer to Section 3.3 of ASME/ANSI B31.8S for a minimum set of consequence factors to consider.

- A program framework that addresses each of the required program elements, including continual integrity assessment and evaluation. The framework is required to document how decisions will initially be made to implement each element. To be effective, an integrity management program must constantly change. RSPA/OPS expects that the initial program will consist of a framework that specifies the criteria for making decisions to implement each of the required elements. The program evolves from the framework and must continue

to change to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. In addition, the program must evolve to reflect the best practices used in the pipeline industry to assure pipeline integrity. An operator will have to document any change it makes to its program before implementing the change. In addition, if a change is significant enough that it affects the program's implementation or significantly modifies the program, the operator must notify OPS within 30 days of adopting the change into its program. An initial decision on the type of assessment method an operator is going to use is not considered a significant change.

- A plan for baseline assessment of the pipeline. The plan must identify segments to be assessed, applicable threats for each segment, method(s) selected to assess each pipeline segment (including internal inspection tool or tools, pressure test, direct assessment, or other technology that the operator demonstrates can provide an equivalent understanding of the condition of the line pipe), the basis on which each assessment method was selected, and a schedule for completing the baseline integrity assessment. An operator would also have to show that it is conducting the assessment in a manner that minimizes environmental and safety risks. See also the preamble discussion under section 192.763(e).

- A direct assessment plan for operators intending to use one of the direct assessment processes, describing how these processes will be used, including identification of External Corrosion Direct Assessment Regions.

To carry out the requirements of the proposed rule, an operator would, where specified, follow the prescriptive requirements of ASME/ANSI B31.8S, and its appendices, unless the proposed rule provides otherwise, or the operator demonstrates that an alternative practice is supported by a reliable engineering evaluation and provides an equivalent level of safety for the public and their property.

Performance-Based Option. ASME/ANSI B31.8S provides the essential features of both a performance-based and a prescriptive integrity management program. The proposed rule allows an operator to use a performance-based approach if the operator satisfies certain exceptional performance requirements. If the operator satisfies these requirements, the proposal would allow an operator to deviate from certain

integrity management performance requirements—the time frame for reassessment, as long as a confirmatory direct assessment were done every seven years, using direct assessment as a primary method without having to satisfy the pre-conditions and the time frames for remediating anomalies found during the assessment.

- *Exceptional Performance.* To show exceptional performance the rule proposes that an operator have completed a baseline assessment of all covered pipeline segments, and at least one other assessment; remediate all anomalies identified in the second assessment according to specified requirements; and incorporate the results and lessons learned from the second assessment into the operator's risk model. An operator would also have to demonstrate that it has an exceptional integrity management program that meets the performance-based requirements of ASME/ANSI B31.8S, has a history of measurable performance improvement, and includes, at minimum:

- (A) A state-of-the-art process for risk analysis;

- (B) all risk factor data used to support the program;

- (C) a state-of-the-art data integration process;

- (D) a process that applies lessons learned from assessment of covered pipe segments to pipe segments not covered by this section;

- (E) a process for evaluating all incidents, including their causes, within the operator's sector of the pipeline industry for implications both to the operator's pipeline system and to the operator's integrity management program;

- (F) a performance matrix that confirms the continuing performance improvement realized under the performance-based program;

- (G) a set of performance measures beyond those that are required that are part of the operator's performance plan and are made accessible in real time to OPS and state pipeline safety enforcement officials; and

- (H) an analysis that supports the desired integrity reassessment interval and the remediation methods to be used for all pipe segments.

(d) What Are the Elements of an Integrity Management Program?
Proposed § 192.763(d)

The proposed rule requires an operator to include certain minimum elements in its integrity management program that are either specified in the proposed rule or in the ASME/ANSI B31.8S standard. Initially, an operator