

successful. The notice must be submitted within 15 days of Georgia-Pacific's determination, but not later than March 16, 2005.

(ii) For operation under § 63.863(c)(2), submit a notice providing: a statement that Georgia-Pacific Corporation intends to run the Kraft black liquor trials, the anticipated period in which the trials will take place, and a statement explaining why the trials could not be conducted prior to March 1, 2005. The notice must be submitted at least 30 days prior to the start of the Kraft liquor trials.

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[FR Doc. 03-19919 Filed 8-4-03; 8:45 am]

BILLING CODE 6560-50-P

## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

#### 49 CFR Parts 191, 192, and 195

[Docket Number RSPA-99-6132; Amdt. Nos. 191-15, 192-92, 195-72]

RIN 2137-AD42

#### Pipeline Safety: Producer-Operated Outer Continental Shelf Natural Gas and Hazardous Liquid Pipelines That Cross Directly Into State Waters

**AGENCY:** U.S. Department of Transportation (DOT), Research and Special Programs Administration (RSPA).

**ACTION:** Final rule.

**SUMMARY:** This final rule addresses the safety regulation responsibility for producer-operated natural gas and hazardous liquid pipelines that cross into State waters without first connecting to a transporting operator's facility on the Outer Continental Shelf (OCS). This rule specifies the procedures by which producer operators can petition for approval to operate under safety regulations governing pipeline design, construction, operation, and maintenance issued by either the Research and Special Programs Administration (RSPA) or the Department of the Interior (DOI), Minerals Management Service (MMS).

**DATES:** This rule is effective September 4, 2003.

**FOR FURTHER INFORMATION:** You may contact L.E. Herrick by telephone at (202) 366-5523, by fax at (202) 366-4566, by mail at U.S. Department of Transportation, RSPA, DPS-10, Room 7128, 400 Seventh Street, SW., Washington, DC 20590, or via e-mail to

*le.herrick@rspa.dot.gov* regarding the subject matter of this notice.

For copies of this notice or other material that is referenced herein you may contact the Dockets Facility by telephone at (202) 366-5046 or at the addresses listed above. The public may also review material in the docket by accessing the Docket Management System's home page at *http://dms.dot.gov*.

#### SUPPLEMENTARY INFORMATION:

##### 1. Background

##### *Notice of Proposed Rulemaking*

On April 5, 2002, RSPA's Office of Pipeline Safety (OPS) published a notice of proposed rulemaking (67 FR 16355) that addressed safety regulation responsibility for producer-operated natural gas and hazardous liquid pipelines that cross into State waters without first connecting to a transporting operator's facility on the Outer Continental Shelf (OCS). This final rule implements that proposal.

In May 1996, MMS and RSPA met with a joint industry workgroup, which was led by the American Petroleum Institute (API). The workgroup suggested that the agencies rely upon individual operators of natural gas and hazardous liquid production and transportation pipeline facilities to identify the boundaries of their respective facilities. MMS and RSPA agreed with the industry proposal and entered into an interagency Memorandum of Understanding (MOU) on December 10, 1996. The MOU was published in a joint MMS/RSPA **Federal Register** Notice (February 14, 1997; 62 FR 7037). The MOU placed, to the greatest practical extent, OCS production pipelines under MMS safety regulation and OCS transportation pipelines under RSPA safety regulation.

The MOU established a regulatory boundary on the OCS at the point operating responsibility for the pipeline transfers from a producing operator to a transporting operator. The MOU did not address regulatory responsibility for producer-operated pipelines that cross the Federal/State boundary without a transfer on the OCS or producer-operated pipelines that flow from wells located in State waters to production platforms located on the OCS.

The purpose of this final rule is to address the regulatory question for producer-operated pipeline facilities that cross the Federal/State boundary without first connecting to a transporting operator's facility on the OCS and to establish a procedure whereby OCS operators may petition to have their pipelines regulated by either

RSPA or MMS. This rule amends 49 CFR 191.1(b)(1), 192.1(b)(1), and 195.1(b)(5).

Regardless of the direction of flow, producer pipelines that cross the Federal/State boundary are always subject to RSPA regulation on the portions of the lines located in State waters. However, it does not make operational sense to have a pipeline segment crossing the Federal/State boundary subject to MMS regulations on the OCS side of the boundary and RSPA regulations on the State side of the boundary. A regulatory boundary point is better defined in terms of a specific valve that isolates one segment of a pipeline from another. By contrast, the Federal/State geographic boundary does not allow the isolation of facilities on each side of the boundary.

Therefore, for producer-operated pipeline facilities that cross into State waters without first connecting to a transporting operator's facility on the OCS, the pipeline segments located upstream (generally seaward) of the last valve on the last production facility are exempted from compliance with 49 CFR Parts 190-199. Safety equipment protecting RSPA regulated pipeline segments are not excluded.

Under this arrangement, producer-operated pipeline facilities upstream (generally seaward) of the last valve on the last production facility on the OCS are regulated under MMS regulations. RSPA/OPS will continue to inspect all upstream safety equipment (including valves, overpressure protective devices, cathodic protection equipment, and pigging devices) that protect the integrity of the RSPA/OPS-regulated pipeline segments. This arrangement is consistent with the general intent of the MOU.

However, an important principle of the industry agreement leading to the MOU is to allow the pipeline operators to decide the regulatory boundaries on or near their facilities. Therefore, producer pipeline operators may petition RSPA/OPS under 49 CFR 190.9 for approval to operate under RSPA/OPS regulations governing pipeline design, construction, operation, and maintenance. In considering such petitions, RSPA/OPS will consult with MMS and affected parties.

This rule affects about 215 producer-operated pipelines that are regulated according to a now-superseded 1976 MOU between DOI and DOT. By exempting the producer-operated pipelines from RSPA/OPS regulation, this rule will reduce overlapping regulation in accordance with the MOU of December 10, 1996. The rulemaking