

the overall energy supply, distribution, and use.

### Unfunded Mandates

This final rule does impose unfunded mandates under the Unfunded Mandates Reform Act of 1995, because it may result in the expenditure by the private sector of 100 million or more in any one year. The cost-benefit analysis estimating yearly cost for operators to meet the final rule requirements has been placed in the docket. State pipeline safety programs will share inspection and enforcement responsibilities for the integrity management regulation. State regulators have participated in our meetings with the industry and research institutions on various integrity management issue discussions and have provided recommendations during our meetings and conference calls. State pipeline safety officials have expressed concern that the rule is to be sufficiently clear to enable them to enforce it and that there needs to be training for state inspectors. The final rule has been significantly modified to improve its clarity and enforceability and specific state comments on these areas have been addressed in sections discussing the changes. RSPA/OPS has planned an approach to enforcement that includes the extensive use of protocols for inspectors (both Federal and State) to use for compliance inspections and for training in the use of these protocols. RSPA/OPS has included funding for training inspectors within the budget for implementation of integrity management program. RSPA/OPS does not charge states tuition for pipeline safety training. In addition, 50 percent of a state's incidental costs of attending training is reimbursable through the grants program. Similar training is already underway regarding the integrity rule for hazardous liquid pipelines. Local public safety officials will be asked, but not required, to assist in identifying HCAs for the additional protections. In addition, industry associations are planning workshops in the development process to assist in identification of HCAs. We believe there are no disproportionate budgetary effects upon any particular region of the nation. We believe it is the least burdensome alternative that achieves the objective of the rule, because it gives options to industry on how to implement the rule.

### National Environmental Policy Act

We have evaluated the final rule for purposes of the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and have concluded that this action would

not significantly affect the quality of the environment. The Environmental Assessment determined that the combined impacts of the baseline assessment (pressure testing, internal inspection, or direct assessment), the periodic reassessments, and the additional preventive and mitigative measures that may be implemented for gas pipeline segments that could affect HCAs will result in positive environmental impacts. The number of incidents and the environmental damage from failures near HCAs is likely to be reduced. However, from a national perspective, the impact is not expected to be significant.

Although the effects of the final rule will likely lead to fewer incidents, gas pipeline leaks that lead to adverse environmental impacts are rare under current conditions. Although the damage from failures could be reduced, the environmental damage resulting from gas pipeline failures is usually minor under current conditions. The effects are typically negligible, but can consist of localized, temporary damage to the environment in the immediate vicinity of the failure location on the pipeline.

Some operators covered by the final rule already have integrity assessment programs. These operators typically consider the pipeline's proximity to populated areas when making decisions about where and when to inspect and test pipelines. As a result, some pipeline segments that could impact high consequence areas have already been recently assessed, and others would be assessed in the next several years without the provisions of the final rule. The primary effect of the final rule—accelerating integrity assessment in some high consequence areas—shifts increased integrity assurance forward for a few years for some segments that could affect high consequence areas. Because pipeline failure rates are low, shifting the time at which these segments are assessed forward by a few years has only a small effect on the likelihood of pipeline failure in these locations.

The final rule does require operators to conduct an integrated assessment of the potential threats to pipeline integrity, and to consider additional preventive and mitigative risk control measures to provide enhanced protection. If there is a vulnerability to a particular failure cause, these assessments should result in additional risk controls to address these threats. However, without knowing the specific high consequence area locations, the specific risks present at these locations, and the existing operator risk controls

(including those that surpass the current minimum regulatory requirements), it is difficult to determine the impact of this requirement.

Some gas pipeline operators already perform integrity evaluations or risk assessments that consider the environmental impacts. These evaluations have already led to additional risk controls beyond existing requirements to improve protection for these locations. For many segments, it is probable that operators will determine that the existing preventive and mitigative activities provide adequate protection to high consequence areas, and that the small additional risk reduction benefits of additional risk controls are not justified.

The primary benefit of the final rule will be to establish requirements for conducting integrity assessments and periodic evaluations of integrity of segments that could impact high consequence areas. This will codify the integrity management programs and assessments operators are currently implementing. It will also require other operators, who have little, or no, integrity assessment and evaluation programs to raise their level of performance. Thus, the final rule is expected to ensure a more consistent, and overall higher level of protection for high consequence areas across the industry.

The Environmental Assessment of this final rule is available for review in the docket.

### List of Subjects in 49 CFR Part 192

High consequence areas, Incorporation by reference, Integrity management, Pipeline safety, Potential impact areas, Reporting and recordkeeping requirements.

■ In consideration of the foregoing, RSPA/OPS is amending part 192 of title 49 of the Code of Federal Regulations as follows:

### PART 192—[AMENDED]

■ 1. The authority citation for part 192 continues to read as follows:

**Authority:** 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60110, 60113, and 60118; and 49 CFR 1.53.

### § 192.761 [Removed]

■ 2. Section 192.761 is removed.

■ 3. In part 192, under the heading of Pipeline Integrity Management, a new subpart O is added to read as follows:

### Subpart O—Pipeline Integrity Management

Sec.  
192.901 What do the regulations in this subpart cover?