

**DEPARTMENT OF TRANSPORTATION  
BEFORE THE  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

Pipeline Safety: Information Collection Activities, )  
Revision to Annual Report for Hazardous Liquid )      Docket No. PHMSA-2013-0003  
Pipeline Systems )

**COMMENTS OF  
THE AMERICAN PETROLEUM INSTITUTE  
AND THE ASSOCIATION OF OIL PIPE LINES**

The American Petroleum Institute (“API”)<sup>1</sup> and the Association of Oil Pipe Lines (“AOPL”)<sup>2</sup> hereby submit comments in response to the February 6, 2013, *Notice and Request for Comment* issued by the Pipeline and Hazardous Safety Administration (“PHMSA”). API and AOPL commend PHMSA for its initiative in revising the Annual Report. Indeed, many stakeholders will benefit from the increased clarity and efficiencies resulting from the proposal. As discussed below, API and AOPL seek only limited modifications to the proposal.

**I. Obtaining Additional Information On A State-by-State Basis (Parts D and E)**

API and AOPL believe that state-by-state reporting would not enhance pipeline safety, nor provide meaningful data, and will impose a greater burden on pipeline operators than the Notice indicates. In the Notice, PHMSA seeks additional information in Part D (seeking miles by steel pipe by corrosion protection) and Part E (seeking miles of electric resistance welded (ERW)) on a state-by-state basis, rather than on a total mileage basis, as it is currently collected. Several aspects of this proposal raise concern with imposing an unnecessary reporting burden that would not advance the cause of pipeline safety.

At the outset, it should be recognized that, although the Notice states that state-by-state information is “essential for PHMSA’s response to state regulators, Congress, state officials, and the public following pipeline incidents,” the Notice fails to explain how the data will be used to

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<sup>1</sup> API represents over 500 oil and natural gas companies, leaders of a technology-driven industry that supplies most of America’s energy, supports more than 9.2 million jobs and 7.5 percent of the U.S. economy, and, since 2000, has invested nearly \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives.

<sup>2</sup> AOPL is a national trade association that represents owners and operators of oil pipelines across North America, and educates the public about the vital role oil pipelines serve in the daily lives of Americans. AOPL members bring crude oil to the nation’s refineries and important petroleum products to our communities, including all grades of gasoline, diesel, jet fuel, home heating oil, kerosene, propane, and biofuels. Together, API and AOPL members operate approximately 90% of the hazardous liquids pipeline miles in the United States.

quantify risk or advance pipeline safety. Indeed, AOPL and API submit that the additional and more granular data proposed to be collected will not advance PHMSA's goal of achieving a safer national pipeline network. PHMSA already receives the data on a total system basis, which is consistent with PHMSA regulatory approach of overseeing the safety of the interstate liquids pipeline network overall, not on a state-by-state basis.

In addition, the Notice's regulatory impact analysis underestimates the burden of the revisions upon pipeline operators. The Notice states that "PHMSA believes that most of the regulated hazardous liquid pipeline industry already collects this information on a by-state basis so the burden for providing it would be minimal." In fact, the Notice seems to incorrectly characterize the nature of the information currently collected by the industry and seeks a level of reporting granularity that imposes significant burdens. The industry does not collect this information, but rather, it collects total intrastate mileage through its Pipeline Performance Tracking System ("PPTS"), a reporting system where industry members voluntarily report release data in an effort to understand and improve industry performance. The proposal set forth in the NOPR would take this basic reporting of total mileage several steps further, requiring the intrastate data be broken down additionally into a complex matrix which would categorize state pipeline mileage by material type, corrosion prevention status, and location onshore or offshore. Consequently, the Notice would compel operators to further collect and sort the information into smaller subcategories. Compiling, mining, and assessing the data in the complex matrices that the Notice proposes is not a trivial exercise. API and AOPL would not characterize this burden as minimal.

Moreover, the burden estimates included in the Notice do not consider the costs required by operators to modify their existing geospatial technological architecture to incorporate these changes. In general, API and AOPL members manage their data networks on a system wide foundation, not a statewide foundation. Consequently, operators are not able to easily access the information that would be collected, and would need to modify their systems to access this data more readily. In fact, during the Report's last revision, which occurred only a few years ago, operators incurred noteworthy modification costs to upgrade their geospatial architecture. Those operators that are unable to upgrade current systems will be relegated to manually mining the data for this information, expending significant time and human resources not fully recognized in the Notice's burden estimate.

API and AOPL also request that PHMSA recognize the differences between hazardous liquid and natural gas operators. For example, hazardous liquids operators incur heightened reporting obligations for this Report because they are required to complete a separate Report for each commodity transported.<sup>3</sup> Indeed most hazardous liquids operators transport more than one commodity, and consequently, complete several Annual Reports. This distinction is just one example demonstrating that comparisons between the natural gas and hazardous liquid operators are generally not commensurate.

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<sup>3</sup> 49 C.F.R. § 195.49.

In sum, transition to state-by-state reporting will offer no benefit to pipeline safety, and comes at a significant burden to pipeline operators. API and AOPL request that PHMSA refrain from enacting this proposed revision.

## **II. Suggested Enhancements to Proposed Navigation**

Although API and AOPL contend that the proposed changes will not benefit pipeline safety, if PHMSA nonetheless proceeds with the revisions, API and AOPL request that PHMSA incorporate several changes to its navigation of the online Report. Specifically, the Report's instructions indicate that Parts N and O are to be completed after Parts P and Q. The proposed revisions also would require operators to complete Part L prior to Part F. Since these changes would require operators to complete the Report out of sequence, API and AOPL request that PHMSA provide a notification in the electronic Report, in addition to changes in the instructions, that would direct operators to bypass the respective Parts. API and AOPL also request that PHMSA provide corresponding navigation that will permit operators to freely move between the related Parts on the Report. Such revisions will facilitate accurate and quality data collection.

## **III. Other Proposed Modifications**

### **a. Reporting of actionable anomalies removed due to pipe replacement or abandonment**

API and AOPL do not oppose PHMSA's proposal to report actionable anomalies avoided due to pipe replacement or abandonment in Part F of the Report. The proposed reporting will achieve more accurate data, and demonstrate the positive impact of integrity management programs. To streamline operator reporting in this section of the Report, API and AOPL request that the Report's instructions include examples of how to calculate reportable anomalies for any repair. API and AOPL believe the following are suitable examples of such guidance:

Example 1. An area on the pipe has three actionable anomalies in the same general area, per the assessment data. If an operator excavates this area and installs a repair sleeve over these three actionable anomalies as well as twenty smaller anomalies, the total reported number of actionable anomalies for this repair should equal three.

Example 2. An area on the pipe has three actionable anomalies in the same general area, per the assessment data. Upon ditch investigation, if there are four anomalies that meet the actionable definitions (if, for instance, the ILI tool missed one anomaly) as well as several smaller anomalies, the reported number of actionable anomalies should equal four.

Example 3. An area on the pipe has three actionable anomalies in the same general area, per the assessment data. If upon in the ditch investigation it is discovered that only one of the anomalies is actionable, the reported number should be one.

Example 4. An area on the pipe has three actionable anomalies in the same general area per the assessment data. The operator elects to do a pipe replacement or abandonment without a ditch investigation. The reported number of actionable anomalies should equal three per the assessment data.

The definition for the term repair presents another example of where modest changes to the instructions will improve the understanding of those entering the data as well as the quality of the data. Specifically API and AOPL request that PHMSA adopt the term repair as included in the PPTS Advisory Bulletin, *Reporting Integrity Management Program Activity in the Infrastructure Survey* (2004), which defines “repair” as “a mechanical fix of some kind – a sleeve or clamp, for instance – that restores the pressure- containing capability of the pipe.” A pipe repair can include the installation of pressure containing sleeves or non-pressure containing sleeves, replacing a weld or welding to fill in an anomaly, and grinding to remove stress concentrators. A repair should not include touching-up, re-establishing or replacing coating. A “replacement,” on the other hand, is a type of repair.

#### **b. Delete Sections A3, A6, and A8**

API and AOPL support PHMSA’s proposal to remove Sections A3, A6, and A8 in the Report. As PHMSA itself notes, these sections offer limited value, and their removal enhances the efficiency of the Report. PHMSA should proceed with this proposed revision.

#### **c. Improved Information Collection on Pre-20s and Unknown Mileage**

In the Notice, PHMSA proposes to separate the category of “Pre-20’s” from “Unknown.” This revision will enhance the precision of the collected information, and will allow for more accurate analysis of pipeline data. API and AOPL do not oppose PHMSA’s proposal to improve information collection on mileage of pipe by decade in Part I of the Report.

### **IV. Other Recommendations**

#### **a. Time Stamp Requested**

API and AOPL note that there is currently no confirmation of the date and time that an initial or supplemental Annual Report has been submitted. Confirmation would certify that the operator has successfully submitted the Report, and will verify, for those viewing a hard copy, that they possess the most recent version of the Report. In fact, PHMSA inspectors request this information during inspections. API and AOPL request that PHMSA offer confirmation upon submittal of any Report.

#### **b. High Consequence Area Mileage**

API and AOPL request that PHMSA clarify the instructions on Page 11 of the “60 day Version” of the Report’s General Instructions. Page 11 instructs operators that, “Part F includes inspection, assessment, and repair data both within and outside HCAs.” Although the instructions in Part F later detail section-by-section how to report mileage, AOPL and API

request that PHMSA include a notation on this Page noting that, “where 49 C.F.R. § 195.452 is cited, only ‘could affect’ HCA mileage should be reported,” to avoid potential confusion.

## **V. Conclusion**

API and AOPL appreciate the opportunity to comment on the proposed changes to Annual Report for Hazardous Liquid Pipeline Systems. PHMSA’s proposed revisions offer some meaningful improvements to the Report that will help advance the goals of pipeline safety. API and AOPL request that PHMSA consider these comments in promulgating its final rule.

Sincerely,



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Peter T. Lidiak



American Petroleum Institute  
1220 L Street, NW  
Washington, DC 20005



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Andrew J. Black



Association of Oil Pipe Lines  
1808 Eye Street, NW  
Washington, DC 20006

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