DEPARTMENT OF TRANSPORTATION
Research and Special Programs Administration
49 CFR Parts 192 and 195
[Docket No. RSPA–04–16855; Notice 1]
RIN 2137–AD97
Pipeline Safety: Standards for Direct Assessment of Gas and Hazardous Liquid Pipelines

AGENCY: Research and Special Programs Administration (RSPA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes regulations that would require pipeline operators to meet certain standards if they use direct assessment to evaluate the threat of corrosion on regulated onshore gas, hazardous liquid, and carbon dioxide pipelines. The standards, which are already in effect for gas transmission lines in highconsequence areas, involve processes of data collection, indirect inspection, direct examination, and evaluation. Congress has directed DOT to prescribe standards for inspection of pipelines by direct assessment. The proposed regulations should advance the use of direct assessment as a method of managing the impact of corrosion on regulated pipelines.

DATES: Persons interested in submitting written comments on the rules proposed in this document must do so by December 6, 2004. Late filed comments will be considered so far as practicable.

ADDRESSES: You may submit written comments to the docket by any of the following methods:

• Mail:
  Dockets Facility
  U.S. Department of Transportation
  Room PL–401, 400 Seventh Street, SW.
  20590–0001.
  Anyone wanting confirmation of mailed comments must include a self-addressed stamped postcard.

• Hand delivery or courier:
  Room PL–401, 400 Seventh Street, SW.
  Washington, DC.
  The Dockets Facility is open from 10 a.m. to 5 p.m., Monday through Friday, except Federal holidays.

• Web site:
  Go to http://dms.dot.gov, click on “Comments/Submissions” and follow instructions at the site. All written comments should identify the docket number and notice number stated in the heading of this notice.

Docket access: For copies of this document or other material in the docket, you may contact the Dockets Facility by phone (202–366–9329) or visit the facility at the above street address. For Web access to the docket to read and download filed material, go to http://dms.dot.gov/search. Then type in the last four digits of the docket number shown in the heading of this document, and click on “Search.” Anyone can search the electronic form of all comments filed in any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted for an association, business, labor union, etc.). You may review DOT’s complete Privacy Act Statement in the April 11, 2000 issue of the Federal Register (65 FR 19477) or go to http://dms.dot.gov.

FOR FURTHER INFORMATION CONTACT: L.M. Furrow by phone at 202–366–4559, by fax at 202–366–4566, by mail at U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC, 20590, or by e-mail at buck.furrow@rspa.dot.gov.

SUPPLEMENTARY INFORMATION:

Background
Many operators of gas, hazardous liquid, and carbon dioxide pipelines do more to assure the integrity of their systems than RSPA’s pipeline safety regulations in 49 CFR Parts 192 and 195 require. For example, §§ 192.465 and 195.573 require operators to use electrical tests to identify places where buried pipe may not be protected adequately from external corrosion. But, in addition to electrical tests, many operators have historically used internal inspection devices or hydrostatic testing to find external corrosion. They have also used these methods to look for other pipeline defects.

RSPA has long recognized the safety and environmental advantages of these additional inspection and test methods. In recent years, it became apparent that they are particularly beneficial when used as part of a comprehensive riskbased program to assure system integrity. In 2000, RSPA issued regulations requiring hazardous liquid and carbon dioxide pipeline operators to conduct integrity management programs using internal inspection, pressure testing, or other equally effective assessment means (§ 195.452).

Congressional Directives
Congress also saw the need for operators to do more to assure the integrity of their pipelines. In 2002, Congress directed DOT to issue regulations on managing gas pipeline integrity in high-density population areas with a program involving internal inspection, pressure testing, and direct assessment.) Congress further directed DOT to issue regulations prescribing standards for inspecting pipeline facilities by direct assessment. In the pipeline transportation industry, “direct assessment” is a process of data gathering, inspection, examination, and valuation used to determine if external corrosion, internal corrosion, or stress-corrosion cracking is adversely affecting the physical integrity of ferrous pipelines. The process serves not only to locate and repair corrosion defects but also to prevent future corrosion problems.

Standards for Direct Assessment
In response to Congress’ first directive, RSPA published regulations in Subpart O of Part 192 that require operators to follow detailed programs in managing the integrity of onshore gas transmission lines in high-consequence areas (69 FR 69816; Dec. 15, 2003). The definition of “high-consequence area” in § 192.903 describes places where transmission lines pose an increased risk because of their size.
and operating pressure and the nature or density of the nearby population.

The newly published Subpart O regulations include standards for using direct assessment to evaluate the threats of external corrosion, internal corrosion, and stress-corrosion cracking. The standards are stated in §§ 192.925, 192.927, and 192.929. The standard on external corrosion direct assessment (§ 192.925) requires operators to integrate data on physical characteristics and operating history, conduct indirect aboveground inspections, directly examine pipe surfaces, and evaluate the effectiveness of the assessment process. Under the standard for direct assessment of internal corrosion (§ 192.927), operators must predict locations where electrolytes may accumulate in normally dry-gas pipelines, examine those locations, and validate the assessment process. The standard for direct assessment of stress-corrosion cracking (§ 192.929) involves collecting data relevant to stress-corrosion cracking, assessing the risk of pipeline segments, and examining and evaluating segments at risk.

Although these standards only affect gas transmission lines included in a Subpart O integrity management program, RSPA believes they are suitable for other gas pipelines that fall under Congress’ second directive. Each standard incorporates by reference relevant provisions of the American Society of Mechanical Engineers’ consensus standard, ASME B31.8S–2001, “Managing System Integrity of Gas Pipelines,” which applies to any onshore gas pipeline made of ferrous material. In addition, § 192.925 incorporates by reference a consensus standard published by NACE International, NACE Standard RP0502–2002, “Pipeline External Corrosion Direct Assessment Methodology.” This NACE standard applies broadly to buried onshore ferrous pipelines. Requirements in § 192.925 apart from the ASME and NACE standards merely assure the use of appropriate decisionmaking criteria.

In addition, RSPA believes §§ 192.925 and 192.929 would provide suitable standards for direct assessment of external corrosion and stress-corrosion cracking on hazardous liquid pipelines that fall under the second congressional directive. Although §§ 192.925 and 192.929 cross-reference provisions of ASME B31.8S–2001, which was intended for use on gas pipelines, we think the referenced provisions are appropriate for pipelines transporting hazardous liquid.

We do not believe, however, that the standard in § 192.927 is suitable for direct assessment of internal corrosion in hazardous liquid pipelines. This standard applies specifically to pipelines that transport dry gas. Therefore, it does not apply to pipelines that transport liquids. At present, there is no consensus standard available for the direct assessment of internal corrosion in hazardous liquid pipelines.

Proposed Rules

Given that RSPA’s existing direct assessment standards are suitable for pipelines besides gas transmission lines in high-consequence areas, RSPA is making the following rulemaking proposals to meet the second congressional directive. For onshore ferrous pipelines subject to Part 92, proposed § 192.490 would require that if operators use direct assessment to evaluate the threat of corrosion or to meet any requirement of Subpart I—Requirements for Corrosion Control, the direct assessment must be carried out according to the applicable standards in §§ 92.925, 92.927, and 192.929. A similar regulation, proposed § 195.588, would be established for hazardous liquid pipelines covered by Part 195, except that § 192.927 would not apply. Because Congress has directed DOT to ensure the safe transportation of carbon dioxide through pipelines, RSPA believes they are suitable for pipelines transporting carbon dioxide.

RSPA prepared a draft Regulatory Evaluation of the proposed rulemaking and a copy is in the docket. The evaluation concludes operators would incur only a minimum amount of cost, if any, to comply with the proposed rulemaking. If you disagree with this conclusion, please provide information to the public docket described above.

Regulatory Flexibility Act. Under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.), RSPA must consider whether rulemaking actions would have a significant economic impact on a substantial number of small entities. Based on the facts available about the anticipated impacts of this proposed rulemaking, I certify that this proposed rulemaking will not have a significant impact on a substantial number of small entities. If you have any information that this conclusion about the impact on small entities is not correct, please provide that information to the public docket described above.

Executive Order 13175. RSPA has analyzed this proposed rulemaking according to the principles and criteria contained in Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” Because the proposed rulemaking would not significantly or uniquely affect the communities of the Indian tribal governments nor impose substantial direct compliance costs, the funding and consultation requirements of Executive Order 13175 do not apply.

Paperwork Reduction Act. Operators have just recently begun to use direct assessment to evaluate the effect of corrosion on buried pipelines. Under Parts 192 and 195, the use of direct assessment is voluntary, except as required by the transmission integrity management rules. The proposed rulemaking would not change this status. Because direct assessment is a new process and its use is largely voluntary, RSPA is unable to develop a reasonable estimate of the number of operators the proposed rulemaking may affect. Therefore, we have not estimated the paperwork burden of the proposed rulemaking.

RSPA invites comments on (1) how many operators plan to use direct assessment, other than to meet the transmission integrity management
rules, and (2) the average paperwork burden of complying with the proposed rulemaking (in hours and cost per hour). In estimating the burden, note that each standard requires preparation of plans and procedures, and records are required by section 7 of NACE Standard RP0502–2002.

**Unfunded Mandates Reform Act of 1995.** This proposed rulemaking does not impose unfunded mandates under the Unfunded Mandates Reform Act of 1995. It does not result in costs of $100 million or more to either State, local, or tribal governments, in the aggregate, or to the private sector, and is the least burdensome alternative that achieves the objective of the proposed rulemaking.

**National Environmental Policy Act.** RSPA has analyzed the proposed rulemaking for purposes of the National Environmental Policy Act (42 U.S.C. 4321 et seq.). Because the proposed rulemaking would affect only those operators that voluntarily use direct assessment and because it largely involves processes of data collection and evaluation, we have preliminarily determined that the proposed rulemaking is unlikely to significantly affect the quality of the human environment. An environmental assessment document is available for review in the docket. A final determination on environmental impact will be made after the end of the comment period. If you disagree with our preliminary conclusion, please submit your comments to the docket as described above.

**Executive Order 13132.** RSPA has analyzed the proposed rulemaking according to the principles and criteria contained in Executive Order 13132 (‘‘Federalism’’). None of the proposed rules (1) has substantial direct effects on the States, the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government; (2) impose substantial direct compliance costs on State and local governments; or (3) preempt state law. Therefore, the consultation and funding requirements of Executive Order 13132 do not apply.

**Executive Order 13211.** This proposed rulemaking is not a ‘‘Significant energy action’’ under Executive Order 13211. It is not a significant regulatory action under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Further, this proposed rulemaking has not been designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action.

**List of Subjects**

49 CFR Part 192
Natural gas, Pipeline safety, Reporting and recordkeeping requirements.

49 CFR Part 195
Ammonia, Carbon dioxide, Petroleum, Pipeline safety, Reporting and recordkeeping requirements.

In consideration of the foregoing, RSPA proposes to amend 49 CFR parts 192 and 195 as follows:

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.

2. Add § 192.490 to read as follows:
   **§ 192.490 Direct assessment.** Each operator that uses direct assessment on an onshore ferrous pipeline to evaluate the effects of a threat in the first column or to meet any requirement of this subpart regarding that threat must carry out the direct assessment according to the standard listed in the second column.

<table>
<thead>
<tr>
<th>Threat</th>
<th>Standard</th>
</tr>
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<tbody>
<tr>
<td>External corrosion</td>
<td>§ 192.925</td>
</tr>
<tr>
<td>Internal corrosion in pipelines that transport dry gas.</td>
<td>§ 192.927</td>
</tr>
<tr>
<td>Stress-corrosion cracking.</td>
<td>§ 192.929</td>
</tr>
</tbody>
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3. The authority citation for Part 195 continues to read as follows:
   **Authority:** 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60118; and 49 CFR 1.53.

4. Add § 195.588 to read as follows:
   **§ 195.588 What standards apply to direct assessment?**
   If you use direct assessment on an onshore pipeline to evaluate the effects of a threat in the first column or to meet any requirement of this subpart regarding that threat, you must carry out the direct assessment according to the standard listed in the second column.

<table>
<thead>
<tr>
<th>Threat</th>
<th>Standard</th>
</tr>
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<tbody>
<tr>
<td>External corrosion</td>
<td>§ 192.923 of this chapter</td>
</tr>
<tr>
<td>Stress-corrosion cracking.</td>
<td>§ 192.929 of this chapter</td>
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</tbody>
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Issued in Washington, DC, on October 14, 2004.

Stacey L. Gerard,
Associate Administrator for Pipeline Safety.