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## Comments of the Pipeline Safety Trust

to

Pipeline and Hazardous Materials Safety Administration

Docket no. PHMSA-2018-0046

Notice of Proposed Rulemaking

Gas Pipeline Regulatory Reform

PHMSA is proposing to revoke or revise ten sets of regulations relating to gas pipeline construction, operation and maintenance. These proposals are a result of the Administration's 2017 Executive Order requiring agencies to review and identify regulations that are somehow viewed as constraining full development of US oil and gas resources or as excessively burdensome. There is a preliminary regulatory impact analysis accompanying this proposal. The burdens on the industry that may be reduced are somewhat oddly identified as negative costs rather than benefits, while supposed benefits of the elimination or revision of the existing regulations are neither identified nor is any attempt made to quantify them. They are either estimated to have no value, or a general conclusion is made that there is "no expected degradation of safety". Perhaps it remains futile, but this seems an appropriate time to once again make our point that a strict cost/benefit test is not an appropriate measure of the value or import of regulations related to human health and safety, nor an appropriate way to decide whether the regulations should be altered.

### **Proposed Amendments**

- A. Farm Taps – The proposed amendments provide alternative regulations from which an operator may choose in maintaining the pressure regulators and lines on farm taps. The levels of safety under either regulation (the existing or proposed alternative) appear to be equivalent and the Trust does not oppose this change.
- B. Master Meter exemption from DIMP - PHMSA proposes to exempt master meter systems from DIMP requirements while leaving in place the requirements for the remainder of Part 192 regulations, including the operations and maintenance requirements. Given the relatively simple systems involved, the Trust does not oppose this change, but urges PHMSA and its state partners to ensure that master meter operators are managing the integrity risks to their systems outside the context of a DIMP plan.

- C. Elimination of failure reporting requirements for mechanical fitting failure reports - PHMSA is proposing to eliminate the requirement for operators to submit mechanical fitting failure reports. PHMSA states in the NPRM that the MFF reporting requirement was instituted in 2011 "as a result of investigations of incidents caused by improperly designed or installed mechanical fittings." PHMSA indicates that they will, instead, count mechanical failures as submitted in annual reports, obtaining no detailed information about fitting failures unless an incident occurs.

PHMSA can only regulate on issues it knows to be problems, and on which it has sufficient data to show the risks and benefits of a new regulation. Reducing reporting requirements for failures of mechanical fittings to be required only when there is a reportable incident (and simultaneously reducing the incident reporting requirements) will blindfold PHMSA to many thousands of fitting failures per year, many of which result in hazardous and potentially explosive leaks, others of which result in non-explosive but hazardous leaks of methane into the atmosphere. These circumstances would also not typically be reported as a safety-related condition, because of the many exemptions and exceptions in the PHMSA rules defining what qualifies to be reported under that rule. What PHMSA needs is not fewer of these information sources, but more.

The detailed information on mechanical fitting failures is currently gathered so that PHMSA can identify any patterns among those failures, either by geography or failure type or any other common parameter. Limiting this reporting to reportable incidents eliminates yet another source of information of leading indicators of problems common among operators, one that nets information on 15,000 fitting failures each year. PHMSA indicates that "improvements in fitting design and operator practices have reduced the risks of these devices on newer installations." Yet there is no suggestion or analysis whether perhaps the existing rule, in place only 9 years, might be even *partially* responsible for that improvement. We think this change in information gathering and reporting requirements is shortsighted and not warranted by the estimated industry-wide cost savings of less than a million dollars a year. Information about 15,000 fitting failures, nearly any of which *could* lead to an incident, is a bargain at that price. The Trust opposes this proposal.

- D. Monetary threshold for Incident reporting - PHMSA is proposing to reduce the number of incidents required to be reported by increasing the monetary threshold of property damage that would trigger that report from \$50,000 to \$122,000.

This is very similar to the proposal PHMSA is making in its liquid regulatory rollback proposal, and we have submitted comments opposing it for the same reasons: Our view is that failures of a magnitude that causes \$50,000 in damage are failures that should be reported. PHMSA should be seeking to obtain more information about pipeline failures, not less. They can only make regulatory decisions about design, manufacture or operating conditions they know cause problems. If they are told about fewer problems, they will not be in a position to determine whether they need to regulate certain safety issues. This change will also disrupt any trend analyses of failures over time because of the definition change, and PHMSA acknowledges that a reduction in reporting reduces "the amount of safety data available to PHMSA, state pipeline safety programs, operators, and the public."

If PHMSA is determined to re-define incident, it should undertake a comprehensive look at that definition, and not merely adjust the property damage criteria. Making incremental, sequential adjustments to the definition will destroy trend analyses for as long as the adjustments go on. Our preference is that all potential changes get identified and analyzed and considered all at once, and a new definition of incident get approved one time. Reducing the number of incidents reported provides PHMSA less safety data, and saves operators very little money, while potentially misleading the public about this magical improvement in the number of reported incidents that occur in future years. PHMSA and the industry have all committed to pursuing a goal of zero incidents. We should not seek to reach that goal by defining our way out of reportable incidents.

E. Remote monitoring of rectifier stations – With the addition of a requirement that remotely monitored rectifier stations be physically inspected once a year when a cathodic protection test occurs, we do not oppose allowing the remote inspection of rectifier stations.

F. Atmospheric Corrosion monitoring - PHMSA proposes to decrease the monitoring frequency on gas distribution service lines for atmospheric corrosion. Corrosion, which is completely preventable and completely within in an operator's control, still plays far too large a role in pipeline failures and we are unable to support any reduction in the frequency with which operators must monitor their lines for atmospheric corrosion damage. We note that PHMSA indicates it has no recent records of incidents caused by atmospheric corrosion on distribution service lines, so we do not strongly oppose this change, but we can't support changes in monitoring frequency industry wide when corrosion, which should never be the cause of an incident, continues to be the cause of so many, indicating that more prescriptive corrosion monitoring regulations might be warranted.

G. Plastic Pipe – no comment.

H. Test Factors for Pressure Vessels - PHMSA proposes to reduce the required test factor for certain pressure vessels (components fabricated by welding) from 1.5 times MAOP to 1.3 times MAOP. This proposal is in response to a 2015 petition from INGAA to reconsider a final rule published that year after having been subject to public comment, review by the Gas Pipeline Technical Committee and then adopted. Apparently INGAA's petition argues that the rule (49 CFR 192.153) lacks sufficient technical justification, in spite of a finding by the GPAC that the rule is technically and economically feasible, and a determination by the Secretary that the costs are justified by the benefits. The INGAA petition is not in the docket, so we are unable to confirm the content or argument made.

We believe that PHMSA is statutorily prohibited from making this change apply to any vessel that is part of a facility that is in existence at the time of the regulatory change, under 49 USC 60104(b):

***(b)NONAPPLICATION.—***

*A design, installation, construction, initial inspection, or initial testing standard does not apply to a [pipeline facility](#) existing when the standard is adopted.*

By the terms of the proposed rule change, PHMSA would change 49 CFR 192.153(e) and proposes to apply it to vessels installed between 2004 and the effective date of the final rule. Since these are standards relating to the design, installation, construction and initial testing of a pipeline facility, we believe this change cannot lawfully be applied to any pipeline in existence before the effective date of any final rule.

Moreover, PHMSA's technical support for acquiescing to the request for this reduction in a safety factor appears to be lacking. It relies on an Oak Ridge study that concluded that components designed and fabricated under the 2015 edition of the ASME standard at issue and tested to 1.3 MAOP are equivalently safe as those designed and fabricated under the standard currently in the regulations, the 1992 edition, requiring a test to 1.5 MAOP. But PHMSA is proposing to apply the 1.3 MAOP test standards to more than those designed and built under the 2015 edition. It is proposing to allow a 1.3 MAOP safety factor to apply to those installed *since 2004*. PHMSA notes that the test factor is "one of the changes between these two editions" (1992 and 2015 – the two editions compared by the Oak Ridge report.) Without disclosing what *other* changes there might be between the 2001 edition or whatever edition those vessels built since 2004 would have been designed and fabricated to meet, as compared to the 2015 edition, the Oak Ridge study doesn't support PHMSA's conclusion that the equivalent level of safety can be expected by the change they are proposing. Leaving aside the statutory prohibition of § 60104(b), without additional technical support for changing this standard to apply to any vessels designed and fabricated under an edition of the standard that predates 2015, we would oppose this change.

I. Requalification Scheduling – no comment

J. Pre-testing fabricated assemblies – we do not object to extending the pre-testing provisions to lower stress pipelines.

We appreciate the opportunity to comment on these proposals.