



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration



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The Best Regulations Don't Happen By Accident
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External Drivers

- ❑ Current PHMSA major rulemaking activity is being driven by recent incidents, external mandates and oversight
 - Major accidents
 - Congressional Mandates
 - NTSB recommendations



Recent Major Accidents

- San Bruno, CA
- Marshall, MI
- Yellowstone River
- Sissonville, WV



Previous Missed Opportunities

- 1990's
 - Texas Eastern and Colonial
- 2000's
 - Olympic Pipeline

In both cases:

- Congress responded with calls for more prescriptive regulations
- PHMSA responded with flexible performance-based regulations
- Industry responded with a “mixed” level of quality programs



New Opportunity: 2010's

- **Incidents:**
 - **San Bruno, Marshall, Yellowstone, Sissonville**
- **Congress again calls for PHMSA to evaluate the need for more prescriptive regulations**
- **PHMSA is evaluating the right balance between more prescriptive regulations and stronger requirements for risk management programs**
- **How will industry respond this time?**
- **Another lost opportunity may mean far more prescriptive regulations in the future will be unavoidable**



Breaking the Cycle

- Accident occurs
- Public, media, and Congressional reaction
- Mandates for expanded and more prescriptive regulation
- Focus remains on minimal compliance
- Performance does not appreciably change
- Accident occurs
- Repeat cycle



Moving Beyond Compliance

- **Robust Risk Management Programs**
- **Performance Goals, Monitoring, and Response**
- **Safety Management Systems**

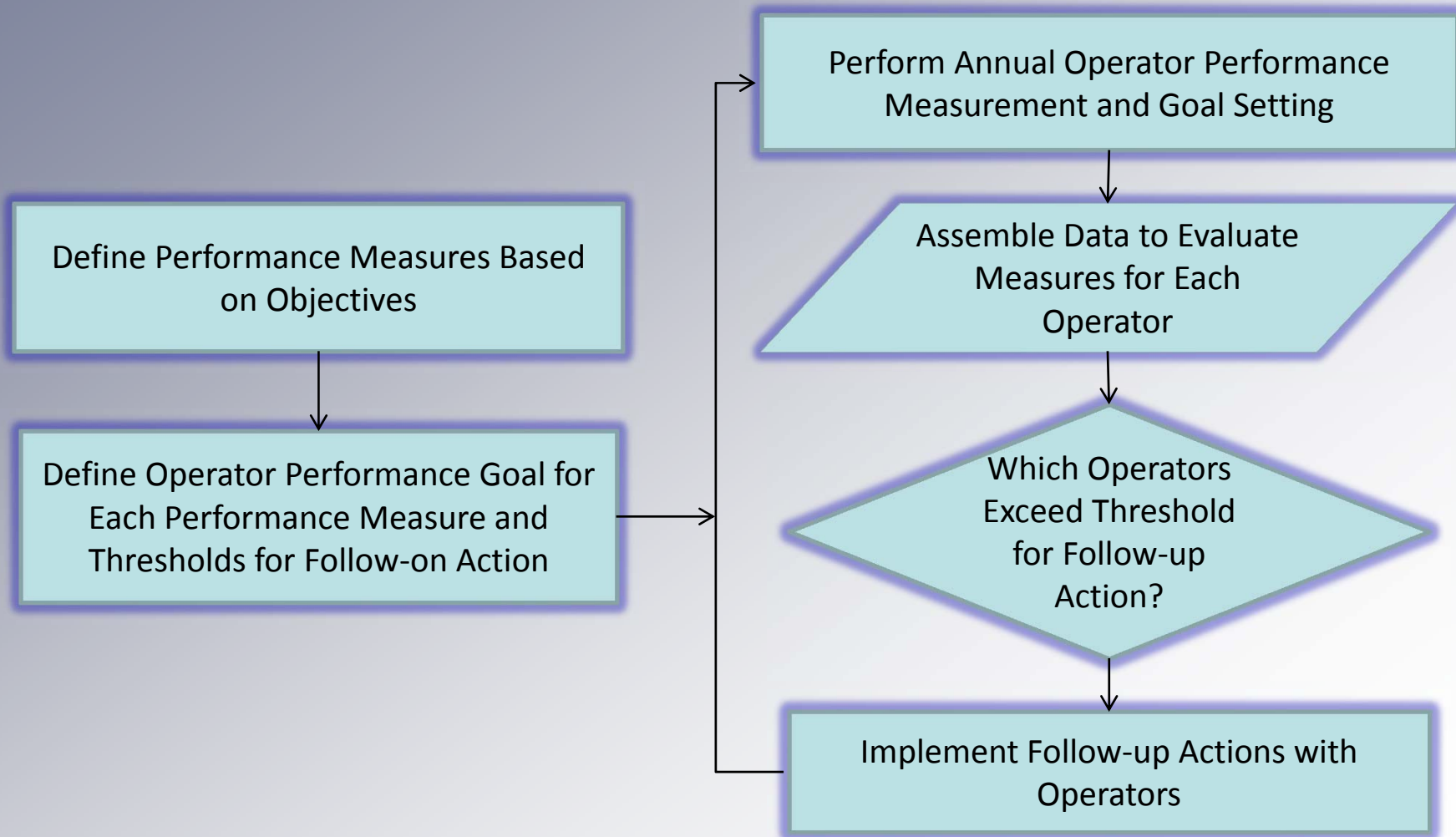


Robust Risk Management

- **Based on an accurate understanding of your system**
- **Investigative (searching for hidden vulnerabilities, not just structuring what you already think you know)**
- **Used to drive improvement, not to justify the status quo**



Proposed Process for Performance Goals Setting and Follow-up Action





Safety Management Systems

- PHMSA is actively monitoring progress on API-1173
- PHMSA is holding workshops and considering various options for promoting safety management systems
- Our actions will be based on the seriousness that industry demonstrates in developing and implementing robust safety management systems



Key Activities in 2014

- Regulatory agenda (9 active rules)
- Mandates (42)
- Advisory Bulletins
- Recommendations: NTSB, OIG, GAO
- Safety Management Systems
- Inspection program
- Data analysis improvements



Rulemakings in Process

- Safety of On-Shore Hazardous Liquid Pipelines (NPRM stage)
- Excavation Damage Prevention (Final Rule stage)
- Miscellaneous Rulemaking (Final Rule stage)
- EFV Expansion beyond Single Family Residences (NPRM stage)
- Safety of Gas Transmission and Gathering Lines (NPRM stage)
- Operator Qualification, Cost Recovery and Other Pipeline Safety Proposed Changes (NPRM stage)
- Plastic Pipe (NPRM stage)
- Standards Update (Final Rule stage)
- Rupture Detection and Valve Rule (NPRM stage)



Current Rulemakings in Process

Safety of On-Shore Hazardous Liquid Pipelines (NPRM stage)

- NPRM moved past PHMSA
- ANPRM published 10/18/2010
- Major topics under consideration:
 - Assessments beyond High Consequence Areas (HCAs)
 - Leak detection beyond HCAs
 - Repair criteria in HCA and non-HCA areas
 - Stress Corrosion Cracking (SCC)
 - Piggability of lines
 - Reporting requirements for Gathering lines
 - Gravity Line exception



Current Rulemakings in Process

Safety of Gas Transmission and Gathering Lines (NPRM stage)

- NPRM under development within PHMSA
- ANPRM Published 8/25/2011
- Major Topics under consideration:
 - Expansion of IM requirements beyond HCA's
 - Repair criteria for both HCA and non-HCA areas
 - Assessment methods
 - Valve Spacing
 - Corrosion control
 - Gas gathering



Current Rulemakings in Process

Integrity Verification Process

- Issues and alternatives under development
- Topics raised in Gas Transmission ANPRM
- Recommendations from NTSB
- Areas for consideration:
 - Data from revised Gas Transmission Annual Report
 - Grandfather clause
 - Miles of GT pipe for which operators have incomplete records to verify their MAOP
 - Piggability of Gas Transmission lines